

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

May 22, 2008

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B3001314
between
THE STATE OF MICHIGAN
and

| | |
|---|--|
| NAME & ADDRESS OF VENDOR Standard Register Company P.O. Box 307 Charlotte, MI 48813 Email: jack.vultpetti@standardregister.com | TELEPHONE Jack Vultpetti 1-877-919-7188 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 373-7374 Joan Bosheff, Buyer Specialist |
| Contract Compliance Inspector: Beverly Patrick Printing of State Treasurer's Warrants – Department of Treasury | |
| CONTRACT PERIOD: From: June 1, 2003 To: June 1, 2009 | |
| TERMS <p style="text-align: center;">N/A</p> | SHIPMENT <p style="text-align: center;">Per Specifications</p> |
| F.O.B. <p style="text-align: center;">Delivered</p> | SHIPPED FROM <p style="text-align: center;">Middlebury, VT</p> |
| MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p> | |

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby EXTENDED for one (1) year from June 1, 2008 to June 1, 2009 and INCREASED \$392,000.00

In addition, clarifications and price changes, per the attached.

All other terms, conditions, remain unchanged.

AUTHORITY/REASON:

Per DMB Purchasing Operations and State Administrative Board approval of May 20, 2008

INCREASE: \$392,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,826,619.85

071B3001314 Change Request 3
Extension Period 6/2/08 – 6/1/2010

Clarifications
March 17, 2008

1. Per discussion on March 11, storage fees are charged only if Treasury product is stored more than nine (9) months. Current contract price sheets state that storage costs are calculated starting the first day of storage. Past invoicing for storage fees follows contract pricing. Please detail Standard Register's storage fee calculation process.

Response To Clarification

The storage cost will remain the same as stated in the previous and calculation starts on the first day of storage.

2. Storage requirements are detailed in sections A-9F, B-10F, and D-11F. Treasury requires storage of warrants for up to 24 months. Per discussion on March 11, Standard Register is only able to store warrants up to nine (9) months. Please detail Standard Register's plan for storage of warrants for more than nine (9) months.

Response To Clarification

Standard Register has modified our normal storage periods from 12 months to 9 months. The State of Michigan's storage requirements have not been considered a normal storage program. We will honor the contract terms, however we request that we can jointly address opportunities to reduce the storage requirements to less than one year's inventory. We welcome the opportunity to discuss this situation and jointly determine a win-win plan for our alliance. Would the State be open to buying inventory at the nine month period of time? After 12 months, Standard Register will apply additional itemized storage fees at the same rate noted on the price sheet.

3. Standard Register, in the past, has charged only for W-1000 and 1410B warrant and leader storage even though contract pricing indicates storage fees for all items. Please confirm storage for only the W-1000 warrants and 1410B warrants and leaders will be charged to Treasury during the extension period.

Response To Clarification

Standard Register will continue to charge storage as it has been handled in the past.

4. Please indicate if Standard Register would be agreeable to a prompt pay discount of 2% NET 10 Days. Current invoices are paid NET 30 days.

Response To Clarification

Standard Register does not normally participate in 2% NET 10 Day price reduction programs. If this has evolved into a specific requirement, we welcome the opportunity to discuss in more detail.

5. Please confirm that costs to print 1410B Warrants includes the cost for printing six (6) leader forms per contract section B-8C.

Response To Clarification

Yes, this remains the same as the past.

071B3001314 Change #3 Price Sheets

| Section III | Description | Paper Price (cwt) | Print/Mfg Cost | Total Cost | Storage per carton per month |
|------------------------|--|-------------------|----------------|---------------|------------------------------|
| A | W-1000 Continuous Laser Warrants Size: 9 1/2" x 11". Annual Quantity: 3,750,000 | \$ 71,336.07 | \$ 53,814.93 | \$ 125,151.00 | \$ 0.70 |
| A | W-1001 Cut Sheet Laser Warrants Size: 8-1/2" x 11". Annual Quantity: 55,000 | \$ 1,679.76 | \$ 1,267.18 | \$ 2,946.94 | \$ 0.70 |
| B | FIA-1410B Warrants (Public Assistance) Size: 15-3/4" x 3-1/2" Annual Quantity: 480,000 forms, 960,000 warrants | \$ 9,287.52 | \$ 7,006.37 | \$ 16,293.89 | \$ 0.70 |
| B | FIA-1410B Leaders Size: 15-3/4" x 3-1/2" Annual Quantity: 1,000 (5000 minimum order) | \$ 1,393.31 | \$ 1,051.09 | \$ 2,444.40 | \$ 0.70 |
| C | W-1002 Manual Checkbook warrants Size: 8" x 7-1/3" Annual Quantity: 4,500 (5000 minimum order) | \$ 1,696.06 | \$ 1,279.49 | \$ 2,975.55 | \$ 0.70 |
| C | W-1003 Manual Continuous Feed Warrants Size: 9-1/2" x 7", 3 ply Annual Quantity: 7,000 | \$ 1,515.06 | \$ 1,142.94 | \$ 2,658.00 | \$ 0.70 |
| C | W-1004 Local and Manual Cut Sheet Laser Stock Size: 8-1/2" x 11" Annual Quantity: 72,000 | \$ 4,438.48 | \$ 3,348.32 | \$ 7,786.80 | \$ 0.70 |
| D | W-1005 FIA Rewrite Warrants Size: 8-3/8" x 3-1/2". Annual Quantity: 1,000 | \$ 171.00 | \$ 129.00 | \$ 300.00 | \$ 0.70 |
| D | W-1005L FIA Leaders Size: 8-3/8" x 3-1/2". Annual Quantity: 1,000 | \$ 171.00 | \$ 129.00 | \$ 300.00 | \$ 0.70 |
| D | W-1007 FIA Replacement Warrants Size: 8-3/8" x 3-1/2". Annual Quantity: 9,000 | \$ 448.16 | \$ 338.08 | \$ 786.24 | \$ 0.70 |
| Total Per Year: | | | | \$ 161,642.82 | |

For Information Only:

| | |
|---------------------------------|----------|
| Option to Add Thermochromic Ink | ~ + 3.5% |
| Option to add Clear Coating | tbd |

* about reflects an average paper to manufacturing cost ratio (57:43) estimate

Treasury-Standard Register
Conference Call Notes
Contract 071B3001314 Extension
April 15, 2008

Clarification #2:

1. Treasury warrant inventory is stored for approximately 12 months for newly produced stock. Standard Register prefers to store inventory for a maximum of 12 months. Currently, there are no concerns that Treasury inventory is exceeding the 12 month storage period for newly produced stock. If Treasury inventory storage time increases, a joint solution to increase inventory turns will be developed between Treasury and Standard Register.

Clarification #3:

1. Storage costs will be charged for W-1000 warrants as costs have been itemized in the past for this item. Storage costs for all other warrants are included in the unit price.

Clarification #4:

1. Prompt pay discounts are not a required term for extending the contract.

Price Proposal:

1. Pricing for FIA-1041B Leaders and W-1002 warrants is based on minimum order amounts.
2. Treasury will provide notice to Standard Register, as a courtesy, if FIA 1410B Leaders will not be required during the extension period.

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

January 20, 2006

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B3001314
between
THE STATE OF MICHIGAN
and

| | |
|--|--|
| NAME & ADDRESS OF VENDOR Standard Register Company P.O. Box 307 Charlotte, MI 48813 Email: Harvey.Bishop@standardregister.com | TELEPHONE Harvey Bishop 1-877-919-7188 cell: (517) 588-9574 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 373-7374 Joan Bosheff, Buyer Specialist |
| Contract Compliance Inspector: Beverly Patrick Printing of State Treasurer's Warrants – Department of Treasury | |
| CONTRACT PERIOD: From: June 1, 2003 To: June 1, 2008 | |
| TERMS <p style="text-align: center;">N/A</p> | SHIPMENT <p style="text-align: center;">Per Specifications</p> |
| F.O.B. <p style="text-align: center;">Delivered</p> | SHIPPED FROM <p style="text-align: center;">Middlebury, VT</p> |
| MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p> | |

NATURE OF CHANGE (S):

Effective immediately, change in specification as follows:

Part A: Laser Printed Warrants, under #7 "Packaging," Part G: Wording is changed such that warrants are packed "front-side up" instead of "back-side up."

All other terms, conditions, specifications and pricing remain unchanged.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$ 1,434,619.85

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

August 3, 2005

**CHANGE NOTICE NO. 2
 TO
 CONTRACT NO. 071B3001314
 between
 THE STATE OF MICHIGAN
 and**

| | |
|---|--|
| NAME & ADDRESS OF VENDOR Standard Register Company P.O. Box 307 Charlotte, MI 48813 Harvey.Bishop@standardregister.com | TELEPHONE Harvey Bishop 1-877-919-7188 cell: (517) 588-9574 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER/CA (517) 373-7374 Joan Bosheff, Buyer Specialist |
| Contract Compliance Inspector: Beverly Patrick Printing of State Treasurer's Warrants – Department of Treasury | |
| CONTRACT PERIOD: From: June 1, 2003 To: June 1, 2008 | |
| TERMS <p align="center">N/A</p> | SHIPMENT <p align="center">Per Specifications</p> |
| F.O.B. <p align="center">Delivered</p> | SHIPPED FROM <p align="center">Middlebury, VT</p> |
| MINIMUM DELIVERY REQUIREMENTS <p align="center">N/A</p> | |

NATURE OF CHANGE (S):

Amendment of Diagram I to illustrate palletizing requirements for 10-1000 and 1410B warrants, per the attached.

All other terms, conditions, specifications and pricing remain unchanged.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$ 1,434,619.85



Diagram 1

Palletizing Requirements for Section III-A and B

W-1000 Continuous Laser Warrants

1410B Warrants (Public Assistance)

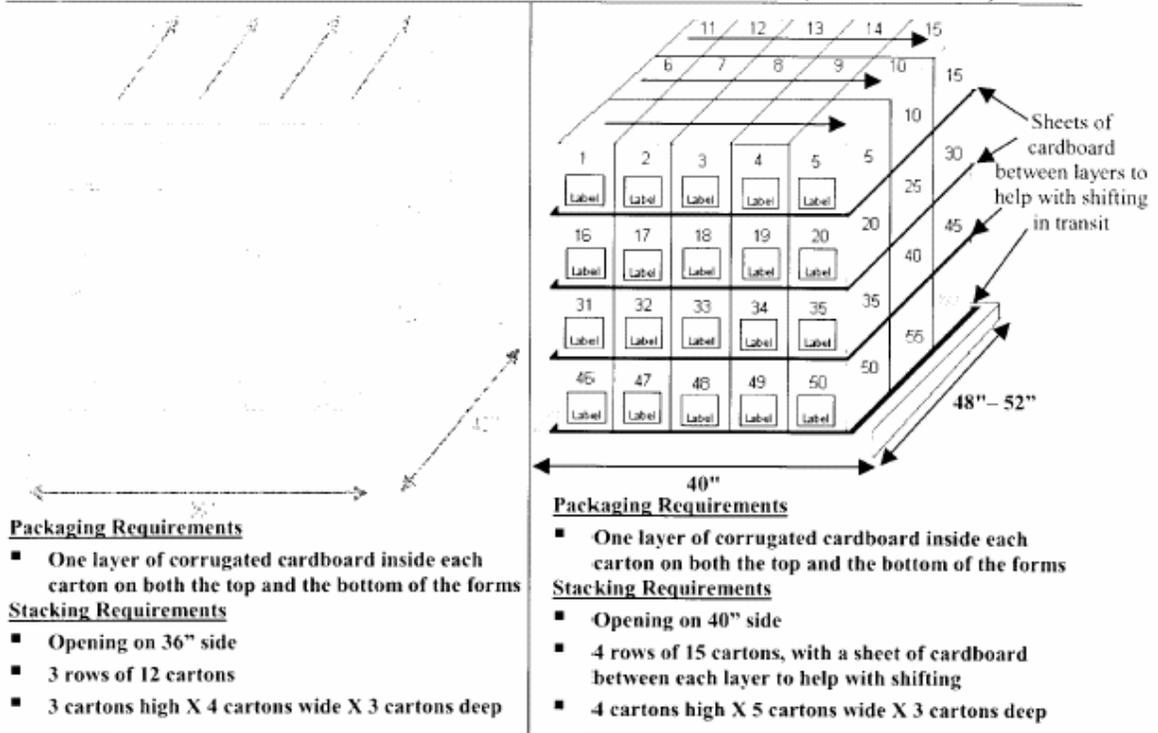
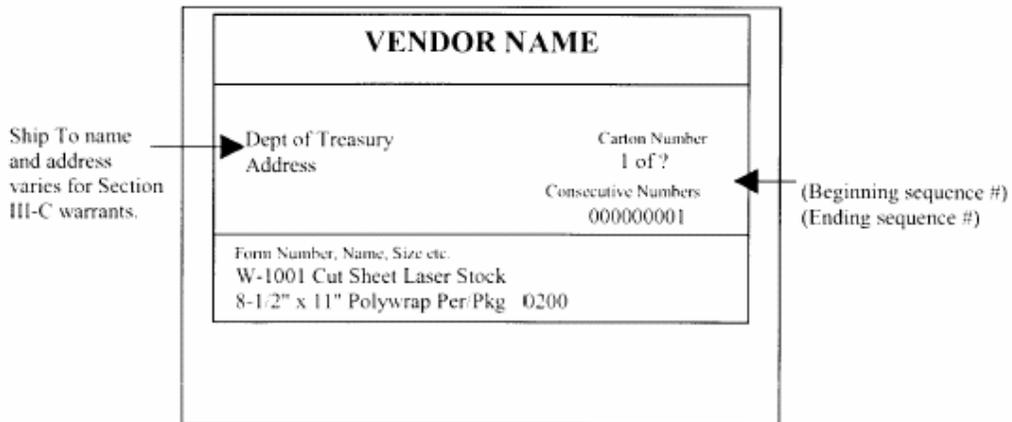


Diagram 2

Label Requirements for Section III A, B, C and D

(Must be displayed on the front of the box)



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

January 8, 2004

**CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B3001314
 between
 THE STATE OF MICHIGAN
 and**

| | |
|---|--|
| NAME & ADDRESS OF VENDOR Standard Register Company P.O. Box 307 Charlotte, MI 48813 Harvey.Bishop@standardregister.com | TELEPHONE Harvey Bishop 1-877-919-7188 cell: (517) 588-9574 |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER (517) 373-7374 Joan Bosheff, Buyer Specialist |
| Contract Administrator: Beverly Patrick Printing of State Treasurer's Warrants – Department of Treasury | |
| CONTRACT PERIOD: From: June 1, 2003 To: June 1, 2008 | |
| TERMS <p align="center">N/A</p> | SHIPMENT <p align="center">Per Specifications</p> |
| F.O.B. <p align="center">Delivered</p> | SHIPPED FROM <p align="center">Middlebury, VT</p> |
| MINIMUM DELIVERY REQUIREMENTS <p align="center">N/A</p> | |

NATURE OF CHANGE (S):

Effective immediately, change in telephone numbers are as follows:

**Toll Free: 1-877-919-7188
 Cell: (517) 588-9574**

All other terms , conditions and prices remain the same.

AUTHORITY/REASON:

Per vendor contact (Harvey Bishop) dated 11/20/03.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$ 1,434,619.85

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

June 24, 2003

NOTICE
TO
CONTRACT NO. 071B3001314
between
THE STATE OF MICHIGAN
and

| | |
|---|---|
| NAME & ADDRESS OF VENDOR Standard Register Company P.O. Box 307 Charlotte, MI 48813 | TELEPHONE (517) 285-3999 Harvey Bishop |
| | VENDOR NUMBER/MAIL CODE |
| | BUYER (517) 373-7374 Joan Bosheff, Buyer Specialist |
| Contract Administrator: Beverly Patrick Printing of State Treasurer's Warrants – Department of Treasury | |
| CONTRACT PERIOD: From: June 1, 2003 To: June 1, 2008 | |
| TERMS N/A | SHIPMENT Per Specifications |
| F.O.B. Delivered | SHIPPED FROM Middlebury, VT |
| MINIMUM DELIVERY REQUIREMENTS N/A | |

The terms and conditions of this Contract are those of **ITB #071I2000327** this Contract Agreement and the vendor's quote dated **August 10, 2002**. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$ 1,434,619.85

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. 071B3001314
between
THE STATE OF MICHIGAN
and

| | |
|---|--|
| NAME & ADDRESS OF VENDOR Standard Register Company P.O. Box 307 Charlotte, MI 48813 | TELEPHONE (517) 285-3999 Harvey Bishop VENDOR NUMBER/MAIL CODE BUYER (517) 373-7374 Joan Bosheff, Buyer Specialist |
| Contract Administrator: Beverly Patrick Printing of State Treasurer's Warrants – Department of Treasury | |
| CONTRACT PERIOD: From: June 1, 2003 To: June 1, 2008 | |
| TERMS <p style="text-align: center;">N/A</p> | SHIPMENT <p style="text-align: center;">Per Specifications</p> |
| F.O.B. <p style="text-align: center;">Delivered</p> | SHIPPED FROM <p style="text-align: center;">Middlebury, VT</p> |
| MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p> | |
| MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #071I2000327 this Contract Agreement and the vendor's quote dated August 10, 2002. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$ 1,434,619.85 | |

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No. 071I2000327](#). Orders for delivery of equipment will be issued directly by the [Department of Treasury](#) through the issuance of a Purchase Order Form.

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

| | |
|---|--|
| FOR THE VENDOR: Standard Register Company Firm Name | FOR THE STATE: Signature Jim Konrad, Division Director |
| Authorized Agent Signature | Name Tactical Purchasing, Acquisition Services |
| Authorized Agent (Print or Type) | Title |
| Date | Date |



**STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
ACQUISITION SERVICES**

**FOR
STATE TREASURER'S WARRANTS**

FOR DEPARTMENT OF TREASURY

CONTRACT #071B3001314

JUNE, 2003

CONTRACT #071B3001314
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Attachments:

Specifications for State Treasurer's Warrants (pages 20-44)

Item Listing (pages 45-48)

Palletizing Requirement Diagram (page 49)



SECTION I - REQUIREMENTS

I-A INTRODUCTION

This Contract is the Printing of State Treasurer’s Warrants for the Department of Treasury.

I-B REQUIRED INFORMATION

A. COMPANY INFORMATION

- 1. **HEADQUARTERS**
Standard Register Company
600 Albany Street
Dayton, OH 45408

Branches that will support program:
Standard Register Company
P.O. Box 307
Charlotte, MI 48813
Phone: (517) 285-3999
Fax: (517) 541-9543
Harvey.bishop@standardregister.com

Standard Register Company
3351 Claystone
Grand Rapids, MI 49546

Manufacturing facility:
Standard Register Company
1741 Route 7 South
Middlebury, VT 05753

Distribution center:
Standard Register Company
1357 Division Street
Adrian, MI 49221

- 2. **SECURITY**

- A. At minimum, security features at manufacturing and warehouse facilities must include the following:

BUILDING EXTERIOR

- Fire exit doors with break alarm bell for local alert in the event of exit.
- Locks on all outside doors.
- 24-hour intrusion detection and alarm system.
- Secured access with entry by card key or other keyless entry system.



BUILDING INTERIOR

- A log for all visitors entering office and manufacturing areas.
 - Employee escort of visitors throughout the facility at all times.
 - Restricted access to all areas where Treasury warrant stock is stored.
 - Restricted access by authorized staff to where Treasury warrant stock is staged before, during and after production.
 - All spoilage and overruns to be destroyed by a method acceptable to the State of Michigan (vendor must specify method in bid response).
 - Restricted access to all plates and electronic or digital forms containing Treasury warrant information.
 - Printing plates produced only under maximum security conditions and stored in vaults when not in use.
 - A shipping manifest created for all warrants produced. The cartons must be stacked in sequential order per the shipment specifications and placed on pallets for delivery.
 - The State of Michigan reserves the right to enter the contractor's premises at any time during the production and storage of the forms to inspect methods of production and security to assure full compliance with all provisions of this contract and future purchase orders.
- B. The Contractor and all subcontractors handling data will be required to sign a *Confidentiality Agreement* (form 3337) provided by Treasury. If personalized materials are being transported, every care must be taken to secure the confidentiality of the materials during transport. In your description of manufacturing method describe all such transportation and the security arrangements planned for that transportation.
- C. The Contractor is responsible for assuring that security measures are maintained and continuously monitored for maximum effectiveness. The Contractor will document and notify Treasury immediately if there is a breach in security and advise on the corrective action being taken.
- D. Treasury warrants must not be used to demonstrate a product. The Contractor must not release any information regarding security features used for Treasury warrants. The Contractor and its subcontractors shall comply with the security access requirements of individual State facilities.



B. PRODUCT QUALITY

1. SPECIFICATIONS

Definite Specifications - All commodities and/or services to be furnished hereunder shall conform to the Specifications for State Treasurer's Warrants and Item Listings.

C. SERVICE

1. ORDERING/CUSTOMER SERVICE

The Contractor shall have the capacity to receive orders electronically, by phone, facsimile, and by written order. The Contractor shall provide a statewide toll-free phone number for phone orders. Contractor shall have internal controls approved by Acquisition Services to insure that orders are placed by authorized individuals from the State. The Contractor shall verify orders which have quantities that appear to be abnormal or excessive.

The Contractor shall have an accessible customer service department with an individual specifically assigned to State of Michigan accounts. The Contractor shall have experienced sales representatives make timely personal visits to State accounts. The Contractor's customer service must respond to a State agency inquiries promptly. The Contractor shall provide a statewide toll-free number for customer service calls.

2. REPORTING

The Contractor shall be able to provide various reports when requested by the State. Examples include itemized report of total items (commodities and services) purchased by all agencies or individual agencies, open invoice reports, delivery compliance reports, quantity reports, service compliance reports, etc.

D. DELIVERY

1. TIME FRAMES

The time frames are identified in the Specifications.

2. MINIMUM ORDER

The minimum order requirements are identified in the Specifications.

3. F.O.B. POINT

Prices are "F.O.B. Delivered" with transportation charges prepaid to any location in the State of Michigan. Vendor may deliver in its own truck or by common carrier. Any routing problem should be discussed with Acquisition Services. The bill of lading shall show purchase order number, quantity and contract number.

**4. PACKAGING**

The pack sizes indicated on the Contract represent the sizes currently used by the industry. The Contractor is requested to provide packaging that most closely meets these packaging sizes. The state reserves the right of final approval on packaging offered by the Contractor.

Packaging and containers, etc., shall be in accordance with supplier's commercial practice and shall meet the requirements of Department of Transportation (D.O.T.) and rail and motor carrier freight classifications in effect at time of shipment, which will permit application of the lowest freight rate.

5. PALLETIZING

See attached diagram (page 49).

E. GENERAL PROVISIONS**1. CONTRACT RELEASES**

The Contractor will be required to furnish all such materials as may be ordered during the contract period. Orders for base stock (including manual and local warrants) delivery will be issued directly to the contractor by the Department of Treasury on Contract Release Form and by DMB Acquisition Services on Purchase Order.

2. INSPECTION

All work to be performed hereunder shall be produced in the plant of the Contractor.

The Director of Acquisition Services reserves the right to inspect the plant in which the work will be produced; to examine the equipment and facilities; and to determine the ability of the contractor to perform the work in accordance with the requirements.

3. LACK OF NEED FOR SERVICE

At any time, Treasury may determine that it no longer needs an item. Treasury is not obligated to pay for any services which it does not authorize. It is also possible that the manufacturing method of an item may need to be changed due to legislation or lack of need for part of the service. Price changes will be negotiated on a case-by-case basis.

4. EMERGENCY PLAN

The Contractor shall have an emergency disaster plan to continue providing service without interruption to Treasury. The contractor shall not be liable for liquidated damages when delays arise out of causes beyond the control and without fault or negligence of the contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the state in either its sovereign or contractual capacity, fires, floods, earthquakes, epidemics, quarantine restrictions, strikes,



freight embargoes, and unusually severe weather; but in every case, the delays must be beyond control and without the fault or negligence of the contractor. The plan should include the name of vendor to be used in case of an emergency, vendor location, and a letter of understanding from the emergency vendor confirming its ability to provide assistance.

5. KEY PERSONNEL

The Contractor must be able to staff a trained project team which possesses talent and expertise in the area of warrant processing. Treasury MUST be immediately notified in writing when a key member assigned to this project is removed from working on the project. Written notification must include a summary of qualifications (education, years of experience, years with the company etc.) for the replacement personnel assigned to the project.

6. QUALITY ASSURANCE

The Contractor must maintain and demonstrate a thorough quality assurance program.

F. PRICE

Refer to the attached Item Listings (pages 45-48).



SECTION II - GENERAL CONTRACT PROVISIONS

II-A GENERAL

The Contract is for the Printing of State Treasurer's Warrants 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 Department of Treasury on the Purchase Order Contract Release Form.

The Contract will be a Unit Price Contract.

Indicated on the Item Listing on page 46 is the "ship-to" address for the participating agency. However, if the Contractor and the State agree, additional State agencies may participate should the need develop.

II-B ISSUING OFFICE

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Department of Treasury, hereinafter known as Treasury. Where actions are a combination of those of Acquisition Services and Treasury, the authority will be known as the State.

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

Department of Management and Budget
Acquisition Services
ATTN: Joan Bosheff
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
Phone: (517) 373-7374
E-Mail: Bosheffj@michigan.gov

II-C CONTRACT ADMINISTRATOR

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



Beverly Patrick
Michigan Department of Treasury
Forms and Print Management
430 West Allegan Street
Lansing, Michigan 48922
Phone: (517) 373-8891
E-Mail: *Patrickbj@michigan.gov*

II-D CONTRACT TERM

The term of this Contract will be for a five (5) year period and will commence with the issuance of a Contract. This will be June 1, 2003, through June 1, 2008. At the sole option of the State, the Contract may be extended for up to 2 (two) additional years. Contractor performance, quality of products, price, and the Contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to extend the Contract.

II-E ENTIRE AGREEMENT AND ORDER OF PRECEDENCE

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

- A. Any contract resulting from the State's ITB #0711200327.
- B. Any addenda to that ITB.
- C. The Contractor's response to that ITB.

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

II-F NO WAIVER OF DEFAULT

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

II-G REVISIONS, CONSENTS, AND APPROVALS

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

II-H SEVERABILITY

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



II-I SURVIVOR

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

II-J GOVERNING LAW

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

II-K RELATIONSHIP OF THE PARTIES (INDEPENDENT CONTRACTOR)

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

II-L HEADINGS

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

II-M INCURRING COSTS

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

II-N NEWS RELEASES

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

II-O CONTRACTOR RESPONSIBILITIES

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



Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change.

II-P PERFORMANCE REVIEWS

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

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

II-Q AUDIT OF CONTRACT COMPLIANCE

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

II-R SAFETY AND ACCIDENT PREVENTION

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

II-S WORKPLACE SAFETY AND DISCRIMINATORY HARASSMENT

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

**II-T ASSIGNMENT**

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

II-U DELEGATION

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

II-V DISCLOSURE

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

II-W TAXES

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

II-X PRICE ADJUSTMENTS

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.

II-Y ADDITIONAL PRODUCTS/SERVICES

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 the Contract, only if prior written approval has been granted by Acquisition Services.

II-Z CONTRACTOR'S LIABILITY INSURANCE

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

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

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

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

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

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



include the CONTRACT NUMBER affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909.

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

- ☑ 1. Commercial General Liability with the following minimum coverages:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit
 - \$500,000 Fire Damage Limit (any one fire)The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the Commercial General Liability policy.

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

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

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

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

- ☑ 5. Employers liability insurance with the following minimum limits:
 - \$100,000 each accident
 - \$100,000 each employee by disease
 - \$500,000 aggregate disease

**II-AA INDEMNIFICATION****A. General Indemnification**

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

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract.
2. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
3. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

B. Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software,



commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

C. Indemnification Obligation Not Limited

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

D. Continuation of Indemnification Obligation

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

II-BB CONTRACT DISTRIBUTION

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

II-CC ACCOUNTING RECORDS

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

II-DD NON-DISCRIMINATION CLAUSE

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



amended, MCL 37.2201, et seq, and the Michigan Handicapper's Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, et seq, and any breach thereof may be regarded as a material breach of the Contract or purchase order.

II-EE CANCELLATION

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

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

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources provided, however, in no event shall these costs and expenses exceed at any time an amount equal to all amounts previously paid by the State to the Contractor under the terms of this contract. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in the Contract.

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

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

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



3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. In the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Article 11, Section 5 of the Michigan Constitution of 1963, and Chapter 7 of the Civil Service Rules. Notwithstanding any other provision of this Contract to the contrary, the State Personnel Director is authorized to disapprove contractual disbursements for personal services if the Director determines that the Contract of the disbursements under the Contract violate Article 11, Section 5 of the Constitution or violate applicable Civil Service rules or regulations. Cancellation may be in whole or in part and may be immediate as of the date of the written notice to the Contractor or may be effective as of the date stated in such written notice.

II-FF NOTICE AND RIGHT TO CURE

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

II-GG ELECTRONIC FUNDS TRANSFER

Electronic transfer of funds is available to State contractors. The 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 (www.state.mi.us/dmb/ofm/).

**II-HH MODIFICATION OF CONTRACT**

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

II-II UNFAIR LABOR PRACTICES

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

II-JJ FORM, FUNCTION, AND UTILITY

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

II-KK CONTRACT PAYMENT SCHEDULE

The specific payment schedule for the Contract will be mutually agreed upon by the State and the Contractor. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

II-LL PROHIBITED PRODUCTS

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

**II-MM RECYCLED CONTAINERS**

The Contractor is encouraged to offer products packaged in containers using recovered materials suitable for the intended use. 'Recovered material' is defined as post-consumer waste (any products generated by a business or consumer which have served their intended end use, and which have been separated or diverted from solid waste for the purpose of collection, recycling, and disposition) and 'secondary waste' (industrial by-products and wastes generated after completion of a manufacturing process that would normally not be reused).

II-NN ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

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

II-OO QUALITY ASSURANCE

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

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

II-PP INSPECTION

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

II-QQ OPTIONAL USE OF STATE AGENCY PRODUCTION FACILITIES

State agencies are exempt from utilizing the resulting Contract if they would instead prefer to purchase similar items from the following State agency production facilities:

- Michigan State Industries (MSI), which provides valuable training opportunities for inmates at State correctional facilities.
- Department of Management and Budget, Print and Graphics Services

**II-RR WARRANTY DISCLAIMERS**

Contractor excludes all express or implied warranties, including but not limited to, any implied warranty of merchantability or fitness for a particular purpose.

II-SS PREPARATORY MATERIALS

All information, programs, software, films, molds, plates, dyes, negatives, positives, electronic files and all other items or materials furnished, developed or created by Contractor in providing the Products and Service (the “Contractor Preparatory Material”) shall remain Contractor’s exclusive property and Customer shall have no right to the possession or use of the Contractor Preparatory Material. All data and material provided to Contractor by the State shall remain the State’s exclusive property and may only be used by Contractor in the performance of its duties pursuant to this Agreement.

II-TT 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 be applicable for claims arising out of gross negligence, willful misconduct, or Contractor’s indemnification responsibilities to the State as set forth in Section II-AA with respect to third party claims, action and proceeding brought against the State.

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 and either party’s maximum aggregate liability shall be limited to \$1 million. Such limitation as to in direct or consequential damages, and as to a party’s maximum liability shall not be applicable for claims arising out of gross negligence, willful misconduct, or the Contractor’s indemnification responsibilities to the State as set forth in Section II-AA with respect to third party claims, actions and proceeding brought against the State.



SPECIFICATIONS FOR STATE TREASURER'S WARRANTS

This Contract is divided into the following sections:

- Section A Laser Printed Warrants
- Section B Impact Printed Warrants
- Section C Manual and Local Warrants
- Section D Miscellaneous Low Volume Warrants
- Section E Item Listing

**A. LASER PRINTED WARRANTS**

Forms: W-1000 Continuous Laser Warrants
W-1001 Cut Sheet Laser Warrants

1. Paper Stock

- A. **Grade:** Bond suitable for MICR encoding. Paper must be treated with a coating to provide approximately 90% adhesion rating for toner. Toner adhesion coating to be applied only to the warrant portion of the document (not the remittance area).
- B. Informational pricing should be provided to apply the toner adhesion coating to the entire document.
- C. **Weight:** 24 lb. per 500 sheets
- D. **Color:** White

2. Safety and Security Features

Note: Treasury may choose to add or change warrant security features during the life of the contract.

- A. **Chemical Void.** Print standard warning indicia (e.g. stop, void, cancel, defaced) on front of warrant. Warning indicia is to be hidden and visible only when ink eradicator (bleach) is applied. The warning indicia must be such that it can withstand soaking in water for at least 60 minutes before washing out. Once activated (printed message made visible), it must be permanent and not subject to washing or soaking away. A stain or blank spot is not a suitable indicia.
- B. **Print State Coat of Arms** or other art of Treasury's choice in step-and-repeat pattern on the warrant face. The pattern must include the word VOID hidden in the pattern. VOID should not be printed in the address area on the warrant as it will interfere with barcode and postal reading equipment. The hidden VOID is to be virtually undetectable to the eye but must show prominently on a copy made with color or black and white photocopier. The hidden VOID must not appear when the warrants are microfilmed and/or imaged.

The hidden VOID must be visible on the largest number of settings on current color copiers. The hidden VOID feature, which is visible on the largest range of settings, will be selected.

The pantograph pattern will be printed in two colors, Ron Ser-X Simulated Reflex blue and gold (PMS 131). The colors will blend together vertically within the pantograph pattern.

- C. **Reverse of Warrant Must Bear an Artificial Watermark** printed with fluorescent ink in a step-and-repeat pattern approved by the State Treasurer. The mark must be visible to the human eye when viewed at an angle but must not be such that it can be photographically reproduced, scanned by a computer-scanning device, or reproduced on a color copier.



D. **Safety Paper Backer Design Must be a Pattern Approved by the State Treasurer.** A backer design used on commercial stock which can be purchased in blank on the open market cannot be used. Backer shall be printed in an ink color to be specified upon award of Contract. Design must be printed full coverage, no gap space on any sides. Design to be in fugitive ink so that any attempted chemical alteration on the back will erase background and create a white spot on back. It should also bleed through to the front displaying warning indicia.

Any attempted chemical alteration on the front should display hidden warning indicia and shall bleed through to the back and erase background and leave white spot.

E. **Printed on the Face of the Warrant Must be a Line of Microscopic Type** (approximately .008 inch in height) that, when viewed without magnification, will appear as a plain or dashed line, but when viewed under extreme magnification will appear as a sentence of type specified by the State Treasurer.

F. **The Consecutive Control Number to be Printed in a Penetrating Red Dye** that will penetrate through the paper fibers and make a reverse mirror image of the number visible on the opposite side of the warrant. The control number must be printed on the back of the warrant in a location to be specified by Treasury.

TREASURY OPTION: It is possible that during the life of the contract Treasury may choose to add the following security features to these warrants:

- A clear ink coating printed over specific areas of the document (such as the numeric dollar amount area) to protect against alteration. The coating makes removal of the laser toner extremely difficult. Scraping or scratching off the toner will result in a different color of ink and/or a warning message displayed.
- Thermochromic ink sensitive to heat created by rubbing the warrant. When activated the ink disappears or changes color.

3. Estimated Annual Quantity (Individual, detached forms)

| | | |
|--------|------------------------|--------------------|
| W-1000 | Continuous laser stock | 7,500,000 warrants |
| W-1001 | Cut sheet laser stock | 55,000 warrants |

4. Composition

The Contractor must do composition. The Department of Treasury will provide art cuts to be used in composition. The Contractor must provide proofs of composition and secure written approval from Treasury's representative before any printing is done.

5. Printing

A. Form Size:

Continuous laser stock, including pinfeed strips: 9-1/2" wide x 11" high
 Cut sheet stock: 8-1/2" wide x 11" high

B. Print both sides.



- C. Captions, rules and art cuts on front and back to be printed in blue ink approved by the State Treasurer.
- D. Front step-and-repeat pattern to be printed in shades of blue and gold ink approved by the State Treasurer.
- E. Backer design and ink color to be same as W1005, W1007 and 1410B; and to be approved by the State Treasurer.
- F. Warrants are to be consecutively numbered in a 9-digit control number on the back of the warrant in a location to be specified by Treasury. It must be printed in OCR A type. Consecutive numbers must be guaranteed. No missed or duplicate numbers are acceptable.
- G. Forms must be compatible with equipment listing for this section (see Item 11). Claims for excessive quantities of mutilated forms will be negotiated with the vendor.
- H. Treasury may request a press proof made with selected ink on selected stock before printing is approved.
- I. Treasury reserves the right to change composition, ink color, safety features, paper stock, quantities, delivery dates and all other specifications between printings.

6. Perforations

CONTINUOUS LASER STOCK

- A. Perforate horizontally 3-2/3" from bottom edge.
- B. Perforate vertically 1/2" inside both the left and right edges for pinfeed strips.
- C. Partial vertical perforation 1-5/8" from right edge and 3-2/3" from bottom. This will leave a 7-3/8" wide check.
- D. Perforate horizontally every 11" (between each warrant/remittance).
- E. Perforations must be tough enough to withstand packing, storage and printer processing.

CUT SHEET LASER STOCK

- F. Perforate horizontally 3-2/3" from bottom edge.
- G. Partial vertical perforation 1-1/8" from right edge and 3-2/3" from bottom. This will leave a 7-3/8" wide check after perforating.
- H. Perforations must be tough enough to withstand packing, storage and printer processing. Perforations must be easy enough to burst cleanly when processed through burster (see Item 11).



7. Packing

CONTINUOUS LASER STOCK

- A. Pack 2,000 warrants per carton in a single stack box. Approximate carton size should be 8-3/4" x 11-1/4" x 10-3/4".
- B. Lowest consecutive number must be on top, highest number on bottom, in each carton.
- C. At least two layers of corrugated cardboard must be placed in the top of each carton and one thin card board layer on the bottom so that warrant stock is not damaged when the carton is cut open.
- D. Breaks between consecutively numbered warrants in an occasional carton are acceptable. The location of the break must be identified on the inside of the carton by inserting a piece of paper which can be followed down the side of the carton to the location of the break. The location of the break must also be well marked on the outside front of the carton in which it occurs.

Claims for excessive breaks will be negotiated with the vendor. Excessive breaks are defined as 10 or more cartons per 100 cartons. The Contractor must provide Contract Administrator with a summary of the number of cartons containing breaks after the order is completed.

- E. Cartons are to be closed securely so that cartons will not open accidentally with normal handling in shipping and storage.

CUT SHEET LASER STOCK

- F. Packing specifications for the continuous laser stock B, C, and E also apply for the cut sheet laser stock.
- G. Packaging must be back side up in consecutive ascending order, lowest to highest. Each pack must contain 200 warrants. A thick, paper stock layer must be on the top and bottom of each pack, and then wrapped in plastic. The top layer of thick paper stock must have a window revealing the warrant stock control number.
- H. Cartons must be packaged 2,000 warrants per carton (10 packs of 200 warrants) in a single stack. Approximate carton size should be 8-3/4" x 11-1/4" x 10-3/4".

8. Carton Labeling

Each carton must be labeled in letters (see Diagram 2; Appendix A for label samples) at least 1" high, with the following:

- Agency Name (Department of Treasury)
- Type of document inside (example: W-1000 Leaders)
- Beginning and ending numbers for warrants contained in the carton
- Number of cartons in shipment and the placement of the individual carton within that shipment (for example: 2 of 5, 3 of 5, etc.)



9. Shipments

- A. Total order is to be divided into two printings per year (see Item 10). Contractor shall guarantee each delivery of printed warrants within ten (10) weeks maximum from date of Treasury’s purchase order.
- B. All shipments shall be made by bonded/insured carrier, prepaid, at the risk and expense of the contractor. In the event a bonded/insured carrier is not available, other methods of transportation may be used only with prior written approval from Treasury. For any shipment in transit overnight, when not traveling the trailer shall be stored in a locked building.
- C. The Bill of Lading must state that Treasury is to be advised at least one day in advance by the carrier of the date and time of delivery to Treasury. Deliver to the Department of Management and Budget, (DMB) General Services Building (GSB), 7461 Crowser Dr., Lansing, MI 48909. The GSB is located at the State Secondary Complex.
- D. Warrant shipments are to be delivered F.O.B. to the GSB. Delivery is to be between 8 a.m. and 11 a.m. on the delivery date. Treasury reserves the right to refuse to receive shipments arriving later than 11:00 a.m. Warrants shall be loaded on the pallets so the low carton number is on the top and the high carton number is on the bottom of each pallet (Appendix A; see Diagram 1). Warrants shall be placed on the delivery truck so the pallet containing the highest numbered warrants is in position to be unloaded first, and those following in sequence until the pallet containing the lowest numbered warrants is in position to be unloaded last. Treasury reserves the right to refuse shipments loaded in any other configuration.
- E. The Contractor must assume all costs of carrier for storage and second delivery of warrant shipments when original shipment is refused by Treasury because delivery did not comply with requirements.
- F. Because of limited storage space, Treasury will require the contractor to store newly-manufactured warrants in an alternate facility until space in a DMB facility becomes available. Storage may involve an entire printing order or a portion of an order and may be as little as one month or for as long as two years. The alternate storage facility should have security appropriate for the storage of negotiable instruments. The State of Michigan reserves the right to enter the storage facility at any time State Treasurer’s warrants are being stored there to inspect for appropriate security measures. The facility should be located so that a request by Treasury can prompt guaranteed delivery within 48 hours. Please include with the bid a price for the storage described above and subsequent delivery. These prices will not be used in determining the successful bidder.

10. Printing and Delivery Schedule for Laser Warrants (Annually)

| <u>Form</u> | <u>Printing</u> | <u>Estimated Quantity</u> | <u>Tentative Date</u> |
|-------------|-----------------|---------------------------|-----------------------|
| W-1000 | 1 | 3,750,000 | February |
| | 2 | <u>3,750,000</u> | April |
| | Total | 7,500,000 | |
| W-1001 | 1 | 55,000 | Variable |



11. Equipment Compatibility List

Note: The Contractor must have the capability to adjust to future equipment changes and upgrades.

W-1000 and W-1001 warrants must be compatible with the following:

PRINTERS:

- Unisys UHS 8370
- IBM Infoprint 40MICR

BURSTER/DETACHERS:

- Moore Business Forms Model 3610

FOLDER/INSERTERS:

- Bell & Howell (Phillipsburg) Model A-825-C4 With Continuous Form Attachment
- Bell & Howell (Phillipsburg) Model A-825-C8 With Continuous Form Attachment

MICR ENCODER:

- N.C.R. Series 7760

MICR READER/SORTERS:

- Unisys DP 500
- Unisys NDP 500
- IBM 3890

MICROFILM/IMAGING

- Kodak 800
- Unisys DP 500
- Unisys NDP 500
- IBM 3890 Cassette
- IBM 3897 Model 4



B. IMPACT PRINTED WARRANTS
Family Independence Agency (FIA) Forms

Forms: FIA-1410B Warrants
FIA-1410B Leaders

1. Paper Stock (Warrants and Leaders)

- A. **Grade:** Bond suitable for MICR encoding. Paper must be treated with a coating to provide approximately 90% adhesion rating for toner.
- B. **Weight:** 24 lb. per 500 sheets
- C. **Color:** White

2. Safety and Security Features (Warrants only)

Note: Treasury may choose to add or change warrant security features during the life of the contract.

- A. **Chemical Void.** Print standard warning indicia (e.g. stop, void, cancel, defaced) on front of warrant. Warning indicia is to be hidden and visible only when ink eradicator (bleach) is applied. The warning indicia must be such that it can withstand soaking in water for at least 60 minutes before washing out. Once activated (printed message made visible) it must be permanent and not subject to washing or soaking away. A stain or blank spot is not a suitable indicia.

- B. **Print State Coat of Arms** or other art of Treasury's choice in step-and-repeat pattern on the warrant face. The pattern must include the word VOID hidden in the pattern. VOID should not be printed in the address area on the warrant as it will interfere with barcode and postal reading equipment. The hidden VOID is to be virtually undetectable to the eye but must show prominently on a copy made with color or black and white photocopier. The hidden VOID must not appear when the warrants are microfilmed and/or imaged.

The hidden VOID must be visible on the largest number of settings on current color copiers. The hidden VOID feature, which is visible on the largest range of settings, will be selected.

The pantograph pattern will be printed in two colors, reflex blue and gold (PMS 131). The colors will blend together horizontally within the pantograph pattern.

- C. **Reverse of Warrant Must Bear an Artificial Watermark** printed in fluorescent ink in a step-and-repeat pattern approved by the State Treasurer. The mark must be visible to the human eye when viewed at an angle but must not be such that it can be photographically reproduced, scanned by a computer-scanning device or reproduced on a color copier.
- D. **Safety Paper Backer Design Must be a Pattern Approved by the State Treasurer.** A backer design used on commercial stock which can be purchased in blank on the open market cannot be used. Backer shall be printed in an ink color to be specified upon award of Contract. Design must be printed full coverage, no gap space on any sides. Design to be in fugitive ink so



that any attempted chemical alteration on the back will erase background and create a white spot on back. It should also bleed through to the front displaying warning indicia.

Any attempted chemical alteration on the front should display hidden warning indicia and shall bleed through to the back and erase background and leave white spot.

- E. **Printed on the Face of the Warrant Must be a Line of Microscopic Type** (approximately .008 inch in height) that, when viewed without magnification, will appear as a plain or dashed line, but when viewed under extreme magnification will appear as a sentence of type specified by the State Treasurer.
- F. **The Consecutive Warrant Number in the Upper Right Corner on the Face of the Warrant to be Printed in a Penetrating Red Dye** that will penetrate through the paper fibers and make a reverse mirror image of the number visible on the back of the warrant. When reviewed from the front, it should create a slightly red halo around the number printed in black ink.

TREASURY OPTION: It is possible that during the life of the contract Treasury may choose to add the following security features to these warrants:

- A clear ink coating printed over specific areas of the document (such as the numeric dollar amount area) to protect against alteration. The coating makes removal of the laser toner extremely difficult. Scraping or scratching off the toner will result in a different color of ink and/or a warning message displayed.
- Thermochromic ink sensitive to heat created by rubbing the warrant. When activated the ink disappears or changes color.

3. **Estimated Annual Quantity (individual, detached forms)**

FIA Warrants

1410B (Public Assistance) 480,000 forms (960,000 warrants)

FIA-1410B Leaders

One order of approximately 24,000 forms will be placed during the life of the blanket purchase order.

4. **Composition**

The Contractor must do composition. The Department of Treasury will provide art cuts to be used in composition. The Contractor must provide proofs of composition and secure written approval from Treasury's representative before any printing is done.

5. **Printing**

WARRANTS ONLY

- A. Form size, including pinfeed strips: 15-3/4" wide x 3-1/2" high.
- B. Print both sides.



- C. Captions, rules and art cuts on front and back to be printed in blue ink approved by the State Treasurer.
- D. Front step-and-repeat pattern to be printed in shades of blue and gold ink approved by the State Treasurer.
- E. Backer design and ink color to be same as W-1000, W-1001, W-1005, and W-1007; and approved by the State Treasurer.
- F. Warrants are to be consecutively numbered in a 9-digit consecutive warrant number printed in OCR A type in the upper right corner of the warrant face. (See sample in Buyer's office.) Consecutive numbers must be guaranteed. No missed or duplicate numbers are acceptable. Treasury will supply the first consecutive number for each series prior to each printing.
 - FIA-1410B warrants are to be consecutively numbered with odd numbers left and even numbers right.
- G. Warrants are to be encoded with black MICR ink, per specifications to be furnished to vendor by Treasury.
 - Bank transit number must be MICR encoded in the transit and routing field.
 - Warrants must be consecutively numbered in MICR ink in the auxiliary "on us" field. The consecutive MICR number must be identical to the consecutive number printed in the upper right corner of each warrant.
- H. Forms must be compatible with equipment listing for this section. Claims for excessive quantities of mutilated forms will be negotiated with the vendor.
- I. Treasury may request a press proof made with selected ink on selected stock before printing is approved.
- J. Treasury reserves the right to change composition, ink color, safety features, paper stock, quantities, delivery dates and all other specifications between printings.

LEADERS ONLY

- K. Form size, including pinfeed strips: 15-3/4" wide x 3-1/2" high
- L. Print one side.
- M. Captions, rules and art cuts on front to be printed in blue ink.
- N. Back of form is blank.

6. Perforations/Punches

- A. Perforate horizontally every 3-1/2" (between warrants).
- B. Perforate vertically one-half inch inside both the left and right edges for pinfeed strips.
- C. Perforate vertically 7-7/8" from left edge (in center, between warrants).



- D. Perforations must be tough enough to withstand packing, storage, printer processing, refolding and signing without bursting. Perforations must be easy enough to burst cleanly when processed through burster (see Item12).
- E. Punch holes 1/2" c-to-c along each edge for standard pinfeed.

7. Folding

Warrants must be fan-folded, 2-up.

8. Packing

- A. Pack 4,000 forms per carton. 8,000 individual warrants per carton for FIA-1410B warrants and leaders.
- B. Lowest consecutive number must be on top, highest number on bottom in each carton.
- C. At least six (6) leader forms must be attached to the lowest number warrant in each carton. Leaders should be voided forms with no consecutive or MICR numbering, but printed with all captions and rules for alignment.
- D. Breaks between consecutively numbered warrants in an occasional carton are acceptable. The location of the break must be identified on the inside of the carton by inserting a piece of paper which can be followed down the side of the carton to the location of the break. The location of the break must also be well marked on the outside of the carton in which it occurs.

Claims for excessive breaks will be negotiated with the vendor. Excessive breaks are defined as 10 or more cartons per 100 cartons. The Contractor must provide Contract Administrator with a summary of the number of cartons containing breaks after the order is completed.

- E. Cartons are to be closed securely so that cartons will not open accidentally with normal handling in shipping and storage.

9. Carton Labeling

Each carton must be labeled in letters (see Diagram 2; Appendix A for label samples) at least 1" high, with the following:

- Agency Name (Department of Treasury)
- Type of document inside (example: FIA-1410B)
- Beginning and ending numbers for warrants contained in the carton
- Number of cartons in shipment and the placement of the individual carton within that shipment (for example: 2 of 5, 3 of 5, etc.)

10. Shipments

- A. Total order is to be one printing per year (See Item11). Contractor shall guarantee each delivery of printed warrants within ten (10) weeks maximum from date of Treasury's purchase order.
- B. All shipments shall be made by bonded/insured carrier, prepaid, at the risk and expense of the contractor. In the event a bonded/insured carrier is not available, other methods of



transportation may be used only with prior written approval from Treasury. For any shipment in transit overnight, when not traveling the trailer shall be stored in a locked building.

- C. The Bill of Lading must state that Treasury is to be advised at least one day in advance by the carrier of the date and time of delivery to Treasury. Deliver to the Department of Management and Budget, (DMB) General Services Building (GSB), 7461 Crowser Dr., Lansing, MI, 48909. The GSB is located at the State Secondary Complex.
- D. Warrant shipments are to be delivered F.O.B. to the GSB. Delivery is to be between 8 a.m. and 11 a.m. on the delivery date. Treasury reserves the right to refuse to receive shipments arriving later than 11:00 a.m. Warrants shall be loaded on the pallets so the low carton number is on the top and the high carton number is on the bottom of each pallet (Appendix A; see Diagram 1). Warrants shall be placed on the delivery truck so the pallet containing the highest numbered warrants is in position to be unloaded first, and those following in sequence until the pallet containing the lowest numbered warrants is in position to be unloaded last. Treasury reserves the right to refuse shipments loaded in any other configuration.
- E. Contractor must assume all costs of carrier for storage and second delivery of warrant shipments when original shipment is refused by Treasury because delivery did not comply with requirements.
- F. Because of limited storage space, Treasury will require the contractor to store newly-manufactured warrants in an alternate facility until space in a DMB facility becomes available. Storage may involve an entire printing order or a portion of an order, and may be as little as one month or for as long as two years. The alternate storage facility should have security appropriate for the storage of negotiable instruments. The State of Michigan reserves the right to enter the storage facility at any time State Treasurer’s warrants are being stored there to inspect for appropriate security measures. The facility should be located so that a request by Treasury can prompt guaranteed delivery within 48 hours. Please include with the bid a price for the storage described above and subsequent delivery. These prices will not be used in determining the successful bidder.

11. Printing and Delivery Schedule for FIA Warrants (Annually)

| <u>Form</u> | <u>Printing</u> | <u>Estimated Quantity</u> | <u>Tentative Date</u> |
|-------------|-----------------|-------------------------------------|-----------------------|
| 1410B | 1 | 480,000 forms (960,000 warrants) | August |
| Leaders | 1 | 24,000 | February |

Quantities for FIA warrants are for detached 2-wide warrants. Quantity of forms is half the number shown.

12. Equipment Compatibility List

Note: Vendor must have the capability to adjust to future equipment changes and upgrades.

FIA-1410B warrants must be compatible with the following:

PRINTERS:

Unisys 8090 (OCE Pagestream 88)



BURSTER/SIGNERS:

Moore Business Forms Model 3610
Moore Business Forms Model 319A

INSERTERS:

Bell & Howell (Phillipsburg) Model M-STAR 500-C8 Electronic AIM
Bell & Howell (Phillipsburg) Model M-STAR 500-4 PMP

MICR ENCODER:

N.C.R. Series 7760

MICR READER/SORTERS:

Unisys DP 500
Unisys NDP 500

MICROFILM/IMAGING

Kodak 800
Unisys DP 500
Unisys NDP 500
IBM 3890 Cassette
IBM 3897 Model 4



C. MANUAL AND LOCAL WARRANTS

| | | |
|---------------|--------|---|
| Forms: | W-1002 | Manual Checkbook Warrants |
| | W-1003 | Manual Continuous Feed Warrants, 3 ply |
| | W-1004 | Local and Manual Cut Sheet Laser Warrants (Version A and B) |

(Version A - with MICR encoding and imprinting completed by vendor including MICR. Version B - without MICR encoding, generic cut sheet with imprinting by user agency.)

1. Paper Stock:

A. **Grade:** Bond suitable for MICR encoding. Paper for form W-1004 must be treated with a coating to provide approximately 90% adhesion rating for toner.

B. Weight and Color:

- W-1002 and W-1003: 26 lb. white coated back for ply 1, 14# white coated front and back for ply 2, and 15 lb. canary coated front for ply 3.
- W-1004: 24# white bond suitable for MICR encoding.

2. Safety Features

A. **Chemical Void.** Print standard warning indicia (e.g. stop, void, cancel, defaced) on front of warrant. Warning indicia is to be hidden and visible only when ink eradicator (bleach) is applied. The warning indicia must be such that it can withstand soaking in water for at least 60 minutes before washing out. Once activated (printed message made visible) it must be permanent and not subject to washing or soaking away. A stain or blank spot is not a suitable indicia.

B. **Print State Coat of Arms** or other art of Treasury's choice in step-and-repeat pattern on the warrant face. The pattern must include the word VOID hidden in the pattern. VOID should not be printed in the address area on the warrant as it will interfere with postal reading equipment. The hidden VOID is to be virtually undetectable to the eye, but must show prominently on a copy made with color or black and white photocopier. The hidden VOID must not appear when the warrants are microfilmed and/or imaged.

The hidden VOID must be visible on the largest number of settings on current color copiers. The hidden VOID feature, which is visible on the largest range of settings, will be selected.

The pantograph pattern will be printed in one color, green (PMS 348).

C. **Reverse of Warrant Must Bear an Artificial Watermark** printed in fluorescent ink in a step-and-repeat pattern approved by the State Treasurer. The mark must be visible to the human eye when viewed at an angle but must not be such that it can be photographically reproduced, scanned by a computer-scanning device, or reproduced on a color copier.

D. **Safety Paper Backer Design Shall be a Pattern Approved by the State Treasurer.** A backer design used on commercial stock which can be purchased in blank on the open market cannot be used. Backer to be printed in an ink color to be specified upon award of contract. Design must be printed full coverage, no gap space on any sides. Design to be in fugitive ink so that



any attempted chemical alteration on the back will erase background and create a white spot on back. It should also bleed through to the front displaying warning indicia.

Any attempted chemical alteration on the front should display hidden warning indicia and shall bleed through to the back and erase background and leave white spot.

- E. **Printed on the Face of the Warrant Must be a Line of Microscopic Type** (approximately .008 inch in height) that, when viewed without magnification, will appear as a plain or dashed line, but when viewed under extreme magnification will appear as a sentence of type specified by the State Treasurer.
- F. **W-1004 (Version A and B) ONLY:** The 6-digit consecutive control number must be printed on the back of the warrant in a penetrating red dye that will penetrate through the paper fibers and make a reverse mirror image of the number visible on the opposite side of the warrant.

3. Estimated Annual Base Warrant Stock Quantity (Individual, detached forms)

Base warrant stock will be manufactured in quantities estimated for either a 6-month or 1-year period and priced accordingly. Estimated annual quantities are:

| | | |
|--------|-------------------------------|-----------------|
| W-1002 | Checkbook stock (3 ply) | 40,000 warrants |
| W-1003 | Continuous feed stock (3 ply) | 45,000 warrants |
| W-1004 | Cut sheet laser stock (1 ply) | 70,000 warrants |

4. Composition

The Contractor must do composition. The Department of Treasury will provide art cuts to be used in composition. The Contractor must provide proofs of composition and secure written approval from Treasury's representative before any printing is done.

5. Printing

- A. Form size:
 - W-1002: 8" x 7-1/3"
 - W-1003: 9-1/2" x 7" including pinfeed strips
 - W-1004: 8-1/2" x 11"
- B. Print both sides.
- C. Captions, rules, art cuts, step-and-repeat pattern on front to be printed in green ink (PMS 348).
- D. Backer design and ink color to be approved by the State Treasurer. Endorsement information to be printed on the back of the warrant in black ink.
- E. Local and manual warrants W-1004 (Version A and B) to be consecutively numbered in a 6-digit consecutive control number on the back of the warrant in a location to be specified by Treasury. Control number must be printed in OCR A font.
- F. Consecutive numbers must be guaranteed. No missed or duplicate numbers are acceptable. Treasury will supply the first consecutive number for each series prior to each printing.



- G. W-1002 and W-1003: Plies 2 and 3, print the words "NOT NEGOTIABLE" in at least 24-point outline type in a location to be specified by Treasury.
- H. W-1002 and W-1003: Ply 2, print the marginal "DATA ENTRY COPY" in red, 10-point type.
- I. W-1002 and W-1003: Ply 3, print the marginal "RETAIN FOR YOUR RECORDS" in red, 10-point type.
- J. Forms must be compatible with equipment listing for this section (Item 14). Claims for excessive quantities of mutilated forms will be negotiated with the vendor.
- K. Treasury may request a press proof made with selected ink on selected stock before printing is approved.
- L. Treasury reserves the right to change composition, ink color, safety features, paper stock, quantities, delivery dates and all other specifications between printings.

6. PerforationsW-1002, CHECKBOOK STOCK (3 PLY)

- A. Perforate horizontally 3-2/3" from bottom edge (ply 1 only)
- B. Perforate vertically 5/8" from left edge (plies 1 and 2 only)
- C. Perforations must be easy enough to burst cleanly by hand.

W-1003, CONTINUOUS FEED STOCK (3 PLY)

- D. Perforate horizontally 3-2/3" from bottom edge (ply 1 only)
- E. Perforate vertically 1/2" inside both the left and right edges for pinfeed strips.
- F. Partial vertical perforation 1-5/8" from right edge and 3-2/3" from bottom (ply 1 only). This will leave a 7-3/8" wide check after perforating.
- G. Perforate horizontally every 7" (between each check/remittance stub)
- H. Perforations must be tough enough to withstand packing, storage and printer processing. Perforations must be easy enough to burst cleanly by hand. (See Item 14 for equipment list.)

W-1004, LASER STOCK (1 PLY)

- I. Perforate horizontally 3-2/3" from bottom edge.
- J. Partial vertical perforation 1-1/8" from right edge and 3-2/3" from bottom. This will leave a 7-3/8" wide check after perforating.
- K. Perforations must be tough enough to withstand packing, storage and printer processing. Perforations must be easy enough to burst cleanly by hand. (See Section C-14 for equipment list.)

**7. Punches**

- A. W-1002
Punch two 1/4" holes in the left stub of all plies, 1" from bottom, 4-1/4" c-to-c
- B. W-1003
Punch holes every 1/2" c-to-c along each edge for standard pinfeed.

8. Folding

W-1003, fan-fold, 1-up.

9. Shrink Wrapping

W-1002, shrink wrap in groups of 50.

10. Packing

- A. Pack no more than 2,000 warrants (base stock) per carton in a single stack box. Approximate carton size should be 8-3/4" x 11-1/4" x 10-3/4".
- B. Lowest consecutive number must be on top, highest number on bottom, in each carton.
- C. W-1003 ONLY: Breaks between consecutively numbered warrants in an occasional carton are acceptable. The location of the break must be identified on the inside of the carton by inserting a piece of paper which can be followed down the side of the carton to the location of the break. The location of the break must also be well marked on the outside of the carton in which it occurs.
- D. Treasury may elect to provide vendor with material to be inserted in cartons.
- E. Cartons are to be closed securely so that cartons will not open accidentally with normal handling in shipping and storage.

11. Shipments , Delivery and Storage

- F. Five (5) calendar days will be allowed to deliver proofs, when necessary, after receipt of order.
- G. Twenty-one (21) calendar days will be allowed to produce base warrant stock after receipt of approved proof or after receipt of order.
- H. Orders shipped directly to the contractor's storage facility must be shipped "F.O.B. Delivered" with transportation charges prepaid on all orders to any location. All shipments shall be made by bonded/insured carrier, prepaid, at the risk and expense of the contractor. In the event a bonded/insured carrier is not available, other methods of transportation may be used only with prior written approval from Treasury. For any shipment in transit overnight, when not traveling the trailer shall be stored in a locked building.
- I. Storage facility must meet Security Requirements in Section II(1).



12. Imprinting Base Stock for Agencies

- J. The variable elements for each account which will be imprinted in black ink on forms (except local W-1004 Version B warrants) are: agency name, address, account number, MICR encoding, 3-digit bank ID number and warrant number. Also the statement, "VOID IF AMOUNT EXCEEDS" followed by the appropriate dollar amount will be imprinted on some of the warrants.
- K. The MICR encoding must also be imprinted on the manual W-1004 Version A warrants.
- L. Manual warrants W-1002, W-1003 and W-1004 (Version A) to be consecutively numbered twice in black ink. The 3-digit bank identification number and 9-digit consecutive number must be placed in the upper right corner of the warrant face and the upper right corner of the stub face. The bank ID number appears to the left of the warrant number with a space between.
- M. Manual warrants W-1002, W-1003, and W-1004 (Version A) must be encoded with black MICR ink, per specifications as follows:
- Bank transit number must be MICR encoded in the transit and routing field.
 - Warrants must be consecutively numbered in MICR ink in the auxiliary "on us" field. The consecutive MICR number must be identical to the consecutive number printed in the upper right corner of each warrant.
 - Warrants must be MICR encoded in the "account number" field with the 3-digit bank ID number. This 3-digit number must appear to the right of the ABA number.
- N. W-1002 are to be shrink wrapped in groups of 50.
- O. Pack no more than 1,000 warrants per carton in a single stack box. Approximate carton size should be 8-3/4" x 11-1/4" x 10-3/4".
- P. Lowest consecutive number must be on top, highest number on bottom, in each carton.
- Q. W-1003 ONLY: Breaks between consecutively numbered warrants in an occasional carton are acceptable. The location of the break must be identified on the inside of the carton by inserting a piece of paper which can be followed down the side of the carton to the location of the break. The location of the break must also be well marked on the outside of the carton in which it occurs.
- R. Treasury may elect to provide vendor with material to be inserted in cartons.
- S. Cartons are to be closed securely so that cartons will not open accidentally with normal handling in shipping and storage.
- T. Each carton must be labeled in letters (Appendix A; Diagram 2, for label samples) at least 1" high, with the following:
- Agency Name (Community Health, Corrections, etc.)
 - Type of document inside (example: W-1002, W-1003, W-1004, etc.)



- Beginning and ending numbers for warrants contained in the carton (except W-1004, version B)
 - Number of cartons in shipment and placement of the individual carton within that shipment (2 of 5, 3 of 5, etc.)
- U. Ten (10) calendar days will be allowed to deliver imprinted warrants after receipt of order.
- V. Orders are shipped directly to the using agency for that account. Prices are quoted “F.O.B. Delivered” with transportation charges prepaid on all orders to any location in the State of Michigan. All shipments shall be made by bonded/insured carrier, prepaid, at the risk and expense of the contractor. In the event a bonded/insured carrier is not available, other methods of transportation may be used only with prior written approval from Treasury. For any shipment in transit overnight, when not traveling the trailer shall be stored in a locked building.

13. Order Entry System

- W. Vendor must provide a Web-based Order Entry System (OES). A description of the OES must be provided in the bid response to be considered for bid award. Vendor must demonstrate ability to provide the order system requested.
- X. The following minimum features/services must be included in the OES:
- Encryption of transmitted information, for security purposes
 - Software maintenance and support
 - Training for Treasury staff
 - Inquiry screens for:
 - a) Order histories
 - b) Order production status
 - c) Cost center usage
 - d) Agency "ship to" addresses
 - e) Inventory balance
 - f) Reorder flag
 - Immediate order confirmation
 - Password protection capabilities
 - Reporting capabilities
 - Keystroke savers
- Vendor must accept orders from authorized Treasury personnel only. Vendors must not process orders received from individual agencies.
- Y. The Cost for an on-line ordering system should be factored in the charge for base stock usage for W-1002, W-1003, and W-1004. This would include cost of ordering, imprinting (as needed) shipping and handling.



14. Equipment Compatibility List

Note: Vendor must have the capability to adjust to future equipment changes and upgrades.

Manual and local warrants must be compatible with the following:

PRINTERS:

Manual and local warrants are used by over 300 agencies throughout the state on various types of printers.

MICR ENCODER:

N.C.R. Series 7760

MICR READER/SORTERS:

Unisys DP 500
Unisys NDP 500

MICROFILM/IMAGING

Kodak 800
Unisys DP 500
Unisys NDP500
IBM 3890 Cassette
IBM 3897 Model 4

**D. MISCELLANEOUS LOW VOLUME WARRANTS**

Family Independence Agency (FIA) Form

Forms: W-1005 FIA Rewrite Warrants, 1 ply
W-1005L Leaders, 1 ply
W-1007 FIA Replacement Warrants, 1 ply

1. Paper Stock (Leaders and Warrants)

- A **Color:** White
- B. **Grade:** Bond suitable for MICR encoding. Paper must be treated with a coating to provide approximately 90% adhesion rating for toner
- C. **Weight:** 24 lb.

2. Safety and Security Features

Note: Treasury may choose to add or change warrant security features during the life of the contract.

- A. **Chemical Void.** Print standard warning indicia (e.g. stop, void, cancel, defaced) on front of warrant. Warning indicia is to be hidden and visible only when ink eradicator (bleach) is applied. The warning indicia must be such that it can withstand soaking in water for at least 60 minutes before washing out. Once activated (printed message made visible) it must be permanent and not subject to washing or soaking away. A stain or blank spot is not a suitable indicia.
- B. **Print State Coat of Arms** or other art of Treasury's choice in step-and-repeat pattern on the warrant face. The pattern must include the word VOID hidden in the pattern. VOID should not be printed in the address area on the warrant as it will interfere with postal reading equipment. The hidden VOID is to be virtually undetectable to the eye but must show prominently on a copy made with color or black and white photocopier. The hidden VOID must not appear when the warrants are microfilmed and/or imaged.

The hidden VOID shall be visible on the largest number of settings on current color copiers. The hidden VOID feature which is visible on the largest range of settings will be selected.

The pantograph pattern will be printed in one color: - PMS 207 (red) for W-1007- PMS 314 (teal) for W-1005 and W-1005L.

The colors will blend together vertically within the pantograph pattern. Vendor must submit samples of red and teal ink pantograph patterns with hidden VOID for testing on banking partner's imaging equipment and various photocopiers, scanners, and imaging equipment.

- C. **Reverse of Warrant Must Bear an Artificial Watermark** printed in fluorescent ink in a step-and-repeat pattern approved by the State Treasurer. The mark must be visible to the human eye when viewed at an angle, but must not be such that it can be photographically reproduced, scanned by a computer-scanning device, or reproduced on a color copier.
- G. **Safety Paper Backer Design Must be a Pattern Approved by the State Treasurer.** A backer design used on commercial stock which can be purchased in blank on the open market



cannot be used. Backer shall be printed in an ink color to be specified upon award of Contract. Design must be printed full coverage, no gap space on any sides. Design to be in fugitive ink so that any attempted chemical alteration on the back will erase background and create a white spot on back. It should also bleed through to the front displaying warning indicia.

Any attempted chemical alteration on the front should display hidden warning indicia and shall bleed through to the back and erase background and leave a white spot.

- D. **Treasury May Elect to Print on the Face of the Warrant a Line of Microscopic Type** (approximately .008 in height) that, when viewed without magnification, will appear as a plain or dashed line, but when viewed under extreme magnification will appear as a sentence of type specified by the State Treasurer.

TREASURY OPTION: It is possible that during the life of the contract Treasury may choose to add the following security features to these warrants:

- A clear ink coating printed over specific areas of the document (such as the numeric dollar amount area) to protect against alteration. The coating makes removal of the laser toner extremely difficult. Scraping or scratching off the toner will result in a different color of ink and/or a warning message displayed.
- Thermochromic ink sensitive to heat created by rubbing the warrant. When activated the ink disappears or changes color.

Vendor should include pricing for information purposes only for these security features.

- E. **Estimated Annual Quantity**

Stock will be manufactured in quantities estimated for either a six-month or one-year period and priced accordingly. Estimated quantities and order frequencies are:

| | |
|---------|---------------------------|
| W-1005 | less than 2,000 warrants |
| W-1007 | less than 40,000 warrants |
| W-1005L | less than 4,000 warrants |

3. Composition

The composition must be provided by the Contractor. The Contractor must provide proofs of composition and secure written approval from Treasury’s representative before any printing is done.

4. Printing

- A. Form size: 8-3/8" wide x 3-1/2" high
- B. Print both sides.
- C. Captions, rules and art cuts on front to be printed in PMS 314 for W-1005 and W-1005L, and PMS 207 for W-1007, and on back in black ink.



- D. Backer design and ink color to be same as W-1000, W-1001, and 1410B; and to be approved by the State Treasurer. Endorsement information to be printed on the back of the warrant in black ink.
- E. Must be MICR encoded.
- F. The 3-digit bank I.D. number must be printed in black ink in the upper right hand corner of the warrant to left of the warrant number.
- G. Warrants are to be encoded with black MICR ink, per specifications to be furnished to vendor by Treasury:
 - Bank transit number must be MICR encoded in the transit and routing field.
 - Warrants must be consecutively numbered in MICR ink in the auxiliary "on us" field. The consecutive MICR number must be identical to the consecutive number printed in the upper right corner of each warrant. Consecutive numbers must be guaranteed. No missed or duplicate numbers are acceptable.
 - Warrants must be MICR encoded in the "account number" field with the 3-digit bank ID number. This 3-digit number must appear to the right of the ABA number.
- H. Forms must be compatible with equipment listing for this section. Claims for excessive quantities of mutilated forms will be negotiated with the vendor.
- I. Treasury may request a press proof made with selected ink on selected stock before printing is approved.
- J. The Department of Treasury reserves the right to change composition, ink color, safety features, paper stock, quantities, delivery dates and all other specifications between printings.

5. Perforations

- A. Perforate horizontally 3-1/2" from bottom edge.
- B. Perforate vertically 1/2" inside both left and right edges for pinfeed strips. This will leave a 7-3/8" wide check after perforating.
- C. Perforate horizontally every 3-1/2" between each warrant
- D. Perforations must be tough enough to withstand packing, storage and printer processing. Perforations must be easy enough to burst cleanly by hand (see Item 12 for equipment list).

6. Punches

Punch holes every 1/2" c-to-c along each edge for standard pinfeed.

7. Numbering

- A. Must be MICR encoded.
- B. The 9-digit consecutive warrant to be printed in a penetrating red dye that will penetrate through the paper fibers and make a reverse mirror image of the number visible on the opposite side of



the warrant. The warrant number must be printed in the upper right corner on the face of the warrant.

8. Folding

Warrants must be fan-folded, 2-up.

9. Packing

- A. Pack 4,500 per carton in a single stack box.
- B. The lowest consecutive number must be on top, highest number on the bottom in each carton.
- C. Cartons are to be closed securely so that cartons will not open accidentally with normal handling in shipping and storage.

10. Carton Labeling

- A. Each carton must be labeled (See Appendix A; Diagram 2 for label samples) in letters at least 1" high, with the following:
 - Agency Name (Department of Treasury)
 - Type of document inside (example: W-1005)
 - Beginning and ending numbers for warrants contained in the carton
 - Number of cartons in shipment and the placement of the individual carton within that shipment (for example: 2 of 5, 3 of 5, etc.)

11. Shipments and Delivery

- A. Contractor shall guarantee each delivery of printed warrants within ten (10) weeks maximum from date of Treasury's purchase order.
- B. All shipments shall be made by bonded/insured carrier, prepaid, at the risk and expense of the contractor. In the event a bonded/insured carrier is not available, other methods of transportation may be used only with prior written approval from Treasury. For any shipment in transit overnight, when not traveling the trailer shall be stored in a locked building.
- C. The Bill of Lading must state that Treasury is to be advised at least one day in advance by the carrier of the date and time of delivery to Treasury. Deliver to the Department of Management and Budget, (DMB) General Services Building (GSB), 7461 Crouner Dr., Lansing, MI, 48909. The GSB is located at the State Secondary Complex.
- D. Warrant shipments are to be delivered F.O.B. to the GSB. Delivery is to be between 8 a.m. and 11 a.m. on the delivery date. Treasury reserves the right to refuse to receive shipments arriving later than 11:00 a.m. Warrants shall be loaded on the pallets so the low carton number is on the top and the high carton number is on the bottom of each pallet (Appendix A; See Diagram 1). Warrants shall be placed on the delivery truck so the pallet containing the highest numbered warrants is in position to be unloaded first, and those following in sequence until the pallet containing the lowest numbered warrants is in position to be unloaded last. Treasury reserves the right to refuse shipments loaded in any other configuration.



- E. Contractor must assume all costs of carrier for storage and second delivery of warrant shipments when original shipment is refused by Treasury because delivery did not comply with requirements.
- F. Because of limited storage space, Treasury will require the contractor to store newly-manufactured warrants in an alternate facility until space in a DMB facility becomes available. Storage may involve an entire printing order or a portion of an order, and may be as little as one month or as long as two years. The alternate storage facility should have security appropriate for the storage of negotiable instruments. The State of Michigan reserves the right to enter the storage facility at any time State Treasurer's warrants are being stored there to inspect for appropriate security measures. The facility should be located so that a request by Treasury can prompt guaranteed delivery within 48 hours. Please include with the bid a price for the storage described above and subsequent delivery. These prices will not be used in determining the successful bidder.

12. Equipment Compatibility List

Note: Vendor must have the capability to adjust to future equipment changes and upgrades.

FIA W-1005, W-1007 and W-1005L warrants must be compatible with the following:

PRINTERS:

UNISYS 1400

BURSTER/SIGNERS, IMPRINTER/DETACHERS:

Moore Business Forms Model 3610
Moore Business Forms Model 319A

INSERTERS:

Bell & Howell (Phillipsburg) Model M-STAR 500-C8 Electronic AIM
Bell & Howell (Phillipsburg) Model M-STAR 500-4 PMP

MICR ENCODER:

N.C.R. Series 7760

MICR READER/SORTERS:

Unisys DP 500
Unisys NDP 500

MICROFILM/IMAGING

Kodak 800
Unisys DP 500
Unisys NDP500
IBM 3890 Cassette
IBM 3897 Model 4



ITEM LISTING

| <u>Section III</u> | <u>Description</u> | <u>Unit Cost/TH</u> |
|--------------------|---|---------------------|
| A | W-1000 Continuous Laser Warrants Size: 9-1/2" x 11" Minimum Order: 3,750,000 | <u>\$32.09</u> |
| A | W-1001 Cut Sheet Laser Warrants Size: 8-1/2" x 11" Minimum Order: 55,000 | <u>\$51.52</u> |
| B | FIA-1410B Warrants (Public Assistance) Size: 15-3/4" x 3-1/2" Minimum Order: (480,000 forms 960,000 warrants) | <u>\$32.64</u> |
| B | FIA-1410B Leaders Size: 15-3/4" x 3-1/2" Minimum Order: 24,000 warrants | <u>\$49.76</u> |
| C | W-1002 Manual Checkbook Warrants Size: 8" x 7-1/3" Minimum Order: 29,000 | <u>\$190.00</u> |
| C | W-1003 Manual Continuous Feed Warrants Size: 9 1/2" x 7," 3 ply Minimum Order: 30,000 | <u>\$190.00</u> |
| C | W-1004 Local and Manual Cut Sheet Laser Stock Size: 8 1/2" x 11" Minimum Order: 60,000 | <u>\$90.00</u> |
| D | W-1005 FIA Rewrite Warrants Size: 8-3/8" x 3-1/2" Minimum Order: 1,000 | <u>\$130.00</u> |
| D | W-1005L FIA Leaders Size: 8-3/8" x 3-1/2" Minimum Order: 1,000 | <u>\$130.00</u> |
| D | W-1007 FIA Replacement Warrants Size: 8-3/8" x 3-1/2" Minimum Order: 9,000 | <u>\$84.00</u> |

For Information Only:

Option of Clear Coating add \$5.35/TH to the Item Price
 Option of Thermochromic Ink add \$2.38/TH to the Item Price

Storage prices are \$0.70/carton per month for all items.



ITEM LISTING

Section III C W-1002 Manual Checkbook Warrants
 Size: 8" x 7-1/3", 3 ply

| Quantity | Base Stock Unit Cost (per lot or TH) | Imprinting Cost (per lot or TH) | Total Cost |
|----------|--------------------------------------|---------------------------------|---------------------|
| 250 | <u>\$47.50 Lot</u> | <u>\$92.50 Lot</u> | <u>\$140.00 Lot</u> |
| 500 | <u>\$95.00 Lot</u> | <u>\$97.00 Lot</u> | <u>\$192.00 Lot</u> |
| 1,000 | <u>\$190.00 TH</u> | <u>\$130.00 TH</u> | <u>\$320.00 TH</u> |
| 1,500 | <u>\$190.00 TH</u> | <u>\$110.00 TH</u> | <u>\$300.00 TH</u> |
| 2,000 | <u>\$190.00 TH</u> | <u>\$100.00 TH</u> | <u>\$290.00 TH</u> |
| 2,500 | <u>\$190.00 TH</u> | <u>\$92.00 TH</u> | <u>\$282.00 TH</u> |
| 3,000 | <u>\$190.00 TH</u> | <u>\$88.00 TH</u> | <u>\$278.00 TH</u> |
| 4,000 | <u>\$190.00 TH</u> | <u>\$50.00 TH</u> | <u>\$240.00 TH</u> |
| 5,000 | <u>\$190.00 TH</u> | <u>\$45.00 TH</u> | <u>\$235.00 TH</u> |
| 6,000 | <u>\$190.00 TH</u> | <u>\$40.00 TH</u> | <u>\$230.00 TH</u> |
| 7,000 | <u>\$190.00 TH</u> | <u>\$35.00 TH</u> | <u>\$225.00 TH</u> |
| 8,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 9,000 | <u>\$190.00 TH</u> | <u>\$25.00 TH</u> | <u>\$215.00 TH</u> |
| 10,000 | <u>\$190.00 TH</u> | <u>\$20.00 TH</u> | <u>\$210.00 TH</u> |

Shrink wrapping in groups of 50 is included in the above cost.

Note: Treasury should not be billed up front for the manufacture of the base warrant stock. Invoices should be issued when individual orders are imprinted.

Over a three-year period, single imprinting quantity requests ranged from a minimum of 250 to a maximum of 8,000. 40% of the requests were for a quantity of 500 warrants per order.

SHIP-TO LOCATION: Michigan Department of Treasury
 Treasury Building, Third Floor
 Procurement
 430 West Allegan Street
 Lansing, MI 48922



ITEM LISTING

Section III C

W-1003 Manual Continuous Feed Warrants
 Size: 9-1/2" x 7", 3 ply

| Quantity | Base Stock Unit Cost (per lot or TH) | Imprinting Cost (per lot or TH) | Total Cost |
|----------|--------------------------------------|---------------------------------|---------------------|
| 250 | <u>\$47.50 Lot</u> | <u>\$92.50 Lot</u> | <u>\$140.00 Lot</u> |
| 500 | <u>\$95.00 Lot</u> | <u>\$97.00 Lot</u> | <u>\$192.00 Lot</u> |
| 1,000 | <u>\$190.00 TH</u> | <u>\$118.00 TH</u> | <u>\$308.00 TH</u> |
| 1,500 | <u>\$190.00 TH</u> | <u>\$88.00 TH</u> | <u>\$278.00 TH</u> |
| 2,000 | <u>\$190.00 TH</u> | <u>\$84.00 TH</u> | <u>\$274.00 TH</u> |
| 2,500 | <u>\$190.00 TH</u> | <u>\$74.00 TH</u> | <u>\$264.00 TH</u> |
| 3,000 | <u>\$190.00 TH</u> | <u>\$68.00 TH</u> | <u>\$258.00 TH</u> |
| 4,000 | <u>\$190.00 TH</u> | <u>\$58.00 TH</u> | <u>\$248.00 TH</u> |
| 5,000 | <u>\$190.00 TH</u> | <u>\$48.00 TH</u> | <u>\$238.00 TH</u> |
| 6,000 | <u>\$190.00 TH</u> | <u>\$40.00 TH</u> | <u>\$230.00 TH</u> |
| 7,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 8,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 9,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 10,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 11,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 12,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 13,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 14,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |
| 15,000 | <u>\$190.00 TH</u> | <u>\$30.00 TH</u> | <u>\$220.00 TH</u> |

Note: Treasury should not be billed up front for the manufacture of the base warrant stock.

Invoices should be issued when individual orders are imprinted.

Over a three-year period, single imprinting quantity requests ranged from a minimum of 250 to a maximum of 8,000. 29% of the requests were for a quantity of 1,000 warrants per order.



ITEM LISTING

Section III C

W-1004 Local & Manual Cut Sheet Laser Stock

Size: 8-1/2" x 11", 1 ply

Version A - with MICR encoding and imprinting completed by vendor including MICR.

| Quantity | Base Stock Unit Cost (per lot or M) | Imprinting Cost (per lot or M) | Total Cost |
|----------|-------------------------------------|--------------------------------|---------------------|
| 250 | <u>\$22.50 Lot</u> | <u>\$92.50 Lot</u> | <u>\$115.00 Lot</u> |
| 500 | <u>\$45.00 Lot</u> | <u>\$92.00 Lot</u> | <u>\$137.00 Lot</u> |
| 1,000 | <u>\$90.00 TH</u> | <u>\$99.00 TH</u> | <u>\$189.00 TH</u> |
| 1,500 | <u>\$90.00 TH</u> | <u>\$92.00 TH</u> | <u>\$182.00 TH</u> |
| 2,000 | <u>\$90.00 TH</u> | <u>\$88.00 TH</u> | <u>\$178.00 TH</u> |
| 2,500 | <u>\$90.00 TH</u> | <u>\$80.00 TH</u> | <u>\$170.00 TH</u> |
| 3,000 | <u>\$90.00 TH</u> | <u>\$75.00 TH</u> | <u>\$165.00 TH</u> |
| 4,000 | <u>\$90.00 TH</u> | <u>\$71.00 TH</u> | <u>\$161.00 TH</u> |
| 5,000 | <u>\$90.00 TH</u> | <u>\$60.00 TH</u> | <u>\$150.00 TH</u> |
| 6,000 | <u>\$90.00 TH</u> | <u>\$52.00 TH</u> | <u>\$142.00 TH</u> |
| 7,000 | <u>\$90.00 TH</u> | <u>\$46.00 TH</u> | <u>\$136.00 TH</u> |
| 8,000 | <u>\$90.00 TH</u> | <u>\$45.00 TH</u> | <u>\$135.00 TH</u> |
| 9,000 | <u>\$90.00 TH</u> | <u>\$44.00 TH</u> | <u>\$134.00 TH</u> |
| 10,000 | <u>\$90.00 TH</u> | <u>\$42.00 TH</u> | <u>\$132.00 TH</u> |

Note: Version B (without MICR encoding) is a generic cut sheet with imprinting by user agency. There are no imprinting costs associated with Version B. Treasury should not be billed up front for the manufacture of the base warrant stock. Invoices should be issued when individual orders are imprinted.

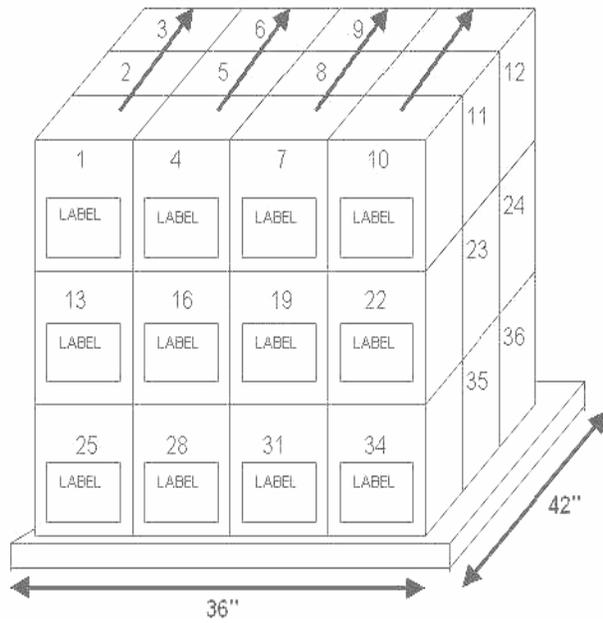
Over a three-year period, single imprinting quantity requests ranged from a minimum of 250 to a maximum of 5,000 for Version A. 42% of the requests were for a quantity of 500 warrants per order.

Over a three-year period, single imprinting quantity requests ranged from a minimum of 1,000 to a maximum of 45,000 for Version B. 28% of the requests were for a quantity of 2,000 warrants per order.

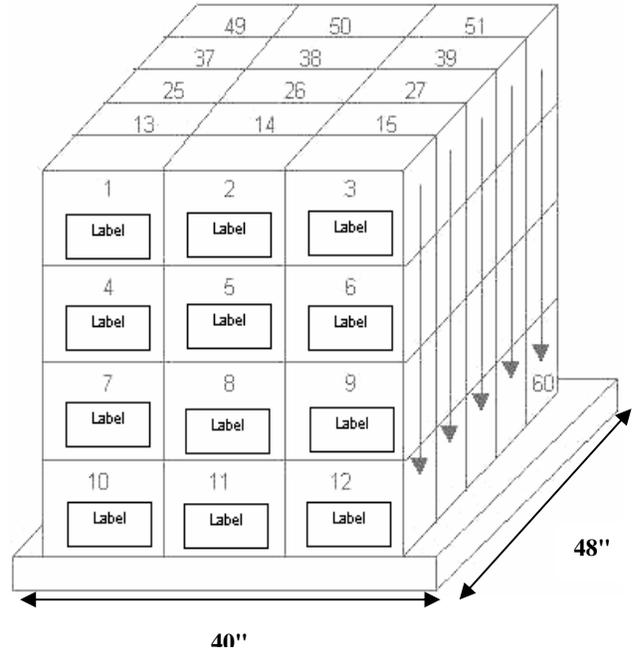


Diagram 1

Palletizing Requirements for Section III-A and B



W-1000 Warrants



1410-B Warrants

Diagram 2

Label Requirements for Section III A, B, C and D

(Must be displayed on the front of the box)

