

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

March 13, 2006

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B4200165
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Hoekstra Transportation Inc. 3741 Roger B. Chaffee Blvd. Grand Rapids, MI 49548 jeffk@hoekstratruck.com	TELEPHONE Jeff Kreiser (616) 245-7440
	VENDOR NUMBER/MAIL CODE (2) 38-3590325 (001)
	BUYER/CA (517) 373-0305 Jeffrey A. White
Contract Compliance Inspector: Forest Kraus (517) 335-2572	
Busses, Medium Duty, 26 & 29 Foot, Various Floor Plans, for Authorized Local Government ONLY	
CONTRACT PERIOD: From: March 1, 2004 To: March 1, 2007	
TERMS Net 30 Days	SHIPMENT 210 Days A.R.O.
F.O.B. Delivered	SHIPPED FROM Grand Rapids, MI
MINIMUM DELIVERY REQUIREMENTS One (1) unit	

THIS CONTRACT IS AVAILABLE TO LOCAL UNITS OF GOVERNMENT.

NATURE OF CHANGE (S):

Effective immediately this Contract is hereby EXTENDED for one year until March 1, 2007. All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request (Kim Johnson) 3/9/06, vendor agreement (Jeff Dreiser) on 2/23/06, DMB/Purchasing Operations approval, and authority within contract terms.

TOTAL EXTIMATED CONTRACT VALUE REMAINS: \$8,769,705.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

January 12, 2006

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B4200165
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Hoekstra Transportation Inc. 3741 Roger B. Chaffee Blvd. Grand Rapids, MI 49548	TELEPHONE Jeff Kreiser (616) 245-7440
	VENDOR NUMBER/MAIL CODE (2) 38-3590325 (001)
	BUYER/CA (517) 373-0305 Jeffrey A. White
Contract Compliance Inspector: Forest Kraus (517) 335-2572	
Busses, Medium Duty, 26 & 29 Foot, Various Floor Plans, for Authorized Local Government ONLY	
CONTRACT PERIOD: From: March 1, 2004 To: March 1, 2006	
TERMS Net 30 Days	SHIPMENT 210 Days A.R.O.
F.O.B. Delivered	SHIPPED FROM Grand Rapids, MI
MINIMUM DELIVERY REQUIREMENTS One (1) unit	

NATURE OF CHANGE (S):

Effective immediately please be advised that the contract compliance representative for the State of Michigan, Department of Transportation, Multi-Modal Transportation Services Bureau, Passenger Transportation Division, has been changed from Al Johnson to Forest Kraus, (517) 335-2572, email address krausf2@michigan.gov.

Additionally, there are two specifications and/or equipment modifications, which are as follows:

- 3) Option 1a, Air Conditioning, Roof Mount, 26 Foot Models ONLY, has been changed as follows:
 - a. Roof Top Condensers, the CM Series condenser have been replaced by the KR Series condenser.
- 4) Door Actuator/Control and Door Leafs have been changed on all units from EIDorado National to A & M

There is no change in price for the above modifications, and all other terms and conditions remain the same.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$8,769,705.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

October 18, 2005

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B4200165
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Hoekstra Transportation Inc. 3741 Roger B. Chaffee Blvd. Grand Rapids, MI 49548	TELEPHONE Jeff Kreiser (616) 245-7440
	VENDOR NUMBER/MAIL CODE (2) 38-3590325 (001)
	BUYER/CA (517) 373-0305 Jeffrey A. White
Contract Compliance Inspector: Al Johnson, MDOT, Urban Public Transit Division <p style="text-align: center;">Busses, Medium Duty, 26 & 29 Foot, Various Floor Plans, for Authorized Local Government ONLY</p>	
CONTRACT PERIOD: From: March 1, 2004 To: March 1, 2006	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">210 Days A.R.O.</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">Grand Rapids, MI</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">One (1) unit</p>	

NATURE OF CHANGE (S):

Effective on all orders entered after October 1, 2005, the sidewall construction has been **CHANGED** as follows:

Sidewalls will be constructed of frp/honeycomb with window frame areas built of stainless steel.

This construction change should provide larger window openings, improved fit of windows, and reduce amount of wasted material. All prices remain the same.

This contract is for Authorized Local Units of Government and Transit Authorities **ONLY**.

All other terms and conditions remain the same.

AUTHORITY/REASON:

Per Vendor contact (Jeff Kreiser) dated 8/3/05, DMB/Acquisition Services, and Agency contact (Al Johnson) dated 10/5/05.

Total Estimated Contract Value Remains: \$8,769,705.00

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

December 10, 2004

CHANGE NOTICE NO. 1
OF
CONTRACT NO. 071B4200165
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Hoekstra Transportation Inc. 3741 Roger B. Chaffee Blvd. Grand Rapids, MI 49548	TELEPHONE Jeff Kreiser (616) 245-7440
	VENDOR NUMBER/MAIL CODE (2) 38-3590325 (001)
	BUYER/CA (517) 373-0305 Jeffrey A. White
Contract Compliance Inspector: Al Johnson, MDOT, Urban Public Transit Division	
Busses, Medium Duty, 26 & 29 Foot, Various Floor Plans, for Authorized Local Government ONLY	
CONTRACT PERIOD: From: March 1, 2004 To: March 1, 2006	
TERMS Net 30 Days	SHIPMENT 210 Days A.R.O.
F.O.B. Delivered	SHIPPED FROM Grand Rapids, MI
MINIMUM DELIVERY REQUIREMENTS One (1) unit	

NATURE OF CHANGE (S):

Effective on all orders entered after October 15, 2004, and scheduled for delivery after December 27, 2004, prices of wheelchair lift equipped units have INCREASED as follows:

Item Description	New Price
Base Active Lift (Century Series)	\$150.00
Type II Lift Active (Millennium Series)	\$210.00
Folding Platform Active Lift (Visa Series)	\$160.00

The lift equipped bus prices have been CHANGED on the attached item listing, and optional prices for lifts have been adjusted to reflect this change.

This contract is for Authorized Local Units of Government and Transit Authorities ONLY.

All other terms and conditions remain the same.

AUTHORITY/REASON:

Per Vendor contact (Jeff Kreiser) dated 10/5/04, DMB/Acquisition Services, and Agency contact (Al Johnson).

Total Estimated Contract Value Remains: **\$8,769,705.00**

Contract No. 071B4200165
Change Notice No. 1

MICHIGAN BUS SPECIFICATION
DIESEL COST MODEL
24 and 28 Passenger Non-Lift Medium Duty Buses
Lift Buses With Alternate Seating
26 and 29 Foot Buses, Respectively

Body Manufacturer ElDorado National Company
Vendor Name Hoekstra Transportation, Inc.
Vendor Address 3741 Roger B. Chaffee
Grand Rapids, MI 49548

VENDOR SIGNATURE

I. COST MODEL ***Bus Prices include \$2,300 for Recaro 8HO-CC99 Air Driver Seat**
 **** Lift Equipped Bus Prices reflect -\$1,000 Mobility Rebate**

<u>Quantity</u>		<u>Unit Price</u>
26 Foot Bus		
<u>8</u> Ea A.	24 passenger bus without lift, vinyl seats	<u>*\$60,107.00</u>
<u>28</u> Ea B.	14+2 passenger bus with lift, vinyl seats	<u>**\$64,578.00</u>
<u>7</u> Ea C.	10+3 passenger bus with lift, vinyl seats	<u>**\$64,792.00</u>
26 Foot Bus		
<u>3</u> Ea D.	24 passenger bus without lift, cloth seats	<u>*\$60,755.00</u>
<u>9</u> Ea E.	14+2 passenger bus with lift, cloth seats	<u>**\$65,115.00</u>
<u>2</u> Ea F.	10+3 passenger bus with lift, cloth seats	<u>**\$65,278.00</u>
29 Foot Bus		
<u>7</u> Ea G.	28 passenger bus without lift, vinyl seats	<u>*\$62,565.00</u>
<u>26</u> Ea H.	18+2 passenger bus with lift, vinyl seats	<u>**\$66,231.00</u>
<u>11</u> Ea I.	16+3 passenger bus with lift, vinyl seats	<u>**\$66,402.00</u>
<u>6</u> Ea J.	12+4 passenger bus with lift, vinyl seats	<u>**\$68,200.00</u>
29 Foot Bus		
<u>3</u> Ea K.	28 passenger bus without lift, cloth seats	<u>*\$63,321.00</u>
<u>9</u> Ea L.	18+2 passenger bus with lift, cloth seats	<u>**\$66,879.00</u>
<u>4</u> Ea M.	16+3 passenger bus with lift, cloth seats	<u>**\$66,996.00</u>
<u>2</u> Ea N.	12+4 passenger bus with lift, cloth seats	<u>**\$68,802.00</u>
	O. <u>Options - Alternate Quote Prices</u>	
<u>48</u> Each	1a. Air conditioning, Split unit 26 foot	<u>\$ 3,570.00</u>
<u>58</u> Each	1b. Air conditioning, Split unit 29 foot	<u>\$ 3,905.00</u>
<u>6</u> Each	1c. Rooftop AC with heat, 26 foot	<u>\$ 7,319.00</u>
<u>9</u> Each	1d. Rooftop AC with heat, 29 foot	<u>\$ 7,319.00</u>
<u>15</u> Each	2. Destination sign	<u>\$ 800.00</u>
<u>15</u> Each	3. Ceiling handrails	<u>\$ 200.00</u>

Contract No. 071B4200165
Change Notice No. 1

MICHIGAN BUS SPECIFICATION
DIESEL COST MODEL
24 and 28 Passenger Non-Lift Medium Duty Buses
Lift Buses With Alternate Seating
26 and 29 Foot Buses, Respectively

Body Manufacturer ElDorado National Company
 Vendor Name Hoekstra Transportation, Inc.
 Vendor Address 3741 Roger B. Chaffee
Grand Rapids, MI 49548

I. COST MODEL

0. Options - Alternate Quote Prices

<u>Quantity</u>		<u>Unit Price</u>
<u>25</u> Each	4. Donation box (deduct)	<u>\$ -675.00</u>
<u>25</u> Each	5. Farebox electrical prep (deduct)	<u>\$ -805.00</u>
<u>49</u> Each	6. Limited slip differential	<u>\$ 250.00</u>
<u>35</u> Each	7. Rear emergency exit window	<u>\$ -562.00</u>
<u>19</u> Each	8. Paint - One color, no stripe (deduct)	<u>\$ -200.00</u>
<u>19</u> Each	9. Paint - Extra stripe (add)	<u>\$ 200.00</u>
<u>43</u> Each	10. Paint - Roof different color (add)	<u>\$ 200.00</u>
<u>15</u> Each	11. Paint - Full body color (add)	<u>\$ 1,300.00</u>
<u>25</u> Each	12. Type II lift, active (Platform)	<u>\$ 210.00</u>
<u>25</u> Each	13. Folding Platform Active Lift	<u>\$ 160.00</u>
<u>49</u> Each	14. Two-Way Radio Prep Package	<u>\$ 210.00</u>
<u>35</u> Each	15. Shear Spring Front Suspension	<u>\$ 1,115.00</u>
<u>19</u> Each	16. Air Ride Rear Suspension	<u>\$ 2,160.00</u>
<u>25</u> Each	17. Smooth Anti-slip Flooring	<u>\$ 480.00</u>
<u>25</u> Each	18. Entrance Stepwell Heater	<u>\$ 250.00</u>
<u>49</u> Each	19. Electric Driveline Brake (retarder)	<u>\$ 3,600.00</u>

Michigan Inspection Facility Hoekstra Transportation Inc.
 Address of Inspection Facility 3741 Roger B. Chaffee Blvd.
Grand Rapids, MI 49548

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

March 9, 2004

**NOTICE
 OF
 CONTRACT NO. 071B4200165
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Hoekstra Transportation Inc. 3741 Roger B. Chaffee Blvd. Grand Rapids, MI 49548	TELEPHONE Jeff Kreiser (616) 245-7440
	VENDOR NUMBER/MAIL CODE (2) 38-3590325 (001)
	BUYER (517) 373-0305 Jeffrey A. White
Contract Administrator Al Johnson, MDOT, Urban Public Transit Division <p style="text-align: center;">Busses, Medium Duty, 26 & 29 Foot, Various Floor Plans, for Authorized Local Government ONLY</p>	
CONTRACT PERIOD: From: March 1, 2004 To: March 2, 2006	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">210 Days A.R.O.</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">Grand Rapids, MI</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">One (1) unit</p>	

The terms and conditions of this Contract are those of **ITB #071I3000168** this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: **\$8,769,705.00**

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

**CONTRACT NO. 071B4200165
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE Jeff Kreiser (616) 245-7440
Hoekstra Transportation Inc. 3741 Roger B. Chaffee Blvd. Grand Rapids, MI 49548		VENDOR NUMBER/MAIL CODE (2) 38-3590325 (001)
		BUYER (517) 373-0305 Jeffrey A. White
Contract Administrator Al Johnson, MDOT, Urban Public Transit Division		
Busses, Medium Duty, 26 & 29 Foot, Various Floor Plans, for Authorized Local Government ONLY		
CONTRACT PERIOD: From: March 1, 2004		To: March 2, 2006
TERMS	Net 30 Days	SHIPMENT 210 Days A.R.O.
F.O.B.	Delivered	SHIPPED FROM Grand Rapids, MI
MINIMUM DELIVERY REQUIREMENTS One (1) unit		
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07113000168 this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$8,769,705.00		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No.07113000168](#). Orders for delivery of equipment will be issued directly by the [Department of Transportation](#) through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

FOR THE VENDOR:

FOR THE STATE:

Hoekstra Transportation, Inc.
 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Date

 Signature
Jeffrey A. White, Buyer Manager
 Name

Tactical Purchasing, Acquisition Services
 Title

 Date



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- FTA Clauses (Rolling Stock) (18 pages)
- Various Floor Plans (7 pages)
- Manufacturer Warranties (9 pages)
- Passenger Bus Cost Model (2 pages)
- Bus Evaluation Form/Data Sheets (6 pages)
- MDOT Medium Duty Bus Specification, 8/5/03 (PDF File, 52 pages)
- Transit Agency Address Listing (PDF File, 41 pages)



SECTION I - GENERAL CONTRACT PROVISIONS

I-A GENERAL

This Contract is for Medium Duty, 24 & 28 Passenger Busses, with various seating configurations for the State of Michigan, authorized local units of government and Qualified Transit Authorities. Exact quantities to be purchased are unknown, however, as the successful Contractor you will be required to furnish all such materials and services as may be ordered during the Contract period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form. Orders may also be issued by authorized local units of government and Qualified Transit Authorities.

This is a Unit Price Contract.

Attached is a listing of Transit Authorities and/or locations who may order from the Contract. The listing shall not limit participation of additional authorized local units of government and Qualified Transit Authorities as the need may develop at the same prices, terms and conditions.

I-B ISSUING OFFICE

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Michigan Department of Transportation, hereinafter known as MDOT and authorized local units of government and Qualified Transit Authorities. Where actions are a combination of those of Acquisition Services, State agencies and authorized local units of government and Qualified Transit Authorities, the authority will be known as the State.

Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the commodities and/or services described herein. Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Acquisition Services will remain the **SOLE POINT OF CONTACT** throughout the procurement process. All communications covering this procurement must be addressed to:

Department of Management and Budget
Acquisition Services
Attn: Jeffrey A. White
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 373-0305
whitej1@michigan.gov

**I-C CONTRACT ADMINISTRATOR**

Upon receipt at Acquisition Services of the properly executed Contract Agreement(s), the person named below will be allowed to administer the Contract on a day-to-day basis during the term of the Contract. However, administration of the Contract implies no authority to change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Acquisition Services. The Contract Administrator for this project is:

AL Johnson
Michigan Department of Transportation
Urban Public Transportation Division
Lansing, MI
(517) 335-2549
e-mail: JohnsonAI@michigan.gov

I-D CONTRACT TERM

The term of this Contract will be for a two-year period and will commence with the issuance of a Contract. This will be March 1, 2004 through March 1, 2006. At the sole option of the State, the Contract may be extended for up to 2 (two) additional years with mutual agreement from the contractor. Contractor performance, quality of products, price, and the Contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to extend the Contract.

I-E ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

The following documents constitute the complete and exclusive agreement between the parties. The following order of precedence shall apply (in descending order):

- A. Any contract resulting from the State's ITB No. 07113000168.
- B. Any addenda to that ITB.
- C. The Contractor's response to that ITB.

The State of Michigan shall not be bound by any part(s) of the bidder's response to the ITB which contained information, options, conditions, terms, or prices neither requested nor required in the ITB. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the Contractor, those of the State take precedence. The contract supercedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

**I-F NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term or any other term of the Contract.

I-G REVISIONS, CONSENTS, AND APPROVALS

The Contract may not be modified, amended, extended, or augmented except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

I-H SEVERABILITY

Each provision of the Contract shall be deemed to be severable from all other provisions of the Contract and, if one or more of the provisions of the Contract shall be declared invalid, the remaining provisions of the Contract shall remain in full force and effect.

I-I SURVIVOR

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of the Contract for any reason.

I-J GOVERNING LAW

The Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

I-K RELATIONSHIP OF THE PARTIES (INDEPENDENT CONTRACTOR)

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants and subcontractors during the performance of this Contract.

I-L HEADINGS

Captions and headings used in the Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.



I-M DISCLOSURE

All information in a bidder's proposal and the Contract is subject to the provisions of the Freedom of Information Act. 1976 Public Act No. 442, as amended, MCL 15.231, et seq.

I-N NEWS RELEASES

News releases (including promotional literature and commercial advertisements) pertaining to the ITB and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the ITB and Contract are to be released without prior written approval of the State and then only to persons designated.

I-O CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract will include a list of subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractors and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change.

I-P PERFORMANCE REVIEWS

Acquisition Services in conjunction with the *MDOT* may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.

Upon a finding of poor performance, which has been documented by Acquisition Services, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Acquisition Services, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

**I-Q INCURRING COSTS**

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of the Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of the Contract.

I-R AUDIT OF CONTRACT COMPLIANCE

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of the Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the Contract requirements.

I-S SAFETY AND ACCIDENT PREVENTION

In performing work under this Contract on State premises, the Contractor shall conform to any specific safety requirements contained in the Contract or as required by law or regulation. The Contractor shall take any additional precautions as the State may reasonably require for safety and accident prevention purposes. Any violation by the Contractor of such safety requirements, rules, laws or regulations shall be a material breach of the Contract subject to the cancellation provisions contained herein.

I-T WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

In performing services for the State pursuant to this Contract, the Contractor shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to the Contractor. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.state.mi.us/mdcs/Regindx.

I-U ASSIGNMENT

The Contractor shall not have the right to assign the Contract or to assign or delegate any of its duties or obligations under the Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this Section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Director of Acquisition Services.



I-V DELEGATION

The Contractor shall not delegate any duties or obligations under the Contract to a subcontractor other than a subcontractor named and approved in the bid unless the Director of Acquisition Services has given written consent to the delegation.

I-W TAXES

- A. **Sales Tax:** For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.
- B. **Federal Excise Tax:** The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.
- C. Contractors are expected to collect and pay all applicable federal, state, and local employment taxes for all persons involved in the resulting Contract. Also, bidders shall maintain appropriate payroll information on a system that can produce any reports that may be needed by Acquisition Services.

I-X PRICE ADJUSTMENTS

Prices are the maximum to be charged for the contract period with the following exceptions. The State, and other agencies, shall receive the benefit of any decrease in the cost incurred by the Contractor.

If changes in the chassis manufacturers OEM standard equipment affect the cost of the vehicles required during the contract period by more than one hundred dollars (\$100.00), the prime contractor may request a price revision to reflect the actual cost experienced. The request for a cost increase must be accompanied by evidence from the chassis manufacturer that the change actually affected the prime contractor's cost. Additionally, it shall be the prime contractor's responsibility to inform Acquisition Services, in writing, of its qualification for price reductions.

If changes in federal regulations affect the cost of the vehicles required during the contract period by more than one hundred dollars (\$100.00), the prime contractor may request a price revision to reflect the actual cost increase experienced. The request must be accompanied by evidence that the change actually affected the prime contractor's cost.



Requests for price changes shall be RECEIVED IN WRITING AT LEAST TEN DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the CONTRACT may be cancelled. The continued payment of any charges due after September 30th of any fiscal year will be subject to the availability of an appropriation for this purpose.

I-Y CONTRACTOR'S LIABILITY INSURANCE

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract. The Contractor also agrees to provide evidence that all applicable insurance policies contain a waiver of subrogation by the insurance company.

All insurance coverages provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The Insurance shall be written for not less than any minimum coverage herein specified or required by law, whichever is greater. All deductible amounts for any of the required policies are subject to approval by the State.

The State reserves the right to reject insurance written by an insurer the State deems unacceptable.

BEFORE THE CONTRACT IS SIGNED BY BOTH PARTIES OR BEFORE THE PURCHASE ORDER IS ISSUED BY THE STATE, THE CONTRACTOR MUST FURNISH TO THE DIRECTOR OF ACQUISITION SERVICES, CERTIFICATE(S) OF INSURANCE VERIFYING INSURANCE COVERAGE. THE CERTIFICATE MUST BE ON THE STANDARD "ACCORD" FORM. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. All such Certificate(s) are to be prepared and submitted by the Insurance Provider and not by the Contractor. All such Certificate(s) shall contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. Such NOTICE must include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.



The Contractor is required to provide the type and amount of insurance checked (☑) below:

- ☑ 1. Commercial General Liability with the following minimum coverages:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations
\$2,000,000 Products/Completed Operations Aggregate Limit
\$1,000,000 Personal & Advertising Injury Limit
\$1,000,000 Each Occurrence Limit
\$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

- ☑ 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability policy.

- ☑ 3. Worker's disability compensation, disability benefit or other similar employee benefit act with minimum statutory limits. NOTE: (1) If coverage is provided by a State fund or if Contractor has qualified as a self-insurer, separate certification must be furnished that coverage is in the state fund or that Contractor has approval to be a self-insurer; (2) Any citing of a policy of insurance must include a listing of the States where that policy's coverage is applicable; and (3) Any policy of insurance must contain a provision or endorsement providing that the insurers' rights of subrogation are waived. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

- ☐ 4. For contracts providing temporary staff personnel to the State, the Contractor shall provide an Alternate Employer Endorsement with minimum coverage of \$1,000,000.

- ☑ 5. Employers liability insurance with the following minimum limits:

\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease



- 6. Professional Liability Insurance (Errors and Omissions coverage) with the following minimum coverage.
 - \$1,000,000 each occurrence and \$3,000,000 annual aggregate
 - \$3,000,000 each occurrence and \$5,000,000 annual aggregate
 - \$5,000,000 each occurrence and \$10,000,000 annual aggregate
- 7. Medical Professional Liability, minimum coverage.
 - \$100,000 each occurrence and \$300,000 annual aggregate
 - \$200,000 each occurrence and \$600,000 annual aggregate
 - \$1,000,000 each occurrence and \$5,000,000 annual aggregate

I-Z ADDITIONAL PRODUCTS/SERVICES

The State reserves the right to add an item(s) that are not described on the item listing and are available from the Contract vendor. The item(s) may be included on the Contract, only if prior written approval has been granted by Acquisition Services.

I-AA INDEMNIFICATION

A. General Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract.
2. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
3. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;



4. any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

B. Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.



C. Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

D. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

I-BB CONTRACT DISTRIBUTION

Acquisition Services shall retain the sole right of Contract distribution to all State agencies and local units of government and qualified transit authorities unless other arrangements are authorized by Acquisition Services.

I-CC ACCOUNTING RECORDS

The Contractor and all subcontractors shall maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during the Contract period and any extension thereof, and for three years from expiration date and final payment on the Contract or extension thereof.

I-DD NON-DISCRIMINATION CLAUSE

In the performance of a Contract or purchase order, the Contractor agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental handicap or disability. The Contractor further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, et seq, and the Persons With Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, et seq, and any breach thereof may be regarded as a material breach of the Contract or purchase order.



I-EE CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under the Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.



3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of 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 State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 4-6. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

I-FF ELECTRONIC FUNDS TRANSFER

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.

I-GG NOTICE AND RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.



I-HH MODIFICATION OF CONTRACT

Acquisition Services reserves the right to modify this contract at any time during the contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases. IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.

I-II FORM, FUNCTION, AND UTILITY

If the Contract is for use of more than one State agency and if the good or service provided under this Contract do not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

I-JJ UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, 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 pursuant to Section 2 of the Act. A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to Section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

I-KK PROHIBITED PRODUCTS

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Acquisition Services has approved a change.

**I-LL RIGHT TO KNOW ACT (Act 80 of 1986)**

The "Right to Know Act" is intended to provide protection and information to employees who encounter hazardous substances in the workplace. To comply with this act, it is necessary that you fulfill the following:

Labels on all incoming containers of hazardous chemicals must (1) clearly State the identity of the contents, (2) display appropriate hazard warning(s), (3) include first aid information, and (4) list the name and address of the chemical manufacturer, importer, or other responsible party.

Material Safety Data Sheets must be included with shipment of chemical or hazardous material to the receiving State agency. It is necessary to send this document only on the first shipment for each chemical formulation or hazardous material ordered by a specific agency except when there has been a change in the formulation of the specified chemical or hazardous material, in which case, a revised material safety data sheet shall accompany the first shipment of the changed formulation. It is the responsibility of the shipping vendor to maintain this record. The receiving agency will not accept first shipment unless the above is complied with. It is recommended that OSHA Material Safety Data Sheet No. 174 be used.

I-MM CONTRACT PAYMENT SCHEDULE

The specific payment schedule for the Contract(s) will be mutually agreed upon by the State and the Contractor(s). The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates.

I-NN ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the bidder hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

I-OO QUALITY ASSURANCE

The State reserves the right to periodically test products which have been received to verify compliance with specifications. If laboratory analysis shows that the product does not meet specifications or fails to perform satisfactorily at any time, the Contractor shall be responsible for:

1. All costs of testing and laboratory analysis.
2. Disposal and/or replacement of all products which fail to meet specifications.
3. All costs of repair and/or replacement of equipment deemed to have been damaged by substandard products as determined by the State.



I-PP INSPECTION

All goods are subject to inspection and testing. In the event goods are defective in material or workmanship, or otherwise fail to meet the requirements of the Contract, the State shall have the right to reject the goods or retain the goods and correct the defects. The Contractor shall pay the State for expenses incurred in correcting defects. Rejected goods will be held for 45 days after delivery. The Contractor must arrange for the return of said goods, including paying for handling, packing, and transportation costs. The State has the authority to dispose of the goods without further liability to the State in the event the Contractor fails to make arrangements within the specified time period.

I-QQ NON-STATE AGENCY REQUIREMENTS

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. As a result of the enactment of this legislation, we have developed an Extended Purchasing Program. This program extends the use of state contracts to local units of government. The governmental agency must enter into an agreement with the State of Michigan to become authorized to participate. Our major objective is to insure that local units of government secure a greater return for the expenditure of public funds.

Inasmuch as these are non-state agencies, all purchase orders will be submitted by, invoices will be billed to, and payment remitted by authorized local units of government on a direct and individual basis in compliance with contract terms and conditions. Orders received from non-approved local units of government shall not be considered unless prior approval is granted by DMB-Office of Purchasing.

All contracts shall be available for purchases by authorized local units of government. Therefore, all contractors shall honor orders on all contracts from State of Michigan authorized local units of government.

Estimated requirements for authorized local units of government are included in the quantities shown on the attached ITB.

I-RR PILOT MODEL & PLANT INSPECTIONS

The contractor shall allow for the following:

- 1) Conduction of a Pre-Pilot Model Review Meeting at the Manufacturers Facility, or a mutually agreed upon location.
- 2) Conduction of a Pilot Model Inspection and Mid-Production Inspection at the Manufacturers Facility, or a mutually agreed upon location.
- 3) Contractor shall allow for Periodic Production/Plant Inspection.

The contractor WILL NOT be responsible for any expense or transportation for State of Michigan employees involved in any of the meeting or inspections.



I-SS LIQUIDATED DAMAGES

The dates for the delivery of vehicles as set forth in this ITB have been fixed so that the delivery of vehicles is consistent with timing schedules of the State's and/or Local Units of Government and Qualified Transit Authorities Fleet Management Program. If the delivery of vehicles do not fall within the time limits set forth in the contract, the delay will interfere with the proper implementation of the State's and/or Local Units of Government and Qualified Transit Authorities Fleet Management Program utilizing the system pursuant to the contract, to the loss and damage of the State and/or Local Unit of Government. From the nature of the case, it would be impractical and extremely difficult to fix the actual damage sustained in the event of any such delay. The State and/or Local Unit of Government, Qualified Transit Authorities and the contractor, therefore, presume that in the event of any such delay the amount of damage which will be sustained from a delay will be in the amount set forth below, and they agree that in the event of any such delay, the contractor shall pay such amount as liquidated damages and not as a penalty. The State and/or Local Unit of Government and Qualified Transit Authorities at its option, for amounts due the State and/or Local Unit of Government and Qualified Transit Authorities as liquidated damages may deduct such from any money payable to the contractor or may bill the contractor as a separate item.

- (A) If the contractor does not deliver the vehicle/s, ready for use on or before the scheduled delivery date, the contractor shall pay to the State and/or Local Unit of Government and Qualified Transit Authorities, as fixed and agreed, liquidated damages, for each calendar day between the delivery date specified and the date of final delivery, but not more than 30 calendar days in lieu of all other damages due to such non-delivery, an amount of 1/10th of 1% of the Purchase Order/Departmental Contract Release Form unit cost per vehicle.
- (B) If some, but not all, of the vehicle/s described in the Purchase Order/Departmental Contract Release Form are delivered ready for use, by the scheduled delivery date, liquidated damages shall not accrue against the vehicle/s delivered.
- (C) If the delay is more than thirty 30 calendar days, then by written notice to the Contractor, the State and/or Local Unit of Government and Qualified Transit Authorities may terminate the right of the contractor to deliver, and may obtain substitute vehicle/s. In this event, the Contractor shall be liable for liquidated damages in the amounts specified above until acceptable substitute vehicle/s are delivered, ready for use, or for 30 days from the scheduled delivery date, whichever occurs first.
- (D) **EXCEPTION:** Except with respect to defaults of subcontractors, the Contractor shall not be liable for liquidated damages when delays arise out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God, or of the public enemy, acts of the State and/or Local Unit of Government and Qualified Transit Authorities in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but, in every case, the delays must be beyond the control and without the fault or negligence of the Contractor.



If the delays are caused by the default of a subcontractor, if such default arises out of causes beyond the control of both the Contractor and subcontractor and without the fault or negligence of any of them, the Contractor shall not be liable for liquidated damages for delays, unless the supplies or services to be furnished by the subcontractors were obtainable from other sources in sufficient time to permit the Contractor to meet the required performance schedule.

I-TT TITLE FEES

Prices include the cost of title fees for each vehicle.

If the State of Michigan raises the cost of the vehicle titles during the contract period, contractors may request a price adjustment to reflect the actual cost increases experienced.

I-UU PRODUCTION SCHEDULE

For the delivery of all units that may be released against the contract the following shall apply:

- 1) Number of days for conduction of a Pre-Pilot Model Review Meeting at the Manufacturers Facility, or a mutually agreed upon location, after date of Purchase Order/Contract Release Forms shall be within thirty (30) calendar days.
- 2) Number of days for Delivery of Chassis to the Body Contractor after the Pre-Pilot Model Review Meeting shall be within One-Hundred and Twenty (120)-calendar days.
- 3) Number of days between Delivery of Chassis to the Body Contractor and the Pilot Model Inspection Meeting to be held at the manufactures facility shall be within Sixty (60) calendar days.
- 4) Number of days following Pilot Model Inspection & Approval and Receipt of the Pilot Model Unit by the State shall be within Thirty (30) calendar days.

Delivery shall be at the rate of one (1) unit per week minimum until completion of the Departmental Contract Release Form/Purchase Order. Exact Delivery due date will be determined by delivery schedule, plus (+) seven (7) calendar days from Order Date indicated on the Departmental Contract Release Form/Purchase Orders.

Final Inspection will be made at a Michigan Location. The successful contractor shall have a factory dealer with repair facilities and personnel in Michigan, or may be a factory dealer with repair facilities and personnel in Michigan capable of handling final inspections, corrections and warranty follow-up.



I-VV BID SECURITY DEPOSIT

All bids were accompanied by a certified check, cashier's check, official check, or money order in the amount of \$1,000.00 as a bid deposit. Bids submitted without the required bid deposit were disqualified from further consideration. Such bid deposit shall guarantee that the bidder will accept a contract, if offered, and furnish the commodities or services in the ITB. Failure to accept such a contract and furnish the commodities or services offered in the ITB will cause the amount of the check to revert to the State of Michigan as liquidated damages. The check of the successful bidder(s) will be held pending the satisfactory completion of the contract. The deposit of all unsuccessful bidders shall be returned to them upon execution of a contract.

I-WW STATE AGENCY LISTING

The Ship To, Bill To, and Title To information for all orders will be as follows:
UPTRAN PASSENGER TRANSPORTATION OPERATIONS VARIOUS
LOCATIONS.

The listing shall not limit participation of additional agencies as the need may develop at the same prices, terms and conditions.

I-XX PRE-DELIVERY SERVICE & CONDITIONS

Prior to delivery, each vehicle shall be serviced and inspected by the dealer or his agent. At a minimum, this pre-delivery service and inspection shall cover the specifications listed in the Michigan Transportation Specifications. A copy of the contractors inspection and service check, including the contractors and vehicle identification, check off of service and inspection performed and the service manager's signature shall be furnished with each vehicle delivered. The vehicle's crank case, differential and transmission shall be filled to the manufacturer's recommended capacity and the fuel tank shall have a minimum of one-fourth (3) of a tank of fuel when the vehicle arrives at the delivery destination. The vehicle shall be clean and free from defects when delivered.

Each unit shall have an initial fill of windshield washer solution with solvent giving winter protection.

The receiving Departments have been instructed to make immediate inspection on receipt of units and to process payment documents promptly. Payment documents, however, will be delayed if the vehicle fails to comply with specification requirements. Therefore, we wish to impress on contract dealers that close pre-delivery inspection in accordance with specifications be made.

I-YY WARRANTY AND WARRANTY REPAIR WORK

The prime contractor will be responsible for all materials and accessories used in the vehicle, whether the same is ready made or from an outside source; and this responsibility may not be transferred, conveyed, assigned to any other person, company, corporation or entity without the previous written approval of the State.



Extension of warranty and or other policy adjustments will be considered when constant maintenance is required or if replacement parts prove unsound. The State of Michigan shall expect the manufacturer to have an adequate stock of replacement parts available to service State vehicles and to make delivery of all replacement parts to their dealers who may service State vehicles, within a reasonable time. The prime contractor will be required to contact the Fleet Managers of the Michigan Dept. of Transportation within ten(10) days after receipt of contract, to arrange procedures concerning the implementation of warranty claims and to designate personnel to handle claims.

The State further expects that warranty service and repairs as well as non-warranty service and repairs will be handled without prejudice.

I-ZZ WARRANTY PERFORMANCE STANDARDS

- A. Principle Period of Maintenance (PPM) will be the same hours as the State's normal working hours (currently Monday through Friday, 8:00 A.M. to 4:00 P.M., excluding a one (1) hour lunch period, excepting State observed holidays).
- B. The PPM hours may be changed upon thirty (30) days written notice by mutual agreement, except the Contractor shall make every reasonable effort to change his schedule in a shorter period of time.

The contractor will proceed expeditiously to complete the repair of any defect or failure reported by the State in the shortest practicable time except that it shall not exceed five (5) State working days following notice of defect unless agency and contractor mutually agree on alternate repair arrangements. Such alternate arrangements shall be made within five (5) State working days of defect notice. the State shall have as its option the right to obtain the required repair from other sources, or to complete the work itself and hold the contractor liable for any cost incurred. The State of Michigan as it option for amounts due may deduct such from any money payable to the Contractor or may bill the Contractor as a separate item.

If the Contractor fails to remit amounts due, these claims shall be subject to the standard State of Michigan Collection Claim Procedures by the State Treasury Department, in addition failure to remit amounts due may be considered cause for a contractor to be considered in default.

I-AAA DRIVER DELIVERY

Contractors will be permitted to drive vehicles to final destinations in compliance with the "Affidavit for Driver Delivery" attached, however, the affidavit must be completed and submitted to the Office of Purchasing to be applicable.

Delivery must be made between the hours of 8:00 A.M. and 4:00 P.M., Monday through Friday ONLY, excluding State holidays. Contractor must contact ordering agency 48 hours prior to scheduled delivery time and date.

**I-BBB PRE-AWARD & POST-DELIVERY AUDITS**

All bidders were subject to the Federal Transportation Administration's (FTA) 49 DFR Part 663 for Pre-Award and Post-Delivery Audits of Rolling Stock Purchases. Prior to award of a contract, the Michigan Department of Transportation will conduct a pre-award audit of the contractor that has been recommended for award, to verify that the contractor has successfully met all of the following requirements: 1) Federal Motor Vehicle Safety Requirements, 2) Federal Buy American Requirements, and 3) Grantee's Bid Specifications. Post-Delivery Audits shall include a "Road Test" of each unit.

I-CCC NON-FACTORY INSTALLED EQUIPMENT

All bidders provided a listing of equipment to be furnished that is not installed at the point of vehicle manufacturer. The list of non-factory installed equipment, if required, identifies the item number(s) to which it applies and lists the description of equipment involved.

I-DDD OPTIONAL EQUIPMENT AND ACCESSORIES

Factory Equipment not specifically listed in the contract and/or State of Michigan Vehicle Specifications may be added in accordance with the current Kelley Blue Book in effect at the time of order, using the Dealer Cost Column. (Political Subdivisions may implement such changes on a direct basis with the contractor.)

I-EEE LATE PAYMENT TERMS

Payment of "VENDOR LATE PAYMENT CHARGES" will be approved if the deliveries are within the specified time and if the vehicles satisfactorily comply with the specifications in accordance with Public Act 279 of 1984.

I-FFF FTA CLAUSES (ROLLING STOCK): SEE ATTACHED

Required FTA clauses, Circular 4220.1D.



I-GGG AFFIDAVIT FOR DRIVER DELIVERY

Vehicles may be driven to the final delivery destination if the following conditions are met:

1. The drivers of the vehicles are correctly licensed and trained in proper vehicle operation.
2. The dealership accepts all responsibility and liability for vehicles in transit.
3. The requesting contractor must sign the affidavit below and submit this with the bid.

The contractor accepts all responsibility and liability for vehicles in transit and guarantees vehicles shall be transported in a safe, proper, and efficient manner.

I understand that the State may cancel approval of this affidavit at any time during the contract if the contractor fails to meet the above obligations.

Signed

Dated

Title

Contractor

(The signature on this statement applies to this statement only; the ITB (DMB-285) form must be signed to be considered for award.)



I-HHH MANUFACTURER'S REBATE (INCENTIVES)

In any circumstance during or prior to completion of the contract, whereupon the State of Michigan (customer) becomes eligible to receive a rebate for any vehicle purchased under this contract, it shall be the prime contractors responsibility to inform the Office of Purchasing, in writing, of its qualification for such rebate and to advise the procedures for obtaining such rebates. LATE PAYMENT TERMS

Payment of "VENDOR LATE PAYMENT CHARGES" will be approved if the deliveries are within the specified time and if the vehicles satisfactorily comply with the specifications in accordance with Public Act 279 of 1984.

I-III INVOICING

The contractor shall submit two (2) copies of invoices, one (1) to the "Bill To" address and one (1) to the "Ship To" address.

I-JJJ SPECIFICATIONS

Definite Specifications - All commodities and/or services to be furnished hereunder shall conform to the specifications as noted in the "Contract Agreement" and/or copies of specifications attached.

I-KKK BUS OPERATING INSTRUCTIONS

Instructions, either graphic or audio-visual (video tape), for bus operating shall be included with the first bus delivered to each transit agency. The instructions shall clearly identify the Controls, Switches, Gauges, and other instructions that bus drivers and operators use while the bus is in service. Instructions shall also be included for operation of the Lift Interlock System, Entrance Door, and Vehicle Engine Compartment Fluid Level Fill and Check Areas.

I-LLL DELIVERY

1. TIME FRAMES

All orders shall be delivered within 210 calendar days after receipt of order.

Exact delivery will be determined by delivery schedules plus seven calendar days from order release date.

2. F.O.B. POINT

Prices are "F.O.B. Delivered" with transportation charges prepaid on all orders.

3. MINIMUM ORDER

Minimum order is one unit.

Revised 08/05/03

**MICHIGAN BUS SPECIFICATION
DIESEL COST MODEL
24 and 28 Passenger Non-Lift Medium Duty Buses
Lift Buses With Alternate Seating
26 and 29 Foot Buses, Respectively**

August 5, 2003

Body Manufacturer EIDorado National Company
Vendor Name Hoekstra Transportation, Inc.
Vendor Address 3741 Roger B. Chaffee
Grand Rapids, MI 49548

VENDOR SIGNATURE

I. COST MODEL *Bus Prices include \$2,300 for Recaro 8HO-CC99 Air Driver Seat
 ** Lift Equipped Bus Prices reflect -\$1,000 Mobility Rebate

<u>Quantity</u>		<u>Unit Price</u>
26 Foot Bus		
<u>8</u> Ea A.	24 passenger bus without lift, vinyl seats	<u>*\$60,107.00</u>
<u>28</u> Ea B.	14+2 passenger bus with lift, vinyl seats	<u>**\$64,428.00</u>
<u>7</u> Ea C.	10+3 passenger bus with lift, vinyl seats	<u>**\$64,642.00</u>
26 Foot Bus		
<u>3</u> Ea D.	24 passenger bus without lift, cloth seats	<u>*\$60,755.00</u>
<u>9</u> Ea E.	14+2 passenger bus with lift, cloth seats	<u>**\$64,965.00</u>
<u>2</u> Ea F.	10+3 passenger bus with lift, cloth seats	<u>**\$65,128.00</u>
29 Foot Bus		
<u>7</u> Ea G.	28 passenger bus without lift, vinyl seats	<u>*\$62,565.00</u>
<u>26</u> Ea H.	18+2 passenger bus with lift, vinyl seats	<u>**\$66,081.00</u>
<u>11</u> Ea I.	16+3 passenger bus with lift, vinyl seats	<u>**\$66,252.00</u>
<u>6</u> Ea J.	12+4 passenger bus with lift, vinyl seats	<u>**\$68,050.00</u>
29 Foot Bus		
<u>3</u> Ea K.	28 passenger bus without lift, cloth seats	<u>*\$63,321.00</u>
<u>9</u> Ea L.	18+2 passenger bus with lift, cloth seats	<u>**\$66,729.00</u>
<u>4</u> Ea M.	16+3 passenger bus with lift, cloth seats	<u>**\$66,846.00</u>
<u>2</u> Ea N.	12+4 passenger bus with lift, cloth seats	<u>**\$68,652.00</u>
O. Options - Alternate Quote Prices		
<u>48</u> Each	1a. Air conditioning, Split unit 26 foot	<u>\$ 3,570.00</u>
<u>58</u> Each	1b. Air conditioning, Split unit 29 foot	<u>\$ 3,905.00</u>
<u>6</u> Each	1c. Rooftop AC with heat, 26 foot	<u>\$ 7,319.00</u>
<u>9</u> Each	1d. Rooftop AC with heat, 29 foot	<u>\$ 7,319.00</u>
<u>15</u> Each	2. Destination sign	<u>\$ 800.00</u>
<u>15</u> Each	3. Ceiling handrails	<u>\$ 200.00</u>

Revised 08/05/03

**MICHIGAN BUS SPECIFICATION
DIESEL COST MODEL
24 and 28 Passenger Non-Lift Medium Duty Buses
Lift Buses With Alternate Seating
26 and 29 Foot Buses, Respectively**

August 5, 2003

Body Manufacturer EIDorado National Company
Vendor Name Hoekstra Transportation, Inc.
Vendor Address 3741 Roger B. Chaffee
Grand Rapids, MI 49548

I. COST MODEL

O. Options - Alternate Quote Prices

<u>Quantity</u>		<u>Unit Price</u>
<u>25</u> Each	4. Donation box (deduct)	<u>\$ -675.00</u>
<u>25</u> Each	5. Farebox electrical prep (deduct)	<u>\$ -805.00</u>
<u>49</u> Each	6. Limited slip differential	<u>\$ 250.00</u>
<u>35</u> Each	7. Rear emergency exit window	<u>\$ -562.00</u>
<u>19</u> Each	8. Paint – One color, no stripe (deduct)	<u>\$ -200.00</u>
<u>19</u> Each	9. Paint – Extra stripe (add)	<u>\$ 200.00</u>
<u>43</u> Each	10. Paint – Roof different color (add)	<u>\$ 200.00</u>
<u>15</u> Each	11. Paint – Full body color (add)	<u>\$ 1,300.00</u>
<u>25</u> Each	12. Type II lift, active (Platform)	<u>\$ 110.00</u>
<u>25</u> Each	13. Folding Platform Active Lift	<u>\$ 110.00</u>
<u>49</u> Each	14. Two-Way Radio Prep Package	<u>\$ 210.00</u>
<u>35</u> Each	15. Shear Spring Front Suspension	<u>\$ 1,115.00</u>
<u>19</u> Each	16. Air Ride Rear Suspension	<u>\$ 2,160.00</u>
<u>25</u> Each	17. Smooth Anti-slip Flooring	<u>\$ 480.00</u>
<u>25</u> Each	18. Entrance Stepwell Heater	<u>\$ 250.00</u>
<u>49</u> Each	19. Electric Driveline Brake (retarder)	<u>\$ 3,600.00</u>

Michigan Inspection Facility _____ Hoekstra Transportation Inc.
Address of Inspection Facility _____ 3741 Roger B. Chaffee Blvd.
_____ Grand Rapids, MI 49548