

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

March 28, 2007

CHANGE NOTICE NO. 3

TO

CONTRACT NO. 071B4200112

(Supersedes Contract No.071B2001451)

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF VENDOR		TELEPHONE Jeff Cheatham (703) 908-5863
AAMVA 4301 Wilson Boulevard, Suite 400 Arlington, VA 22203 jcheatham@aamva.org		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Fred Bueter Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State		
CONTRACT PERIOD: From: January 16, 2004		To: April 30, 2010
TERMS	Net 30	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately, this contract is **EXTENDED** to April 30, 2010 and **INCREASED** by \$5,788,026.00, the **REVISED** Government Rate schedule (October, 2005) included in change #2 still applies. All other terms and conditions will remain the same.

AUTHORITY/REASON:

DMB/DOS and Vendor concurrence.

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$7,454,926.00

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

December 6, 2005

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B4200112
 (Supersedes Contract No.071B2001451)
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Jeff Cheatham (703) 908-5863
AAMVA 4301 Wilson Boulevard, Suite 400 Arlington, VA 22203 jcheatham@aamva.org		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-7233 Joann Klasko
Contract Compliance Inspector: Fred Bueter Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State		
CONTRACT PERIOD:		From: January 16, 2004 To: April 30, 2007
TERMS	Net 30	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately, this contract is **EXTENDED** through April 30, 2007. Also, the **REVISED** Government Rate schedule (October, 2005) is included. All other terms and conditions will remain the same.

Please note the Buyer has been changed to Joann Klasko (517) 241-7233.

AUTHORITY/REASON:

DMB/DOS and Vendor concurrence.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,666,900.00

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

April 22, 2005

**CHANGE NOTICE NO. 1
TO**

CONTRACT NO. 071B4200112

(Supersedes Contract No.071B2001451)

**between
THE STATE OF MICHIGAN
and**

NAME & ADDRESS OF VENDOR AAMVA 4301 Wilson Boulevard, Suite 400 Arlington, VA 22203 paasmo@aamva.org	TELEPHONE Patrice L. Aasmo (703) 908-5787
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7396 Andy Ghosh
Contract Compliance Inspector: Fred Bueter Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State	
CONTRACT PERIOD: From: January 16, 2004 To: April 30, 2006	
TERMS Net 30	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

NATURE OF CHANGE (S):

Effective immediately, this contract is **EXTENDED** through April 30, 2006. Also, this contract is **INCREASED** by \$541,900.00. The **REVISED** Government Rate schedule (October, 2004) will be effective for the addition of the Help America Vote Act (HAVA) verification transaction. All other terms and conditions will remain the same.

AUTHORITY/REASON:

DMB/DOS

INCREASE: \$541,900.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,666,900.00

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

February 9, 2004

NOTICE
TO
CONTRACT NO. 071B4200112
 (Supersedes Contract No.071B2001451)

THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR AAMVA 4301 Wilson Boulevard, Suite 400 Arlington, VA 22203 <p style="text-align: right;">paasmo@aamva.org</p>	TELEPHONE Patrice L. Aasmo (703) 908-5787
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 373-7396 Andy Ghosh
Contract Administrator: Fred Bueter Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State	
CONTRACT PERIOD: From: January 16, 2004 To: April 30, 2005	
TERMS Net 30	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

The terms and conditions of this Contract are those of [REQ #231R2000034](#), this Contract Agreement and the vendor's quote dated [12/7/01](#). 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: \$597,904.70

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. 071B4200112
 (Supersedes Contract No.071B2001451)

**THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR AAMVA 4301 Wilson Boulevard, Suite 400 Arlington, VA 22203 <p style="text-align: right;">paasmo@aamva.org</p>	TELEPHONE Patrice L. Aasmo (703) 908-5787 VENDOR NUMBER/MAIL CODE BUYER (517) 373-7396 Andy Ghosh
Contract Administrator: Fred Bueter Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State	
CONTRACT PERIOD: From: January 16, 2004 To: April 30, 2005	
TERMS <p style="text-align: center;">Net 30</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of REQ #231R2000034, this Contract Agreement and the vendor's quote dated 12/7/01. 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: \$597,904.70	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [REQ No. 231R2000034](#). Orders for delivery of equipment will be issued directly by the [Department of State](#) through the issuance of a Purchase Order Form.

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

FOR THE VENDOR:

FOR THE STATE:

AAMVA
 Firm Name

 Authorized Agent Signature

 Authorized Agent (Print or Type)

 Signature
Andy Ghosh, CPPB, Buyer Specialist
 Name
**Strategic Business Development,
 Acquisition Services**
 Title

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 15, 2004

CHANGE NOTICE NO.1
TO
CONTRACT NO. 071B2001451
 (Supersedes Contract No.)
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE Patrice L. Aasmo (703) 908-5787
AAMVAnet, Inc. P.O. Box 79702 Baltimore, MD 21279-0702 paasmo@aamva.org		VENDOR NUMBER/MAIL CODE
		BUYER (517) 373-7396 Andy Ghosh
Contract Administrator: Fred Bueter Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State		
CONTRACT PERIOD: From: May 1, 2002 To: April 30, 2005		
TERMS	Net 30	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE (S):

Effective immediately this contract is hereby cancelled and replaced by Contract #071B4200112 due name and Federal ID number change.

AUTHORITY/REASON:

Per agency request and vendor letter dated 1/14/04

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

April 24, 2002

**NOTICE
 OF
 CONTRACT NO. 071B2001451
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR AAMVAnet, Inc. P.O. Box 79702 Baltimore, MD 21279-0702 paasmo@aamva.org	TELEPHONE Patrice L. Aasmo (703) 908-5787
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 373-7396 Andy Ghosh
Contract Administrator: Fred Bueter Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State	
CONTRACT PERIOD: From: May 1, 2002 To: April 30, 2005	
TERMS Net 30	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	

The terms and conditions of this Contract are those of [REQ #231R2000034](#), this Contract Agreement and the vendor's quote dated [12/7/01](#). 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: **\$1,125,000.00**

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

CONTRACT NO. 071B2001451
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR AAMVAnet, Inc. P.O. Box 79702 Baltimore, MD 21279-0702	TELEPHONE Patrice L. Aasmo (703) 908-5787 VENDOR NUMBER/MAIL CODE BUYER (517) 373-7396 Andy Ghosh
Contract Administrator: Fred Bueter Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State	
CONTRACT PERIOD: From: May 1, 2002 To: April 30, 2005	
TERMS <p style="text-align: center;">Net 30</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of REQ #231R2000034, this Contract Agreement and the vendor's quote dated 12/7/01. 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: \$1,125,000.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [REQ No. 231R2000034](#). Orders for delivery of equipment will be issued directly by the [Department of State](#) 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:

Aamvanet, Inc.
 Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature
Jim Konrad, Tactical Purchasing Director
 Name

[Acquisition Services](#)
 Title

Date



**ACQUISITION SERVICES
STATE OF MICHIGAN
MOTOR VEHICLE TELECOMMUNICATIONS
FOR DEPARTMENT OF STATE**

TABLE OF CONTENTS

SECTION I – CONTRACTUAL SERVICES TERMS AND CONDITIONS

I-A PURPOSE..... 1

I-B TERM OF CONTRACT 1

I-C ISSUING OFFICE..... 1

I-D CONTRACT ADMINISTRATOR 2

I-E COST LIABILITY 2

I-F CONTRACTOR RESPONSIBILITIES..... 2

I-G NEWS RELEASES 3

I-H DISCLOSURE 3

I-I ACCOUNTING RECORDS 3

I-J INDEMNIFICATION 3

I-K CONFIDENTIALITY OF DATA AND INFORMATION 4

I-L REMEDIES FOR BREACH OF CONFIDENTIALITY 5

I-M CONTRACTOR'S LIABILITY INSURANCE..... 5

I-N CANCELLATION 6

I-O RIGHTS AND OBLIGATIONS UPON CANCELLATION..... 8

I-P EXCUSABLE FAILURE 9

I-Q ASSIGNMENT..... 10

I-R DELEGATION 10

I-S NON-DISCRIMINATION CLAUSE..... 10

I-T NOTICES..... 11

I-U ENTIRE AGREEMENT..... 11

I-V NO WAIVER OF DEFAULT 11

I-W SEVERABILITY 11

I-X HEADINGS..... 12

I-Y RELATIONSHIP OF THE PARTIES 12

I-Z UNFAIR LABOR PRACTICES..... 12

I-AA SURVIVOR..... 12

I-BB GOVERNING LAW 12

I-CC CONTRACT DISTRIBUTION..... 13

SECTION II - WORK STATEMENT

II-A CONTRACT PAYMENT 14

APPENDIX

A GOVERNMENT RATE SCHEDULE AND PRODUCT CATALOG



DEFINITION OF TERMS

TERMS	DEFINITIONS
Contract	A binding agreement entered into by the State of Michigan resulting from a bidder's proposal; see also "Blanket Purchase Order."
Contractor	The successful bidder who is awarded a Contract.
DMB	Michigan Department of Management and Budget
State	The State of Michigan For Purposes of Indemnification as set forth in section I-J, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.
Blanket Purchase Order	Alternate term for "Contract" used in the State's Computer system (Michigan Automated Information Network [MAIN])
Expiration	Except where specifically provided for in the Contract, the ending and termination of the contractual duties and obligations of the parties to the Contract pursuant to a mutually agreed upon date.
Cancellation	Ending all rights and obligations of the State and Contractor, except for any rights and obligations that are due and owing.



**SECTION I
CONTRACTUAL SERVICES TERMS AND CONDITIONS**

I-A PURPOSE

This contract is for the Motor Vehicle Telecommunications with the Commercial License Information System (CDLIS) for the Department of State.

This contract pricing will be per the “Rate Schedule” attached.

I-B TERM OF CONTRACT

The State of Michigan is not liable for any cost incurred by the contractor prior to signing of a Contract by all parties. This Contract period is from May 1, 2002 to April 30, 2005 with the option to extend in one (1) year increments for a period of two (2) years. The State fiscal year is October 1st through September 30th. The prospective Contractor should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations.

I-C ISSUING OFFICE

This Contract is issued by the State of Michigan, Department of Management and Budget (DMB), Acquisition Services, hereafter known as Acquisition Services, for the State of Michigan, Department of State. Where actions are a combination of those of Acquisition Services and Department of State, 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 services described herein. Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this Request For Proposal and any Contract(s) awarded as a result of this Request. Acquisition Services will remain the SOLE POINT OF CONTACT throughout the procurement process, until such time as the Director of Acquisition Services shall direct otherwise in writing. See Paragraph II-C below. All communications concerning this procurement must be addressed to:

Andy Ghosh, Buyer Specialist
 Strategic Business Development
 DMB, Acquisition Services
 2nd Floor, Mason Building
 P.O. Box 30026
 Lansing, MI 48909
 Phone: (517) 373-7396
 Email: ghosha@michigan.gov



I-D CONTRACT ADMINISTRATOR

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

Fred Bueter, Director
Document Services Division
Bureau of Driver and Vehicle Records
Michigan Department of State
Secondary Complex
7064 Crouner Drive
Lansing, MI 48918-1501
Phone: (517) 322-1934
E-mail: bueterf@michigan.gov

I-E COST LIABILITY

The State of Michigan assumes no responsibility or liability for costs incurred by the Contractor prior to the signing of this Contract. Total liability of the State is limited to the terms and conditions of this Contract.

I-F CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities offered in this proposal whether or not that Contractor performs them. Further, the State will consider the Prime Contractor to be the sole point of contact with regard to contractual matters, including but not limited to payment of any and all costs resulting from the Contract. If any part of the work is to be subcontracted, the contractor must notify the state and identify the subcontractor(s), including firm name and address, contact person, complete description of work to be subcontracted, and descriptive information concerning subcontractor's organizational abilities. The State reserves the right to approve subcontractors for this project 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.



I-G NEWS RELEASES

News releases pertaining to this document or the services, study, data, or project to which it relates will 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 program are to be released without prior approval of the State and then only to persons designated.

I-H DISCLOSURE

All information in the contractor’s proposal is subject to the provisions of the Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

I-I ACCOUNTING RECORDS

The Contractor will be required to 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 (3) years from the expiration date and final payment on the Contract or extension thereof.

I-J INDEMNIFICATION

1. General Indemnification

The Contractor shall indemnify, defend and hold harmless the State from and against all lawsuits, liabilities, damages and claims or any other proceeding brought against the State by any third party (which for the purposes of this provision shall include, but not be limited to, employees of the State, the Contractor and any of its subcontractors), 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:

- a. Any breach of this Contract or negligence or intentional tortious act by the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable, in the performance of this Contract;



- b. The death or bodily injury of any person or the damage, loss or destruction of any real or personal property in connection with the performance of this Contract by the Contractor, or any of its subcontractors, or by anyone else for whose acts any of them may be liable provided, and to the extent that the injury or damage was caused by the fault or negligence of the Contractor.
- c. Any act or omission of the Contractor or any of its subcontractors in their capacity as an employer in the performance of this Contract;
- d. Any claim, demand, action or legal proceeding against the State arising out of or related to occurrences, if any, that the Contractor is required to insure against as provided in this Contract.

2. Indemnification Obligation Not Limited

In any and all claims against the State 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 any 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.

3. Continuation of Indemnification Obligation

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

I-K CONFIDENTIALITY OF DATA AND INFORMATION

- 1. All financial, statistical, personnel, technical and other data and information relating to the State’s operation which are designated confidential by the State and made available to the Contractor in order to carry out this Contract, or which become available to the Contractor in carrying out this Contract, shall be protected by the Contractor from unauthorized use and disclosure through the observance of the same or more effective procedural requirements as are applicable to the State. The identification of all such confidential data and information as well as the State’s procedural requirements for protection of such data and information from unauthorized use and disclosure shall be provided by the State in writing to the Contractor. If the methods and procedures employed by the Contractor for the protection of the Contractor’s data and information are deemed by the State to be adequate for the protection of the State’s confidential information, such methods and procedures may be used, with the written consent of the State, to carry out the intent of this section.



2. The Contractor shall not be required under the provisions of this section to keep confidential, (1) information generally available to the public, (2) information released by the State generally, or to the Contractor without restriction, (3) information independently developed or acquired by the Contractor or its personnel without reliance in any way on otherwise protected information of the State. Notwithstanding the foregoing restrictions, the Contractor and its personnel may use and disclose any information which it is otherwise required by law to disclose, but in each case only after the State has been so notified, and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure.

I-L REMEDIES FOR BREACH OF CONFIDENTIALITY

The Contractor acknowledges that a breach of its confidentiality obligations as set forth in section I-Q of this Contract shall be considered a material breach of the Contract. Furthermore the Contractor acknowledges that in the event of such a breach the State shall be irreparably harmed. Accordingly, if a court should find that the Contractor has breached or attempted to breach any such obligations, the Contractor will not oppose the entry of an appropriate order restraining it from any further breaches or attempted or threatened breaches. This remedy shall be in addition to and not in limitation of any other remedy or damages provided by law.

I-M CONTRACTOR'S LIABILITY INSURANCE

The Contractor shall purchase and maintain such insurance as will protect him/her from claims set forth below which may arise out of or result from the Contractor's operations under the Contract (Purchase Order), whether such operations be by himself/herself or by any subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (1) Claims under workers' disability compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Disability Compensation Law for any employee resident of and hired in Michigan; and as respects any other employee protected by workers' disability compensation laws of any other State the Contractor shall have insurance or participate in a mandatory State fund to cover the benefits payable to any such employee.
- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of his/her employees.
- (3) Claims for damages because of bodily injury, sickness or disease, or death of any person other than his/her employees, subject to limits of liability of not less than \$300,000.00 each occurrence and, when applicable \$1,000,000.00 annual aggregate, for non-automobile hazards and as required by law for automobile hazards. (Note: limits may be adjusted according to the project's risk – please consult with OOP)



- (4) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom, subject to a limit of liability of not less than \$50,000.00 each occurrence for non-automobile hazards and as required by law for automobile hazards.
- (5) Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$300,000.00 each occurrence and when applicable, \$1,000,000.00 annual aggregate.

The insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under the Indemnification clause of the Contract (Purchase Order).

UPON CONTRACT EXECUTION, THE CONTRACTOR'S INSURANCE AGENCY MUST FURNISH TO THE DIRECTOR OF ACQUISITION SERVICES, ORIGINAL CERTIFICATE (S) OF INSURANCE VERIFYING LIABILITY COVERAGE. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. These Certificates shall contain a provision that coverage's afforded under the policies will not be canceled until at least fifteen days prior written notice bearing the Contract Number or Purchase Order Number has been given to the Director of Acquisition Services.

I-N CANCELLATION

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

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

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling the Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess 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. Approval(s) 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 Services. Notwithstanding any other provision of the Contract to the contrary, the State Personnel Director is authorized to disapprove contractual disbursements for personal services if the Director determines that the Contract or the disbursements under the Contract violate Article 11, Section 5 of the Constitution or violates 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.

I-O RIGHTS AND OBLIGATIONS UPON CANCELLATION

1. If the Contract is canceled by the State for any reason, the Contractor shall, (a) stop all work as specified in the notice of cancellation, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Work Product or other property derived or resulting from the Contract that may be in the Contractor's possession, (c) return all materials and property provided directly or indirectly to the Contractor by any entity, agent or employee of the State, (d) transfer title and deliver to the State, unless otherwise directed by the Contract Administrator or his or her designee, all Work Product resulting from the Contract, and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or cancellation settlement costs, to the maximum practical extent, including, but not limited to, canceling or limiting as otherwise applicable, those subcontracts, and outstanding orders for material and supplies resulting from the canceled Contract.

2. In the event the State cancels this Contract prior to its expiration for its own convenience, the State shall pay the Contractor for all charges due for services provided prior to the date of cancellation and if applicable as a separate item of payment pursuant to the Contract, for partially completed Work Product, on a percentage of completion basis. In the event of a cancellation for cause, or any other reason under the Contract, the State will pay, if applicable, as a separate item of payment pursuant to the Contract, for all partially completed Work Products, to the extent that the State requires the Contractor to submit to the State any such deliverables, and for all charges due under the Contract for any cancelled services provided by the Contractor prior to the cancellation date. All completed or partially completed Work Product prepared by the Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and the Contractor shall be entitled to receive just and fair compensation for such Work Product. Regardless of the basis for the cancellation, the State shall not be obligated to pay, or otherwise compensate, the Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.



3. If any such cancellation by the State is for cause, the State shall have the right to set-off against any amounts due the Contractor, the amount of any damages for which the Contractor is liable to the State under this Contract or pursuant to law and equity.
4. Upon a good faith cancellation, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Work Product under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

I-P EXCUSABLE FAILURE

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



a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

I-Q ASSIGNMENT

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

I-R DELEGATION

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

I-S NON-DISCRIMINATION CLAUSE

In the performance of this Contract or purchase order resulting herefrom, 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 disability unrelated to the individual's ability to perform the duties of the particular job or position. The contractor further agrees that every subcontract entered into for the performance of this Contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2101, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the Contract or purchase order.



I-T NOTICES

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

For the Contractor: ***Patrice L. Aasmo***
AAMVA
4301 Wilson Boulevard, Suite 400
Arlington, VA 22203

For the State: ***Andy Ghosh, Buyer Specialist***
Tactical Purchasing
DMB, Acquisition Services
2nd Floor, Mason Building
P.O. Box 30026
Lansing, MI 48909

Either party may change its address where notices are to be sent giving written notice in accordance with this section.

I-U ENTIRE AGREEMENT

The contents of this document and the contractor's proposal will become contractual obligations. Failure of the contractor to accept these obligations may result in cancellation of the award.

This Contract shall represent the entire agreement between the parties and supersedes all proposals or other prior agreements, oral or written, and all other communications between the parties relating to this subject.

I-V NO WAIVER OF DEFAULT

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

I-W SEVERABILITY

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



I-X HEADINGS

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

I-Y RELATIONSHIP OF THE PARTIES

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

I-Z 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. This information is compiled by the United States National Labor Relations Board.

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

I-AA 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 this Contract for any reason.

I-BB GOVERNING LAW

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



I-CC 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.



SECTION II

WORK STATEMENT

II-A CONTRACT PAYMENT

The contractor shall be paid in accordance with the price schedule attached and/or approved modifications.



ATTACHMENT A