

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

October 14, 2009

CHANGE NOTICE NO. 10
TO
CONTRACT NO. 071B5200218
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825 amy.rosenleaf@philips.com	TELEPHONE (206) 664-5113 Amy Rosenleaf VENDOR NUMBER/MAIL CODE (2) 13-3429115 (020) BUYER (517) 373-0301 Sue Cieciva
Contract Compliance Inspector: Sue Cieciva (517) 373-0301 Automated External Defibrillator (AED) – Statewide	
CONTRACT PERIOD 4 Years From: February 15, 2005 To: January 31, 2010	
TERMS Net 30 Days	SHIPMENT 14 Days ARO
F.O.B. Destination	SHIPPED FROM Seattle, WA
MINIMUM DELIVERY REQUIREMENTS N/A	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE(S):

The vendor contact is hereby changed to:

Amy Rosenleaf
Email: amy.rosenleaf@philips.com
Phone: (206) 664-5113
Fax: (206) 664-5001

All other terms, conditions, specifications, and prices remain the same.

AUTHORITY/REASON:

Per vendor email dated October 8, 2009.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00

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

June 10, 2009

CHANGE NOTICE NO. 9
TO
CONTRACT NO. 071B5200218
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Vince Walker (206) 664-5211
Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825		
Email: vince.walker@philips.com		BUYER (517) 373-0301 Sue Cieciva
Contract Compliance Inspector: Sue Cieciva (517) 373-0301 Automated External Defibrillator (AED) – Statewide		
CONTRACT PERIOD 4 Years From: February 15, 2005 To: January 31, 2010		
TERMS	SHIPMENT	
Net 30 Days	14 Days ARO	
F.O.B.	SHIPPED FROM	
Destination	Seattle, WA	
MINIMUM DELIVERY REQUIREMENTS N/A		

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE(S):

Effective immediately, Philips Medical Systems has discontinued its HeartStart FR2+ models of automated external defibrillators AEDs. Therefore, the following models are hereby DELETED from this Contract:

Model M3860A HeartStart FR2+ Defibrillator with ECG
Model M3861A HeartStart FR2+ Defibrillator without ECG

Philips will continue to honor the standard five-year warranty for all currently installed FR2+ AEDs, as well as the optional two-year warranty extension available in the United States. Supplies, training, accessories, and technical support for the FR2+ will continue to be available.

All other terms, conditions, specifications, and prices remain the same.

AUTHORITY/REASON:

Per Philips Healthcare letter dated June 1, 2009.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00

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

February 2, 2009

CHANGE NOTICE NO. 8
TO
CONTRACT NO. 071B5200218
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825 Email: vince.walker@philips.com	TELEPHONE Vince Walker (206) 664-5211 VENDOR NUMBER/MAIL CODE (2) 13-3429115 (020) BUYER (517) 373-0301 Sue Ciecwa
Contract Compliance Inspector: Sue Ciecwa (517) 373-0301 Automated External Defibrillator (AED) – Statewide	
CONTRACT PERIOD 4 Years From: February 15, 2005 To: January 31, 2010	
TERMS Net 30 Days	SHIPMENT 14 Days ARO
F.O.B. Destination	SHIPPED FROM Seattle, WA
MINIMUM DELIVERY REQUIREMENTS N/A	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE(S):

Effective immediately this Contract is hereby EXTENDED to January 31, 2010.

Revised pricing per Appendix A – 2009 Renewal attached.

In addition, vendor contact changed to:

Vince Walker
Contracts Administrator
Phone: (206) 664-5211
Fax: (206) 664-5001
Email: vince.walker@philips.com

All other terms, conditions, specifications, and prices remain the same.

AUTHORITY/REASON:

Per DMB, Purchasing Operations request by letter dated November 18, 2008 and vendor agreement by letter dated January 21, 2009.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00



State of Michigan - Contract #071B5200215 for AEDs

Appendix A - 2009 RENEWAL

HeartStart FRx Defibrillator Products – Pricing

HeartStart FRx Defibrillator Ship Bundle

REF	DESCRIPTION	CONTRACT PRICE
861304	HeartStart FRx Defibrillator *	\$1,231.75
989803139251	Carrying Case, FRx Defibrillator	\$84.50
989803139261	HeartStart SMART Pads II (1 set)	\$31.85
SHIP BUNDLE TOTAL		\$1,348.10

The HeartStart FRx Defibrillator includes an Owner Manual, Battery, SMART Pads II (1 set), and a Quick Reference Guide. The HeartStart FRx Defibrillator device includes a 5 year manufacturer's warranty at no charge. Battery includes 4 year warranty; pads are warranted until expiration date. Other accessories include a 1 year warranty.

HeartStart FRx Defibrillator Accessories

REF	DESCRIPTION	CONTRACT PRICE
M5070A	Battery, Long Life LiMnO2 for HS1/FRx	\$96.85
989803139261	HeartStart SMART Pads II (1 set)	\$31.85
989803139311	Infant/Child Key	\$61.75
68-PCHAT	Fast Response Kit	\$26.65

HeartStart Cases and Wall Mounts

REF	DESCRIPTION	CONTRACT PRICE
989803136531	Defibrillator Cabinet, Basic	\$148.85
PFE7023D	Defibrillator Cabinet, Semi-recessed	\$276.25
PFE7024D	Defibrillator Cabinet, Wall Surface	\$259.35
M3857A	Wall Mount Bracket	\$57.85
M3858A	Defibrillator Wall Sign	\$20.80
M3859A	Secure Pull Seal, 10-pack	\$6.50
989803139251	Carrying Case, FRx Defibrillator	\$84.50
YC	Carrying Case, Plastic Waterproof Shell	\$130.00

HeartStart FRx Training Materials and Learning Products

REF	DESCRIPTION	CONTRACT PRICE
861306	HeartStart FRx Trainer	\$217.75
989803139321	FRx Training Toolkit (Includes PowerPoint presentations, presenter's guide, student guide and training DVD)	\$19.50
989803139341	FRx Product Training DVD	\$9.75
989803138731	FRx Owner's Manual	\$13.00
989803138601	FRx Quick Reference Guide	\$3.25
989803139271	Training Pads II (Note: for Infant/Child training applications, buy the Infant/Child Key separately)	\$48.75
989803139291	Replacement Training Pads II (Includes pads, wire and plug)	\$19.50
M5088A	Internal Manikin Adapter (Compatible with HeartStart FRx Trainer 861306 only)	\$19.50
M5089A	External Manikin Adapters, 5-pack	\$32.50
M5090A	Adult Pads Placement Guide	\$16.25
989803139281	Infant/Child Pads Placement Guide	\$16.25

FRx Cross-Compatibility

REF	DESCRIPTION	CONTRACT PRICE
05-10000	HeartStart Pads Adapter (QUICK-COMBO™)	\$25.35
05-10100	HeartStart Pads Adapter (Zoll™)	\$25.35
05-10200	HeartStart Pads Adapter (Barrel-style)	\$25.35

HeartStart Event Review Software

REF	DESCRIPTION	CONTRACT PRICE
861311	Option A01 – HeartStart Review Express Connect Software	\$55.25
ACT-IR	Infrared Data Cable	\$84.50
M3834A	HeartStart Event Review Software, Single PC	\$256.75
989803141811	HeartStart Event Review Software, Organization-wide License	\$646.75
989803143051	HeartStart Case Capture palmOne™ data download software	\$51.35
989803143041	HeartStart Configure Handheld configuration software	\$51.35
861431	Option A01 – HeartStart Event Review Pro Software, Single PC	\$1,621.75
861431	Option A03 – HeartStart Event Review Pro Software, Site License	\$3,896.75
861436	Option A01 – HeartStart Event Review Pro Upgrade, Single PC	\$646.75
861436	Option A03 – HeartStart Event Review Pro Upgrade, Site License	\$1,296.75

Pricing: The above prices do not include applicable sales taxes. Philips Terms and Conditions of Sale are available upon request.

Shipping: Shipping costs are included in all pricing – FOB destination. Supply only orders totaling less than \$300 may be subject to a shipping and handling charge. Rush shipping is available for an additional fee.

Return Process: A Returned Goods Authorization (RGA) number is required for all returns and must be obtained prior to returning product to Philips. To obtain an RGA number, call Customer Service. The RGA number must appear on the outside of the box. All returns are subject to a restocking fee. For more details on Philips Return Policy, contact Customer Service.

Customer Service: Phone: (800) 263-3342 or (206) 664-7745 Fax: (206) 664-2000

Address: Philips Healthcare, 2301 Fifth Avenue, Suite 200, Seattle, WA 98121



State of Michigan - Contract #071B5200215 for AEDs

Appendix A - 2009 RENEWAL

HeartStart FR2+ Defibrillator Products – Pricing

HeartStart FR2+ AED with ECG Ship Bundle

REF	DESCRIPTION	CONTRACT PRICE
M3860A	HeartStart FR2+ Defibrillator with ECG*	\$1,946.75
M3854A	Data Card and Tray for FR2 Series	\$81.25
M3869A	Vinyl Carrying Case for FR2+ Series	\$57.85
SHIP BUNDLE TOTAL		\$2,085.85

HeartStart FR2+ AED without ECG Ship Bundle

REF	DESCRIPTION	CONTRACT PRICE
M3861A	HeartStart FR2+ Defibrillator without ECG*	\$1,676.50
M3854A	Data Card and Tray for FR2 Series	\$81.25
M3869A	Vinyl Carrying Case for FR2+ Series	\$57.85
SHIP BUNDLE TOTAL		\$1,815.60

*The HeartStart FR2+ includes one FR2+ Users' Guide, one Battery, Defibrillation Pads (2 sets), Tray for Data Card, and a Quick Reference Card. All FR2+ models include a 60-month manufacturer's warranty at no charge. Batteries are warranted for four years from the time of installation. Pads are warranted until expiration date. All other accessories include a 12-month warranty.

FR2+ AED Accessories

REF	DESCRIPTION	CONTRACT PRICE
989803158211	HeartStart AED Defibrillator Pads 1-pack	\$24.38
989803158221	HeartStart AED Defibrillator Pads 5-pack	\$96.96
M3870A	FR2 AED Infant/Child Defibrillator Pads 1-pack	\$61.75
M3863A	Battery, Long-Life LiMnO ₂ , for FR2 Series	\$155.35
M3848A	Battery, Rechargeable LiION for FR2+ (FR2s shipped before 11/12/01 need a software update to use)	\$172.25
M3849A	Charger for FR2+ Rechargeable Battery (REF M3848A)	\$97.50
68-PCHAT	Fast Response Kit	\$26.65
M3873A	FR2+ ECG Assessment Module, AAMI (FR2s shipped prior to 11/12/01 need a software update to use this feature)	\$195
989803137771	ECG monitoring Electrodes – 20 3-packs (six week lead time)	\$32.50

FR2+ Data Cards

REF	DESCRIPTION	CONTRACT PRICE
M3854A	Data Card and Tray for FR2 Series	\$57.85
M3853A	Data Card Tray for FR2 Series	\$5.85
SDCF-05	Adapter, Data Card to PCMCIA	\$19.50
M3524A	Data Card Reader	\$97.50

Cases/Wall Mount

REF	DESCRIPTION	CONTRACT PRICE
989803136531	Defibrillator Cabinet, Basic	\$148.85
PFE7023D	Defibrillator Cabinet, Premium, Semi-recessed	\$276.25
PFE7024D	Defibrillator Cabinet, Premium, Wall Surface	\$259.35
M3868A	Carrying Case for FR2 Series	\$81.25
M3869A	Vinyl Carrying Case for FR2 Series	\$84.50
M3857A	Wall Mount Bracket	\$57.85
M3858A	Defibrillator Wall Sign	\$20.80
M3859A	Secure-Pull Seal 10 pack	\$6.50
YC	Carrying Case, Plastic Waterproof Shell	\$130.00
989803133171	Temperature Control Carry Case	\$247.00

FR2+ Cross-Product Compatibility

REF	DESCRIPTION	CONTRACT PRICE
05-10000	HeartStart Pads Adapter (QUIK-COMBO™)	\$25.35
05-10100	HeartStart Pads Adapter (Zoll™)	\$25.35
05-10200	HeartStart pads Adapter (Barrel-style)	\$25.35

Event Review Software

REF	DESCRIPTION	CONTRACT PRICE
861311	Option A01- HeartStart Review Express Connect Software	\$55.25
M3834A	HeartStart Event Review Software – Single PC	\$256.75
989803141811	HeartStart Event Review Software – Organization – wide License	\$646.75
861431	Option A01- HeartStart Event Review Pro Software, Single PC	\$1,621.75
861431	Option A03- HeartStart Event Review Pro Software, Site License	\$3,896.75
861436	Option A01 – HeartStart Event Review Pro Upgrade, Single PC	\$646.75
861436	Option A03 – HeartStart Event Review Pro Upgrade, Site License	\$1,296.75

FR2+ Training Materials

REF	DESCRIPTION	CONTRACT PRICE
M3860-91900	Instructions for Use, FR2+, English	\$13.00
M3860-97800	Quick Reference Card, FR2, English	\$3.25
M3864A	Training & Admin Pack for FR2 Series	\$130.00
M3855A	Charger for FR2 Training & Admin Pack (includes US power cord)	\$81.25
M3864-90001	Reference Guide for Training & Admin Pack, FR2 Series	\$13.00
989803150291	HeartStart FR2+ Toolkit, NTSC	\$19.50
M3752A	HeartStart AED Trainer 2 (Includes Carrying Case, 1 set of Defibrillator Training Pads)	\$226.85
M3753A	Remote Control for AED Trainer 2	\$31.85
M3754A	Programming Kit for AED Trainer 2 (Includes PC Cable and CD with Software)	\$19.50
07-10900	Defibrillator Training Pads: 1 set	\$16.25
07-11000	Defibrillator Trainer Carrying Case	\$16.25
M3871A	FR2 Series Infant/Child Training Pads	\$29.25
M3755A	Training Pads for AED Little Anne – 1 set	\$17.55
M3756A	AED Little Anne Training System	\$376.35

Extended Warranties

REF	DESCRIPTION	CONTRACT PRICE
989803130321	Extended Warranty (2 years) – New FR2+	\$321.75
989803130331	Extended Warranty (2 years) – Previously sold FR2+	\$321.75

Pricing: The above prices do not include applicable sales taxes. Philips Terms and Conditions of Sale are available upon request.

Shipping: Shipping costs are included in all pricing – FOB destination. Supply only orders totaling less than \$300 may be subject to a shipping and handling charge. Rush shipping is available for an additional fee.

Return Process: A Returned Goods Authorization (RGA) number is required for all returns and must be obtained prior to returning product to Philips. To obtain an RGA number, call Customer Service. The RGA number must appear on the outside of the box. All returns are subject to a restocking fee. For more details on Philips Return Policy, contact Customer Service.

Customer Service: Phone: (800) 263-3342 or (206) 664-7745 Fax: (206) 664-2000

Address: Philips Healthcare, 2301 Fifth Avenue, Suite 200, Seattle, WA 98121



PHILIPS

Philips Medical Systems
Heartstream
2301 Fifth Avenue, Suite 200
Seattle, WA 98121

206 664 5000 telephone
206 664 5001 facsimile
www.medical.philips.com

Warranty

Limited Warranty. Philips Medical Systems warrants that HeartStart FR2 series defibrillators HeartStart HS1 series, and HeartStart FRx defibrillators (and related accessories for these defibrillators described herein) sold by Philips or an authorized Philips distributor, if (i) used in accordance with its labeling and instructions for use, and (ii) properly maintained, shall substantially conform to material specifications published by Philips Medical Systems for such products and shall be substantially free from defects in material and workmanship for the warranty period specified. The HeartStart FR2, HS1, and FRx series defibrillators are warranted for **five years** from the date of shipment by Philips. Disposable defibrillation pads are warranted until the expiration date listed on the package. HeartStart FR2, HS1, and FRx series non-rechargeable lithium batteries are warranted for **four years** from the date of installation, provided the battery is installed by the shelf-life date stated on the battery. For all other accessories for the FR2, HS1, and FRx series defibrillators, Philips Medical Systems warrants such products for **12 months** from the date of shipment by Philips. Philips Medical Systems warrants the media on which the data management software copies are contained for a period of **60 days** from the date of shipment by Philips. Philips Medical Systems warranty does not apply to product defects resulting from improper or inadequate maintenance; use of the product with software, supplies or interfaces not supplied by Philips; use or operation of the product other than in accordance with Philips product specifications and written instruction; abuse, negligence, accident, loss or damage in transit; improper site preparation; unauthorized repair or modification to the product ("Warranty Exclusions").

Customer's exclusive remedy and Philips Medical Systems' sole liability for breach of the foregoing warranty is as follows. If any product described herein fails to conform to the warranty set forth above, at Philips Medical Systems' sole election, (which election shall be made after Philips receives the product), shall repair or replace the product; provided that (a) Philips Medical Systems receives notice in a timely manner in writing that such product failed to conform and a detailed explanation of any alleged nonconformity; (b) such product is returned to Philips Medical Systems during the warranty period; and (c) Philips Medical Systems is reasonably satisfied that claimed nonconformities actually exist and were not caused by the Warranty Exclusions. Philips Medical System is obligated to this warranty, provided that Philips has given prior consent to have the product returned to it, and the product is returned using a Returned Goods Authorization (RGA) number provided by Philips. In such instance, Philips Medical Systems shall be responsible for the cost of shipping.

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

July 21, 2008

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B5200218
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825 Alex.poulin@philips.com	TELEPHONE (800) 263-3342 X 8403 Alex Poulin
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 373-0301 Sue Cieciva
Contract Compliance Inspector: Sue Cieciva (517) 373-0301 Automated External Defibrillator (AED) – Statewide	
CONTRACT PERIOD 4 Years From: February 15, 2005 To: February 1, 2009	
TERMS Net 30 Days	SHIPMENT 14 Days ARO
F.O.B. Destination	SHIPPED FROM Seattle, WA
MINIMUM DELIVERY REQUIREMENTS N/A	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE(S):

Effective immediately there is a packaging change for the Heartstart FR2+ Defibrillator Pads from 2-pack and 6-pack to 1-pack and 5-pack.

Previous part numbers DP2 (2-pack) and DP6 (6-pack) are discontinued and hereby replaced with the following:

<u>Item Description</u>	<u>Product No.</u>	<u>Price</u>
FR2+ Pads (1-Pack)	989803158211	\$28.13
FR2+ Pads (5-Pack)	989803158221	\$111.88

All other terms, conditions, specifications, and prices remain the same.

AUTHORITY/REASON:

Per vendor request (Anita Rodgers) by letter dated July 14, 2008.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00

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

June 20, 2008

**CHANGE NOTICE NO. 6
 TO
 CONTRACT NO. 071B5200218
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825 Alex.poulin@philips.com	TELEPHONE (800) 263-3342 X 8403 Alex Poulin
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 373-0301 Sue Cieciva
Contract Compliance Inspector: Sue Cieciva (517) 373-0301 Automated External Defibrillator (AED) – Statewide	
CONTRACT PERIOD 4 Years From: February 15, 2005 To: February 1, 2009	
TERMS Net 30 Days	SHIPMENT 14 Days ARO
F.O.B. Destination	SHIPPED FROM Seattle, WA
MINIMUM DELIVERY REQUIREMENTS N/A	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE(S):

Please note the following changes to Article 1.401 Pricing, State Administrative Fee:

- 1. State Administrative Fee address for checks has been changed to the following:**

**Department of Management and Budget
 Financial Services – Cashier Unit
 Lewis Cass Building
 320 South Walnut Street
 P.O. Box 30681
 Lansing, MI 48909**

Make all checks payable to: State of Michigan

In addition, the buyer has been CHANGED to Sue Cieciva.

All other specifications, prices, terms, and conditions remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00

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

January 25, 2008

CHANGE NOTICE NO. 5 (REVISED*)
TO
CONTRACT NO. 071B5200218
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825		TELEPHONE (800) 263-3342 X 8403 Alex Poulin
		VENDOR NUMBER/MAIL CODE
Alex.poulin@philips.com		BUYER (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: William C. Walsh (517) 373-6535 Automated External Defibrillator (AED) – Statewide		
CONTRACT PERIOD 4 Years From: February 15, 2005 To: February 1, 2009		
TERMS Net 30 Days	SHIPMENT 14 Days ARO	
F.O.B. Destination	SHIPPED FROM Seattle, WA	
MINIMUM DELIVERY REQUIREMENTS N/A		

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE(S):

Effective January 23, 2008, this Contract is hereby *EXTENDED to February 1, 2009, and AMENDED as noted:

The FR2+ Defibrillator Ship Sets (M3861A and M3860A) are hereby REMOVED from this Contract. Products/pricing for this Contract are listed below. Per this pricing, the FRx defibrillator (861304) is hereby ADDED, along with its related accessories, and the FR2+ defibrillator accessories products/pricing are updated.

HeartStart FR2+ Defibrillator Accessories

FR2+ Accessories

REF	DESCRIPTION	CONTRACT PRICE
DP2	HeartStart AED Defibrillator Pads 2-pac	\$56.25
DP6	HeartStart AED Defibrillator Pads 6-pack	\$134.25
M3870A	FR2 AED Infant/Child Defibrillator Pads 1-pack	\$71.25
M3863A	Battery, Long-Life LiMnO2, for FR2 Series	\$179.25
M3848A	Battery, Rechargeable LiION for FR2+ (FR2s shipped before 11/12/01 need a software upgrade to use)	\$198.75
M3849A	Charger for FR2+ Rechargeable Battery (REF M3848A)	\$112.50
68-PCHAT	Fast Response Kit	\$30.75
M3873A	FR2+ ECG Assessment Module, AAMI (FR2s shipped prior to 11/12/01 need a software upgrade to use this feature)	\$225.00
989803137771	ECG Monitoring Electrodes – 20 3-packs (six week lead time)	\$37.50

FR2+ Data Cards

REF	DESCRIPTION	CONTRACT PRICE
M3854A	Data Card and Tray for FR2 Series	\$66.75
M3853A	Data Card Tray for FR2 Series	\$6.75
SDCF-05	Adapter, Data Card to PCMCIA	\$22.50
M3524A	Data Card Reader	\$112.50

Cases/Wall Mount

REF	DESCRIPTION	CONTRACT PRICE
989803136531	Defibrillator Cabinet, Basic	\$171.75
PFE7023D	Defibrillator Cabinet, Premium, Semi-recessed	\$318.75
PFE7024D	Defibrillator Cabinet, Premium, Wall Surface	\$299.25
M3868A	Carrying Case for FR2 Series	\$97.50
M3869A	Vinyl Carrying Case for FR2 Series	\$97.50
M3857A	Wall Mount Bracket	\$66.75
M3858A	Defibrillator Wall Sign	\$24.00
M3859A	Secure-Pull Seal 10-pac	\$7.50
YC	Carrying Case, Plastic Waterproof Shell	\$150.00
989803133171	Temperature Control Carry Case (FR2+ only)	\$285.00

FR2+ Cross-Product Compatibility

REF	DESCRIPTION	CONTRACT PRICE
05-10000	HeartStart Pads Adapter (QUIK-COMBO™)	\$29.25
05-10100	HeartStart Pads Adapter (Zoll™)	\$29.25
05-10200	HeartStart Pads Adapter (Barrel-style)	\$29.25

CONTRACT NO. 071B5200218
CHANGE NOTICE NO. 5
PAGE THREE

Event Review Software

REF	DESCRIPTION	CONTRACT PRICE
861311	Option A01 – HeartStart Review Express Connect Software	\$63.75
M3834A	HeartStart Event Review Software – Single PC	\$296.25
989803141811	HeartStart Event Review Software – Organization-wide License	\$746.25
861431	Option A01 – HeartStart Event Review Pro Software, Single PC	\$1,871.25
861431	Option A03 -- HeartStart Event Review Pro Software, Site License	\$4,496.25
861436	Option A01 – HeartStart Event Review Pro Upgrade, Single PC	\$746.25
861436	Option A03 – HeartStart Even Review Pro Upgrade, Site License	\$1,496.25

HeartStart FR2+ Defibrillator Accessories

FR2+ Training Materials

REF	DESCRIPTION	CONTRACT PRICE
M3860-91900	Instructions for Use, FR2+, English	\$15.00
M3860-97800	Quick Reference Card, FR2, English	\$3.75
M3864A	Training & Admin Pack for FR2 Series	\$150.00
M3855A	Charger for FR2 Training & Admin. Pack (includes US power cord)	\$93.75
M3864-90001	Reference Guide for Training & Admin Pack, FR2 Series	\$15.00
989803150291	HeartStart FR2+ Toolkit, N	\$22.50
M3752A	HeartStart AED Trainer 2 (Includes Carrying Case, 1 set of Defibrillator Training Pads)	\$261.75
M3753A	Remote Control for AED Trainer 2	\$36.75
M3754A	Programming Kit for AED Trainer 2 (includes PC Cable and CD with software)	\$22.50
07-10900	Defibrillator Training Pads: 1 set	\$18.75
07-11000	Defibrillator Trainer Carrying Case	\$18.75
M3871A	FR2 Series Infant/Child Training Pads	\$33.75
M3755A	Training Pads for AED Little Anne – 1 set	\$20.25
M3756A	AED Little Anne Training System	\$434.25

Extended Warranties

REF	DESCRIPTION	CONTRACT PRICE
989803130321	Extended Warranty (2 years) - New FR2+	\$371.25
989803130331	Extended Warranty (2 years) - Previously sold FR2+	\$371.25

HeartStart FRx Defibrillator Products - Pricing

HeartStart FRx Defibrillator Ship Bundle

REF	DESCRIPTION	CONTRACT PRICE
861304	HeartStart FRx Defibrillator*	\$1,326.50
989803139251	Carrying Case, FRx Defibrillator	\$91.00**
989803139261	HeartStart SMART Pads (1 set)	\$34.30**

TOTAL: \$1,451.80

*The HeartStart FRx Defibrillator includes an Owner’s Manual, Battery, SMART Pads II (1 set), and a Quick Reference Guide. The HeartStart FRx Defibrillator device includes a limited, 5-year manufacturer’s warranty at no charge. Battery includes 4-year limited warranty. Other accessories include a 1-year limited warranty.

**The prices listed above for the carry case and SMART Pads are only available when these items are purchased WITH an FRx defibrillator (861304). Subsequent purchases of these items will be per the pricing indicated below.

HeartStart FRx Defibrillator Accessories

REF	DESCRIPTION	CONTRACT PRICE
M5070A	Battery, Long Life LiMnO2 for HS1/FRx	\$111.75
989803139261	HeartStart SMART Pads II (1 set)	\$36.75
989803139311	Infant/Child Key	\$71.25
68-PCHAT	Fast Response Kit	\$30.75

HeartStart Cases and Wall Mounts

REF	DESCRIPTION	CONTRACT PRICE
989803136531	Defibrillator Cabinet, Basic	\$171.75
PFE7023D	Defibrillator Cabinet, Semi-recessed	\$318.75
PFE7024D	Defibrillator Cabinet, Wall Surface	\$299.25
M3857A	Wall Mount Bracket	\$66.75
M3858A	Defibrillator Wall Sign	\$24.00
M3859A	Secure Pull Seal, 10-pack	\$7.50
989803139251	Carrying Case, FRx Defibrillator	\$97.50
YC	Carrying Case, Plastic Waterproof Shell	\$150.00

HeartStart FRx Training Materials and Learning Products

REF	DESCRIPTION	CONTRACT PRICE
861306	HeartStart FRx Trainer	\$251.25
989803139321	FRx Training Toolkit	\$22.50
(Includes PowerPoint presentations, presenter's guide, student guide and training DVD)		
989803139341	FRx Product Training DVD	\$11.25
989803138731	FRx Owner's Manual	\$15.00
989803138601	FRx Quick Reference Guide	\$3.75
989803139271	Training Pads II	\$56.25
(Note: for Infant/Child training applications, buy the Infant/Child Key separately)		
989803139291	Replacement Training Pads II (Includes pads, wire and plug)	\$22.50
M5088A	Internal Manikin Adapters (Compatible with HeartStart FRx Trainer 861306 only)	\$22.50
M5089A	External Manikin Adapter, 5-pack	\$37.50
M5090A	Adult Pads Placement Guide	\$18.75
989803139281	Infant/Child Pads Placement Guide	\$18.75

FRx Cross-Compatibility

REF	DESCRIPTION	CONTRACT PRICE
05-10000	HeartStart Pads Adapter (QUICK-COMBO™)	\$29.25
05-10100	HeartStart Pads Adapter (Zoll™)	\$29.25
05-10200	HeartStart Pads Adapter (Barrel-style)	\$29.25

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HeartStart Event Review Software

REF	DESCRIPTION	CONTRACT PRICE
861311	Option A01 – HeartStart Review Express Connect Software	\$63.75
ACT-IR	Infrared Data Cable	\$97.50
M3834A	HeartStart Event Review Software, Single PC	\$296.25
989803141811	HeartStart Event Review Software, Organization-wide License	\$746.25
989803143051	HeartStart CaseCapture palmOne™ data download software	\$59.25
989803143041	HeartStart Configure palmOne™ configuration software	\$59.25
861431	Option A01 – HeartStart Event Review Pro Software, Single PC	\$1,871.25
861431	Option A03 -- HeartStart Event Review Pro Software, Site License	\$4,496.25
861436	Option A01 – HeartStart Event Review Pro Upgrade, Single PC	\$746.25
861436	Option A03 – HeartStart Even Review Pro Upgrade, Site License	\$1,496.25

Warranty

Limited Warranty. Philips Medical Systems warrants that HeartStart FR2 series defibrillators HeartStart HS1 series, and HeartStart FRx defibrillators (and related accessories for these defibrillators described herein) sold by Philips or an authorized Philips distributor, if (i) used in accordance with its labeling and instructions for use, and (ii) properly maintained, shall substantially conform to material specifications published by Philips Medical Systems for such products and shall be substantially free from defects in material and workmanship for the warranty period specified. The HeartStart FR2, HS1, and FRx series defibrillators are warranted for **five years** from the date of shipment by Philips. Disposable defibrillation pads are warranted until the expiration date listed on the package. HeartStart FR2, HS1, and FRx series non-rechargeable lithium batteries are warranted for **four years** from the date of installation, provided the battery is installed by the shelf-life date stated on the battery. For all other accessories for the FR2, HS1, and FRx series defibrillators, Philips Medical Systems warrants such products for **12 months** from the date of shipment by Philips. Philips Medical Systems warrants the media on which the data management software copies are contained for a period of **60 days** from the date of shipment by Philips. Philips Medical Systems warranty does not apply to product defects resulting from improper or inadequate maintenance; use of the product with software, supplies or interfaces not supplied by Philips; use or operation of the product other than in accordance with Philips product specifications and written instruction; abuse, negligence, accident, loss or damage in transit; improper site preparation; unauthorized repair or modification to the product (“Warranty Exclusions”).

Customer’s exclusive remedy and Philips Medical Systems’ sole liability for breach of the foregoing warranty is as follows. If any product described herein fails to conform to the warranty set forth above, at Philips Medical Systems’ sole election, (which election shall be made after Philips receives the product), shall repair or replace the product; provided that (a) Philips Medical Systems receives notice in a timely manner in writing that such product failed to conform and a detailed explanation of any alleged nonconformity; (b) such product is returned to Philips Medical Systems during the warranty period; and (c) Philips Medical Systems is reasonably satisfied that claimed nonconformities actually exist and were not caused by the Warranty Exclusions. Philips Medical System is obligated to this warranty, provided that Philips has given prior consent to have the product returned to it, and the product is returned using a Returned Goods Authorization (RGA) number provided by Philips. In such instance, Philips Medical Systems shall be responsible for the cost of shipping.

Pricing: The above prices do not include applicable sales taxes.

Shipping: Standard shipping costs are included in all pricing – FOB Destination. Rush shipping is available for an additional fee.

**CONTRACT NO. 071B5200218
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PAGE SIX**

Return Process: A Returned Goods Authorization (RGA) number is required for all returns. An RGA number must be obtained prior to returning product to Philips. To obtain an RGA number, call (800) 263-3342. An RGA number must appear on the outside of the box. All returns are subject to a restocking fee.

Customer Service: (800) 263-3342 or (206) 664-7745 Fax: (206) 664-2000
Address: Philips Healthcare, 2301 Fifth Avenue, Suite 200, Seattle, WA 98121

Customer Service/Warranty:

For all warranty issues, to place orders, to check the status of existing orders, or for any other customer service related issues, please call 1-800-263-3342.

Michigan Sales Representatives:

For Fire, EMS and Police agencies (including County Sheriff Departments, Local and Municipal Police Departments, and State Police) contact:

Matt Larsen at 1-800-218-2045, Ext. 6078 or via Cell Phone: 517-303-5883

E-mail: matthew.larsen@philips.com

For other State government, city/county/municipal entities, schools, airports/seaports, prisons and jails, university and campus police, and utilities contact:

Mike Lockwood at 1-800-218-2045, Ext. 5660 or via Cell Phone: 317-385-1245

E-mail: michael.lockwood@philips.com

All other Terms, Conditions and Pricing not noted above shall remain the same.

AUTHORITY/REASON:

Per request of DMB/Purchasing Operations and Vendor Agreement (E-mail dated 1/21/08)

INCREASE: \$0.00

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00

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

November 30, 2006

CHANGE NOTICE NO. 4
 TO
 CONTRACT NO. 071B5200218
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR		TELEPHONE: Alex Poulin (800) 263-3342 Ext. 8403
Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825 <u>Alex.poulin@philips.com</u>		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: William C. Walsh, (517) 373-6535		CS138# N/A
Automated External Defibrillator (AED's)		
CONTRACT PERIOD: From: February 15, 2005		To: February 1, 2008
TERMS	Net 30 Days	SHIPMENT 14 Days ARO
F.O.B.	Destination	SHIPPED FROM Seattle, WA
MINIMUM DELIVERY REQUIREMENTS		
1 AED		

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE (S):

Effective November 29, 2006, this Contract is hereby AMENDED as noted:

The Customer Service Contact is hereby CHANGED to Alex Poulin:

Telephone: (800) 263-3342, extension 8403

E-Mail: Alex.poulin@philips.com

Sales Contact: Matthew Larsen

Telephone: (800) 218-2045, extension 6078

E-Mail: Matthew.larsen@philips.com

Contract Administrator: Amy M. Rosenleaf

Telephone: (206) 664-5113 Fax: (206) 664-5001

E-Mail: amy.rosenleaf@philips.com

All other terms, conditions, and pricing not noted above shall remain the same.

AUTHORITY/REASON: Per vendor request (e-mail dated 11/03/06).

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00

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

May 27, 2005

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B5200218
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE: Nathan Lemberg (800) 263-3342 Ext. 8411
Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825 Nathan.lemberg@philips.com		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: William C. Walsh, (517) 373-6535 CS138# N/A Automated External Defibrillator (AED's)		
CONTRACT PERIOD: From: February 15, 2005 To: February 1, 2008		
TERMS	SHIPMENT	
Net 30 Days	14 Days ARO	
F.O.B.	SHIPPED FROM	
Destination	Seattle, WA	
MINIMUM DELIVERY REQUIREMENTS		
1 AED		

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE (S):

Effective May 16, 2005, this Contract is hereby AMENDED as noted:

The Customer Service Contract is hereby CHANGED to Nathan Lemberg:

Telephone: (800) 263-3342, extension 8411

E-Mail: Nathan.lemberg@philips.com

Sales Contact: Pam Mullins at (866) 246-7306, extension 7916

All other terms, conditions, and pricing of this Contract shall remain the same.

AUTHORITY/REASON:

Per e-mail from Amy Rosenleaf, Philips Medical Systems dated 5/25/05.

INCREASE: \$0.00

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00

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

May 18, 2005

**CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B5200218
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825	TELEPHONE: Nathan Beatty (800) 263-3342 Ext. 8411
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: William C. Walsh, (517) 373-6535 CS138# N/A Automated External Defibrillator (AED's)	
CONTRACT PERIOD: From: February 15, 2005 To: February 1, 2008	
TERMS Net 30 Days	SHIPMENT 14 Days ARO
F.O.B. Destination	SHIPPED FROM Seattle, WA
MINIMUM DELIVERY REQUIREMENTS 1 AED	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE (S):

Effective May 16, 2005, this Contract is hereby AMENDED as noted:

The contact telephone number is hereby CHANGED to (800) 263-3342, extension 8411.

All other terms, conditions, and pricing of this Contract shall remain the same.

AUTHORITY/REASON:

Per e-mail from Holly Witkowski dated 4/6/05.

INCREASE: \$0.00

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$316,250.00

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

March 16, 2005

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B5200218
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825	TELEPHONE: Nathan Beatty (800) 263-3341 Ext. 8411
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: William C. Walsh, (517) 373-6535 CS138# N/A Automated External Defibrillator (AED's)	
CONTRACT PERIOD: From: February 15, 2005 To: February 1, 2008	
TERMS Net 30 Days	SHIPMENT 14 Days ARO
F.O.B. Destination	SHIPPED FROM Seattle, WA
MINIMUM DELIVERY REQUIREMENTS 1 AED	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT

NATURE OF CHANGE (S):

Effective March 16, 2005, this Contract is hereby CHANGED to add the following:

This Contract is EXTENDED to Local Units of Government and other Non-Profit Organizations through MiDEAL.

All other terms, conditions, and pricing of this Contract shall remain the same.

AUTHORITY/REASON:

Per Acquisition Services.

INCREASE: \$0.00

Total Estimated Contract Value Remains: \$316,250.00

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

March 3, 2005

NOTICE
OF
CONTRACT NO. 071B5200218
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825	TELEPHONE: Nathan Beatty (800) 263-3341 Ext. 8411
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: William C. Walsh, (517) 373-6535 Automated External Defibrillator (AED's)	
CONTRACT PERIOD: From: February 15, 2005 To: February 1, 2008	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

The terms and conditions of this Contract are attached.

Estimated Contract Value: \$316,250.00

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

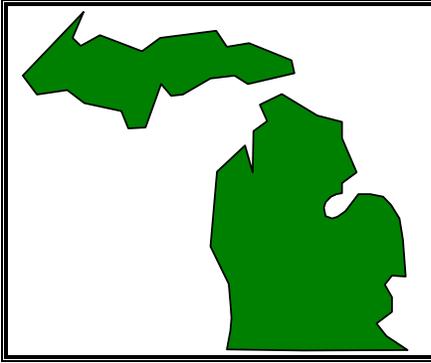
**CONTRACT NO. 071B5200218
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Philips Medical Systems, Heartstream 2301 Fifth Avenue, Suite 200 Seattle, WA 98121-1825</p>		TELEPHONE: Nathan Beatty (800) 263-3341 Ext. 8411 VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: William C. Walsh, (517) 373-6535 <p style="text-align: center;">Automated External Defibrillator (AED's)</p>		
CONTRACT PERIOD: From: February 15, 2005 To: February 1, 2008		
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>	
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>		
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are attached. Estimated Contract Value: \$316,250.00		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No07114001372](#). Orders for delivery of equipment will be issued directly by the [Department of Management and Budget](#) through the issuance of a Purchase Order Form.

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

<p>FOR THE VENDOR:</p> <p style="text-align: center;">Philips Medical Systems, Heartstream _____ Firm Name</p> <p style="text-align: center;">_____ Authorized Agent Signature</p> <p style="text-align: center;">_____ Authorized Agent (Print or Type)</p> <p style="text-align: center;">_____ Date</p>	<p>FOR THE STATE:</p> <p style="text-align: center;">_____ Signature William C. Walsh, CPPB _____ Name Commodities Division, Acquisition Services _____ Title</p> <p style="text-align: center;">_____ Date</p>
---	---



STATE OF MICHIGAN
Department of Management and Budget
Acquisition Services

Contract No. [071B5200218](#)
[Automated External Defibrillator \(AED\)](#)

Buyer Name: [William C. Walsh, CPPB](#)
Telephone Number: [\(517\) 373-6535](#)
E-Mail Address: walshw@michigan.gov



Automated External Defibrillator (AED)

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Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 DEFINING DOCUMENT

This document contains or incorporates defined requirements, the specifications and scope of work, and all contractual terms and conditions.

1.002 PROJECT TITLE AND DESCRIPTION

This Contract is a Statewide Contract for Automated External Defibrillators (AED's), which shall be available to state agencies, local units of government and other non-profit organizations.

1.003 PROJECT CONTROL

Project Control

- a. The Contractor will carry out this project under the direction and control of the Department of Management and Budget, Acquisition Services.
- b. Although there will be continuous liaison with the Contractor team, the Contract Administrator will meet as required, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise.
- c. The Contractor will submit brief written *semi-annual reports as to purchasing activity*.
- d. The Contractor shall provide the names and title of personnel assigned to this project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status or other unforeseen circumstances may only be made with prior approval of the state.

1.004 COMMENCEMENT OF WORK

Contractor shall show acceptance of this agreement by signing both copies of this Contract and returning it to the Contract administrator. Contractor shall not proceed with performance of the work to be done under this agreement, including the purchase of necessary materials, until both parties have signed this agreement to show acceptance of its terms.

1.1 Product Quality

1.101 AED SPECIFICATIONS

- 1) Philips has been manufacturing the FR2+ AED since 1998.
- 2) The VF/VT detection rates are only one part of the analysis system, and as such there are not discrete rate cutoffs. The device also uses the Amplitude, Conduction (QRS duration), and Stability (repetitiveness of the waveform) to determine if a shock is advised. A 250-bpm rhythm that has a very good conduction and stability may not be shockable, as it is indicative of a perfusing rhythm. Conversely, a 160-bpm rhythm may be shockable if the conduction and stability are very poor. There are no user programmable settings for the analysis system.
- 3) Yes, the length of time that the FR2+ AED is in CPR mode can be reprogrammed.
- 4) Yes, the FR2+ AED detects noise and artifact during analysis.
- 5) Yes, the FR2+ AED has a committed shock feature. If the device originally detects VT/VT, it will dump the shock if the person converts on their own.
- 6) The FR2+ AED has continuous monitoring during CPR.
- 7) The FR2+ AED features a backlit display screen that provides text prompts to the user. The FR2+ AED with ECG (model M3860A, offered as an option) also lets the user view the patient's ECG rhythm on the display screen.
- 8) Yes, the FR2+ AED features a stand-alone training unit.
- 9) Yes, product M5066-89100 (HeartStart HS1 and FR2+ Training Toolkit).
- 10) The FR2+ AED conducts self-tests on a daily, weekly and monthly basis. Please refer to attached self-test tech notes on both devices for more information.
- 11) The FR2+ AED's self tests check batteries and circuitry. As the pads for the FR2+ AED are not pre-connected, the self test process does not check them.



EASE OF USE/SELF TESTING FEATURES

- 1) Turn unit on, plug pads into unit, and attach pads to patient for monitoring.
- 2) Two buttons are required to operate the FR2+ AED.
- 3) Philips HeartStart pads are not interchangeable. The diagram on the pads (for both devices) shows the user how to place the pads correctly.
- 4) FR2+ defibrillation pads are not pre-connected.
- 5) The voice prompts for the FR2+ are not responsive to the rescuer, but they do follow normal, easy-to-follow speech patterns.
- 6) The FR2+ AED checks the battery daily. If a low battery is detected, the FR2+ alerts the user by means of a period chirp and a flashing red "X" in the unit's status indicator.
- 7) The owner's manual (instructions for use) for the FR2+ AED recommends storing a spare battery with the device.
- 8) The FR2+ AED runs automated self-tests that check internal circuitry on a daily, weekly and monthly basis. If a problem is detected, the FR2+ alerts the user by means of a period chirp and a flashing red "X" in the unit's status indicator.
- 9) The FR2+ AED does not check for the presence of pads, as the pads are not pre-connected. Pads for the FR2+ are marked with an expiration date that is two years from the date of manufacture.
- 10) The FR2+ AED runs automated self-tests that check the device's power supply on a daily, weekly and monthly basis.

ELECTRODES

- 1) The shelf life for pads for the FR2+ AED is two years from the date of manufacture. The pads are marked with an expiration date.
- 2) The FR2+ AED does not check for the presence of pads, as the pads are not pre-connected. Pads for the FR2+ are marked with an expiration date that is two years from the date of manufacture.
- 3) The FR2+ AED does not notify the user of missing or non-functional pads, as the pads are not pre-connected. Philips recommends that the user(s) check the expiration date on the pads on a regular basis to make sure that they are usable.
- 4) Pediatric pads are offered for the FR2+ AED as an optional accessory. These pads are similar in form and function to the adult pads, but deliver a shock at a fixed energy rate of 50 joules rather than the level of 150 joules delivered by the adult pads. These pads are offered as an optional accessory at a price of \$71.40 per set, a 15% discount from the list price of \$84.00. The product number is M3870A.
- 5) The FR2+ defibrillation pads can be used with EMS AEDs manufactured by Medtronic Physio-Control and Zoll, with the use of specialized adaptors.
- 6) Philips HeartStart pads are not interchangeable. The diagram on the pads (for both devices) shows the user how to place the pads correctly.
- 7) The FR2+ AED's pads are not pre-connected. In the event that the device has to be used, they are easily connected into a socket on the upper right corner of the device.

CIRCUITRY

- 1) The FR2+ AED runs automated self-tests that check internal circuitry on a daily, weekly and monthly basis.
- 2) If a problem is detected, the FR2+ AED alerts the user by means of a period chirp and a flashing red "X" in the unit's status indicator.

RESCUE DATA RETREIVAL

The FR2+ AED stores summary data for its last use in its internal memory. With the use of a data card (item M3854A, available as an optional accessory for \$75.65, a 15% discount from the list price of \$89.00), the FR2+ can store up to 8 hours of incident and ECG data, or one hour with voice recording. Also, with the use of Philips' HeartStart Event Review data management software (free Express version available online at http://www.medical.philips.com/us/products/resuscitation/products/event_review/free_reviewexpress.html, can be used to download and print ECG and event data), and a compact flash card reader (item M3524A, available as an optional accessory for \$127.50, a 15% discount from the list price of \$150.00), the stored data can be transferred to a personal computer.



ENERGY DELIVERY

- 1) The energy delivery for the FR2+ AED is a single output of 150J nominal into a 50 ohm load. For pediatric defibrillation, the delivery is a single out put of 50J nominal into a 50 ohm load
- 2) The FR2+ AED uses a truncated exponential biphasic waveform. The parameters of this waveform are adjusted as a function of patient impedance.
- 3) Please see answer to number 2, above.
- 4) The FR2+ AED is programmable in case of a change in AHA protocols.
- 5) The FR2+ AED's truncated exponential biphasic waveform delivers a non-progressive, three-shock sequence of 150J-150J-150J. Several studies show such lower-energy shocks to be equally as effective as high-energy shocks. These studies also report a lower incidence of post-resuscitatory complications in patients treated with the lower-energy shocks.¹

1.102 RESEARCH AND DEVELOPMENT

Philips Global, a \$35 Billion company, invests almost 10% of its revenues in Research and Development. As the leader in innovation for the AED market, the Philips HeartStart team has brought many 'industry firsts' to the automated external AED market, including the first device with pediatric capability, first three lead ECG monitoring ability, first device with CPR voice instructions for both adults and pediatrics, first user-scaleable voice instructions on a AED and the first AED designed specifically for the home. Philips is committed to maintaining and extending its product development and research efforts to stay current with ongoing market demands.

1.103 QUALITY ASSURANCE PROGRAM

Philips Medical Systems' Seattle Heartstream manufacturing facility maintains a comprehensive Quality Management System that encompasses every aspect of the manufacturing process, including design, manufacturing, product inspection and testing, product storage, packaging and delivery. Upon request, Philips can provide the state with a copy of the complete document detailing our Quality Management System. Please be advised that this information is considered Company Confidential. Also, please see certification of our Quality Management System from TUV America, Inc.

1.104 WARRANTY FOR PRODUCTS OR SERVICES

- 1) Please see attached product warranty (Appendix B) for the HeartStart FR2+ AED, as well as a Philips warranty service information sheet. The device is warranted for five years from the date of shipment against defects in materials and workmanship. The AED batteries are warranted for four years from the date of shipment. Disposable defibrillation pads are warranted until the expiration date listed on the package (two years from the date of manufacture). All other accessories are warranted for one year from the date of shipment.
- 2) Please see attached product warranty for the HeartStart FR2+ AED, for complete warranty details and restrictions.
- 3) The FR2+ AED does not require on-site servicing and therefore there would be no extra cost with the warranty – it is included standard with the device.
- 4) The Instructions for Use (owners manual) for the FR2+ AED does not recommend regular calibration. The Instructions for Use contain a sample maintenance schedule that users are recommended to follow. This schedule includes such tasks as checking the status indicator to ensure that the device and battery are functional and checking the expiration dates on the pads to ensure that they are still usable.
- 5) Philips Medical Systems has had one reportable voluntary recall of an AED. On October 17, 2000, Agilent Technologies, Inc., Heartstream Operation ("Heartstream") determined that a FR2 automatic external defibrillator ("AED") had been shipped to a customer with a tantalum capacitor with an incorrect voltage rating on one of its printed circuit assemblies ("PCA"). Although it is unlikely that this capacitor would fail during the expected life of the AED, if it were to fail, it could affect the AED. Consequently, Heartstream initiated a removal action to recover the single affected AED by notifying the customer, who had not yet placed the AED in service. (Note: At the time of this action, Philips' Cardiac and Monitoring Systems division, which includes AED manufacture and sales, was owned by Agilent Technologies. Philips acquired this division in August of 2001. "Heartstream" refers to the Seattle facility where Philips AEDs and accessories are manufactured.)



- 6) Any AED that needs to be replaced should be returned to Philips Medical Systems' manufacturing plant in Seattle, Washington. Please refer to attached Philips warranty service information sheet for details. The normal turnaround time for replacement of defective AEDs is 48 hours.

BATTERY

- 1) 300 shocks, five years typical standby time, five years shelf life, or minimum 12 hours operating time.
- 2) For the FR2+ AED battery, the warranty is four years from the date of shipment, provided that the batteries are installed by or prior to the shelf-life date stated on the batteries.
- 3) The owner's manual (instructions for use) for the FR2+ AED recommends storing a spare battery with the device.
- 4) The FR2+ AED checks the battery daily
- 5) If a low battery is detected, the FR2+ AED alerts the user by means of a period chirp and a flashing red "X" in the unit's status indicator.
- 6) The FR2+ AED does not feature a visible battery fuel gauge. It does enable the user to run a battery history test, which shows the number of use minutes and charges as well as battery status.

1.2 Service Capabilities

1.201 CUSTOMER SERVICE/ORDERING

Philips Medical Systems maintains a customer support center at its Seattle manufacturing location. Customer service (or sales support) is capable of receiving orders electronically, or by fax, phone and in writing. The toll-free number is 1-800-263-3342. For large orders (i.e. orders including one or more AED) it is preferred that customers submit orders electronically, in writing or by fax. Philips customer service will call to verify orders that appear abnormally large. Smaller orders (i.e. accessories) can be placed by phone. The customer support person who will be supporting all accounts falling under this contract is Nathan Lemberg; he can be reached at 1-800-263-3342, extension 8411. The local Philips sales representative is Pamela Mullins; she can be reached at 1-800-218-2045, extension 7916.

1.202 TRAINING

Our customer service center is available Monday through Friday during normal business hours to assist any agency personnel with ordering, shipping, billing and receiving issues. Their toll-free phone number is listed above. In-service training to agency and State personnel and "train the trainer" sessions are available on products, installation, and safety issues when necessary. This is provided at no additional charge. These services are performed either by the manufacturer's sales representative, clinical specialists or an authorized Philips distributor. Training can be arranged by contacting Philips sales representative Pamela Mullins at the phone number above. Also, please see attached 'Implementation and Training' outline in reference to implementing a Public Access Defibrillation (PAD) program.

1.203 REPORTING

Philips is able to provide a variety of reports, including itemized reports of total items, orders by agency (all or individual), all orders booked against the contract, and quantity reports.

1.204 SPECIAL PROGRAMS

Philips does offer special programs – for information on trade-in programs and volume discounts, please contact Philips sales representative Pamela Mullins at the phone number above. Philips' standard return policy requires that customers return unwanted merchandise within 60 days of shipment in order to receive credit, and contact Philips to receive a Returned Goods Authorization (RGA) prior to sending merchandise back. Philips reserves the right to inspect returned merchandise to ensure that it is in "like new" condition. In regards to returns of defective merchandise, please refer to attached warranty and warranty service information sheet.

1.205 SECURITY

Philips uses Federal Express for all deliveries in the United States.

**1.3 Delivery Capabilities****1.301 TIME FRAMES**

Philips standard delivery time is 30 days after the receipt of a complete order. Upon request, on an individual order basis, Philips will make every effort to meet the state's request for delivery in 14 calendar days.

1.302 MINIMUM ORDER

The minimum order for this Contract shall be one (1) unit.

1.303 PACKAGING

Philips follows approved industry standards in regards to packaging.

1.304 RESERVED**1.305 DELIVERY TERM**

Philips delivery terms are FOB Destination.

1.306 RESERVED FOR ACCEPTANCE OF DELIVERABLES/PARE EXPLANATION**1.4 Project Price****1.401 PRICING**

See attached pricing sheet.

STATE ADMINISTRATIVE FEE

The Contractor must collect an Administrative Fee on the sales transacted under this Contract. The Contractor must remit the Administrative Fee in U.S. dollars within thirty (30) days after the end of the quarterly sales reporting period. The Administrative Fee equals 1% of the total quarterly sales reported. Contractor must include the Administrative Fee in their prices.

The Contractor must remit any monies due as a result of the close-out report at the time the close-out report is submitted to Acquisition Services.

The Contractor must pay the Administrative Fee collected by check. To ensure the payment is credited properly, the Contractor must identify the check as an "Administrative Fee" and include the following information with the payment:

Applicable State BPO Number, report amount(s), and reporting period covered.

Contractor must forward the check to the following address:

Acquisition Services
530 West Allegan St.
Lansing, MI 48933

Please make check payable to: Treasurer, State of Michigan

1.402 QUICK PAYMENT TERMS

Philips payment terms are Net 30 Days.



1.403 PRICE TERM

Prices quoted are the maximum for a period of 365 days from the date the Contract becomes effective.

Prices are subject to change at the end of each 365-day period. Such changes shall be based on changes in actual costs incurred. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. Acquisition Services reserves the right to consider various pertinent information sources to evaluate price increase requests (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics). Acquisition Services also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Changes may be either increases or decreases, and may be requested by either party. Approved changes shall be firm for the remainder of the Contract period unless further revised at the end of the next 365-day period.

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.

1.5 Quantity term

Requirements – Vendor agrees to supply all that the state requires

1.6 RESERVED



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

This Contract is for Automated External Defibrillators (AED's) for the State of Michigan. Exact quantities to be purchased are unknown, however the Contractor 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.

All State agencies, units of local State and members of MiDEAL may issue orders for items listed on this Contract at the same prices, terms and conditions.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

This Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services.

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 negotiate, 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.

Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the Contract from any individual or office other than Acquisition Services and the listed Contract administrator

All communications covering this procurement must be addressed to Contract administrator indicated below:

Department of Management and Budget
Acquisition Services
Attn: William C. Walsh, CPPB
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 373-6535
walshw@michigan.gov

2.003 NOTICE

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

2.004 CONTRACT TERM

The term of this Contract will be for three (3) years and will commence with the issuance of a Contract. This will be approximately February 15, 2005 through February 1, 2008.

Option. The State reserves the right to exercise two (2) - one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, 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 exercise an option year.

Extension. At the sole option of the State, the Contract may also be extended. Contractor performance, quality of products, price, cost savings, 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 exercise an option year.

Written notice will be provided to the Contractor within 30 days, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the Contract expires. The preliminary notice does not commit the State to an extension. If the State exercises this option, the extended Contract shall be considered to include this option clause.

2.005 GOVERNING LAW

The Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, Contractor consents to personal jurisdiction in the state of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

2.006 APPLICABLE STATUTES

The following statutes, rules, and laws are applicable to the performance of this Contract; some statutes are reflected in the clauses of this Contract. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)

MI OSHA MCL §§ 408.1001 – 408.1094

Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.

Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.

MI Consumer Protection Act MCL §§ 445.901 – 445.922

Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.

Department of Civil Service Rules and regulations

Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.

Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.

Contract Work Hours and Safety Standards Act (CWHSSA) 40 USCS § 327, et seq.

Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

Rules and regulations of the Equal Employment Opportunity Commission (EEOC)

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.

The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.

The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.

The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.

The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106

Sherman Act, 15 U.S.C.S. § 1 et seq.

Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.

Clayton Act, 15 U.S.C.S. § 14 et seq.

**2.007 RELATIONSHIP OF THE PARTIES**

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 sub-Contractors 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 sub-Contractors during the performance of this Contract.

2.008 HEADINGS

Captions and headings used in this 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.

2.009 MERGER

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

2.010 SEVERABILITY

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

2.011 SURVIVORSHIP

Any provisions of this 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 this Contract for any reason.

2.012 NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of this 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 this Contract.

2.013 PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

2.1 Vendor/Contractor Obligations**2.101 ACCOUNTING RECORDS**

The Contractor and all sub-Contractors shall maintain all pertinent financial and accounting records and evidence pertaining to this 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 this Contract or extension thereof.



2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Acquisition Services within 30 days.
2. The Contractor shall also notify the Acquisition Services within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

The Contractor shall:

1. Maintain current, accurate, and complete inventory records of assets and their costs;
2. Provide Acquisition Services or designated representative ready access to the records upon request;
3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and
4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

2.103 RESERVED

2.104 RESERVED

2.105 RESERVED

2.106 RESERVED

2.107 RESERVED

2.108 COMPETITION IN SUB-CONTRACTING

The Contractor shall select sub-Contractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Contract.

2.109 CALL CENTER DISCLOSURE

The Contractor and/or all sub-Contractors involved in the performance of this Contract providing call or contact center services to the State of Michigan must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this agreement.

2.2 Contract Performance

2.201 TIME IS OF THE ESSENCE

Contractor is on notice that time is of the essence in the performance of this Contract. Late performance will be considered a material breach of this Contract, giving the State a right to invoke all remedies available to it under this Contract.

2.202 CONTRACT PAYMENT SCHEDULE

All invoices should reflect actual work done. Each state agency will issue a purchase order against the BPO and indicate the ship to/bill to address. Each state agency, local unit of State and MiDEAL member is responsible for their own purchases.

**2.203 RESERVED****2.204 RESERVED****2.205 ELECTRONIC PAYMENT AVAILABILITY**

Electronic transfer of funds is available to State Contractors. Contractor is 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.

2.206 RESERVED**2.3 Contract Rights and Obligations****2.301 INCURRING COSTS**

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of this 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 this Contract.

2.302 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 this Contract. If any part of the work is to be sub-Contracted, the Contract must include a list of sub-Contractors, including firm name and address, contact person and a complete description of work to be sub-Contracted. The State reserves the right to approve sub-Contractors and to require the Contractor to replace sub-Contractors found to be unacceptable. The Contractor is totally responsible for adherence by the sub-Contractor to all provisions of this Contract. Any change in sub-Contractors must be approved by the State, in writing, prior to such change.

2.303 ASSIGNMENT AND DELEGATION

The Contractor shall not have the right to assign this Contract, to assign its rights under this Contract, or delegate any of its duties or obligations under this 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 this Contract without the prior written consent of the Director of Acquisition Services.

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

Contractor must obtain the approval of the Director of Acquisition Services before using a place of performance that is different from the address that the Contractor provided in the bid.

2.304 TAXES

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.

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.

The State's Tax Exempt Certification is available for vendor viewing upon request to the Contract Administrator.

2.305 INDEMNIFICATION

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 sub-Contractors 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 this 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 sub-Contractors, 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 sub-Contractors in its or their capacity as an employer of a person.

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 sub-Contractors, 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.

Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

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 sub-Contractors, 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 sub-Contractors 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 sub clauses, 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 sub clause.

Continuation of Indemnification Obligation

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

Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan Stateal or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan Stateal or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to



Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.306 LIMITATION OF LIABILITY

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. Such limitation as to indirect or consequential damages shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of this Contract.

2.307 CONTRACT DISTRIBUTION

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

2.308 FORM, FUNCTION, AND UTILITY

If this 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.

2.309 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.

2.310 RESERVED

2.311 RESERVED

2.312 RESERVED

2.313 RESERVED

2.314 WEBSITE INCORPORATION

The State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.



2.4 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR

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

Department of Management and Budget
Acquisition Services
William C. Walsh, CPPB
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 373-6535
walshw@michigan.gov

2.402 PERFORMANCE REVIEWS

Acquisition Services may review with the Contractor their performance under this 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 this 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, this 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.

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

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 this Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with this Contract requirements.

2.5 Quality and Warranties

2.501 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 this Contract, shall be considered default by the Contractor of the terms and conditions of this Contract and may result in cancellation of this Contract by the State. The brand and product number offered for all items shall remain consistent for the term of this Contract, unless Acquisition Services has approved a change.

2.502 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.

2.503 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 this 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.

2.504 GENERAL WARRANTIES (goods)

Warranty of Merchantability – Goods provided by the Contractor under this Contract shall be merchantable. All goods provided under this Contract shall be of good quality within the description given by the State, shall be fit for their ordinary purpose, shall be adequately contained and packaged within the description given by the State, shall conform to the agreed upon specifications, and shall conform to the affirmations of fact made by the vendor or on the container or label.

Warranty of fitness for a particular purpose – When Contractor has reason to know or knows any particular purpose for which the goods are required, and the State is relying on the Contractor's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

Warranty of title – Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by vendor shall be delivered free from any security interest, lien, or encumbrance of which the State, at the time of Contracting, has no knowledge. Goods provided by Contractor, under this agreement, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.505 RESERVED

2.506 RESERVED

2.507 RESERVED

2.508 EQUIPMENT WARRANTY

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain such equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance in accordance with the applicable manufacturer's recommendations for the period specified in this Contract.

The Contractor represents and warrants that the equipment/system(s) shall be in good operating condition and shall operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of one (1) year commencing upon the first day following Final Acceptance.

Within three (3) business days of notification from the State, the Contractor shall adjust, repair or replace all equipment that is defective or not performing in compliance with this Contract. The Contractor shall assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor shall provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract shall be performed by original equipment manufacturer (OEM) trained, certified and authorized technicians.



The Contractor shall act as the sole point of contact for warranty service. The Contractor warrants that it shall pass through to the State any and all warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

2.509 RESERVED

2.6 Breach of Contract

2.601 BREACH DEFINED

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement.

In addition to any remedies available in law and by the terms of this Contract, if the Contractor breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this Contract.

2.602 NOTICE AND THE 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.

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under this Contract (either itself or through another Contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its sub-Contractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under this Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of this Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) this Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its sub-Contractors will not relieve the Contractor of its obligations under this Contract except to the extent that a sub-Contractor is itself subject to any



excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the sub-Contractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.7 Remedies

2.701 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 this 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 this 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 this 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 this 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 this Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of this Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel this 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 sub-Contract; 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 7. 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.

2.702 RIGHTS UPON CANCELLATION

A. Rights and Obligations Upon Termination

- (1) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of this Contract and which are resulting from this Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those sub-Contracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (2) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for partially completed Deliverables, on a percentage of completion basis. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (3.) If any such termination by the State is for cause, the State shall have the right to set-off against any amounts due Contractor the amount of any damages for which Contractor is liable to the State under this Contract or pursuant to law or equity.
- (4.) Upon a good faith termination, the State shall have the right to assume, at its option, any and all sub-Contracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Services under this Contract by replacement Contract or otherwise as the State may in its sole judgment deem expedient.

**B. Termination Assistance**

If the Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to two-hundred seventy (270) calendar days after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of this Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. The State shall compensate Contractor for such termination assistance at the same rates and charges set forth in the Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractors pricing section. If this Contract is terminated by Contractor under **Section 20**, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under this Contract.

C. Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

D. End of Contract Transition

In the event this Contract is terminated, for convenience or cause, or upon expiration, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 calendar days. These efforts shall include, but are not limited to, the following:

- (1) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's sub-Contractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's sub-Contractors.
- (2) Knowledgeable Personnel. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (3) Information - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under the Contract. The Contractor will also provide any licenses required to perform the Services under this Contract.
- (4) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of this Contract, transfer back to the State at their current revision level.



- (5) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (6) Single Point of Contact. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

E. Transition out of this Contract

- (1) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Cooperating with any Contractors, vendors, or other entities with whom the State Contracts to meet its telecommunication needs, for at least two hundred and seventy (270) days after the termination of this Contract;
 - (ii) Reserved.
 - (iii) Providing the State with all asset management data generated from the inception of this Contract through the date on which this Contract is terminated, in a comma-delimited format unless otherwise required by the Program Office;
 - (iv) Reconciling all accounts between the State and the Contractor;
 - (v) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
 - (vi) Freezing all non-critical software changes;
 - (vii) Notifying all of the Contractor’s sub-Contractors of procedures to be followed during the transition out phase;
 - (viii) Assisting with the communications network turnover, if applicable;
 - (ix) Assisting in the execution of a parallel operation until the effective date of termination of this Contract
 - (x) Answering questions regarding post-migration services;
 - (xi) Delivering to the State any remaining owed reports and documentation still in the Contractor’s possession.
- (2) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Reconciling all accounts between the State and the Contractor;
 - (ii) Completing any pending post-project reviews.

2.703 RESERVED

2.704 RESERVED

2.705 RESERVED

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

This 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.



2.802 TIME EXTENTIONS

Time extensions for Contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that this Contract completion date will be extended only for those specific elements related to the changed work and that the remaining Contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

2.803 MODIFICATION

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.**

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

2.804 AUDIT AND RECORDS UPON MODIFICATION

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this Contract to the Contract Administrator in Acquisition Services. Data may include accounting records, payroll records, employee time sheets, and other information the state deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the state shall have the right to examine and audit all of the Contractor's records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above.

If this Contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

2.805 CHANGES

(a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of this Contract, including changes:

- (1) In the specifications (including drawings and designs);
- (2) In the method or manner of performance of the work;
- (3) In the State-furnished facilities, equipment, materials, services, or site; or
- (4) Directing acceleration in the performance of the work.



- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
 - (1) The date, circumstances, and source of the order; and
 - (2) That the Contractor regards the order as a change order.

- (b) Except as provided in this clause, no order, statement, or conduct of the Contract Administrator shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.



APPENDIX A



PHILIPS

Philips Medical Systems, Heartstream
2301 Fifth Avenue, Suite 200
Seattle, Washington 98121-1852

Customer Service - 800-263-3342

State of Michigan

ITB 07114001372

HeartStart FR2+ AED, no ECG - Product Ship Set

Terms and Conditions:

Pricing offered is valid for 90 days from September 23, 2004.

State of Michigan 530 West Allegan Street 2nd Floor, Mason Building Lansing, MI 48933	
Sales Rep: Pam Mullins Phone: (800) 218-2045 ext 7916 Fax: (219) 987-6335	Contact Name: William C. Walsh Title/Dept: CPPB / Purchasing Phone: (517) 335-0230 Fax:

Ship Set Includes:			Qty	ListPrice (USD)	Bid Price	Extended (USD)
Line	Item	Description				
01	M3861A	HeartStart FR2 AED, no ECG	1	\$2,595.00	\$1,265.00	\$1,265.00
02	M3854A	Data Card, FR2 AEDs, (includes Tr	1	\$89.00	\$0.00	\$0.00
03	M3869A	Carrying Case, Vinyl	1	\$149.00	\$0.00	\$0.00

Prices do not include any applicable taxes. List Prices are subject to change without notice.

Total:	\$1,265.00
---------------	-------------------

Two sets of adult defibrillation pads and one long-life lithium battery ship standard with every FR2+ AED.

Orders placed against this discount offer are subject to credit approval and Philips Medical Systems' Terms and Conditions of Sales Service (E16P). Philips' defibrillators must be used by or on the order of a Physician.	
Defib Includes:	FR2+ Defibrillator includes a User's Guide, Battery, Defibrillation Pads (2 sets), Tray for Data Card and Quick Reference Card
Warranty:	FR2+ Defibrillators have a 60-month manufacturer's warranty from the date of shipment. Accessories have a one year warranty from date of shipment.
Returns:	A Returned Goods Authorization (RGA) number is required for all returns and is available by calling 1-800-263-3342. Philips Medical Systems does not accept responsibility for any goods that are returned without prior authorization. Goods returned for credit must be unopened and returned within 60 days of purchase.

Form Rev B: 12/10/2002

Price List: 1/1/2004

Agreement Prepared: 9/20/2004

Quote Entered By: Paulf



PHILIPS

Philips Medical Systems, Heartstream
2301 Fifth Avenue, Suite 200
Seattle, Washington 98121-1852

Customer Service - 800-263-3342

State of Michigan

ITB 07114001372

HeartStart FR2+ AED with ECG - Product Ship Set

Terms and Conditions:

Pricing offered is valid for 90 days from September 23, 2004.

State of Michigan
530 West Allegan Street
2nd Floor, Mason Building
Lansing, MI 48933

Sales Rep: Pam Mullins Phone: (800) 218-2045 ext 7916 Fax: (219) 987-6335	Contact Name: William C. Walsh Title/Dept: CPPB / Purchasing Phone: (517) 335-0230 Fax:
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Ship Set Includes:			Qty	ListPrice (USD)	Bid Price	Extended (USD)
Line	Item	Description				
01	M3860A	HeartStart FR2 AED, with ECG	1	\$2,995.00	\$1,520.00	\$1,520.00
02	M3854A	Data Card, FR2 AEDs, (includes Tr	1	\$89.00	\$0.00	\$0.00
03	M3869A	Carrying Case, Vinyl	1	\$149.00	\$0.00	\$0.00

Prices do not include any applicable taxes. List Prices are subject to change without notice.

Total:	\$1,520.00
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Two sets of adult defibrillation pads and one long-life lithium battery ship standard with every FR2+ AED.

Orders placed against this discount offer are subject to credit approval and Philips Medical Systems' Terms and Conditions of Sales Service (E16P). Philips' defibrillators must be used by or on the order of a Physician.	
Defib Includes:	FR2+ Defibrillator includes a User's Guide, Battery, Defibrillation Pads (2 sets), Tray for Data Card and Quick Reference Card
Warranty:	FR2+ Defibrillators have a 60-month manufacturer's warranty from the date of shipment. Accessories have a one year warranty from date of shipment.
Returns:	A Returned Goods Authorization (RGA) number is required for all returns and is available by calling 1-800-263-3342. Philips Medical Systems does not accept responsibility for any goods that are returned without prior authorization. Goods returned for credit must be unopened and returned within 60 days of purchase.

Form Rev B: 12/10/2002
Price List: 1/1/2004

Agreement Prepared: 9/20/2004
Quote Entered By: Paulf



PHILIPS

Philips Medical Systems, Heartstream
2301 Fifth Avenue, Suite 200
Seattle, Washington 98121-1825

Customer Service - 800-263-3342

State of Michigan

**ITB 071I4001372
HeartStart FR2+ AED
Accessories price list**

Terms of Agreement:

Pricing offered is valid for 90 days from September 23, 2004.

Line	Description	Item	ListPrice (USD)	NetPrice (USD)	Discount %
Disposables					
1	Fast Response Kit	68-PCHAT	\$41.00	\$34.85	15
2	Defibrillation Pads: 2-pack	DP2	\$69.00	\$58.65	15
3	Defibrillation Pads: 6-pack	DP6	\$175.00	\$148.75	15
4	Lithium-Ion Rechargeable Battery	M3848A	\$265.00	\$225.25	15
5	Charger for Lithium-Ion Battery	M3849A	\$150.00	\$127.50	15
6	Battery, Long Life LiMNO2, FR2 AEDs	M3863A	\$209.00	\$177.65	15
7	FR2 Pediatric Defibrillation Pads	M3870A	\$84.00	\$71.40	15
8	FR2 ECG Assessment Module, AAMI	M3873A	\$300.00	\$255.00	15
Cards					
9	Data Card Reader	M3524A	\$150.00	\$127.50	15
10	Tray for Data Card, FR2 AED	M3853A	\$9.00	\$7.65	15
11	Data Card, FR2 AEDs, (includes Tray)	M3854A	\$89.00	\$75.65	15
12	AED Wall Sign	M3858A	\$32.00	\$27.20	15
13	Flash Card, PCMCIA Adapter	SDCF-05	\$30.00	\$25.50	15
HSI Data Manag					
14	Event Review 3.0	M3834A	\$395.00	\$335.75	15
Cases					
15	Temperature Control Carrying Case	989803133171	\$380.00	\$323.00	15
16	Wall Mount for ForeRunner AED	M3857A	\$89.00	\$75.65	15
17	Secure-Pull Seal for Wall Mount, 10 Pack	M3859A	\$10.00	\$8.50	15
18	Carrying Case, Heartstream FR2 AED	M3868A	\$149.00	\$126.65	15
19	Carrying Case, Vinyl	M3869A	\$149.00	\$126.65	15
20	AED Cabinet, Recessed	PFE7023D	\$369.00	\$313.65	15
21	AED Cabinet, Wall Mount	PFE7024D	\$350.00	\$297.50	15
22	Carrying Case, Hard Shell, AED	YC	\$200.00	\$170.00	15
Compatib.					
23	Quik Combo Adapter	05-10000	\$30.00	\$25.50	15
24	Zoll Electrode Adapter	05-10100	\$30.00	\$25.50	15
25	HeartStart Pads Adapter/Converter to Philips	05-10200	\$30.00	\$25.50	15
Training					
26	AED Training Pads: 1 set	07-10900	\$25.00	\$21.25	15
27	AED Trainer Carrying Case	07-11000	\$25.00	\$21.25	15



State of Michigan

ITB 071I4001372
HeartStart FR2+ AED
Accessories price list

Terms of Agreement:

Pricing offered is valid for 90 days from September 23, 2004.

Line	Description	Item	ListPrice (USD)	NetPrice (USD)	Discount %
28	AED Trainer 2 (Includes Carrying Case & AE	M3752A	\$325.00	\$276.25	15
29	Remote Control for AED Trainer 2	M3753A	\$49.00	\$41.65	15
30	Programming Kit for AED Trainer @ (incl PC	M3754A	\$30.00	\$25.50	15
31	Little Anne Training Pads	M3755A	\$27.00	\$22.95	15
32	Little Anne AED Training System	M3756A	\$579.00	\$492.15	15
33	CHARGER FOR FR2 TRAINING & ADMIN. B	M3855A	\$125.00	\$106.25	15
34	Training & Admin Pack, FR2, Rechargeable, i	M3864A	\$200.00	\$170.00	15
35	HeartStart HS1 and FR2 Toolkit,NTSC	M5066-89100	\$49.00	\$41.65	15

Prices do not include any applicable taxes. These discounts are applicable to all Philips' defibrillator accessories currently on the US Prehospital Price List. This price list is subject to change without notice. Any accessories that are added to the Philips' US Prehospital Price List during the life of the agreement may also be made available at the discount offered in the agreement at the sole discretion of Philips Medical Systems

Orders placed against this discount agreement are subject to credit approval and Philips Medical Systems Terms and Conditions of Sales and Service (E16P).

Philips' defibrillators must be used by or on the order of a physician.

Returns: A Returned Goods Authorization (RGA) number is required for all returns and is available by calling 1-800-263-3342. Philips Medical Systems does not accept responsibility for any goods that are returned without prior authorization. Goods returned for credit must be unopened and returned within 60 days of purchase.

Form Rev B: 12/10/2002

Price List: 1/1/2004

Agreement Prepared: 9/20/2004

Quote Entered By: Paulf



APPENDIX B

Warranty

Limited Warranty. Philips Medical Systems warrants that HeartStart FR2 series defibrillators and HeartStart HS1 series defibrillators (and related accessories for these defibrillators described herein) sold by Philips or an authorized Philips distributor, if (i) used in accordance with its labeling and instructions for use, and (ii) properly maintained, shall substantially conform to material specifications published by Philips Medical Systems for such products and shall be substantially free from defects in material and workmanship for the warranty period specified. The HeartStart FR2 and HS1 series defibrillators are warranted for **five years** from the date of shipment by Philips. Disposable defibrillation pads are warranted until the expiration date listed on the package. HeartStart FR2 and HS1 series non-rechargeable lithium batteries are warranted for **four years** from the date of installation, provided the battery is installed by the shelf-life date stated on the battery. For all other accessories for the FR2 and HS1 series defibrillators, Philips Medical Systems warrants such products for **12 months** from the date of shipment by Philips. Philips Medical Systems warrants the media on which the data management software copies are contained for a period of **60 days** from the date of shipment by Philips. Philips Medical Systems warranty does not apply to product defects resulting from improper or inadequate maintenance; use of the product with software, supplies or interfaces not supplied by Philips; use or operation of the product other than in accordance with Philips product specifications and written instruction; abuse, negligence, accident, loss or damage in transit; improper site preparation; unauthorized repair or modification to the product ("Warranty Exclusions").

Customer's exclusive remedy and Philips Medical Systems' sole liability for breach of the foregoing warranty is as follows. If any product described herein fails to conform to the warranty set forth above, at Philips Medical Systems' sole election, (which election shall be made after Philips receives the product), shall repair or replace the product; provided that (a) Philips Medical Systems receives notice in a timely manner in writing that such product failed to conform and a detailed explanation of any alleged nonconformity; (b) such product is returned to Philips Medical Systems during the warranty period; and (c) Philips Medical Systems is reasonably satisfied that claimed nonconformities actually exist and were not caused by the Warranty Exclusions. Philips Medical System is obligated to this warranty, provided that Philips has given prior consent to have the product returned to it, and the product is returned using a Returned Goods Authorization (RGA) number provided by Philips. In such instance, Philips Medical Systems shall be responsible for the cost of shipping.