TEMPORARY WORKER SERVICES TERM CONTRACT
SPB12-2029P-3

1. PARTIES

THIS CONTRACT, is entered into by and between the State of Montana, Department of Administration, State Procurement Bureau, (hereinafter referred to as "the State"), whose address and phone number are Room 165 Mitchell Building, 125 N Roberts, PO Box 200135, Helena MT 59620-0135, (406) 444-2575 and Western Staff Services of Helena, Inc. on behalf of Westaff U.S.A./Koosherem, (hereinafter referred to as the "Contractor"), whose nine digit Federal ID Number, address and phone number are 68-0095781, 210 E. Lyndale, Helena, MT 59601 and (406) 443-7169.

THE PARTIES AGREE AS FOLLOWS:

2. EFFECTIVE DATE, DURATION, AND RENEWAL

2.1 Contract Term. This contract shall take effect on November 1, 2011 and terminate on October 31, 2014 inclusive, unless terminated earlier in accordance with the terms of this contract.

2.2 Contract Renewal. This contract may, upon mutual agreement between the parties and according to the terms of the existing contract, be renewed in two-year intervals, or any interval that is advantageous to the State. This contract, including any renewals, may not exceed a total of seven years.

3. COOPERATIVE PURCHASING

Under Montana law, public procurement units, as defined in section 18-4-401, MCA, have the option of cooperatively purchasing with the State of Montana. Public procurement units are defined as local or state public procurement units of this or any other state, including an agency of the United States, or a tribal procurement unit. Unless the bidder/offeror objects, in writing, to the State Procurement Bureau prior to the award of this contract, the prices, terms, and conditions of this contract will be offered to these public procurement units. However, the State Procurement Bureau makes no guarantee of any public procurement unit participation in this contract.

4. NON-EXCLUSIVE CONTRACT

The intent of this contract is to provide state agencies with an expedited means of procuring supplies and/or services. This contract is for the convenience of state agencies and is considered by the State Procurement Bureau to be a "non-exclusive" use contract. Therefore, agencies may obtain this product/service from sources other than the contract holder(s) as long as they comply with Title 18, MCA, and their delegation agreement. The State Procurement Bureau does not guarantee any usage.

5. COST/PRICE ADJUSTMENTS

Price Adjustments Negotiated Based on Changes in Contractor's Costs. Price adjustments may be permitted at the time of contract renewal through a process of negotiation with the Contractor and the State. Any price increases must be based on demonstrated industry-wide or regional increases in the Contractor's costs. Publications such as the Federal Bureau of Labor Statistics and the Consumer Price Index (CPI) for all Urban Consumers may be used to determine the increased value.

6. SERVICES

Contractor shall provide to the State the following temporary worker services:

Various state agencies use the services of private companies to provide temporary workers as needed. These individuals provide a variety of clerical, data entry, word processing, general laborer, and forestry services on a temporary basis. Contracted services help to meet program responsibilities at all levels of State government. Therefore, it is necessary to contract with private industry to achieve our goals.

Temporary service contracts are needed to perform services in eight cities around the State. Those cities are: Billings, Butte, Bozeman, Great Falls, Helena, Kalispell, Miles City and Missoula.

Temporary workers will be assigned various tasks with the majority of work to be general clerical duties. The specific types of workers for this contract are: limited experience clerical, experienced clerical, advanced software specialist, general labor, janitorial worker, maintenance worker, warehouse worker, forest technician, professional forester, forest project leader/lead management forester, biologist, botanist, right-of-way agent and related, and resource specialists.

The State of Montana is committed to fair employment opportunities. State job openings and application materials are available on the State's website and at Montana Job Services offices. All interested persons are invited and encouraged to apply for jobs with the State, regardless of their current employment status. Therefore, the State will not pay any "finder's fees," "transfer charges," "conversion charges," or any other fees or charges related to the hire of a person who has worked for or is currently working for a temporary worker services provider.

6.1 Temporary Service Provider. The Contractor must be a temporary service Contractor as defined in 39-71-116(38) MCA. The temporary worker shall be an employee of the Contractor, not an employee of the State of Montana, (Ref. 39-71-116(40) MCA). However, if the temporary worker has retired from the Montana Public Employees' Retirement System (PERS), the hour and wage limitations applicable to working retirees are applicable to the temporary worker, (Ref. 19-3-1106 MCA). The employer of a retiree returning to employment covered by the retirement system shall certify to the board the number of hours worked by the retiree and the gross compensation paid to the retiree in that employment during any pay period after retirement. The certification of hours and compensation may be submitted electronically pursuant to rules adopted by the board. (Ref. 19-3-1106(3) MCA)

Note: "Board" means the Public Employees' Retirement Board provided for in 2-15-1009, MCA.

The Contractor must have a fully functional office open during regular business days, minimum of Monday through Friday, 8 a.m. to 5 p.m., to provide the support necessary for performance of the services required.

6.2 TANF. The Contractor shall encourage employment opportunities for qualified TANF (Temporary Assistance for Needy Families) program participants.

6.3 Skilled Workers. The Contractor shall provide workers who possess the skills and abilities necessary to successfully complete the duties assigned by the State.

6.4 Work Schedules. The temporary worker may be required to work up to eight hours each day. On rare occasions, the worker may be required to work overtime, weekends, or holidays. Rates for these times will be negotiated between the agency and the Contractor, on a case-by-case basis.

6.5 Length of Assignment. Temporary workers shall be provided to the requesting agency/department for a maximum of three months or 480 hours, as required. (State agencies should use the modified FTE process for temporary employment requiring longer terms.)

6.6 Payroll and Accounting Responsibilities. The Contractor shall retain the responsibility for payroll and accounting for all required withholding for the temporary worker(s), including, but not limited to:

- ✓ Federal, state and social security taxes;
- ✓ Federal and state unemployment insurance;
- ✓ Worker's compensation;
- ✓ All monthly, quarterly, and annual government and insurance reports;
- ✓ Calculate, print, and distribute employee's W-2 forms; and

- ✓ Mandatory child support deductions.

6.7 Invoicing. Upon submission of verification of hours worked by the temporary worker(s), the Contractor shall invoice the designated agency at regular intervals for payment of contracted services rendered. The Contractor will only be reimbursed for actual hours worked by their employee. Each using agency will be responsible for payment of services rendered, invoices must be sent directly to the agency requesting the worker(s).

6.8 Unsatisfactory Workers. The State retains the right to refuse any unsatisfactory worker and the Contractor shall guarantee a satisfactory replacement at no additional charge to the State. The Contractor shall provide a replacement worker within one working day of notification.

The State shall have the right to immediately release a temporary worker unable to satisfactorily perform assigned duties or whose behavior is unacceptable, rude, harassing or threatening at any time. The Contractor shall replace that worker for the duration of the work assignment. In the event a worker is removed prior to completion of the scheduled work shift, the Contractor will be reimbursed for actual hours of work up to the time the Contractor is informed that the unsatisfactory worker is no longer needed. No charge for removal/replacement will be paid.

6.9 Rules and Policies. The Contractor must be informed of the rules and policies of the State agencies and provide workers who are familiar with and can comply with them. The State may require the Contractor to have a background investigation initiated or completed prior to placement of temporary worker(s). This investigation should include but is not limited to:

- ✓ Fingerprint I.D. Check
- ✓ Active past employer reference check.
- ✓ Past residence history.

Contractor shall maintain files regarding these investigations. The State may conduct inspections of these background investigations to ensure compliance and appropriateness of hire.

The Contractor shall inform the worker(s) that the State does not pay for parking expenses.

The worker will be required to read and sign an acknowledgement that they agree to abide by the State and the Agency Codes of Ethics and Behavior.

6.10 Business Associate Agreement Provisions. The Department of Public Health and Human Services may wish to use this Contract for services involving handling of protected health information under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). Contractors are required to execute the Business Associate Agreement, Attachment A.

6.11 Federal Tax Information. In the course of working for the State temporary workers may have access to federal tax information. Therefore, Contractors and workers must comply with Internal Revenue Service (IRS) rules and regulations regarding access and handling of this type of information. The IRS requirements are included as Attachment B.

6.12 Agency Liaison. Each agency shall designate a liaison(s) to be responsible for the request and authorization of temporary services. The liaison shall attempt to provide 24 hours notice prior to requiring services. However, on occasion the State may require immediate placement. If immediate placement is not available, the State reserves the right to procure services from another temporary service contractor.

When requested by the agency liaison, the Contractor shall provide a list of qualified individuals and documentation of their qualifications (i.e. employment application; testing results; resumes, etc.). The State reserves the right to interview the workers selected by the Contractor before making a selection.

6.13 Equipment and Supplies. The individual agencies will supply temporary workers with data entry terminal, office equipment, supplies, and other similar and related items necessary to perform the assigned tasks.

6.14 Position Descriptions:

6.14.1 Limited Experience Clerical. An individual with less than 12 months of experience who can perform copying, filing, receptionist duties, may be required to do minimal typing, and has some office experience.

6.14.2 Experienced Clerical. An individual with one to two years of experience, has worked with modern copiers, telephone systems, has some experience with word processing software programs such as Word, and some experience with spreadsheet software programs such as Excel. This individual may perform data entry, some word processing and general clerical/receptionist duties, bookkeeping duties, and has at least one to two years of office experience. Data entry will include enter and transfer of data from existing databases, medical records, shipment invoices, quarterly reports, demographic reports, etc. It is **mandatory** that data entry made for confidential files **remain** confidential.

6.14.3 Advanced Software Specialist. An individual possessing the skills listed above with a minimum of two years of computer experience. Extensive knowledge in word processing software programs such as Word and WordPerfect, and spreadsheet software programs such as Excel and Lotus 1-2-3 needed. Some knowledge of PeopleSoft software would be helpful.

6.14.4 General Labor. Duty assignments may include: loading, unloading, and carrying materials such as lumber, cement, gravel, etc., repair work, equipment and tools, lawn maintenance duties, maintenance of service equipment, light carpentry and painting, site clean-up, etc. Prevailing wage rates for Nonconstruction Services apply to this service category, see 2011 rates in Attachment C.

6.14.5 Janitorial Worker. Duties may include but are not limited to sweeping, vacuuming, garbage removal, bathroom cleaning, etc. Services may be needed statewide. Prevailing wage rates for Nonconstruction Services apply to this service category, see 2011 rates in Attachment C.

6.14.6 Maintenance Worker. Duties may include but are not limited to grounds upkeep (snowplowing, mowing, trimming, etc.), miscellaneous maintenance work (painting, office moves, and minor maintenance activities such as changing out lights, fixing cabinets, hauling office supplies, recycling). Services may be needed statewide. Prevailing wage rates for Nonconstruction Services apply to this service category, see 2011 rates in Attachment C.

6.14.7 Warehouse Worker. The individuals for this position must have shipping, packaging, and stocking experience and must also have the physical ability to lift up to 50 lbs. Duties to include assembling products, packaging orders, stocking inventory/delivery trucks, loading/unloading truck, cleaning warehouse, and external yard and building maintenance. Prevailing wage rates for Nonconstruction Services apply to this service category, see 2011 rates in Attachment C.

6.14.8 Forest Technician. Under general supervision (detailed written guidance and oral instruction) of Department of Natural Resources and Conservation (DNRC) field forester, marks trees for harvest or other designations, delineates harvest & SMZ boundaries, measures (cruises) trees for volume estimates, completes field surveys and sampling, develops road maintenance and construction logs, identifies tree species and estimates defect in standing and down trees and performs GPS mapping. Services may be needed in the Missoula and Kalispell areas. Prevailing wage rates for Nonconstruction Services apply to this service category, see 2011 rates in Attachment C.

6.14.9 Professional Forester. Performs all the activities of the forest technician, but also is expected to oversee field crews, complete timber sale design, transportation planning, ensure Montana

Environmental Protection Act (MEPA) compliance, prepare timber sale contract and ensure compliance with forestry laws, rules and guidelines. Uses forest road layout knowledge to identify potential road locations. Services may be needed in the Missoula and Kalispell areas. **Note:** This position must be paid at least the Prevailing Wage rate for the occupation/classification applicable to the work being performed.

6.14.10 Forester Project Leader/Lead Management Forester. Is required to oversee other foresters (DNRC and other contract personnel) in the context of specific projects and exercise advanced professional judgment. Coordinates and manages ID teams, provides oversight on MEPA documents, timber sale contract preparation and related activities. Services may be needed in the Missoula and Kalispell areas. **Note:** This position must be paid at least the Prevailing Wage rate for the occupation/classification applicable to the work being performed.

6.14.11 Biologist. Participates on Project I.D. teams by providing biological analysis of sensitive, threatened and endangered species inhabiting gross project areas. Provides written reports that detail analysis of various project alternatives, assesses and documents the biological impacts associated with each. Requires visiting the project area as well as analysis of published research. Services may be needed in the Missoula and Kalispell areas.

6.14.12 Botanist. Identifies rare and sensitive plant species and their habitat and range of occurrence throughout gross project areas, using professional expertise to predict and locate probable populations. Maps results and provides reports suitable for inclusion in environmental documents. Works under general direction, using a requested geographic area for plant surveys. It is extremely important that work coincides with flowering periods of plants. Services may be needed in the Missoula and Kalispell areas.

6.14.13 Right-of-Way Agent and Related. Under the direction of appropriate DNRC personnel, prepares documents for reciprocal access and cost share packages for review and ultimate presentation to Land Board. Provides input and research on road appraisal, relevant geographic information and land ownership. Typically, these are services that are provided by individuals that have a vast knowledge of right-of-way law, agency protocols and have a unique and useful relationship amongst DNRC cooperators and private landowners. Does NOT have the authority to negotiate or do business on behalf of the DNRC. Services may be needed in the Missoula and Kalispell areas.

6.14.14 Resource Specialists. This position would be responsible for assessing the existing environment concerning a specific resource such as wildlife, preparing resource biological evaluations for MEPA documentation and input to the DNRC project leader for designing timber sales and mitigations as needed. This generally requires both field review and office work for preparing professional reports or parts of the MEPA documentation. Services may be needed in the Missoula and Kalispell areas.

6.14.15 Specialty Positions. Hourly or per job rates for any other specialty positions or positions not identified within this RFP may be negotiated between the agencies and the Contractor(s). Also, the State agencies may negotiate hourly or per job rates for temporary workers needed in other locations not identified within this contract. If the agency and Contractor are unable to agree on an hourly rate to be charged for these positions, the State reserves the right to procure the services elsewhere.

7. CONSIDERATION/PAYMENT

7.1 Payment Schedule. In consideration for the temporary worker services to be provided, the State shall pay according to the following schedule:

Billings:

Position Title	Cost per Hour
Limited Experience Clerical	$10.50
Experienced Clerical	$11.25-12.50
Advanced Software Specialist	$13.25-14.00

Butte:

Position Title	Cost per Hour
Limited Experience Clerical	$10.50
Experienced Clerical	$11.25-12.50
Advanced Software Specialist	$13.25-14.00

Bozeman:

Position Title	Cost per Hour
Limited Experience Clerical	$10.50
Experienced Clerical	$11.25-12.50
Advanced Software Specialist	$13.25-14.00

Great Falls:

Position Title	Cost per Hour
Limited Experience Clerical	$10.50
Experienced Clerical	$11.25-12.50
Advanced Software Specialist	$13.25-14.00

Helena:

Position Title	Cost per Hour
Limited Experience Clerical	$10.50
Experienced Clerical	$11.25-12.50
Advanced Software Specialist	$13.25-14.00

Kalispell:

Position Title	Cost per Hour
Limited Experience Clerical	$10.50
Experienced Clerical	$11.25-12.50
Advanced Software Specialist	$13.25-14.00

Miles City:

Position Title	Cost per Hour
Limited Experience Clerical	$10.50
Experienced Clerical	$11.25-12.50
Advanced Software Specialist	$13.25-14.00

Missoula:

Position Title	Cost per Hour
Limited Experience Clerical	$10.50
Experienced Clerical	$11.25-12.50
Advanced Software Specialist	$13.25-14.00

7.2 Withholding of Payment. The State may withhold payments to the Contractor if the Contractor has not performed in accordance with this contract. Such withholding cannot be greater than the additional costs to the State caused by the lack of performance.

7.3 Purchasing Card. The State of Montana has a Purchasing Card Program in place that gives agencies the ability to charge purchases made from these contracts. The State of Montana prefers this method of payment.

8. PREVAILING WAGE REQUIREMENTS

8.1 Montana Resident Preference. The nature of the work performed, or services provided, under this contract meets the statutory definition of a "public works contract" in section 18-2-401, MCA. Unless superseded by federal law, Montana law requires that Contractors and subcontractors give preference to the employment of Montana residents for any public works contract in excess of $25,000 for construction or nonconstruction services in accordance with sections 18-2-401 through 18-2-432, MCA, and all administrative rules adopted in relation to these statutes.

Unless superseded by federal law, each Contractor shall ensure that at least 50% of a Contractor's workers performing labor on a construction project are bona fide Montana residents.

The Commissioner of the Montana Department of Labor and Industry has established the resident requirements in accordance with sections 18-2-403 and 18-2-409, MCA. Any and all questions concerning prevailing wage and Montana resident issues should be directed to the Montana Department of Labor and Industry.

8.2 Standard Prevailing Rate of Wages. In addition, unless superseded by federal law, all employees working on a public works contract shall be paid prevailing wage rates in accordance with sections 18-2-401 through 18-2-432, MCA, and all associated administrative rules. Montana law requires that all public works contracts, as defined in section 18-2-401, MCA, in which the total cost of the contract is in excess of $25,000, contain a provision stating for each job classification the standard prevailing wage rate, including fringe benefits, travel, per diem, and zone pay that the Contractors, subcontractors, and employers shall pay during the public works contract.

The standard prevailing rate of wages paid to workers under this contract must be adjusted 12 months after the date of the award of the public works contract per section 18-2-417, MCA. The amount of the adjustment must be a 3% increase. The adjustment must be made and applied every 12 months for the term of the contract.

This adjustment is the sole responsibility of the Contractor and no cost adjustment in this contract will be allowed to fulfill this requirement.

Furthermore, section 18-2-406, MCA, requires that all Contractors, subcontractors, and employers who are performing work or providing services under a public works contract post in a prominent and accessible site on the project staging area or work area, no later than the first day of work and continuing for the entire duration of the contract, a legible statement of all wages and fringe benefits to be paid to the employees in compliance with section 18-2-423, MCA.

Section 18-2-423, MCA, requires that employees receiving an hourly wage must be paid on a weekly basis. Each Contractor, subcontractor, and employer must maintain payroll records in a manner readily capable of being certified for submission under section 18-2-423, MCA, for not less than three years after the Contractor's, subcontractor's, or employer's completion of work on the public works contract.

All Contractors and employers shall classify each employee who performs labor on a public works project according to the applicable standard prevailing rate of wages for such craft, classification, or type of employee established by the Commissioner of the Montana Department of Labor and Industry, and shall pay each such employee a rate of wages not less than the standard prevailing rate as specified in the Montana Prevailing Wages Rates for Nonconstruction Services 2011.

9. TERM CONTRACT REPORTING

Term contract holder(s) shall furnish annual reports of term contract usage to the State Contract Liaison listed in Section 17. Each report shall contain the name of the worker, position assigned, start and end dates for each assignment, total quantity of hours per assignment, total dollars expended, the State agency/department and the name of the agency contact person. The first report for this term contract will be due July 15, 2012.

Reported volumes and dollar totals may be checked by the State Procurement Bureau against State records for verification. Failure to provide timely or accurate reports is justification for cancellation of the contract and/or justification for removal from consideration for award of contracts by the State.

10. ACCESS AND RETENTION OF RECORDS

10.1 Access to Records. The Contractor agrees to provide the State, Legislative Auditor or their authorized agents access to any records necessary to determine contract compliance. (Section 18-1-118, MCA)

10.2 Retention Period. The Contractor agrees to create and retain records supporting the temporary worker services for a period of three years after either the completion date of this contract or the conclusion of any claim, litigation or exception relating to this contract taken by the State of Montana or a third party.

11. ASSIGNMENT, TRANSFER AND SUBCONTRACTING

The Contractor shall not assign, transfer, or subcontract any portion of this contract without the express written consent of the State. (Section 18-4-141, MCA) The Contractor shall be responsible to the State for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. No contractual relationships exist between any subcontractor and the State.

12. HOLD HARMLESS/INDEMNIFICATION

The Contractor agrees to protect, defend, and save the State, its elected and appointed officials, agents, and employees, while acting within the scope of their duties as such, harmless from and against all claims, demands, causes of action of any kind or character, including the cost of defense thereof, arising in favor of the

Contractor's employees or third parties on account of bodily or personal injuries, death, or damage to property arising out of services performed or omissions of services or in any way resulting from the acts or omissions of the Contractor and/or its agents, employees, representatives, assigns, subcontractors, except the sole negligence of the State, under this agreement.

13. REQUIRED INSURANCE

13.1 General Requirements. The Contractor shall maintain for the duration of the contract, at its cost and expense, insurance against claims for injuries to persons or damages to property, including contractual liability, which may arise from or in connection with the performance of the work by the Contractor, agents, employees, representatives, assigns, or subcontractors. This insurance shall cover such claims as may be caused by any negligent act or omission.

13.2 Primary Insurance. The Contractor's insurance coverage shall be primary insurance with respect to the State, its officers, officials, employees, and volunteers and shall apply separately to each project or location. Any insurance or self-insurance maintained by the State, its officers, officials, employees or volunteers shall be excess of the Contractor's insurance and shall not contribute with it.

13.3 Specific Requirements for Commercial General Liability. The Contractor shall purchase and maintain occurrence coverage with combined single limits for bodily injury, personal injury, and property damage of $1,000,000 per occurrence and $2,000,000 aggregate per year to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds; for liability arising out of activities performed by or on behalf of the Contractor, including the insured's general supervision of the Contractor; products, and completed operations; premises owned, leased, occupied, or used.

13.4 Specific Requirements for Automobile Liability. The Contractor shall purchase and maintain commercial auto liability insurance coverage with combined limits of $1,000,000 per occurrence to cover such claims as may be caused by any act, omission, or negligence of the Contractor or its officers, agents, representatives, assigns, or subcontractors.

The State, its officers, officials, employees, and volunteers are to be covered and listed as additional insureds for automobiles leased, hired, or borrowed by the Contractor.

13.5 Fidelity Insurance. The contractor shall purchase and maintain fidelity insurance in the amount of $50,000 per occurrence that provides coverage for fraud, theft, embezzlement, failure to faithfully perform duties, and other dishonest acts of any employee or agent whose duties are to receive, handle, or have custody of money, checks, securities, electronic funds, or account for supplies or other property. The bond shall apply to any individual that certifies, signs or countersigns checks, drafts, warrants, vouchers, orders, electronic documents, or other documents and who provides for the disbursement or delivery (including electronic transmission) of money, funds, securities, supplies, or other property.

The State of Montana is named as a loss payee and additional insured on the Contractor's fidelity insurance policy and the Contractor's fidelity insurance is primary as respects the State of Montana.

The fidelity insurance must remain in effect for the entire contract period.

13.6 Deductibles and Self-Insured Retentions. Any deductible or self-insured retention must be declared to and approved by the state agency. At the request of the agency either: (1) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the State, its officers, officials, employees,

or volunteers; or (2) at the expense of the Contractor, the Contractor shall procure a bond guaranteeing payment of losses and related investigations, claims administration, and defense expenses.

13.7 Certificate of Insurance/Endorsements. A certificate of insurance from an insurer with a Best's rating of no less than A- indicating compliance with the required coverages, has been received by the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135. The Contractor must notify the State immediately, of any material change in insurance coverage, such as changes in limits, coverages, change in status of policy, etc. The State reserves the right to require complete copies of insurance policies at all times

14. COMPLIANCE WITH WORKERS' COMPENSATION ACT

Contractors are required to comply with the provisions of the Montana Workers' Compensation Act while performing work for the State of Montana in accordance with sections 39-71-401, 39-71-405, and 39-71-417, MCA. Proof of compliance must be in the form of workers' compensation insurance, an independent contractor's exemption, or documentation of corporate officer status. Neither the Contractor nor its employees are employees of the State. This insurance/exemption must be valid for the entire term of the contract. A renewal document must be sent to the State Procurement Bureau, P.O. Box 200135, Helena, MT 59620-0135, upon expiration.

15. COMPLIANCE WITH LAWS

The Contractor must, in performance of work under this contract, fully comply with all applicable federal, state, or local laws, rules, and regulations, including the Montana Human Rights Act, the Civil Rights Act of 1964, the Age Discrimination Act of 1975, the Americans with Disabilities Act of 1990, and Section 504 of the Rehabilitation Act of 1973. Any subletting or subcontracting by the Contractor subjects subcontractors to the same provision. In accordance with section 49-3-207, MCA, the Contractor agrees that the hiring of persons to perform the contract will be made on the basis of merit and qualifications and there will be no discrimination based upon race, color, religion, creed, political ideas, sex, age, marital status, physical or mental disability, or national origin by the persons performing the contract.

16. CONTRACT TERMINATION

16.1 Termination for Cause. The State may, by written notice to the Contractor, terminate this contract in whole or in part at any time the Contractor fails to perform this contract

16.2 Reduction of Funding. The State must terminate this contract if funds are not appropriated or otherwise made available to support the State's continuation of performance of this contract in a subsequent fiscal period. (See section 18-4-313(4), MCA.)

17. LIAISONS AND SERVICE OF NOTICES

All project management and coordination on behalf of the State shall be through a single point of contact designated as the State's liaison. Contractor shall designate a liaison that will provide the single point of contact for management and coordination of Contractor's work. All work performed pursuant to this contract shall be coordinated between the State's liaison and the Contractor's liaison.

Penny Moon will be the liaison for the State.
Room 165 Mitchell Building
125 North Roberts
PO Box 200135
Helena MT 59620-0135
Telephone #: (406) 444-3313
Fax: (406) 444-2529
E-mail: pmoon@mt.gov

James A. Nys will be the liaison for the Contractor.
210 E. Lyndale
Helena MT 59601
Telephone: (406) 443-7169

The State's liaison and Contractor's liaison may be changed by written notice to the other party. Written notices, requests, or complaints will first be directed to the liaison.

18. MEETINGS

The Contractor is required to meet with the State's personnel, or designated representatives, to resolve technical or contractual problems that may occur during the term of the contract or to discuss the progress made by Contractor and the State in the performance of their respective obligations, at no additional cost to the State. Meetings will occur as problems arise and will be coordinated by the State. The Contractor will be given a minimum of three full working days notice of meeting date, time, and location. Face-to-face meetings are desired. However, at the Contractor's option and expense, a conference call meeting may be substituted. Consistent failure to participate in problem resolution meetings two consecutive missed or rescheduled meetings, or to make a good faith effort to resolve problems, may result in termination of the contract

19. CONTRACTOR PERFORMANCE ASSESSMENTS

The State may do assessments of the Contractor's performance. This contract may be terminated for one or more poor performance assessments. Contractors will have the opportunity to respond to poor performance assessments. The State will make any final decision to terminate this contract based on the assessment and any related information, the Contractor's response and the severity of any negative performance assessment. The Contractor will be notified with a justification of contract termination. Performance assessments may be considered in future solicitations.

20. TRANSITION ASSISTANCE

If this contract is not renewed at the end of this term, or is terminated prior to the completion of a project, or if the work on a project is terminated, for any reason, the Contractor must provide for a reasonable period of time after the expiration or termination of this project or contract, all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this contract, except for those terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the contract. If there are no established contract rates, then the rate shall be mutually agreed upon. If the State terminates a project or this contract for cause, then the State will be entitled to offset the cost of paying the Contractor for the additional resources the Contractor utilized in providing transition assistance with any damages the State may have otherwise accrued as a result of said termination.

21. CHOICE OF LAW AND VENUE

This contract is governed by the laws of Montana. The parties agree that any litigation concerning this bid, proposal or subsequent contract must be brought in the First Judicial District in and for the County of Lewis and Clark, State of Montana and each party shall pay its own costs and attorney fees. (See section 18-1-401, MCA.)

22. SCOPE, AMENDMENT, AND INTERPRETATION

22.1 Contract. This contract consists of 12 numbered pages, any Attachments as required, RFP # SPB12-2029P, as amended and the Contractor's RFP response as amended. In the case of dispute or ambiguity about the minimum levels of performance by the Contractor the order of precedence of document interpretation is in the same order.

22.2 Entire Agreement. These documents contain the entire agreement of the parties. Any enlargement, alteration or modification requires a written amendment signed by both parties

23. EXECUTION

The parties through their authorized agents have executed this contract on the dates set out below.

DEPARTMENT OF ADMINISTRATION

STATE PROCUREMENT BUREAU
PO BOX 200135
HELENA MT 59620-0135

BY: Penny Moon, Contracts Officer

(Signature)

DATE: 31 Oct 2011

WESTERN STAFF SERVICES OF HELENA, INC.
ON BEHALF OF WESTAFF U.S.A./KOOSHEREM
210 e. Lyndale
HELENA MT 59601
FEDERAL ID # 68-0095781

BY: James A. Nys, President

(Signature)

DATE: Oct 20, 2011

Approved as to Legal Content:

Mike Manion 10/19/11

Legal Counsel (Date)

ATTACHMENT A

BUSINESS ASSOCIATE AGREEMENT PROVISIONS

Business Associate Agreement (the "Agreement") made this 31st of October, 2011, effective upon execution by and between the Montana Department of Public Health and Human Services (hereinafter "the Covered Entity") and Western Staff Services of Helena, on behalf of Westaff U.S.A./Koosherem (hereinafter "the Business Associate.")

RECITALS:

A. The Covered Entity and the Business Associate entered into Contract No SPB12-2029P (hereinafter "the Contract" or the "underlying Contract") for the purpose of providing temporary worker services.

B. Pursuant to the Contract, Business Associate receives protected health information (defined below) from Covered Entity, that is subject to the provisions of the Health Insurance Portability and Accountability Act of 1996 (hereinafter "HIPAA").

C. Business Associate and Covered Entity mutually desire to comply with the applicable business associate provisions of the HIPAA privacy regulations (45 CFR Parts 160-164), the provisions of the standards for electronic transactions regulations (45 CFR parts 160 & 162) and the securities regulations, including the Security Standards for the Protection of Electronic Protected Health Information (45 CFR Part 164) for PHI (as defined herein under in Section 1.3) held or transferred by Covered Entity.

D. As a term of the underlying Contract, Business Associate agrees to comply with all applicable state and federal laws. HIPAA is a federal law applicable to Business Associate and Covered Entity and without this Agreement; Covered Entity will not continue a business relationship with Business Associate.

IN CONSIDERATION OF THE ABOVE RECITALS and the mutual promises contained in this Agreement, Covered Entity and Business Associate enter into this Agreement.

1. **Definitions--Terms used, but not otherwise defined, in this Agreement shall have the same meaning as those terms in the Privacy Rule.**

1.1. Individual. "Individual" shall have the same meaning as the term "individual" in 45 CFR § 164.501 and shall include a person who qualifies as a personal representative in accordance with 45 CFR § 164.502(g).

1.2 Privacy Rule. "Privacy Rule" shall mean the Standards for Privacy of Individually Identifiable Health Information at 45 CFR Part 160 and Part 164, Subparts A and E.

1.3. Protected Health Information. "Protected Health Information" (hereinafter "PHI") shall have the same meaning as the term "protected health information" in 45 CFR § 164.501, limited to the information created or received by Business Associate from or on behalf of Covered Entity.

1.4. Required By Law. "Required By Law" shall have the same meaning as the term "required by law" in 45 CFR § 164.501.

1.5. Secretary. "Secretary" shall mean the Secretary of the Department of Health and Human Services or his designee.

1.6 Security Rule. "Security Rule" means the Security Standards for the Protection of Electronic Protected Health Information.

1.7 Other terms used but not otherwise defined in this Agreement have the same meaning as those terms in the Privacy Rule or Security Rule.

2. **Obligations and Activities of Business Associate**

2.1. Business Associate may use or disclose PHI received from Covered Entity solely to perform Business Associate's duties pursuant to the underlying contract. Business Associate will not use or disclose PHI other than as permitted or required by the Agreement or as Required by Law. Business Associate will not use or disclose PHI in any manner that could result in a violation of HIPAA or the HIPAA implementing regulations.

2.2. Business Associate agrees to use appropriate safeguards to prevent use or disclosure of the PHI other than as provided for by this Agreement.

2.3. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate concerning the use or disclosure of PHI by Business Associate in violation of the requirements of this Agreement.

2.4. Business Associate agrees to report to Covered Entity as soon as it becomes aware of any use or disclosure of the PHI not provided for by this Agreement. This includes, but is not limited to promptly reporting to Covered Entity any security incident of which Business Associate becomes aware. At the request of Covered Entity, Business Associate shall identify: the date of the security incident, the scope of the security incident, the Contractor's response to the Security incident, and the identification of the party responsible for causing the security incident, if known.

2.5. Business Associate will ensure that any agent, including a subcontractor, to whom it provides PHI received from Covered Entity (or created or received by Business Associate on behalf of Covered Entity) agrees to the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such PHI.

2.6. At the request of Covered Entity, Business Associate agrees to provide access, in a reasonable time and manner, to PHI in any Designated Record Set of Business Associate, to Covered Entity or, as directed by Covered Entity, to an Individual in order to meet the requirements under 45 CFR § 164.524.

2.7. At the request of Covered Entity, Business Associate agrees to make any amendment(s) to PHI in a Designated Record Set that the Covered Entity directs or agrees to pursuant to 45 CFR § 164.526.

2.8. Business Associate agrees to make internal practices, books and records, including policies and procedures relating to the use and disclosure of PHI, available in a reasonable time and manner to the Covered Entity, or to the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy Rule.

2.9. Business Associate agrees to document disclosures of PHI, and information related to such disclosures, as required for Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

2.10. Business Associate agrees to provide to Covered Entity or an Individual, in a reasonable time and manner, information collected in accordance with Sections 2.8 and 2.9 of this Agreement, to

permit Covered Entity to respond to a request by an Individual for an accounting of disclosures of PHI in accordance with 45 CFR § 164.528.

3. **Permitted Uses and Disclosures by Business Associate**

3.1. General Use and Disclosure Provisions. Except as otherwise limited in this Agreement, Business Associate may use or disclose PHI solely to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in Contract No. SPB12-2029P. Such use or disclosure may not violate the HIPAA regulations if done by Covered Entity or the minimum necessary policies and procedures of the Covered Entity. Business Associate may use PHI to report violations of law to appropriate Federal and State authorities, consistent with § 164.502(j)(1).

4. **Obligations of Covered Entity**

4.1 Covered Entity shall notify Business Associate of any limitation(s) in its notice of privacy practices of Covered Entity in accordance with 45 CFR § 164.520, to the extent that such limitation may affect Business Associate's use or disclosure of PHI. A copy of Covered Entity's notice of privacy practices is attached.

4.2. Covered Entity shall notify Business Associate of any changes in, or revocation of, permission by Individual to use or disclose PHI to the extent that such changes may affect Business Associate's use or disclosure of PHI.

4.3. Covered Entity shall notify Business Associate of any restriction to the use or disclosure of PHI that Covered Entity has agreed to in accordance with 45 CFR § 164.522, to the extent that such restriction may affect Business Associate's use or disclosure of PHI.

4.4. Covered Entity shall not request Business Associate to use or disclose PHI in any manner that would not be permissible under the Privacy Rule if done by Covered Entity.

5. **Term and Termination**

5.1. Term. This Agreement shall be effective as of the date of the contract, and shall terminate when all of the PHI provided by Covered Entity to Business Associate, or created or received by Business Associate on behalf of Covered Entity, is destroyed or returned to Covered Entity, or, if it is not feasible to return or destroy PHI, protections are extended to such information, in accordance with the provisions of HIPAA and its implementing regulations.

5.2. Termination for Cause. Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity shall, in its sole discretion, either provide an opportunity for Business Associate to cure the breach or end the violation and terminate this Agreement. If Business Associate does not cure the breach or end the violation within the time specified by Covered Entity; Covered Entity will immediately terminate this Agreement and Contract No. SPB12-2029P. If Business Associate has breached a material term of this Agreement and neither termination nor cure is feasible, Covered Entity shall report the violation to the Secretary.

5.3. Effect of Termination. Except as provided in paragraph 5.4 of this Section, upon termination of this Agreement, for any reason, Business Associate shall return or destroy all PHI received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to PHI that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the PHI.

5.4. In the event that Business Associate determines that returning or destroying the PHI is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Upon Covered Entity's agreement, in its sole discretion, that return or destruction of PHI is not feasible, Business Associate shall extend the protections of this Agreement to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction not feasible, for so long as Business Associate maintains such PHI.

6. **Miscellaneous**

6.1. A reference in this Agreement to a section in the Privacy Rule or the Security Regulation means the section as in effect or as amended.

6.2. Amendment. The Parties agree to take such action as is necessary to amend this Agreement from time to time as is necessary for Covered Entity to comply with the requirements of the Privacy Rule, the Security Regulations and the Health Insurance Portability and Accountability Act of 1996, Pub. L. No. 104-191.

6.3. Survival. The respective rights and obligations of the Business Associate under Section 5.3 and 5.4 of this Agreement shall survive the termination of this Agreement.

6.4. Interpretation. Any ambiguity in this Agreement shall be resolved to permit Covered Entity to comply with the Privacy Rule.

This agreement entered into on the 31st day of October, 2011.

DEPARTMENT OF PUBLIC HEALTH
AND HUMAN SERVICES (Covered Entity)

By: _____
Printed Name: Daniel J. Olson
Title: Division Administrator
Address: 3075 N. Montana
Helena, MT 59620
Telephone Number: 444-3338

By: BUSINESS ASSOCIATE

Name: Westaff of Helena / Westaff USA
By: _____
Printed Name: James A. Nys
Title: President / Franchisee Owner
Address: 210 E. Lyndale
Helena, MT 59601
Telephone Number: 406-443-7169

ATTACHMENT B

IRS REGULATION

CONTRACT LANGUAGE FOR GENERAL SERVICES

I. PERFORMANCE

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by his or her employees with the following requirements:

(1) All work will be performed under the supervision of the contractor or the contractor's responsible employees.

(2) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone other than an officer or employee of the contractor is prohibited.

(3) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products will be given the same level of protection as required for the source material.

(4) No work involving returns and return information furnished under this contract will be subcontracted without prior written approval of the IRS.

(5) The contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.

(6) The agency will have the right to void the contract if the contractor fails to provide the safeguards described above.

(7) (Include any additional safeguards that may be appropriate.)

II. CRIMINAL/CIVIL SANCTIONS

(1) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as $5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than $1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

(2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as $1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized

inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of $1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than $5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information and* Exhibit 5, *IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the contractor is found to be noncompliant with contract safeguards.

ATTACHMENT C

MONTANA PREVAILING WAGES RATES FOR NONCONSTRUCTION SERVICES 2011

The services requested in this contract will require the Contractor to pay prevailing wages. See Contract Section 8.