

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

April 22, 2010

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B5200348
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Retired Engineer Technical Assistance Foundation 32401 West Eight Mile Road Livonia, MI 48152 <div style="text-align: right;">dicks@retaf.org</div>	TELEPHONE (888) 749-7886 Dick Savage
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 335-6481 Adam Koenigsknecht
Contract Compliance Inspector: David Herb (517) 241-8176 Retired Engineer Technical Assistance Program – Technical Assistance - DEQ	
CONTRACT PERIOD: From: July 1, 2005 To: June 30, 2010	
TERMS <div style="text-align: center;">Net 45 Days</div>	SHIPMENT <div style="text-align: center;">N/A</div>
F.O.B. <div style="text-align: center;">N/A</div>	SHIPPED FROM <div style="text-align: center;">N/A</div>
MINIMUM DELIVERY REQUIREMENTS <div style="text-align: center;">N/A</div>	

NATURE OF CHANGE(S):

Effective April 21, 2010, this Contract is hereby **INCREASED** by \$24,900.00.

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

AUTHORITY/REASON:

Per agency request, Ad Board approval on 4/20/2010, and DTMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$2,519,084.09

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 17, 2010

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B5200348
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Retired Engineer Technical Assistance Foundation 32401 West Eight Mile Road Livonia, MI 48152 <div style="text-align: right;">dicks@retaf.org</div>	TELEPHONE (888) 749-7886 Dick Savage
	VENDOR NUMBER/MAIL CODE (004)
	BUYER/CA (517) 335-6481 Adam Koenigsknecht
Contract Compliance Inspector: David Herb (517) 241-8176 Retired Engineer Technical Assistance Program – Technical Assistance - DEQ	
CONTRACT PERIOD: From: July 1, 2005 To: June 30, 2010	
TERMS <div style="text-align: center;">Net 45 Days</div>	SHIPMENT <div style="text-align: center;">N/A</div>
F.O.B. <div style="text-align: center;">N/A</div>	SHIPPED FROM <div style="text-align: center;">N/A</div>
MINIMUM DELIVERY REQUIREMENTS <div style="text-align: center;">N/A</div>	

NATURE OF CHANGE(S):

Effective March 16, 2010, this Contract is hereby INCREASED by \$24,900.00.

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

AUTHORITY/REASON:

Per agency request (PRF dated 3/8/10), OSE approval (OSE #OSE-0921-10), and DTMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$2,494,184.09

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

July 23, 2009

**CHANGE NOTICE NO. 3
 TO
 CONTRACT NO. 071B5200348
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Retired Engineer Technical Assistance Foundation 32401 West Eight Mile Road Livonia, MI 48152 dicks@retaf.org	TELEPHONE (888) 749-7886 Dick Savage
	VENDOR NUMBER/MAIL CODE (004)
	BUYER/CA (517) 373-8530 Rebecca Nevai
Contract Compliance Inspector: David Herb (517) 241-8176 Retired Engineer Technical Assistance Program – Technical Assistance - DEQ	
CONTRACT PERIOD: From: July 1, 2005 To: June 30, 2010	
TERMS N/A	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 INCREASED by \$439,018.35, and renewed through June 30, 2010.

Additionally, Article 6 – American Recovery and Reinvestment Act of 2009 (ARRA) terms are added to this Contract.

Finally, the following attachments are incorporated into this Contract:

1. RETAF Cover Memo dated June 9, 2009
2. Vendor Budget
3. Vendor Price Sheet – Appendix A
4. Subcontractors - Assessors

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

AUTHORITY/REASON:

Per agency request (PRF dated 1/15/09) and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$2,469,284.09

FOR THE VENDOR:

Retired Engineer Technical Assistance Foundation

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Andy Ghosh, CPPB, Buyer Specialist

Name/Title

Services Division, Purchasing Operations

Department

Date



Article 6

AWARD TERMS FOR ASSISTANCE AGREEMENTS THAT INCLUDE FUNDS UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009, PUBLIC LAW 111-5

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6.000 Definitions

Definitions:

Recovery Act means the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5.

6.001 Sub-Recipients Requirements

Contractor shall include these terms, including this requirement, in any of its subcontracts or subgrants in connection with projects funded in whole or in part with funds available under the Recovery Act.

6.010 Reporting & Registration Requirements (Section 1512)

On July 1, October 1, January 1, and March 1, the Contractor shall provide the CCI with information required to be reported under Section 1512 of the Recovery Act and any other information reasonable requested by the CCI. Contractor shall report this information in the form and manner required by the CCI. The reporting requirement is a material obligation of the Contract. Contractor's failure to comply may be a material basis for termination under Section 2.150, Termination by the State.

6.020 Buy American Requirement (Section 1605)

Definitions as used in this section:

Designated Country means:

(1) For procurements by the State of Michigan:

(a) a World Trade Organization Government Procurement Agreement country: Aruba, Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hong Kong, Hungary, Iceland, Ireland, Israel, Italy, Japan, Korea (Republic of), Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Romania, Singapore, Slovak Republic, Slovenia, Spain, Sweden, Switzerland, and United Kingdom; or

(b) a Free Trade Agreement (FTA) country: Australia, Chile, and Singapore.

(2) For procurements by the City of Detroit:

(a) a United States-European Communities Exchange of Letters country: Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Romania, Slovak Republic, Slovenia, Spain, Sweden, and United Kingdom

Designated Country Good is iron, Steel, or a Manufactured Good (other than construction-grade steel, motor vehicles, and coal) that:

(1) is wholly the growth, product or manufacture of a Designated Country; or

(2) in the case of a Manufactured Good that consists in whole or in part of materials from another country, has been substantially transformed in a Designated Country into a new and different Manufactured Good distinct from the materials from which it was transformed.

Domestic Good is iron, Steel, or a Manufactured Good that:

(1) is wholly the growth, product or manufacture of the United States; or

(2) in the case of a Manufactured Good that consists in whole or in part of materials from another country, has been substantially transformed in the United States into a new and different Manufactured Good distinct from the materials from which it was transformed. There is no requirement with regard to the origin of components or subcomponents in Manufactured Goods or products, as long as the manufacture of goods occurs in the United States.

Federal Agency means the department or agency of the federal government that awarded funds to the State of Michigan from the RECOVERY ACT which finances the project described in the RFP.



Foreign Good is iron, Steel, or a Manufactured Good that is not a Domestic or Designated Country Good.

Manufactured Good means a good brought to the construction site for incorporation into the building or work that has been--

- (1) processed into a specific form and shape; or
- (2) combined with other raw material to create a material that has different properties than the properties of the individual raw materials.

Public Building and Public Work means a public building of, and a public work of, a governmental entity (the United States; the District of Columbia; commonwealths, territories, and minor outlying islands of the United States; State and local governments; and multi-State, regional, or interstate entities which have governmental functions). These buildings and works may include, without limitation, bridges, dams, plants, highways, parkways, streets, subways, tunnels, sewers, mains, power lines, pumping stations, heavy generators, railways, airports, terminals, docks, piers, wharves, ways, lighthouses, buoys, jetties, breakwaters, levees, and canals, and the construction, alteration, maintenance, or repair of such buildings and works.

Steel means an alloy that includes at least 50 percent iron, between .02 and 2 percent carbon, and may include other elements.

United States means the 50 States, the District of Columbia, and outlying areas.

I – Not Applicable.

II. Required Use of Domestic and Designated Country Goods

a. Under section 1605 of the Recovery Act, only Domestic or Designated Country Goods will be used in the construction, alteration, maintenance, or repair of a Public Building or Public Work, unless an exception applies. This requirement does not apply to the Domestic or Designated Country Goods listed:

None

b. A bidder requesting a determination regarding the inapplicability of section 1605 of the Recovery Act must submit the request to the Federal Agency with adequate time to allow a determination before the proposal due date. A bidder must provide a copy of this request to the DMB Buyer. The Federal Agency is the sole entity authorized to make determinations regarding the inapplicability of section 1605 of the Recovery Act.

c. The Federal Agency may except other iron, Steel, or Manufactured Goods (other than construction-grade steel, motor vehicles, and coal) if it determines that:

- (1) the cost of Domestic or Designated Country Goods would be unreasonable. The cost of Domestic or Designated Country Goods used in the project is unreasonable when the cumulative cost of such material will increase the cost of the overall project by more than 25 percent;
- (2) the iron, Steel, or Manufactured Good (other than construction-grade steel, motor vehicles, and coal) is not produced or manufactured in the United States or a Designated Country in sufficient and reasonably available quantities and of a satisfactory quality; or
- (3) the application of section 1605 of the Recovery Act would be inconsistent with the public interest.

d. Regardless of any determination request, any bidder that requests to use Foreign Goods must include in its proposal:

- (1) a description of the iron, Steel, or Manufactured Goods;
- (2) unit of measure;
- (3) quantity;
- (4) cost;
- (5) time of delivery or availability;
- (6) location of the construction project;
- (7) name and address of the proposed supplier; and
- (8) a detailed justification of the reason for use of Foreign Goods.



e. If the bidder's proposal includes the use of Foreign Goods, the bidder may submit an alternate proposal based on the use of equivalent Domestic or Designated Country Goods. If an alternate proposal is submitted, the bidder must submit a separate cost comparison table similar to the DOMESTIC/DESIGNATED COUNTRY AND FOREIGN GOODS COST COMPARISON table.

f. A request based on the unreasonable cost of a Domestic or Designated Country Good must include a survey of suppliers and a completed cost comparison table listed below for each item. The bidder must list the name, address, telephone number, e-mail address, and contact person for each supplier surveyed. The bidder must also attach a copy of each supplier's response; if the response is oral, the bidder must attach a summary. The bidder may include other supporting information.

DOMESTIC/DESIGNATED COUNTRY AND FOREIGN GOODS COST COMPARISON

Description of Goods	Unit of measure	Quantity	Cost (dollars)*
Item 1: Domestic/Designated Country Goods..... Foreign Goods.....			
Item 2: Domestic/Designated Country Goods..... Foreign Goods.....			

**Include all delivery costs to the construction site.*

g. If the Federal Agency denies an exception requested under section 1605 of the Recovery Act, the State will evaluate only the bidder's proposal based on the use of Domestic or Designated Country Goods.

h. Any request under subsection (b) submitted after the contract award must explain why the bidder could not reasonably foresee the need for such determination and could not have requested the determination before the contract was awarded. If the bidder does not submit a satisfactory explanation, the Federal Agency does not need to make a determination.

i. If the Federal Agency determines after the contract award that an exception to section 1605 of the Recovery Act or the Buy American Act applies, and the agency and the bidder negotiate adequate consideration, the agency will modify the contract to allow use of the Foreign Goods. However, when the basis for the exception is the unreasonable cost of a Domestic or Designated Country Good, adequate consideration must not be less than the differential established in the DOMESTIC/DESIGNATED COUNTRY AND FOREIGN GOODS COST COMPARISON table.

j. Section 1605 of the Recovery Act does not apply to equipment or tools which are not incorporated into the building or work.

6.030 Prevailing Wages

Under section 1606 of the Recovery Act, wages paid to all laborers and mechanics employed by the Contractor and each subcontractor on projects funded in whole or in part with funds available under the Recovery Act must not be less than prevailing wages on projects of a similar character in the locality, as determined by the United States Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40 of the United States Code. The Secretary of Labor's determination regarding the prevailing wages applicable in Michigan is available at <http://www.gpo.gov/davisbacon/mi.html>. This provision supersedes section 2.204, Wage Rate Requirements.

6.040 Inspection & Audit of Records

In addition to the requirements of Article 2:

- a. Contractor must permit both the United States Comptroller General or its representative and the United States Inspector General or its representative to:



- (1) examine any records that directly pertain to, or involve transactions relating to, this contract; and
- (2) interview any officer or employee of the Contractor or any of its subcontractors, regarding the activities funded with funds appropriated or otherwise made available by the RECOVERY ACT.

- b. This provision must be included in all subcontracts.
- c. Failure to comply with subsection (a) or (b) is considered a material breach and may result in the termination of the Contract.

6.050 Whistle Blower Protection for Recipients of Funds

Contractor must post notice of an employee's rights and remedies for whistleblower protections under section 1553 of the Recovery Act. Contractor must include this section in all subcontracts.

6.060 Funding of Programs

Under 2009 PA 7, Section 209, this Contract is supported with temporary federal funds made available by the Recovery Act. The programs supported with the temporary federal funds will not be continued with state financed appropriations once the temporary federal funds are expended.

6.070 Fixed Price- Competitively Bid

Contractor must, to the maximum extent possible, award subcontracts as fixed-price contracts through competitive bid procedures.

6.080 Segregation of Costs

Contractor shall segregate obligations and expenditures of Recovery Act funds from other funding. No part of funds made available under the American Recovery and Reinvestment Act of 2009, Pub. L. 111-5, may be comingled with any other funds or used for a purpose other than that of making payments for costs allowable under the Recovery Act.

6.090 Publication

Contractor must identify projects supported by the Recovery Act by including the appropriate emblems as the State may require.

6.100 Buy Michigan Preference

For contracts and subcontracts using Recovery Act funds, Contractor shall give a preference to products manufactured or services offered by Michigan-based firms if all other things are equal and if not inconsistent with federal statute.

6.110 Non- Discrimination

In addition to the requirements of Article 2, Contractor must comply with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973, Title IX of the Education Amendments of 1972, the Age Discrimination Act of 1975, and other civil rights laws applicable to recipients of Federal financial assistance.

**6.120 Prohibition on Use of Funds**

Funds paid to the Contractor must not be used for any casino or other gambling establishment, aquarium, zoo, golf course, or swimming pool.

6.130 False Claims Act

Contractor must promptly refer to an appropriate federal inspector general any credible evidence that a principal, employee, agent, contractor, sub-grantee, subcontractor, or other person has submitted a false claim under the False Claims Act, 31 U.S.C. 3729, or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving the Recovery Act.

6.140 Job Opportunity Posting Requirements

Contractor shall post notice of job opportunities funded by this Contract in the Michigan Talent Bank, www.michworks.org/mtb.

RETAF

Retired Engineer Technical Assistance Foundation

Richard W. Savage

Executive Director

June 9, 2009

David W. Herb, Program Manager
Retired Engineer Technical Assistance Program
DELEG – BES – Green Practices Section
Ottawa Office Building 4th Floor
611 West Ottawa Street
P.O. Box 30221
Lansing, MI 48909

Reference: Contract No. 071B5200348

Dear Mr. Herb,

The Retired Engineer Technical Assistance Foundation (*RETAF*) has completed nearly 400 Retired Engineer Technical Assistance Program (*RETAP*) assessment reports under Contract No. 071B5200348. The total estimated reductions in energy and water usage, waste disposal, and facility operating expenses of the significant recommendations from these reports are as follows:

	Total	Per Report
Electricity Savings (kWh)	103,277,000	266,000
Natural Gas Savings (ccf)	3,745,000	9,652
Water Savings (gal)	192,144,000	495,215
Waste Disposal Reduction (lbs)	59,320,000	153,000
Dollar Savings	18,891,000	49,000
CO2 Equivalents (metric tons)	97,800	252

I am writing today as the *RETAF* contract with the State of Michigan to manage the *RETAP* is set to expire September 30, 2009. This letter is to request a nine-month extension of the contract to June 30, 2010. Per our previous discussions, *RETAF* will complete the following work in the contract extension:

- Conduct energy efficiency audits on 250 public buildings to provide estimated quantified cost savings and reductions in energy usage documented (as appropriate) in the audit reports. These energy efficiency audits and reports will be completed using 7500 Technical Assistance Hours.
- Provide up to 1612 hours of Technical Assistance with estimated quantified waste, energy, and cost reduction recommendations as directed by DELEG.
- Provide training to *RETAP* assessors, as approved and funded by DELEG.

32401 West Eight Mile Road, Livonia, Michigan 48152
(248) 478-8030 (888) 749-7886 retafmi@retaf.org www.retaf.org

The following points should be noted regarding the proposed work, as previously discussed with the Contract Administrator:

- The energy efficiency audits will comply with reporting and tracking requirements of the American Recovery and Reinvestment Act (ARRA) which supersede any confidentiality requirements of the current Contract.
- The audit reports will incorporate the ARRA requirements utilizing an abbreviated RETAP assessment report format to be developed in cooperation with DELEG.
- A tracking mechanism for the energy efficiency audits and all Technical Assistance Hours requests will be developed in cooperation with DELEG, with all tracking information entered into the eRETAP Reporting System.
- Marketing activities will be suspended during the nine-month extension. Follow-up Program Measurement activities of all facilities assessed prior to October 1, 2009 will be suspended during the nine-month extension. Recruiting and Technology Transfer activities will be significantly reduced based on prior approval by DELEG.

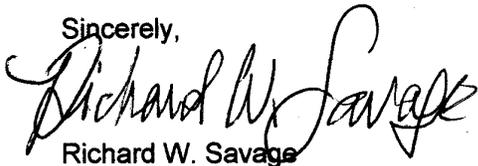
The projected cost for the nine-month extension is \$439,018.35. Details are summarized on the attached sheet. The following points should be noted regarding the projected costs:

- The Unit Price for a Technical Assistance Hour is changed to \$32.28, which is the average hourly cost for technical assistance under the current Contract. This change is necessitated by elimination of the Unit Price costs for Pollution Prevention Assessment Reports and Student Mentoring Hours.
- Rates for subcontractor and staffing remain the same as in the current Contract.
- A reduction in annual program marketing and measurement costs of approximately \$37,500 is proposed in the extension (compared with the annual costs in the current Contract).
- The \$70,000 reduction in annual training costs agreed to in the previous Contract Option is maintained in the proposed extension.

RETAF is pleased to submit this request for a nine-month Contract extension, and looks forward to a favorable response so that we may continue to provide beneficial energy efficiency services to the State of Michigan.

Please contact me if there are any questions regarding this proposal.

Sincerely,



Richard W. Savage

Retired Engineer Technical Assistance Program (RETAP)
State of Michigan Contract Number 071B5200348 - Change Order No. 3
Nine-Month Extension (October 1, 2009 to June 30, 2010)

	<u>Vendor Budget</u>									
	Non-Billable Technical Assistance	Billable Technical Assistance	Recruitment	Training	Quality Assurance	Program Measurement	Technology Transfer Marketing	Program Management	Total	
Staffing Costs	24,000.00	-	2,550.00	8,400.00	4,650.00	3,150.00	4,800.00	27,450.00	51,000.00	
Subcontractor Costs	225,698.71	-	1,081.70	18,823.82	4,717.20	14,399.40	7,117.80	19,883.85	66,023.77	
Supplies/Materials	1,627.50	-	139.50	697.50	139.50	232.50	186.00	1,627.50	3,022.50	
	Subtotal	-	3,771.20	27,921.32	9,506.70	17,781.90	12,103.80	48,961.35	120,046.27	
Overhead Costs @ 15%	37,698.93	-	565.68	4,188.20	1,426.01	2,667.28	1,815.57	7,344.20	18,006.94	
Direct Costs	5,107.63	-	406.72	1,658.62	219.22	365.38	1,624.80	2,557.63	6,832.37	
	Subtotal	-	4,743.60	33,768.14	11,151.93	20,814.56	15,544.17	58,863.18	144,885.58	
Unit Cost Basis										
Technical Assistance (9,112 hours)		294,132.77	(\$32.28 per hour)						294,132.77	
Total Extension Proposal	0.00	294,132.77	4,743.60	33,768.14	11,151.93	20,814.56	15,544.17	58,863.18	439,018.35	

VENDOR PRICE SHEET- Appendix A – 10/01/2009 thru 6/30/2010 Extension

All costs for each category listed are included. Costs are based on the completion of **9112** hours of Pollution Prevention (P2) Technical Assistance. Details of the cost development are covered in the Cost Proposal Detail (included as part of Appendix A).

A. Technical Services

On-site P2 Assessments, Technical Assistance Hours, Student Mentoring Hours

1	Total Staffing Costs			\$	24,000.00
2	Total Subcontractor Costs				225,698.71
3	Total Supplies and Materials				1,627.50
4	Total Direct Costs				5,107.63
5	Overhead Calculation: Item 1	\$	24,000.00		
	Item 2		225,698.70		
	Item 3		1,627.50		
		\$	251,326.20	(@15%)	37,698.93
	Subtotal A			\$	294,132.77

B. Technical Services: Recruitment

1	Total Staffing Costs			\$	2,550.00
2	Total Subcontractor Costs				1081.70
3	Total Supplies and Materials				139.50
4	Total Direct Costs				406.72
5	Overhead Calculation: Item 1	\$	2,550.00		
	Item 2		1,081.70		
	Item 3		139.50		
		\$	3,771.20	(@15%)	565.68
	Subtotal B			\$	4,743.60

C. Technical Services: Training

1 Total Staffing Costs				\$	8,400.00
2 Total Subcontractor Costs					18,823.82
3 Total Supplies and Materials					697.50
4 Total Direct Costs					1,658.62
5 Overhead Calculation:	Item 1	\$	8,400.00		
	Item 2		18,823.82		
	Item 3		697.50		
		\$	27,921.32	(@15%)	4,188.20

Subtotal C

\$ 33,768.14

D. Technical Services: Quality Assurance

1 Total Staffing Costs				\$	4,650.00
2 Total Subcontractor Costs					4,717.20
3 Total Supplies and Materials					139.50
4 Total Direct Costs					219.22
5 Overhead Calculation:	Item 1	\$	4,650.00		
	Item 2		4,717.20		
	Item 3		139.50		
		\$	9,506.70	(@15%)	1,426.01

Subtotal D

\$ 11,151.93

E. Technical Services: Program Measurement

1	Total Staffing Costs		\$	3,150.00
2	Total Subcontractor Costs			14,399.40
3	Total Supplies and Materials			232.50
4	Total Direct Costs			365.38
5	Overhead Calculation:	Item 1	\$	3,150.00
		Item 2		14,399.40
		Item 3		232.50
			\$	17,781.90 (@15%)
				2,667.28
	Subtotal E		\$	20,814.56

F. Education and Outreach: Technology Transfer and Marketing

1	Total Staffing Costs		\$	4,800.00
2	Total Subcontractor Costs			7,117.80
3	Total Supplies and Materials			186.00
4	Total Direct Costs			1,624.80
5	Overhead Calculation:	Item 1	\$	4,800.00
		Item 2		7,117.80
		Item 3		186.00
			\$	12,103.80 (@15%)
				1,815.57
	Subtotal F		\$	15,544.17

G. Program Management

1 Total Staffing Costs				\$	27,450.00
2 Total Subcontractor Costs					19,883.85
3 Total Supplies and Materials					1,627.50
4 Total Direct Costs					2,557.63
5 Overhead Calculation:	Item 1	\$	27,450.00		
	Item 2		19,883.85		
	Item 3		1,627.50		
		\$	48,961.35	(@15%)	7,344.20

Subtotal G

\$ 58,863.18

Total Extension Cost (Subtotals A through G)

\$ 439,018.35

UNIT PRICES [1]

Individual Assessments

\$ 2,521.10

x zero (0) on-site assessments =

\$ 0.00

Technical Assistance Hours

\$ 32.28

x 9,112 hours =

\$ 294,132.77

Student Mentoring Hours

\$ 23.89

x zero (0) hours =

\$ 0.00

Total Extension Cost for Technical Assistance

\$ 294,132.77

Each Unit Price includes related expenses and overhead



Subcontractors - Assessors

Assessments

<u>Number of Assessors</u>	<u>Assessments</u>		<u>Reports</u>		<u>Mileage</u>		<u>Other Cost</u>	<u>Cost per Assessment</u>	<u>Number of Assessments</u>	<u>Total Cost</u>
	<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Number of Miles</u>	<u>Cost</u> [0.399/Mile]				
2	30	540	20	360	150	120	8	1,006	Zero (0)	\$ 0.00
3	40	720	24	432	225	269	12	1,385	Zero (0)	\$ 0.00
4	55	990	28	504	300	479	16	1,904	Zero (0)	\$ 0.00
6	75	1,350	42	756	450	1077	24	3,016	Zero (0)	\$ 0.00
										\$ 0.00
Per diem: 0 Assessor Days at \$11.25/day										0.00
Per diem: 0 Assessor Overnight Stays at \$100/day										0.00
Total Assessment Cost for Zero (0) Assessments										\$ 0.00

Training

Training includes one (1) one-day session for all RETAP engineers, one (1) one-day session and on-the-job training for new assessors, funding for special interest work and attendance at workshops.

<u>Number of Assessors</u>	<u>Training</u>		<u>Per Diem</u>		<u>Per Diem</u>		<u>Mileage</u>		<u>Other Cost</u>	<u>Total Cost</u>
	<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Number</u>	<u>Rate</u> [11.25]	<u>Number</u>	<u>Rate</u> [100]	<u>Number of Miles</u>	<u>Cost</u> [0.399/Mile]		
40	8	5,760	37	416.25	5	500	100	1,596.00	150.00	\$ 8,422.25
2	24	864	4	45.00	0	0	200	159.60	20.00	\$ 1,088.60
7	8	1008	5	56.25	0	0	25	69.82	253.50	\$ 1,387.57
2	10	360	0	0.00	0	0	200	159.60	300.00	\$ 819.60
Total Training Cost for Assessors										\$ 11,718.02



Recruiting

<u>Recruiting</u>		<u>Mileage</u>		<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Number of Miles</u>	<u>Cost</u> [0.399/Mile]	
8	144.00	62	24.65	\$ <u>168.65</u>
Total Recruiting Cost for Assessors				\$ <u>168.65</u>

Marketing and Technology Transfer

<u>Marketing and TT</u>		<u>Mileage</u>		<u>Other Cost</u>	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Number of Miles</u>	<u>Cost</u> [0.399/Mile]		
50	900	200	79.80	127.20	\$ <u>1,107.00</u>
Total Marketing and Technology Transfer Cost for Assessors					\$ <u>1,107.00</u>

Measurement

<u>Measurement</u>		Per Diem		Per Diem		<u>Mileage</u>		<u>Other Cost</u>	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Number</u>	<u>Rate</u> [11.25]	<u>Number</u>	<u>Rate</u> [100]	<u>Number of Miles</u>	<u>Cost</u> [0.399/Mile]		
125	2250	2	22.50	0	0	1,000	399.00	163.50	\$ <u>2,835.00</u>
Total Measurement Cost for Assessors									\$ <u>2,835.00</u>



Technical Assistance Hours (including Student Mentoring)

<u>Technical Assistance</u>		Per Diem		Per Diem		<u>Mileage</u>		Other	
<u>Hours</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	Number	<u>Cost</u>	<u>Cost</u>	<u>Total Cost</u>
	[18/Hour]		[11.25]		[100]	<u>of Miles</u>	[0.399/Mile]		
9112	164,016	600	6750	20	2000	40,000	15,960	395.81	<u>\$ 189,121.81</u>
Total Technical Assistance Cost for Assessors									<u>\$ 189,121.81</u>
Total Extension Cost for Assessor Activity									<u>\$ 204,950.48</u>

Other Subcontractors

<u>Editor</u>			Other	
<u>Hours</u>	<u>Rate</u>		<u>Cost</u>	<u>Total Cost</u>
	[20/Hour]			
487.50	9750		262.50	<u>\$ 10,012.50</u>
<u>Associate Editors</u>			Other	
<u>Hours</u>	<u>Rate</u>		<u>Cost</u>	<u>Total Cost</u>
	[20/Hour]			
637.50	12,750		562.50	<u>\$ 13,312.50</u>
Total Extension Cost for Editors				<u>\$ 23,325.00</u>



Associate									
<u>Project Manager [1]</u>		Per Diem		Per Diem		<u>Mileage</u>		Other	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	Number	<u>Cost</u>	<u>Cost</u>	
	[30/Hour]		[11.25]		[100]	<u>of Miles</u>	[0.399/Mile]		
900	27,000	8	90	2	200	2,625	1047.38	573.62	<u>\$ 28,911.00</u>

Total Extension Cost for Associate Project Manager \$ 28,911.00

[1] See Cost Allocation Below

Assistant									
<u>Project Manager [2]</u>		Per Diem		Per Diem		<u>Mileage</u>		Other	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	Number	<u>Cost</u>	<u>Cost</u>	
	[25/Hour]		[11.25]		[100]	<u>of Miles</u>	[0.399/Mile]		
675	16,875	8	90	2	200	2,625	1047.38	48.62	<u>\$ 18,261.00</u>

Total Extension Cost for Assistant Project Manager \$ 18,261.00

[2] See Cost Allocation Below

<u>Accountant [3]</u>			<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>	Other	
	[50/Hour]	<u>Cost</u>	
319	15950	325	<u>\$ 16,275.00</u>

Total Extension Cost for Accountant \$ 16,275.00

[3] See Cost Allocation Below



P2/E2 Training Specialists and Coordinators

Total Extension Cost for Flat Fee Contracts

\$ 0.00

Total Extension Cost for Other Subcontractor Activity

\$ 86,772.00

Total Extension Cost for Assessor and Other Subcontractor Activity

\$ 291,722.48

Cost Allocation

	[1]	[2]	[3]
Assessments	10%	30%	30%
Recruiting		5%	
Training		30%	10%
Quality Assurance	10%	10%	
Program Measurement	40%		
Marketing and Technology Transfer	5%	25%	
Program Management	35%		60%
	100%	100%	100%



Staffing

<u>Position *</u>	<u>Hours</u>	<u>Rate</u>	<u>Total Cost</u>
Project Manager [4]	750	40	\$ 30,000.00
Asst. Project Mgr. [4]			-
Office Manager [5]	1,500	22	33,000.00
Office Assistant [6]	750	16	12,000.00
Total Extension Cost for Staffing			\$ 75,000.00

Cost Allocation *

	[4]	[5]	[6]
Assessments	5%	50%	50%
Recruiting	3%	5%	
Training	7%	10%	25%
Quality Assurance	10%	5%	
Program Measurement	5%	5%	
Marketing and Technology Transfer	5%	10%	
Program Management	65%	15%	25%
	100%	100%	100%

Direct Costs

Specific Direct Costs

Cost



Technical Assistance: Assessor Equipment	\$ 2,250.00
Technical Assistance: Degree Day Subscription	300.00
Training: Manuals	562.50
Recruiting: Advertising	187.50
Marketing: Brochures, Mailings	732.50
Marketing: Business Cards	600.00
	\$ 4,632.50

General Direct Costs (See Cost Allocation [7])

	<u>Cost</u>
Employer Cost for Social Security and Medicare (7.65%)	\$ 5737.50
Employer Cost for State Unemployment (\$9,000 Base at 0.01%)	270.00
Insurance: General Liability	700.00
Workers' Compensation	600.00
	\$ 7,307.50

Total Extension Cost for Direct Costs **\$ 11,940.00**

Cost Allocation [7]

Assessments	35%
Recruiting	3%
Training	15%
Quality Assurance	3%
Program Measurement	5%
Marketing and Technology Transfer	4%
Program Management	35%
	100%

Supplies and Materials



General (See Cost Allocation [8])

Office Supplies	\$ 2,325.00
Postage	1,875.00
Stationery and Envelopes	450.00
Total Extension Cost for Supplies and Materials	<u>\$ 4,650.00</u>

Cost Allocation [8]

Assessments	35%
Recruiting	3%
Training	15%
Quality Assurance	3%
Program Measurement	5%
Marketing and Technology Transfer	4%
Program Management	35%
	100%

Cost Summary

Total Extension Cost for Indirect Costs	\$ 371,372.48
15% Overhead	55,705.87
Total Extension Cost for Direct Costs	<u>11,940.00</u>
Total Extension Cost	<u>\$ 439,018.35</u>

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 27, 2009

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B5200348
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Retired Engineer Technical Assistance Foundation 32401 West Eight Mile Road Livonia, MI 48152 dicks@retaf.org	TELEPHONE (888) 749-7886 Dick Savage
	VENDOR NUMBER/MAIL CODE (004)
	BUYER/CA (517) 373-8530 Rebecca Nevai
Contract Compliance Inspector: David Herb (517) 241-8176 Retired Engineer Technical Assistance Program – Technical Assistance - DEQ	
CONTRACT PERIOD: From: July 1, 2005 To: September 30, 2009	
TERMS N/A	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 EXTENDED through September 30, 2009.
All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request (PRF dated 1/15/09) and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$2,030,265.74

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

April 3, 2008

**CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B5200348
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE (888) 749-7886 Dick Savage
Retired Engineer Technical Assistance Foundation 32401 West Eight Mile Road Livonia, MI 48152 dicks@retaf.org		VENDOR NUMBER/MAIL CODE (004)
		BUYER/CA (517) 373-8530 Rebecca Nevai
Contract Compliance Inspector: David Herb (517) 241-8176 Retired Engineer Technical Assistance Program – Technical Assistance - DEQ		
CONTRACT PERIOD: From: July 1, 2005 To: June 30, 2009		
TERMS	N/A	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective April 10, 2008, the following changes are made to this Contract:

1. An option year is exercised, with a new expiration date of June 30, 2009;
2. Funds in the amount of \$155,000.00 are ADDED to this Contract;
3. The revised Appendix A – Vendor Price Sheet with cost reductions in Training and Recruiting is attached;
4. The Section 5.00, (A), (1.) requirement for Commercial General Liability Insurance is lowered to \$1,000,000.00 for the General Aggregate and Products/Completed Operations Aggregate Limit;
5. The second sentence of Section 1.104, (2.), (J.) is removed from this Contract;
6. The vendor contact information is revised to: Dick Savage, (888) 749-7886, Email: dicks@retaf.org
7. The DMB Buyer for this Contract is changed to Rebecca Nevai (517) 373-8530.

AUTHORITY/REASON:

Per agency request (PRF dated 2/5/08), vendor agreement (letter dated 2/15/08), Ad Board approval on 4/1/08, and DMB/Purchasing Operations' approval.

REVISED CURRENT AUTHORIZED SPEND LIMIT: \$2,030,265.74



VENDOR PRICE SHEET- Appendix A

All costs for each category listed are included. Costs are based on the completion of 375 on-site Pollution Prevention (P2) assessments. Details of the cost development are covered in the Cost Proposal Detail (included as part of Appendix A).

A. Technical Services

On-site P2 Assessments, Technical Assistance Hours, Student Mentoring Hours

1 Total Staffing Costs		\$	32,000.00
2 Total Subcontractor Costs			241,718.80
3 Total Supplies and Materials			2,170.00
4 Total Direct Costs			6,527.00
5 Overhead Calculation: Item 1	\$	32,000.00	
		Item 2	241,718.80
		Item 3	2,170.00
	\$	275,888.80	(@15%) 41,383.32
Subtotal A	\$	323,799.12	

B. Technical Services: Recruitment

1 Total Staffing Costs	\$	3,400.00	
2 Total Subcontractor Costs		1,442.27	
3 Total Supplies and Materials		186.00	
4 Total Direct Costs		376.60	
5 Overhead Calculation: Item 1	\$	3,400.00	
		Item 2	1,442.27
		Item 3	186.00
	\$	5,028.27	(@15%) 754.24



Subtotal B	\$ 6,159.11
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C. Technical Services: Training

1	Total Staffing Costs		\$	11,200.00
2	Total Subcontractor Costs			25,098.43
3	Total Supplies and Materials			930.00
4	Total Direct Costs			1,883.00
5	Overhead Calculation: Item 1	\$ 11,200.00		
	Item 2	25,098.43		
	Item 3	930.00		
		\$ 37,228.43	(@15%)	5,584.26

Subtotal C	\$ 44,695.69
------------	--------------

D. Technical Services: Quality Assurance

1	Total Staffing Costs		\$	6,200.00
2	Total Subcontractor Costs			6,289.60
3	Total Supplies and Materials			186.00
4	Total Direct Costs			276.60
5	Overhead Calculation: Item 1	\$ 6,200.00		
	Item 2	6,289.60		
	Item 3	186.00		
		\$ 12,675.60	(@15%)	1,901.34

Subtotal D	\$ 14,853.54
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E. Technical Services: Program Measurement

1	Total Staffing Costs		\$	4,200.00
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4 Total Direct Costs			3,227.00
5 Overhead Calculation: Item 1	\$ 36,600.00		
Item 2	26,511.80		
Item 3	2,170.00		
	\$ 65,281.80	(@15%)	9,792.27

Subtotal G

\$ 78,301.07

Total Cost (Subtotals A through G)

\$ 552,267.92

UNIT PRICES [1]

Individual Assessment

\$ 2,521.10	x 125 on-site assessments =
-------------	-----------------------------

\$ 315,137.50

Technical Assistance

\$ 25.08	x 250 hours =
----------	---------------

\$ 6,270.00

Student Mentoring

\$ 23.89	x 100 hours =
----------	---------------

\$ 2,389.00

Total for Assessments

\$ 323,796.50

Each Unit Price includes related expenses and overhead

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 26, 2005

NOTICE
TO
CONTRACT NO. 071B5200348
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Retired Engineer Technical Assistance Foundation 32401 West Eight Mile Road Livonia, MI 48152 retasmi@arounddetroit.biz		TELEPHONE (888) 749-7886 Marcel Halberstadt
		VENDOR NUMBER/MAIL CODE (004)
		BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: David Herb Retired Engineer Technical Assistance Program – Technical Assistance - DEQ		
CONTRACT PERIOD: From: July 1, 2005 To: June 30, 2008		
TERMS N/A	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 ITB #071I5200189, this Contract Agreement and the vendor's quote dated 5/2/2005. 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: \$1,875,265.74

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

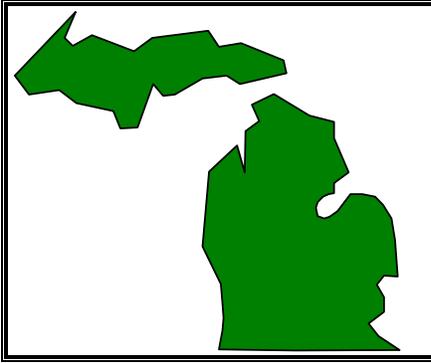
**CONTRACT NO. 071B5200348
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Retired Engineer Technical Assistance Foundation 32401 West Eight Mile Road Livonia, MI 48152 <div style="text-align: right;">retasmi@arounddetroit.biz</div>	TELEPHONE (888) 749-7886 Marcel Halberstadt VENDOR NUMBER/MAIL CODE (004) BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: David Herb Retired Engineer Technical Assistance Program – Technical Assistance - DEQ	
CONTRACT PERIOD: From: July 1, 2005 To: June 30, 2008	
TERMS <div style="text-align: center;">N/A</div>	SHIPMENT <div style="text-align: center;">N/A</div>
F.O.B. <div style="text-align: center;">N/A</div>	SHIPPED FROM <div style="text-align: center;">N/A</div>
MINIMUM DELIVERY REQUIREMENTS <div style="text-align: center;">N/A</div>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of ITB #07115200189, this Contract Agreement and the vendor's quote dated 5/2/2005. 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.</p> <p>Estimated Contract Value: \$1,875,265.74</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07115200189. Orders for delivery may be issued directly by the Department of Environmental Quality 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: Retired Engineer Technical Assistance Foundation <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Firm Name</div> <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Authorized Agent Signature</div> <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Authorized Agent (Print or Type)</div> <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Date</div>	FOR THE STATE: <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Signature Kristi L. B. Thompson, Director</div> <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Name/Title Services Division, Acquisition Services</div> <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Department</div> <hr style="border: 0; border-top: 1px solid black;"/> <div style="text-align: center;">Date</div>
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STATE OF MICHIGAN
Department of Management and Budget
Acquisition Services

Contract No. 071B5200348
RETIRED ENGINEER TECHNICAL ASSISTANCE PROGRAM (RETAP)
Technical Assistance (TA)

Buyer Name: Jim Wilson
Telephone Number: 517-241-1916
E-Mail Address: wilsonj4@michigan.gov



RETAP – TA

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Article 1 – Statement of Work (SOW)

1.0 Project Identification

1.001 PROJECT REQUEST

This Contract is for services related to providing on-site technical assistance to identify pollution prevention (P2) opportunities and any cost savings resulting from the assistance. The goal being to facilitate and measure a reduction in the amount of environmental waste generated in the state by industry and institutions. The term P2 is defined by Section 324.14301, Part 145, Waste Reduction Assistance, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended; defined as, source reduction and environmentally sound on-site or off-site reuse or recycling. For purposes of this Contract, P2 opportunities include energy efficiency opportunities. The primary activities for the Contractor will be to organize and coordinate the work of the retired engineers and scientists participating in the Retired Engineer Technical Assistance Program (RETAP) for the technical assistance. These activities include recruiting and training RETAP assessors, marketing RETAP services, developing and implementing quality assurance measures, completing 375 on-site P2 assessments, conducting technology transfer activities, mentoring engineering interns, performing ongoing program measurement and reporting, and other P2 technical assistance activities as identified by the Contract Administrator. This request is for a (3) three-year contract to begin July 01, 2005, and end June 30, 2008.

1.002 BACKGROUND

The NREPA, 1994 PA 451, as amended, Sections 324.14301 et seq. and 324.14501 et seq., delineates activities to be undertaken by the Michigan Department of Environmental Quality (DEQ) to advance P2. It stipulates the provision of technical assistance to businesses and institutions, and prescribes an emphasis on in-plant P2. Section 324.14511 established the RETAP to provide on-site P2 assistance. Appendices I and J provide reference materials on the RETAP.

The RETAP was initiated as pilot program in 1994, and established as a permanent program in 1998. The structure of the RETAP was designed to encourage Michigan industry to request P2 assistance. Currently, businesses with fewer than 500 full-time employees in the state and institutions of any size are eligible. To date, the RETAP has completed over 600 on-site P2 assessments at Michigan businesses and institutions, and provided over 1000 technical assistance hours to supplement the on-site P2 assessments.

The RETAP services are non-regulatory, voluntary, and confidential utilizing Michigan-based retired professionals. The assistance is provided free of charge as further incentive for facilities to request this assistance. The RETAP does not provide assistance with environmental compliance, and the on-site assessments are not environmental compliance audits. Facilities are not required to have a RETAP assessment or implement the assessment recommendations, although potential cost savings provide the impetus.

Currently, the RETAP professionals are located throughout the state. They have received training and have experience in conducting on-site P2 assessments. The Contractor will subcontract with these individuals and recruit additional retired professionals to maintain a diverse pool of expertise to provide assistance in a variety of industrial sectors, geographical areas within Michigan, and media of waste. (Appendix L provides a Skills List of the currently active RETAP professionals). The DEQ, Environmental Science and Services Division (ESSD) has and will provide a list of RETAP professionals currently active in the RETAP to the successful bidder of this contract.

Factors critical to the success of the RETAP include:

- A. A Contractor having past experience in project management and in-depth knowledge with P2 for Michigan industry;
- B. A Contractor with the ability to make project adjustments and continual improvements to project deliverables under the guidance of the RETAP Manager;
- C. A Contractor capable of collecting and reporting in-depth program measurement data, particularly P2 outcome measures, to the Contract Administrator;
- D. Delivering meaningful P2 assessment reports and technical assistance as specified in this Contract, and
- E. Maintaining the P2 assessment information for businesses in a confidential manner.



This contract with the State of Michigan is for a period of three years, July 1, 2005 through June 30, 2008, to perform on-site P2 assessments for small businesses in the State. A total of 125 assessments will be performed and reports submitted each contract year. Additional Technical Assistance (250) and Student Mentoring (100) hours will be provided each contract year. In order to provide these services to the State, *RETAF* demonstrates that:

- A. *RETAF* has past experience in project management of RETAP and has in-depth knowledge of P2 opportunities for Michigan industry;
- B. *RETAF* has the ability to make project adjustments and continual improvements to project deliverables under the guidance of the RETAP Manager;
- C. *RETAF* is capable of collecting and reporting in-depth program measurement data, particularly P2 outcome measures, to the Contract Administrator;
- D. *RETAF* will deliver meaningful P2 assessment reports and technical assistance as specified in this Contract, and
- E. *RETAF* has procedures in place to maintain the P2 assessment information for businesses in a confidential manner.

RETAF plans to continue providing services without interruption of the present RETAP contract, which *RETAF* manages. A Work Plan will be submitted within five days of the signing of the contract, and modifications from the present work and work products discussed with the Contract Administrator. Necessary changes in procedures and practices will be made. Services provided will include: on-site P2 assessments and reports, program measurement, training, recruiting, marketing, quality assurance, technical transfer, and program management. Periodic progress reports as well as financial information will be submitted to the State. Monthly payments will be received from the State for completed work, as detailed in the Price Proposal.

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

The overall purpose of the RETAP is to fulfill the on-site, P2 technical assistance obligations of the DEQ under Section 324.14504 of NREPA, 1994 PA 451, as amended. Section 324.14511 directs the DEQ to establish the priorities for RETAP technical services based on demand, funds available, and applicant needs, taking into consideration the most effective use of the assistance. The DEQ, ESSD will manage and monitor the RETAP and be responsible for establishing policies and procedures for RETAP assistance. The DEQ, ESSD reserves the right to refocus RETAP goals and objectives. The Contractor will carry out this project under the direction and control of the DEQ, ESSD, Contract Administrator. Definitions pertinent to this Statement of Work are provided in Appendix B.

The Contractor will be responsible for the daily operation of RETAP technical services. The primary activity for the Contractor will be to organize and coordinate the work of the RETAP professionals for the on-site P2 technical assistance, as follows:

1. General

RETAF will perform the daily operations of RETAP technical services in accordance with the policies and procedures established by the MDEQ-ESSD. This will include:

- *RETAF* will continue to subcontract with the RETAP retired professionals to conduct the on-site P2 assessments, and will be responsible for managing and paying these subcontractors.
- *RETAF* will continue to have regular communications with the RETAP professionals.
- *RETAF* has, and will continue to maintain, the infrastructure to respond to inquiries during regular business hours.
- *RETAF* will continue to maintain the on-site assessments in a confidential manner.
- *RETAF* will continue to electronically submit and exchange technical assistance, financial data, reports, and other documents with the DEQ-ESSD.
- *RETAF* will assist the Contract Administrator with all activities, as necessary, for a successful transition of RETAP to any future RETAP contractor, including transferring all records files, databases, and any other property of the RETAP owned by the State of Michigan.



2. On-Site P2 Assessments, Technical Assistance and Student Mentoring

Upon award of the contract to manage the RETAP under the direction and control of the DEQ-ESSD Contract Administrator, *RETAF* will take on responsibility to perform all the tasks necessary to complete a minimum of 125 on-site P2 assessments in a contract year, and deliver 125 written assessment reports. Completion of the tasks described below on schedule and within budget will signify successful achievement of the project objectives. This includes:

- On-site P2 assessments.
- Written reports detailing P2 and cost saving opportunities identified and guidance on implementation of recommendations. Reports will be provided within 45 to 60 days after the assessment and will be printed double sided on recycled paper.
- A minimum of 250 Technical Assistance hours per contract year in addition to the 125 assessments, to include such tasks as detailed cost analyses, process mapping, extensive P2 research, and evaluation of grant proposals for P2 opportunities. *RETAF* will also be pleased to assist assessed businesses in further analyzing the feasibility and requirements of assessor recommendations in preparation for their implementation.
- *RETAF* will provide a minimum of 100 hours of student intern mentoring hours per contract year.
- *RETAF* will organize, manage, supervise and schedule the RETAP professionals who perform the assessments, technical assistance and student mentoring.

3. Recruitment

RETAF will recruit retired professionals, as necessary to maintain an adequate pool of assessors, both regionally and in terms of necessary assessor expertise. Recruiting will be done in consultation with the RETAP Manager.

4. Training

- *RETAF*, in consultation with the Contract Administrator, will assess the training needs of the assessors and schedule training sessions to provide assessors with practical training in pollution prevention, energy efficiency, etc., with the goal of improving the quality of the recommendations in the assessment reports.
- *RETAF* will arrange to conduct up to three “in-house” one-day training sessions per year.
- *RETAF* will assist the RETAP Manager in developing the content and making arrangements for conducting one four-day training session per year.
- *RETAF* will require assessors who have agreed to serve as mentors to attend a one-day orientation session provided under the P2RIP.

5. Quality Assurance

RETAF has quality assurance procedures. *RETAF* will work with the Contract Administrator to update these procedures as needed to enhance the quality assurance aspects of the program, including:

- The assessment techniques and skills of the assessors, and
- The quality, depth, and value of RETAP assessments, reports, and P2 recommendations.

6. Program Measurement and Reporting

RETAF will work with the Contract Administrator to update procedures as needed to continually improve the techniques used and the data collected for measuring the effectiveness of the RETAP, including program effectiveness in increasing P2 awareness and implementation, reducing waste generated, and achieving cost savings.

- *RETAF* will provide follow-up contacts with assessed businesses for the purpose of evaluating program effectiveness. Forms, approved by the Contract Administrator, will be used to obtain quantitative measurement information on implementation of RETAP recommendations and the corresponding P2 and Energy Efficiency (E2) savings. Results will be provided to the State while maintaining confidentiality of the businesses.
- When deemed necessary, and in consultation with the Program Manager, *RETAF* will make adjustments in the way these data are collected and reported.
- Program measurement data will be reported electronically to the State, using a format requested by the State.



- *RETAF* has been following up with assessed companies at periods of six weeks, six months, 12 months and 24 months. This experience suggests that the current intervals are less than ideal for obtaining the best information. Therefore, *RETAF* proposes to perform follow-up and measurement contacts at intervals of eight weeks, 12 months and 24 months.
- Monthly, Quarterly and Annual reports will be submitted electronically to the RETAP Manager throughout the period of the contract.

7. Marketing and Technology Transfer

- *RETAF* will publicize RETAP and market it in cooperation with MDEQ-ESSD. *RETAF* current experience indicates that previous small scale marketing efforts have been more successful than mass mailings, and plans to continue using methods shown to be productive.
- *RETAF* staff and assessors will continue to be available upon request to share the results of successfully implemented P2 and E2 assessment recommendations.

1.102 OUT OF SCOPE

RETAP Policies and Procedures

RETAF will carry out the project under the direction and control of the DEQ-ESSD Contract Administrator. No activities will be conducted that violate the policies and procedures established for the RETAP or that may violate the confidentiality of P2 assessment information for businesses.

2. Compliance Assistance

Assessments provided by *RETAF* will be non-regulatory and will not provide assistance with environmental compliance problems or address other compliance issues.

3. Technical Services

RETAF will conduct assessments only with the services of subcontracted professional retirees, who have been admitted to the program with approval of the RETAP Manager. The contract signed by these subcontractors will have a conflict of interest clause specifically prohibiting solicitation of work that could result from the assessment.

RETAF will not partner with other organizations to conduct RETAP technical services or conduct specific RETAP projects without the approval of the Contract Administrator.

4. Financial Assistance

RETAF will not provide direct financial assistance to assessed Michigan businesses. However, it will provide information on the availability of low cost loans that may be available through the State as part of the RETAP.

1.103 TECHNICAL ENVIRONMENT

The Contractor must be able to electronically submit and exchange technical assistance, financial data, reports, and all other required documents with the DEQ, ESSD. The technical assistance data must be exchanged using the Microsoft Access program; the financial data using the Microsoft Excel program; and all other reports and documents using an appropriate Microsoft Office Suite software product.

The Contractor must maintain a toll-free telephone number, a Michigan mailing address, and a non-descript e-mail address.



The Contract Administrator may require the Contractor to use various hand-held instruments or other low cost equipment to identify P2 opportunities during on-site P2 assessments.

Electronic Submission of Reports-RETAF

RETAF will acquire the means and know-how, if not already available, for submitting reports, documents, financial data, measurement results and other submissions to MDEQ-ESSD electronically. The appropriate Microsoft Office Suite programs will be used, including MSWord, MSExcels and MSAccess.

RETAF has a toll-free telephone number, (888) 749-7886; a Michigan mailing address, 32401 West Eight Mile Road, Livonia, Michigan 48152; and a business email address: retafmi@arounddetroit.biz. The email address will be changed to comply with the non-descript requirement upon award of the contract.

RETAF has acquired two sets of hand-held instruments for use during P2 assessments. Included are: infrared thermometer, tape measure, light meter and electric power meter. These have proved very helpful in performing assessments and developing recommendations, and plans are to acquire more sets of these instruments and have them available regionally to assessment teams throughout the State.

1.104 WORK AND DELIVERABLE

1. General

- A. Based on the experience gained during the management of the present RETAP contract, *RETAF* will review its operations with the Contract Manager per procedure and, as necessary, discuss and propose enhancements to procedures and reporting formats necessary to carry out the requirements of the contract.
- B. *RETAF* will determine the rate of compensation of the RETAP professionals, and will conduct all activities for managing, organizing, supervising, scheduling and paying the subcontractors. Travel expenses will be reimbursed at the prevailing state of Michigan travel rates. The mileage reimbursement rate will be limited to the Standard Mileage Rate set by the Department of Management and Budget (DMB).
- C. *RETAF* has a well established and demonstrated ability to communicate quickly and effectively with RETAP professionals and the State.



- D. *RETAF* has offices that are usually manned during working hours. In case staff must be out of the office, the building receptionist answers the phones between 8 A.M. and 5 P.M. At other times, calls are routed to voice mail. *RETAF* has a fax machine (248) 478-8192 and a toll-free number, (888) 749-7886. The email address is retafmi@arounddetroit.biz.
 - E. *RETAF* has procedures in place to maintain confidentiality of assessed businesses. Assessors are instructed to discuss a business receiving technical assistance only with staff, other members of the team and, when necessary, editors. They are cautioned not to discuss by name, with other assessors, other businesses they may have assessed. Assessment and report files are maintained securely on the *RETAF* computers and in lockable file cabinets. While DEQ-ESSD is not given information identifying assessed companies, the State will be furnished information necessary to address complaints brought to the State by a *RETAF* assessed business.
 - F. See D and Section 1.103 above.
 - G. *RETAF* will meet regularly with the *RETAF* Manager and Contract Administrator, as often as necessary to review progress and/or problems.
 - H. *RETAF* will report all required performance, measurement, and financial data and reports electronically in a format compatible with the DEQ, ESSD's software requirements. Where updates and improvements are necessary, they will be implemented, including attendance of key personnel at appropriate training courses.
2. On-site P2 Assessments, Technical Assistance, and Student Mentoring
- A. *RETAF* will determine the rate of compensation of the *RETAF* professionals.
 - B. *RETAF* will complete a minimum of 125 on-site P2 assessments in a contract year, including submission of an equal number of written reports to assessed businesses. It is noted that, because of the necessary lag between conducting an assessment and submitting the report, some reports may not be delivered until several weeks into the following contract year.
RETAF will expect compensation for the on-site P2 assessment task on a unit price basis, upon submitting proof to the *RETAF* Manager of delivery of the assessment report, to the assessed facility, in conjunction with the Contractor's monthly invoice.
In case an assessment is terminated prior to completion, *RETAF* will bill the time and expenses dedicated to the effort as Technical Assistance Hours and will provide details of the termination to the Contract Administrator.
 - C. *RETAF* will complete a minimum of 250 Technical Assistance hours per contract year, in addition to the on-site P2 assessments, for specialized technical assistance assignments approved by the Contract Administrator.
 - D. *RETAF* will complete a minimum of 100 Student Mentoring hours per contract year with student interns under the P2RIP.
 - E. *RETAF* will conduct assessments under procedures developed during management of the present *RETAF* contract and that are described in Appendix E of the ITB. *RETAF* will, as necessary, periodically review these procedures with the Contract Administrator and make adjustments as required. This applies as well to Technical Assistance hours and Student Mentoring hours.
 - F. *RETAF* will assemble the best team available for any on-site assessment, following well established present protocols. Eligible businesses will be informed about the Small Business Pollution Prevention Loan Program, as well as applicable MDEQ-ESSD P2 partnerships, and initiatives.
 - G. *RETAF* has identified a number of assessors in various regions of the State, who have good leadership as well as technical abilities and who are often asked to lead assessment teams. *RETAF* also attempts to assign as report writers those assessors who have demonstrated adequate or superior writing skills.
 - H. *RETAF* provides assessors with basic information about a business they are asked to assess, including the company's website, if available. *RETAF* also provides assessors with manuals (hard copy or electronic) that cover many types of businesses and processes as background for assessments to be conducted. This includes a compendium of State P2 bulletins and Fact Sheets. This information will be updated, as possible, and provided to retirees who recently joined the program.
 - I. *RETAF* makes it a practice to respond to inquiries about assessments as soon as possible, usually on the same day. Assessments are scheduled by the Team Leader with the business at a time and date convenient to the business.
 - J. *RETAF* requires businesses to sign an indemnification agreement before an assessment can be conducted.
 - K. *RETAF* will provide a written report to the assessed facility within 45 to 60 days following the assessment. The report format, which periodically receives reviews and updates, will be equivalent to that shown in Appendix F of the ITB. Where possible, the report will include guidance for making business decisions to implement any given recommendation. The reports will additionally contain information on P2 resources that are available to provide further guidance and implementation assistance, and will include a packet of DEQ literature (provided by the DEQ, ESSD). Reports will be provided to the facility printed double-sided on recycled paper.



- L. Reports presently submitted to assessed facilities by *RETAF* contain an Executive Summary table listing the recommended P2 and E2 opportunities. This Summary will be expanded to a format equivalent to that shown in Appendix F of the ITB, which will include estimated savings and payback for each listed opportunity or recommendation as allowed by available information and engineering judgment.
- M. In consultation with the Contract Administrator, *RETAF* will develop a report format to provide the requested information for the Technical Assistance hours. A form will be developed to provide information on terminated assessments.
- N. As stated in paragraph 1.E. above, *RETAF* has procedures to maintain the confidentiality of its files. Reports are provided only to the assessed facility and not to the State. As required for the State's QC purposes, several reports, from which information that could be used to identify the assessed business has been removed ("sanitized"), are provided with quarterly progress reports to the RETAP Manager.
- O. *RETAF* maintains, and will continue to maintain, files of
 - (1) the skills and contact information of RETAP professionals;
 - (2) the status of requests and ensuing assessments, Technical Assistance hours and Student Mentoring hours;
 - (3) the status of reports and other deliverables.*RETAF* will provide information on the skills and contact information of the retired professionals upon request by the RETAP Manager.
- P. *RETAF* will, as necessary, periodically recommend the purchase and use of small instruments or other equipment useful to identifying P2 opportunities during on-site P2 assessments. The Contract Administrator will determine how these instruments will be purchased. If necessary, training will be provided for the assessors. Potential candidates for these instruments are: IR thermometers, laser tape measures, light meters and electric power meters.
- Q. *RETAF* will continue its present practice of continually evaluating the recommendations made by assessors, updating them when necessary, and compiling a living electronic database of P2 recommendations for use in making recommendations. This information will be shared with the RETAP Manager as requested.

3. Recruitment

- *RETAF* will recruit additional retirees, as necessary to maintain an adequate pool of assessors, both regionally throughout the State and in terms of fields of expertise required to perform assessments at a variety of businesses. Recruitment will be done with the cooperation and participation of the RETAP Manager and with the approval of the Contract Administrator. Recruitment of subcontractors shall comply with state of Michigan hiring guidelines for nondiscrimination.
- If the need arises to recruit more retirees, the position availability will be publicized. *RETAF* has enough participating retirees at this time, and has a waiting list of applicants.
- Interviews will be conducted with participation of the RETAP Manager.
- Newly recruited assessors will be required to attend a one-day orientation session to get basic information about RETAP and assessment protocols and practices, and will also be provided with a manual of basic P2 assessment information and practices. They will be provided RETAP business cards and permanent RETAP name tags.
- *RETAF* will establish a working relationship with assessors in which they are subcontractors to the Foundation. They will be asked to sign a contract that specifies their responsibilities and options under RETAP and specifically banning actions considered as conflict of interest, including using RETAP assessments to generate business for themselves.
- *RETAF* has and will maintain an electronic database with information on contact, education, experience and skills of retired professional assessors. This information will be shared with the RETAP Manager as requested.

4. Training

- A. *RETAF* will continuously assess the skill level of assessors and identify training needs, in consultation with the Contract Administrator.
- B. *RETAF* will develop the content of – and provide the instruction for – up to three one-day "in-house" training sessions for RETAP professionals every contract year. One session will be dedicated to orientation for recently recruited retirees, as necessary. Guidance and approval will be sought from the Contract Administrator for these one-day training sessions, which may be directed to achieving the technical assistance objectives of the DEQ, ESSD, P2 programs/projects. All costs for these training sessions will be covered by the contract.
- C. All RETAP professionals will be required to attend a four-day training session once every contract year. This session will be conducted under the direction of the Contract Administrator and will include one day of on-site P2 assessments. The program, speakers, logistics and other requirements for a successful training will be developed as a cooperative effort between *RETAF* and the RETAP Manager. All costs of the session will be covered by the contract.



- D. *RETAF* will identify mentors for all student interns participating in the P2RIP. These retirees will be required to attend the one-day orientation session held once a year for the interns, as scheduled by the P2RIP Program Manager. *RETAF* will be pleased to provide some RETAP professionals who may be asked to act as presenters at this orientation, under guidance from the RETAP Manager. All costs for participation in this orientation by mentors and other assessors will be covered by the contract.
- E. Under this contract, *RETAF* will pay and reimburse RETAP professionals for attending P2 courses, workshops or conferences offered by other organizations. Approval for attendance at these events will be sought from the Contract Administrator. The participating professionals will be asked to provide a brief summary report describing the P2 lessons learned and/or other relevant information, which will be shared with the RETAP Manager. When possible, the professionals will be asked to make a presentation of this information to a larger group of assessors, such as at a training session.
- F. As is the present *RETAF* practice, new assessors will be assigned on their first three assessments to work with experienced teams under the strong leadership of long-time assessors. They will be given guidance on how to communicate with the client, make observations, take notes and provide them to the report writer, make recommendations, and review the draft final report. This practice works well and is different in detail for every new assessor.
- G. Procedures for implementing the various training tasks described above will be reviewed periodically with the Contract Administrator and modified as necessary, with their guidance and approval.

5. Quality Assurance

RETAF has quality assurance procedures. *RETAF* will work with the Contract Administrator to update these procedures as needed to enhance the quality assurance aspects of the program, including:

- The assessment techniques and skills of the assessors, and
- The quality, depth, and value of RETAP assessments, reports, and P2 recommendations.

- A. *RETAF* understands the needs of the Program Manager to have access to a file that contains information about the quality of the performance of every assessor. *RETAF* therefore agrees to create and maintain such a file and, upon request from the Contract Administrator, provide information on the performance of any assessor. The content of each assessor's file will be shared with that assessor.
- B. *RETAF* periodically will review and modify, as necessary, the assessment protocol and report format. Necessary changes will be made with the approval of the RETAP Manager.
- C. *RETAF* has in place procedures and mechanisms for tracking the status of requests, preassessments, assessments, and submission of reports. This information will continue to be reported to the State monthly. Procedures are also in place for carrying out, tracking and reporting follow-up measurement contacts. Technical Assistance hours are presently tracked and reported with the monthly financial report and invoice. *RETAF* will show explicitly Technical Assistance and Student Mentoring hours under a new contract.
- D. *RETAF* has a policy of clearly informing retired professionals who wish to join the program that conflicts of interest will not be tolerated. Evidence of a conflict of interest on the part of an assessor is grounds for immediate dismissal from the program. Fortunately, this has not occurred under *RETAF* management. Any such occurrence will be reported to the RETAP Manager.
- E. As explained under Section A. above, *RETAF* agrees to create and maintain a file on assessor performance and, upon request from the Contract Administrator, provide such information for any assessor. A periodic verbal review of assessor competencies, involving *RETAF* management and the Contract Administrator and/or the RETAP Manager, would help provide guidance in difficult cases, if any.
- F. With input from the Contract Administrator, *RETAF* will provide two "sanitized" reports of assessed businesses every quarter for quality assurance purposes.
- G. *RETAF* will arrange one on-site P2 assessment per quarter to be attended by the State of Michigan RETAP Manager subject to the need to maintain the company's confidentiality.

6. Program Measurement and Reporting

- A. The Retired Engineer Technical Assistance Foundation (*RETAF*) will work with the RETAP Manager and Contract Administrator to determine what information will be collected and provided to meet program measurement needs, and what changes may be necessary to continually make improvements.
- B. *RETAF* will use the current RETAP forms for the Program Measurement task, as described in Appendix G of the ITB (pages 88 to 92).
- C. Reports will be submitted electronically to the DEQ-ESSD in a format approved by the RETAP Manager or Contract Administrator.



- D. *RETAF* will electronically submit monthly and quarterly summaries of progress (using software compatible with the current computer systems of the DEQ-ESSD). The monthly summaries will outline the work accomplished during the reporting period. The quarterly summaries will consolidate and summarize the information provided in the monthly reports, and will add detail on: the work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Contract Administrator; and provide notification of any significant deviation from previously agreed-upon work plans.
- E. *RETAF* will provide to the RETAP Manager, on a monthly and quarterly basis, the following information:
1. Overall information on the on-site P2 assessments and other contractual tasks.
 - a. Numbers of requests;
 - b. Numbers of pre-assessments;
 - c. Numbers of assessments;
 - d. Numbers of assessment reports mailed;
 - e. Numbers of follow-up contacts made;
 - f. Chart of the actual RETAP recommendations to facilities, including reported cost and waste savings (this chart will identify recommendations made and implemented);
 - g. Numbers of companies that have implemented recommendations; and
 - h. Narrative account of progress on all tasks.
 2. Information on individual on-site P2 assessments.
 - a. Identifier number for the facility;
 - b. Yes/no indication of whether the facility is participating in the DEQ, ESSD incentive programs (as prescribed in Article 1.104 subsection 6J of the ITB);
 - c. Industry types and SIC codes;
 - d. County of P2 assessments;
 - e. Number of employees;
 - f. Date of request;
 - g. Date of pre-assessment;
 - h. Date of assessment;
 - i. Date report was mailed;
 - j. Dates of follow-up contacts;
 - k. Measure of recommendations implemented, i.e. partially, substantially, and fully;
 - l. Estimates or actual measurements of the quantities of wastes reduced in pounds, energy saved in kilowatts (or equivalent unit for utilities other than electricity), and costs saved as a result of implementing the recommendations;
 - m. Yes/no indication of whether the facility is willing to submit required information for publishing a P2 case study on the recommendation(s) implemented, with reference to the recommendation(s) at issue; and
 - n. Assessors serving on Assessment Team.
- The monthly report will include the information requested in subsections 1. and 2. above, and the quarterly report will provide a summary of – and round out – that information and remaining details, to avoid unnecessary repetition and multiple submission of the same information. The annual report will further summarize and provide analysis and discussion of the program, including the budget, demographics of assessments, types of businesses requesting assessments, number of assessors on each assessment, and types and quantities of P2 and E2 savings.
- F. *RETAF* will provide to the RETAP Manager by the 15th of each month an invoice report with the supporting financial data, using the current RETAP accounting forms and contract ledger for this purpose (as described in Appendix H of the ITB, pages 93 to 95).
- G. *RETAF* will follow-up with the assessed businesses and institutions at regular intervals after the assessment report is sent (i.e., eight weeks, 12 months and 24 months) for answering questions, providing additional information, pursuing case study opportunities, evaluating the assistance, and obtaining the information necessary for the monthly, quarterly, and annual reports. *RETAF* additionally will continue and complete these follow-ups with those facilities that received an on-site P2 assessment from the RETAP under the prior contract.



- H. For the 12-month contact, *RETAF* will send a short evaluation form with questions for the facilities to complete and return. The form shall state why the information is important and that completion is not mandatory, but essential for determination of program success in meeting its objectives. See Exhibit 8 for an example of the current six-month contact letter. *RETAF* will work with the Contract Administrator to modify the form if deemed necessary.
- I. *RETAF* will report quantitative and qualitative program measures, as described above, and in consultation with the Contract Administrator.
- J. *RETAF*, in cooperation with the RETAP Manager, will maintain an updated listing of the facilities participating in the DEQ-ESSD incentive programs. The listing will be used to provide the information required in section E2b above.
- K. *RETAF* will report in-depth measurement data on the
- raw material,
 - critical/hazardous material elimination,
 - waste reduction,
 - energy,
 - labor,
 - cost and
 - all other P2 savings
- achieved by 5 percent of the facilities receiving an on-site P2 assessment per contract year.

The in-depth measurement data will be reported in comparison to a pre-assessment baseline. *RETAF* and the Contract Administrator will jointly agree upon the facilities to report the in-depth measurement data. *RETAF* will develop and submit for the RETAP Manager's approval, the data elements necessary for reporting the in-depth measurement data. *RETAF* will report the in-depth measurement data for the one year and two year follow-up reports for these facilities. *RETAF* will identify the facilities, obtain the necessary approvals, enter into the appropriate liability agreements, and conduct the necessary activities to collect and report the in-depth measurement data.

7. Marketing and Technology Transfer

- A. In consultation with the Contract Administrator, *RETAF* will develop a plan for marketing and technology transfer to publicize the RETAP and to provide opportunities to share information on successful P2 recommendations. This plan will be reviewed periodically and modified as necessary, with approval of the Contract Administrator.
- B. *RETAF* has learned through experience in managing the present RETAP contract that mass mailings are not an effective marketing technique to solicit requests for assessments from Michigan small businesses. *RETAF* proposes to continue the present, very effective, marketing program, which encourages:
- Referrals from assessed businesses;
 - Referrals via State offices, especially MDEQ;
 - Referrals from other groups in the State, e.g., the MDEC.
- The marketing program additionally includes:
- Newspaper articles as necessary;
 - Direct mailings to targeted business areas, in groups of no more than 25-30 letters, followed up within a short time with telephone calls from volunteer subcontractors in that area of the State, as necessary. Candidate businesses are identified through a listing such as the Michigan Manufacturers Directory, which *RETAF* purchases for this purpose.
- If directed by the RETAP Manager, *RETAF* will direct its marketing efforts to specific industries.
- C. *RETAF* will continue to build a library of P2 information for use as a resource by its assessors and the assessed businesses. Information from the library is often included as attachments in RETAP reports. *RETAF* will make the library available to the RETAP Manager.
- D. *RETAF* will, upon request and as opportunities arise, make presentations at workshops, seminars, conferences, etc., to share P2 information and the results of successful RETAP efforts. Confidentiality of business information will be maintained at all times.



1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES

Contractor shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth in this Contract. The DEQ, ESSD reserves the right to approve personnel for this project and to require replacement of personnel found to be unacceptable at any time during the project.

The onsite technical assistance will be conducted by the retired engineers, scientists, and other qualified professionals that constitute the RETAP. The Contractor will subcontract with these individuals and recruit additional retired professionals to maintain a diverse pool of expertise to provide assistance in a variety of industrial sectors, geographical areas within Michigan, and media of waste.

RETAF will provide services, staff and other necessities for the performance of the work as set forth in this Contract. Details of staff qualifications, background, experience, and capability have been provided below.

In fulfilling the terms of the present RETAP contract, RETAF has had ample opportunity to learn the requirements to properly carry out the terms of the contract in the most exacting detail. Key personnel in the management team include the following:

- A Project Manager
- An Associate Project Manager
- An Assistant Project Manager
- An Accountant
- An Office Manager and A Secretary/Clerk
- An Editor in Chief

The designated Project Manager of the program, Marcel L. Halberstadt, Executive Director of RETAF, has over 30 years experience in project management and personnel direction, including budget preparation and management, hiring of both support and professional staff, and reporting to superiors and government agencies in verbal and written form. He has managed contracts and grants, both as a contractor and as a contract administrator. He is accomplished in communicating with the public in person, by telephone or in a conference setting. He is Project Manager under the present RETAP contract with the State of Michigan. From 1978 to 1998 he managed the auto emissions control and related air quality issues for the trade association of the U. S. auto manufacturers, the American Automobile Manufacturers Association. He has extensive technical background and knowledge of waste reduction, energy savings and pollution prevention techniques. His resume is included as Exhibit 2. Dr. Halberstadt will have overall responsibility for carrying out the terms of the contract.

The Associate Project Manager will be Mr. Richard Savage. Mr. Savage, a chemical engineer, has over 25 years of technical and manufacturing management experience in the chemical industry, including budget preparation and administration, personnel development, and utility management. He has a strong background in project management, team building, and problem solving, and is accomplished in communicating both in person, in writing, and in a conference setting. His resume is included as Exhibit 3. Mr. Savage joined RETAP in 2002, and will have primary responsibility for managing the Program Measurement aspect of the RETAP assessments, and reporting the results to the State. He will work closely with the Project Manager and will have full authority to act on the Project Manager's behalf in his absence.

The Assistant Project Manager will be Mr. John Urquhart. Mr. Urquhart successfully managed numerous engineering projects for several auto manufacturers during 40+ years prior to his retirement. He joined RETAP when it was first formed in 1994, and has acted as an assessor and respected Team Leader for dozens of assessments. His resume is included as Exhibit 4. For the past two years, Mr. Urquhart has managed the Marketing, Recruiting and Training tasks under the present RETAP contract. He will continue to manage these tasks as well as coordinating the student intern mentors.

Accounting will be subcontracted to Ms. Elizabeth Ingraham, 24000 Seneca, Oak Park, Michigan 48237. Ms. Ingraham has been the RETAF accountant since the beginning of the present contract work in 2001. In consultation and cooperation with the Contract Manager, she has developed the current procedures for tracking and reporting all RETAF finances. Previously, Ms. Ingraham was employed for over 28 years by the trade association of the U. S. automobile manufacturers as accountant and assistant comptroller. Her letter of qualifications, capability and willingness to work is attached as Exhibit 5.



Secretarial work will be performed by two employees. Taking major responsibility for all office operations, including communications with assessors, maintenance of assessment files and submission of reports to the Contract Manager will be the *RETAF* Office Manager, Ms. Marilyn Jankowski, who has been in that position since 2001. She will be assisted, as necessary, by a part time secretary and clerk.

The Editor-in-Chief will be Mr. Robert MacLean, who has held that position for more than a year. Before joining RETAP as an Associate Editor in 2002, Mr. MacLean was a Director and Manager at ANR Pipeline Company, where he was employed for 29 years. His duties included writing and editing natural gas transmission pipeline standards. In his capacity as RETAP Editor-in-Chief, Mr. MacLean reviews every report that is submitted and then either edits it himself or distributes it to one of four Associate Editors for a complete editing job, which he then reviews. He also regularly refines the report format, as necessary, and proposes revisions and additions of standard language, in a continuing effort to improve the quality of RETAP reports. His resume is included as Exhibit 6.

SUBCONTRACTORS: Retired Professionals

Subcontractors for the performance of the work under this contract will include more than 50 retired persons living in Michigan, all of whom are subcontractors under the present (2001 - 2005) RETAP program, and over 90 percent of whom have already indicated their intention to serve in the same capacity under the new contract with the State. A list of these retirees is attached as Exhibit 7. Letters of agreement to work with *RETAF* are available in *RETAF* files and a generic copy is attached as Exhibit 7a. Additional retirees will be recruited as necessary to carry out the objectives of the program.

1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES

The DEQ, ESSD will manage and monitor the RETAP and be responsible for establishing policies and procedures for RETAP assistance. The DEQ, ESSD will establish priorities for RETAP assistance based on the demand, the funds available for the service, and the needs of the applicants taking into consideration, the most effective use of the service. The DEQ, ESSD may focus the program to address the objectives of department P2 projects/initiatives. The Contractor will carry out this project under the direction and control of the DEQ, ESSD Contract Administrator or designee (e.g. RETAP Manager).

The role and responsibilities of the DEQ, ESSD Contract Administrator designee include:

- A. Establishing RETAP policies/procedures/protocols and reviewing and approving changes thereof;
- B. Providing guidance to the Contractor to achieve the objectives and priorities established for the RETAP;
- C. Reviewing and approving all changes to the project contract;
- D. Resolving issue and risk management disagreements;
- E. Serving as the sole point of contact between the DEQ and the Contractor's Project Manager;
- F. Approving the Contractor's work plan;
- G. Reviewing and approving payment requests;
- H. Reviewing and approving the specific tasks and/or specialized assignments for the Technical Assistance Hours;
- I. Approving the Student Mentoring Hours;
- J. Assisting and approving of all recruitment efforts including participating on the interview team;
- K. Reviewing and approving the training events for the RETAP professionals;
- L. Overseeing the quality assurance and program measurement requirements of the Contractor and providing direction to continually make improvements; and
- M. Assisting the Contractor in marketing the program.



Additional details on the roles and responsibilities of the Contract Administrator or designee (e.g. RETAP Manager) were provided in Articles 1.101 and 1.104.

RETAF understands that MDEQ-ESSD will manage and monitor the RETAP and will be responsible for establishing policies and procedures for RETAP assistance. *RETAF* will work with the Contract Administrator and the RETAP Manager to carry out the tasks in the contract.

1.203 OTHER ROLES AND RESPONSIBILITIES

The DEQ, ESSD Contract Administrator or designee (e.g. RETAP Manager) will serve as the sole point of contact between the Contractor and the Program Managers of other DEQ, ESSD, P2 programs and initiatives. The Contract Administrator will review technical assistance requests from these programs and initiatives, and convey approved requests for Technical Assistance Hours and Student Mentoring Hours to the Contractor.

1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT

- A. *RETAF* will carry out this project under the overall direction of the Contract Administrator and the RETAP Manager will review progress reports.
- B. *RETAF* will maintain contact with the RETAP Manager as often as necessary to carry out the tasks of this project. *RETAF* will continue to have regular communications with the RETAP Manager for the purpose of reviewing progress and providing guidance in problem resolution.
- C. The *RETAF* Project Director or his designee will be available for meetings or conference calls upon reasonable advance notice from the Contract Administrator or RETAP Manager. As deemed necessary by the Contract Administrator or RETAP Manager, conferences, meetings, or conference calls will be held with the *RETAF* Project Manager and other key personnel to review progress and re-chart direction.
- D. Within five working days of the contract award, *RETAF* will submit a work plan to the Contract Administrator for approval. The work plan will include:
 - i. *RETAF* organizational structure
 - ii. *RETAF* staffing for the contract, which has already been given above.
 - iii. Project breakdown showing sub-projects, activities, tasks, and resources required and allocated to each.
 - iv. The time-phased plan showing milestones of critical events and decision points in the plan.

TIMELINES

On-site P2 Assessments

With experience gained from over four years in managing the present RETAP contract, *RETAF* has intimate knowledge of key factors in the annual cycle of RETAP activities. For example, one must expect that there will be cyclical variations throughout the year in the level of assessment activity with a decrease in number of assessments performed in the period November through March or April. This is compensated for by increased activity between May and September or October. On average, *RETAF* will perform 10 to 12 assessments per month and submit corresponding reports to clients. As noted earlier, there will be a lag between the assessments and the reports, but there will eventually be a steady stream in both "pipelines." A minimum of 125 assessments will be performed per contract year and reports submitted.

Technical Assistance Hours

RETAF will provide 250 hours per contract year of assessor time for technical assistance to assessed businesses. Assignments of these hours will come from the RETAP Manager or will originate with the business and will be performed with the permission of the RETAP Manager. These requests are random and cannot be scheduled at this time.

Mentoring Hours

RETAF will provide 100 hours per contract year of Student Intern Mentoring in conjunction with the MDEQ-ESSD P2RIP. Volunteer Mentors will be selected with approval of the RETAP Manager in the spring of each contract year, to assist Student Interns participating in the program during the summer of that year.



Mentors will be required to attend an orientation session in early May, in which they are expected to meet with the interns and their company supervisors. Mentoring will include one or more meetings between mentors and interns, as well as guidance in summarizing and reporting the internship's findings and accomplishments. Internships will be expected to conclude by the end of August of each year.

Training

Several types of training are planned. Three single-day "in-house" sessions will be arranged when needed, to provide orientation for newly recruited assessors, to provide added guidance to selected assessors, e.g., to improve report writing skills, or to provide new skills to selected assessors, e.g., advanced utility bill analysis. These may be scheduled anytime during the year. Additional training is provided by attendance of assessors at selected courses, seminars, or workshops. A few assessors generally request such training opportunities.

One large scale four-day training session will be scheduled, most likely in early Fall of each contract year. All assessors will be required to attend. Nationally recognized P2 experts will be sought and retained to participate in or conduct the training. Planning for these sessions will begin several months preceding this session in order to reserve a suitable facility and to assure the availability of desired speakers and experts. *RETAF* will prepare an adequate number of training manuals for these sessions, with material approved by the RETAP Manager.

Recruiting

RETAF has no plans to undertake active recruiting at this time. There are at present an adequate number of assessors available throughout most of the State. Several applications are on file with retirees who have expressed interest in becoming assessors, but for whom assignments cannot be assured.

Quality Assurance

RETAF has quality assurance procedures. *RETAF* will work with the Contract Administrator to update these procedures as needed to enhance the quality assurance aspects of the program, including:

- The assessment techniques and skills of the assessors, and
- The quality, depth, and value of RETAP assessments, reports, and P2 recommendations.

Program Measurement and Reporting

RETAF will continue to collect program measurement information from assessed businesses eight weeks, 12 months and 24 months following submission of the final report. This is a minor change from the present schedule, but we believe it will be more effective because often little really good information is obtained from the businesses in the present six week and six month follow-up inquiries. *RETAF*, with guidance from the Contract Administrator, will select six facilities per contract year to receive in-depth measurement data inquiries, so quantitative estimates may be made of the value provided by RETAP assessments to the business and to the State. These in-depth measurements will tentatively be scheduled in the period May through October, one per month.

Monthly progress reports will be submitted to the RETAP Manager by the 15th of the month following the reporting month.

Monthly financial reports and invoices will be submitted to the RETAP Manager by the 15th of the month following the reporting month.

Quarterly progress reports will be submitted to the RETAP Manager by the 15th of the month following the reporting quarter.

An annual progress report will be submitted within 60 days following the end of each contract year.

A work plan will be submitted for approval to the Contract Administrator within five days of the signing of the contract.

Marketing and Technology Transfer

RETAF plans six to eight mailings every contract year of about 30 letters each to targeted business areas, followed by telephone calls within two weeks of the mailing to every contacted business. Additional marketing will probably not be necessary because requests are received on a regular basis as a result of publicity *RETAF* has received throughout the State. If the Contract Administrator requests specific targeting of a type of business or region of the State, *RETAF* will comply to the best of its ability.

RETAF management and retired professionals are always - and will continue to be - responsive to requests for presentations about RETAP, its methods and its successes (technical transfer). *RETAF* welcomes requests to make such presentations at any time anywhere in the State.



DELIVERABLES

Upon award of the RETAP contract, *RETAF* will deliver the following:

- A work plan will be presented to the Contract Administrator within five days of the signing of the contract.
- Assessment reports will be sent to assessed businesses within 45-60 days following the assessment.
- A monthly progress report will be delivered to the State electronically by the 15th of every month, beginning the second month of the contract.
- A monthly financial report and invoice will be delivered to the State electronically on or around the 15th of every month, beginning the second month of the contract.
- A quarterly summary report will be delivered to the State electronically after every quarter, beginning on or around the 15th day of the fourth month of the contract.
- An annual report will be delivered to the state electronically and in hard copy, within 60 days of the completion of each contract year.
- Periodic submission of plans, documents, schedules, information, etc., as requested by the Contract Administrator or RETAP Manager. Examples are plans for training sessions, information on assessor contact and capabilities, and Student Intern Mentor recommendations.

Content of reports is described in Section 6 above. The number of person hours, level of effort and allocation of personnel to each task is detailed in the Price Proposal.

1.302 REPORTS

All reports and other documents must be submitted electronically in a format compatible with the DEQ, ESSD software using an appropriate Microsoft Office Suite software product.

The Contractor will provide to the RETAP Manager by the 15th of each month an invoice report with the supporting financial data using the current RETAP accounting forms and contract ledger or facsimile for this purpose. Appendix H provides the current RETAP accounting forms and contract ledger.

The Contractor will provide the monthly, quarterly, yearly, and in-depth measurement data reports as outlined in Article 1.104, subsection 6.

Two hard copies and an electronic copy of each contract year's annual report will be submitted to the Contract Administrator within 60 days of the conclusion of each calendar year. These reports shall be submitted in draft form to the Contract Administrator at least four weeks prior to the due date. The Contract Administrator must approve the reports. A copy of these reports will be forwarded to the named buyer in Acquisition Services. At a minimum, the annual reports shall contain the following:

- A. A financial report reconciling expenditures to budget line items;
- B. A summary of each quarterly report prepared during the applicable Fiscal Year, including milestones reached and obstacles experienced. The quarterly report requirement is outlined in Article 1.104, subsection 6;
- C. Final work products, not submitted previously;
- D. Information described in the task for program measurement in Article 1.104, subsection 6; and
- E. Narrative report of progress on the tasks outlined in Article 1.104, including a graphic display.
 - A. *RETAF* will provide to the RETAP Manager, by the 15th of each month, an invoice report with the supporting financial data, using the current RETAP accounting forms and contract ledger (as described in Appendix H of the ITB).
 - B. *RETAF* will provide the monthly, quarterly, yearly, and in-depth measurement data reports as outlined above in Section 1.104, subsection 6.
 - C. *RETAF* will submit two hard copies and an electronic copy of each contract year's annual report to the Contract Administrator within 60 days of the conclusion of each calendar year. A draft of this annual report will be submitted to the Contract Administrator at least four weeks prior to the due date.



The annual report will include: a financial report reconciling expenditures to budget line items; a summary of each quarterly report, including milestones reached and obstacles experienced; information described in the tasks for program measurement; demographics of assessments; types of businesses requesting assessments; number of assessors on each assessment; and types and quantities of P2 and E2 savings.

1.4 Project Management

1.401 ISSUE MANAGEMENT

If there are disagreements during the contractual period, the State's Project manager will bring the matter to the attention of the contractor's Project Manger. If resolution cannot be agreed upon, the issue will then be addressed by the Contract Administrator with final resolution to be determined by the Director of Acquisition services. The Contractor agrees to keep a problem resolution log that he/she will provide to the state of Michigan's Project Manager/Contract Administrator as requested.

The Contractor responsibilities may include but not limited to the following:

- A. Identify, document and communicate project issues to the RETAP Manager;
- B. Analyze the impact of project issues; and/or
- C. Provide resolution of project issues.

If disagreements arise relative to the fulfillment of the contract, the RETAP Manager will bring the matter to the attention of the *RETAF* Project Manager (or his designee), or vice versa. *RETAF* will analyze the impact of the issue to the project and attempt to address it within 48 hours to the satisfaction of the RETAP Manager. If resolution of the issue is not jointly agreed upon, the issue will then be addressed by the Contract Administrator, with final resolution to be determined by the Director of Acquisition Services.

RETAF will maintain a problem resolution log that will be available to the RETAP Manager or Contract Administrator at their request during normal business hours. Issues (open and/or resolved) will also be documented in the quarterly summary of progress issued by *RETAF*.

1.402 RISK MANAGEMENT

The Contractor will identify project risks and the options to mitigate the risks. The Contractor will update the project plan in coordination with the RETAP Manager and work with the Contract Administrator to mitigate risks. The Contractor will communicate the risk and potential impact of risk to all essential parties.

The Contractor responsibilities may include, but not limited to the following:

- A. Identify, document, and communicate project risks to the RETAP Manager;
- B. Analyze the impact and develop action and contingency plans of project risks; and
- C. Monitor and control project risks, including documentation and communication.

Within 90 days of contract award, *RETAF* will identify potential project risks as they may relate to the successful execution of the contract and assign a level of priority to each based on its potential severity and probability of occurrence. Appropriate mitigation strategies will be developed and documented for each risk, with a written action, contingency, and communication plan (the Risk Management Plan, or RMP). The RMP will be reviewed and approved by the RETAP Manager. The project will be regularly monitored for risks, and controlled by the RMP if they occur. *RETAF* will review and update the RMP at least once each contract year.



1.403 CHANGE MANAGEMENT

Contract(s) may be modified, provided that any changes proposed by either party are required in writing and mutually agreed to by the official representative of the contractor's shown in the contract(s) and the DEQ Contract Administrator. The request is not valid until signed by all parties, and a Contract Change Notice is issued by the Issuing Office.

1.5 Acceptance

1.501 CRITERIA

The herein contract criteria will be used by the State to determine Acceptance of the Services and/or Deliverables provided under this scope of work

The work shall be carried out to the satisfaction of Contract Administrator. All written documentation and major work elements shall be provided for the RETAP Manager to review prior to finalizing, and be acceptable to the Contract Administrator.

All questions which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation and fulfillment of data and document deliverables, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by the Contract Administrator (in accordance with Article 1.4).

A. Document Deliverables

Documents include, but not limited to, monthly, quarterly, yearly reports, financial reports, P2 assessment reports (submitted for quality assurance purposes), and any documents resulting from or required of Technical Assistance Hours and Student Mentoring Hours.

1. Documents are dated and in electronic format, compatible with the DEQ, ESSD's software in accordance with Article 1.302;
2. The documents will be reviewed and accepted in accordance with the requirements of this contract and the accepted bidder's proposal; and
3. The RETAP Manager will review project documents within 30 days of receipt. Approvals will be written and signed by the Contract Administrator or designee. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived by the Contract Administrator, the Contractor will resubmit documents for approval by the Contract Administrator or designee within 30 days of receipt.

B. Service Deliverables

Services include, but not limited to, on-site P2 assessments, Technical Assistance Hours, Student Mentoring Hours, and recruitment, training, quality assurance, program measurement, marketing, and technology transfer activities outlined in Article 1.104.

1. The services have been completed in accordance with the procedures developed for RETAP services;
2. The services will be accepted in accordance with the requirements of this contract and the accepted bidder's proposal; and
3. Issues and disagreements over the delivery and acceptance of RETAP services provided by the Contractor will be brought to the attention of the Contract Administrator and resolved according to Article 1.4.

C. Data Deliverables

Data deliverables include, but not limited to, information/data on the RETAP services, requested by the RETAP Manager, but not otherwise included in the document or service deliverables supplied by the Contractor.

1. Data deliverables are compatible with the DEQ, ESSD's software in accordance with Article 1.302;
2. The data deliverables will be reviewed and accepted in accordance with the requirements of this contract and the accepted bidder's proposal; and
3. The RETAP Manager will review the data deliverables within ten days of receipt. Unacceptable issues will be documented and submitted to the Contractor. After issues are resolved or waived by the Contract Administrator, the Contractor will resubmit the data deliverable for approval by the Contract Administrator or designee within ten days of receipt.



1.502 FINAL ACCEPTANCE

Final acceptance will occur upon successful completion of the final contract year's reporting requirements. Any intermediate acceptance of sub-deliverables does not complete the requirement of Final Acceptance.

The following criteria will be used by the Contract Administrator to determine Final Acceptance under this SOW:

- A. All tasks listed under Article 1.104 are completed:
- B. All documents, services, and data are delivered and accepted by the Contract Administrator in accordance with the requirements of this contract and the accepted bidder's proposal; and
- C. All bills related to this contract have been submitted and approved for payment.

1.6 Compensation and Payment

The State shall pay the Contractor an amount for the performance of all activities necessary for or incidental to the performance of work as set forth in this scope of work. Authorized Services and Price List as follows:

Contractor has completed the Vendor Quote Sheets provided in Appendix A.

This contract solicits a lump sum price for the whole contract, line item prices for the tasks listed in Article 1.104, and three unit prices: one for an individual on-site P2 assessment, one for a Technical Assistance Hour, and one for a Student Mentoring Hour. These unit prices shall include costs for all related tasks. Travel expenses will be reimbursed at the prevailing state of Michigan travel rates. The mileage reimbursement rate will be limited to the Standard Mileage Rate set by the DMB (see <http://www.michigan.gov/dmb/1,1607,7-150-9141---,00.html>).

The assessment (including the pre-assessment) may take one to two days of on-site time. For the purpose of estimating costs of an on-site P2 assessment, an average of 40 sub-contractor hours can be expected. The complexity of the assessment and the recommendations should also factor in a certain amount of sub-contractor hours for report writing. For large institutions, the full on-site assessment may last about three days. For a smaller business, the pre-assessment may yield enough information to support a report of P2 opportunities.

The Contractor can anticipate a total of 375 on-site P2 assessments over the duration of the contract. The Contractor shall give a unit price per on-site P2 assessment, multiplied by 375 on-site P2 assessments to provide a total cost for the contract. The Contractor shall also propose a unit price and total for 750 Technical Assistance Hours beyond the price of on-site P2 assessments. The Contractor shall further propose a unit price and a total for 300 Student Mentoring Hours.

Any assessments conducted beyond the 125 per year contractually obligated assessments will be compensated at a rate as identified in the payment schedule. Payment for these "additional" assessments will be determined from available state funding at the time of the completion of the work. It is suggested that a determination of funding availability be requested before undertaking any additional assessments. Payment will be made based upon proof of a "completed" assessment report, as identified in a monthly invoice to the DEQ Contract Administrator after "contractual" assessments have been completed.

The prices/rates quoted are the maximum for a period of 365 days from date Contract becomes effective. Prices may be subject to revision at the end of each 365 day period. Such changes shall be based on general industry changes and supported by adequate detail to document same. Revisions may be either increases or decreases and may be requested by either party. The prices quoted each 365 day period shall be firm. Requests for price changes must 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 that the new prices are not acceptable, the Contract may be canceled.

The Technical Assistance Hours, Student Mentoring Hours, and the recruitment, training, quality assurance, program measurement and reporting, and technology transfer and marketing tasks will be reimbursed on per hour basis as given in the budget of the signed contract.



The on-site P2 assessments will be compensated on a unit price basis, with all costs associated with completing an on-site assessment reimbursed on delivery of the written assessment report. A complete on-site P2 assessment for a facility includes all costs associated with conducting the assessment and delivering the final assessment report, including costs for completing the pre-assessment, conducting background research, any necessary supplies and materials, and direct and overhead costs. Payment for a complete on-site P2 assessment will be made based upon proof of delivery of a final assessment report to the assessed facility. Proof of delivery is made by submitting a sanitized copy of the Executive Summary of a final assessment report, as identified in and included with a monthly invoice to the Contract Administrator.

In the situation where a business or institution has terminated the RETAP assessment process prior to completion of the on-site P2 assessment, the Contractor shall use Technical Assistance Hours for compensation of the work completed. The Contractor will include with the monthly invoice to the Contract Administrator information detailing the termination of the assessment process by the business or institution.

All invoices should reflect actual work done. As a minimum, requests for onsite assistance will be assigned an identifier number that will be used throughout the assessment and measurement reporting process for each facility. The identifier number will be used on invoices to document actual hours against a specific "on-site P2 assessment" and will be used to document status of completion of each "on-site P2 assessment". Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the DMB, Director of Acquisition Services. This activity will occur only upon the specific written direction from Acquisition Services.

The Contract Administrator will accept for payment, only invoices that are error free as of the invoice date. Any invoicing errors or omissions that are the fault of the Contractor will result in the DEQ rejecting such invoices, requiring that the Contractor correct the invoice problems and then create a new invoice, with a new invoice date reflecting that the invoice is being reissued after the corrections have taken place. Contractors demonstrating a continuing problem with invoicing errors and omissions may be considered in default of contract; resulting in termination of the Contract.

1.7 Additional Terms and Conditions Specific to this Scope of Work

- A. The Contractor, during the performance of services detailed in this Initiation to Bid, will be responsible for any loss or damage to original documents belonging to the State that are in the Contractor's possession. Restoration of lost or damaged original documents shall be at the Contractor's expense.
- B. All questions which may arise as to the quality and acceptability of work, the manner of performance and rate of progress of the work, the interpretation of designs and specifications, and as to the satisfactory and acceptable fulfillment of the terms of this agreement shall be decided by the Contract Administrator.
- C. The Contractor shall agree that it will not volunteer, offer or sell its services to any litigant against the DEQ with respect to any services that it has agreed to perform for the DEQ, ESSD, provided that this provision shall not apply either when the Contractor is issued a valid subpoena to testify in a judicial or administrative proceeding or when the enforcement of this provision would cause the Contractor to be in violation of any Michigan or Federal law.
- D. All documents and other materials prepared by the Contractor during the execution of a Contract shall be the property of the DEQ. This includes, but is not limited to, all new business processes created, all planning and design work performed, the source and object code of all software programs and systems, any business objects or databases created, all related documentation (written or automated), and reports. The State shall own and retain intellectual property rights covering technology developed as part of the services, described in the Invitation to Bid.
- E. The Contractor shall agree that they will not furnish or disclose any items owned by the DEQ to a third party without the written permission of the Contract Administrator; this includes both items created as part of this contract and items owned by the DEQ that are incidental to the Contract. The Contractor shall also agree not to use items owned by the DEQ for other purposes without the prior written permission by the Contract Administrator.
- F. Individuals assigned by the Contractor are employees of that Contractor, and are not, under any circumstances or conditions, employees of the DEQ.



- G. The DEQ will retain the right to release outright or request the replacement of any Contractor representative who is working at an inferior level of performance, as determined by the DEQ, ESSD Project Manager. The Contractor will be given 24 hours advance notice of this action. The Contractor shall provide an acceptable replacement within five working days of notice of this release.
- H. The Contractor will assume full responsibility for the behavior of its employees and will remove any of its employees from the DEQ premises at the request of the DEQ, ESSD Project Manager.
- I. The individual(s) assigned to the project may not be replaced during the course of the project without the prior approval of the Project Manager. The DEQ, ESSD Project Manager and/or his representatives may interview candidates prior to this approval.
- J. The Contractor shall use all DEQ software, in accordance with applicable license agreements and any further restrictions imposed by the DEQ. Contractors shall not make any unauthorized copies of any DEQ licensed software under any circumstances. Contractors found copying or knowingly using copyrighted software, other than for backup purposes, are subject to removal. Contractors shall not provide software to any outsiders including consultants, local governmental units and others when this would be in violation of law or copyright or license agreements.
- K. The Contractor will certify in writing that they are in conformance with applicable federal and state civil rights laws and practices, equal employment opportunity for all persons regardless of race, creed, color, religion, national origin, gender or handicap; it is also in conformance with the requirements of the Americans with Disabilities Act. Failure to comply with the aforementioned laws may result in the termination of the Contract.
- L. The Contractor's name, logo, or other company identifier may not appear on documentation delivered to the State without written authorization from the Contract Administrator. An exception to this will be transmittal of cover letters showing delivery of said documents.
- M. The Contract Administrator reserves the right to interview and approve the Contractor's personnel. The Contract Administrator reserves the right to reject any proposed staff member and require the appointment of a satisfactory Contractor staff member, as well as to require verification of a proposed staff member's skills through demonstration and/or testing.
- N. The Contractor will not be limited to the tasks identified in this document or work plan, and may supplement them with an alternate list of tasks or sub-tasks that will still permit the proper development of the project. Any additions or modifications of the tasks by the Contractor must be so noted, along with reasons the changes were necessary. Changes and modifications are subject to written approval by the DEQ, ESSD Project Manager.



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contract is for *the Retired Engineer Technical Assistance Program (RETAP)* for the State of Michigan. Orders will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form. Bids are due and will be publicly identified at the time noted on the Invitation To Bid (ITB) Form.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Department of Environmental Quality, hereinafter known as *DEQ*. Where actions are a combination of those of Acquisition Services and the State agencies, 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 negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Acquisition Services will remain the **SOLE POINT OF CONTACT** throughout the procurement process.

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

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

Department of Management and Budget
Acquisition Services
Attn: *Jim Wilson*
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 241-1916
wilsonj4@michigan.gov

2.003 NOTICE

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

2.004 CONTRACT TERM

The term of this Contract will be for three (3) years and will commence with the issuance of a Contract. This will be approximately *July 01, 2005 through June 30, 2008*.

Option. The State reserves the right to exercise two (2) one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.



Extension. At the sole option of the State, the contract may also be extended. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.

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

2.005 GOVERNING LAW

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

2.006 APPLICABLE STATUTES

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

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

MI OSHA MCL §§ 408.1001 – 408.1094

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

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

MI Consumer Protection Act MCL §§ 445.901 – 445.922

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

Department of Civil Service Rules and regulations

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

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

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

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

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

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

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

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

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

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

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

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

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

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

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

Sherman Act, 15 U.S.C.S. § 1 et seq.

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

Clayton Act, 15 U.S.C.S. § 14 et seq.

2.007 RELATIONSHIP OF THE PARTIES

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its 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.

**2.008 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.

2.009 MERGER

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

2.010 SEVERABILITY

Each provision of 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.

2.011 SURVIVORSHIP

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.

2.012 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.

2.013 PURCHASE ORDERS

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

Acquisition Services has given the State Departments approval to make payments for commodities and services purchased from this contract through Direct Voucher. For this reason, the Contractor may be asked to reference the Blanket Purchase Order/Contract number rather than a Purchase Order Number when invoicing for payment.

2.1 Vendor/Contractor Obligations**2.101 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.

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Acquisition Services within 30 days.



2. The Contractor shall also notify the Acquisition Services within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

The Contractor shall:

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

2.103 SOFTWARE COMPLIANCE

The vendor warrants that all software for which the vendor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure year 2000 compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation, event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

2.104 IT STANDARDS

1. EXISTING TECHNOLOGY STANDARDS. The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://michigan.gov/dit>.
2. PM METHODOLOGY STANDARDS. The State has adopted a standard documented Project Management Methodology (PMM) for use on all Information Technology (IT) based projects. This policy is referenced in the document titled "Project Management Methodology" – DMB Administrative Guide Procedure 1380.02 issued June 2000. Vendors may obtain a copy of this procedure, as well as the State of Michigan Project Management Methodology, from the Department of Information Technology's website at <http://www.michigan.gov/projectmanagement>. The contractor shall use the State's PPM to manage State of Michigan Information Technology (IT) based projects. The Requesting agency will provide the applicable documentation and internal agency processes for the methodology. If the vendor requires training on the methodology, those costs shall be the responsibility of the vendor, unless otherwise stated.
3. ADHERENCE TO PORTAL TECHNOLOGY TOOLS. The State of Michigan, Department of Information Technology, has adopted the following tools as its Portal Technology development efforts:
 - Vignette Content Management and personalization Tool
 - Inktomi Search Engine
 - E-Pay Payment Processing Module
 - Websphere Commerce Suite for e-Store applications



Vendors must use the Portal Technology Tools to implement web content management and deployment efforts for agencies. Tools used for web-based application development must work in conjunction with Vignette and Inktomi. The interaction with Vignette and Inktomi must be coordinated with the Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team.

Under special circumstances vendors that are compelled to use alternate tools must submit an exception request to the Department of Information Technology, Enterprise Application Services Office, e-Michigan Web Development team, for evaluation and approval of each alternate tool prior to proposal evaluation by the State.

2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE)-Reserved

2.106 PREVAILING WAGE

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Consumer and Industry Service, Bureau of Safety and Regulation, Wage/Hour Division schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Consumer and Industry Services, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

2.107 PAYROLL AND BASIC RECORDS

Payrolls and basic records relating to the performance of this contract shall be maintained by the Contractor during the course of the work and preserved for a period of 3 years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

The Contractor shall submit a copy of all payrolls to the Contract Administrator upon request. The payrolls submitted shall set out accurately and completely all of the information required to be maintained as indicated above.

The Prime Contractor is responsible for the submission of copies of payrolls by all subcontractors upon request from the Contract Administrator



The Contractor or subcontractor shall permit the Contract Administrator or representatives of the Contract Administrator or the State of Michigan to interview employees during working hours on the job.

If the Contractor or subcontractor fails to submit required records or to make them available, the Contract Administrator may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment.

2.108 COMPETITION IN SUB-CONTRACTING

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

2.109 CALL CENTER DISCLOSURE

Vendor and/or all subcontractors involved in the performance of this contract providing call or contact center services to the State of Michigan must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this agreement.

2.2 Contract Performance

2.201 TIME IS OF THE ESSENCE

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

2.202 CONTRACT PAYMENT SCHEDULE

All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Administrator and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Acquisition Services, Department of Management & Budget. This activity will occur only upon the specific written direction from Acquisition Services.

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon the result of this RFP. 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.

2.203 POSSIBLE PROGRESS PAYMENTS

The Government may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS (Actual performance rendered)

a. *Contractor request for performance-based payment.* The Contractor may submit requests for payment of performance-based payments not more frequently than monthly, in a form and manner acceptable to the Contract Administrator. Unless otherwise authorized by the Contract Administrator, all performance-based payments in any period for which payment is being requested shall be included in a single request, appropriately itemized and totaled.

b. *Approval and payment of requests.*

(1) The Contractor shall not be entitled to payment of a request for performance-based payment prior to successful accomplishment of the event or performance criterion for which payment is requested.



The Contract Administrator shall determine whether the event or performance criterion for which payment is requested has been successfully accomplished in accordance with the terms of the contract. The Contract Administrator may, at any time, require the Contractor to substantiate the successful performance of any event or performance criterion, which has been or is represented as being payable.

- (2) A payment under this performance-based payment clause is a contract financing payment under the Quick Payment clause (1.402) of this contract.
- (3) The approval by the Contract Administrator of a request for performance-based payment does not constitute an acceptance by the Government and does not excuse the Contractor from performance of obligations under this contract.

2.205 ELECTRONIC PAYMENT AVAILABILITY

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

2.206 PERFORMANCE OF WORK BY CONTRACTOR-Reserved

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

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

2.302 CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from 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.

2.303 ASSIGNMENT AND DELEGATION

The Contractor shall not have the right to assign this Contract, to assign its rights under this contract, or delegate any of its duties or obligations under 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.

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.

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



2.304 TAXES

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

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

2.305 INDEMNIFICATION

General Indemnification

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

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its 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.

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.

Code Indemnification

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

Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its 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 sub clauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other sub clause.

Continuation of Indemnification Obligation

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

Indemnification Procedures

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

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.



- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.306 LIMITATION OF LIABILITY

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or \$200,000 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

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

2.307 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.

2.308 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.

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the bidder hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing,



which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

2.310 RESERVED

2.311 TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to *three (3) months* after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance.

2.312 WORK PRODUCT

Work Products shall be considered works made by the Contractor for hire by the State and shall belong exclusively to the State and its designees, unless specifically provided otherwise by mutual agreement of the Contractor and the State. If by operation of law any of the Work Product, including all related intellectual property rights, is not owned in its entirety by the State automatically upon creation thereof, the Contractor agrees to assign, and hereby assigns to the State and its designees the ownership of such Work Product, including all related intellectual property rights. The Contractor agrees to provide, at no additional charge, any assistance and to execute any action reasonably required for the State to perfect its intellectual property rights with respect to the aforementioned Work Product.

Notwithstanding any provision of this Contract to the contrary, any preexisting work or materials including, but not limited to, any routines, libraries, tools, methodologies, processes or technologies (collectively, the "Development Tools") created, adapted or used by the Contractor in its business generally, including any and all associated intellectual property rights, shall be and remain the sole property of the Contractor, and the State shall have no interest in or claim to such preexisting work, materials or Development Tools, except as necessary to exercise its rights in the Work Product. Such rights belonging to the State shall include, but not be limited to, the right to use, execute, reproduce, display, perform and distribute copies of and prepare derivative works based upon the Work Product, and the right to authorize others to do any of the foregoing, irrespective of the existence therein of preexisting work, materials and Development Tools, except as specifically limited herein.

The Contractor and its subcontractors shall be free to use and employ their general skills, knowledge and expertise, and to use, disclose, and employ any generalized ideas, concepts, knowledge, methods, techniques or skills gained or learned during the course of performing the services under this Contract, so long as the Contractor or its subcontractors acquire and apply such information without disclosure of any confidential or proprietary information of the State, and without any unauthorized use or disclosure of any Work Product resulting from this Contract.

2.313 PROPRIETARY RIGHTS-Reserved

2.314 WEBSITE INCORPORATION

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



2.4 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR

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

David Herb
Department of Environmental Quality
Pollution Prevention Programs
525 W Allegan
Lansing, MI 48913
517-241-8176
herbdw@michigan.gov

2.402 PERFORMANCE REVIEWS

Acquisition Services in conjunction with the *DEQ* 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.

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at Contractor's location(s) to determine if the Contractor is complying with the requirements of 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.

- (a) Inspection of Work Performed. The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and during business hours, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives, so long as no security, labor relations policies and propriety information policies are violated.
- (b) Examination of Records. No more than once per year, Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the terms and conditions of the Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of the Contract for the purpose of conducting an audit,



examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

- (c) **Retention of Records.** Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.
- (d) **Audit Resolution.** If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report. The Contractor and the State shall develop and agree upon an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.
1. **Errors.** If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of the contract, whichever is earlier.
 2. In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against 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.

2.502 RESERVED

2.503 RESERVED

2.504 GENERAL WARRANTIES (goods)-Reserved

2.505 CONTRACTOR WARRANTIES

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;



2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.
9. The contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. The Contractor is the lawful owner or licensee of any Deliverable licensed or sold to the state by Contractor or developed by Contractor under this contract, and Contractor has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.
11. If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
12. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.
13. The Contractor is qualified and registered to transact business in all locations where required.
14. Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
15. All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.



2.506 STAFF

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

2.507 SOFTWARE WARRANTIES

(a) Performance Warranty

The Contractor represents and warrants that Deliverables, after Final Acceptance, will perform and operate in compliance with the requirements and other standards of performance contained in this Contract (including all descriptions, specifications and drawings made a part of the Contract) for a period of ninety (90) days. In the event of a breach of this warranty, Contractor will promptly correct the affected Deliverable(s) at no charge to the State.

(b) No Surreptitious Code Warranty

The Contractor represents and warrants that no copy of licensed Software provided to the State contains or will contain in any Self-Help Code or any Unauthorized Code as defined below. This warranty is referred to in this Contract as the "No Surreptitious Code Warranty."

As used in this Contract, "Self-Help Code" means any back door, time bomb, drop dead device, or other software routine designed to disable a computer program automatically with the passage of time or under the positive control of a person other than the licensee of the software. Self-Help Code does not include Software routines in a computer program, if any, designed to permit an owner of the computer program (or other person acting by authority of the owner) to obtain access to a licensee's computer system(s) (e.g. remote access via modem) for purposes of maintenance or technical support.

As used in this Contract, "Unauthorized Code" means any virus, Trojan horse, spyware, worm or other Software routines or components designed to permit unauthorized access to disable, erase, or otherwise harm software, equipment, or data; or to perform any other such actions. The term Unauthorized Code does not include Self-Help Code.

In addition, Contractor will use up-to-date commercial virus detection software to detect and remove any viruses from any software prior to delivering it to the State.

(c) Calendar Warranty

The Contractor represents and warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure calendar year rollover compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal system dates; calculations and program logic (e.g., sort algorithms, calendar generation,



event recognition, and all processing actions that use or produce date values) that accommodates same century and multi-century formulas and date values; interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system; user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years; and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

(d) Third-party Software Warranty

The Contractor represents and warrants that it will disclose the use or incorporation of any third-party software into the Deliverables. At the time of Delivery, the Contractor shall provide in writing the name and use of any Third-party Software, including information regarding the Contractor's authorization to include and utilize such software. The notice shall include a copy of any ownership agreement or license that authorizes the Contractor to use the Third-party Software.

2.508 EQUIPMENT WARRANTY-Reserved

2.509 PHYSICAL MEDIA WARRANTY

Contractor represents and warrants that each licensed copy of the Software provided by the Contractor is free from physical defects in the media that tangibly embodies the copy. This warranty does not apply to defects discovered more than thirty (30) days after that date of Final Acceptance of the Software by the State. This warranty does not apply to defects arising from acts of Excusable Failure. If the Contractor breaches this warranty, then the State shall be entitled to replacement of the non-compliant copy by Contractor, at Contractor's expense (including shipping and handling).

2.6 Breach of Contract

2.601 BREACH DEFINED

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

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

2.602 NOTICE AND THE RIGHT TO CURE

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

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under 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 hereunder 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.

2.7 Remedies

2.701 CANCELLATION

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

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

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

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

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



2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.702 RIGHTS UPON CANCELLATION

Termination Assistance. If this Contract (or any Statement of Work issued under it) is terminated for any reason prior to completion, Contractor agrees to provide for up to six (6) months after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of this Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. Such termination assistance shall be at no additional charge to the State if the termination is for Contractor's Default pursuant to Section 2.602; otherwise the State shall compensate Contractor for such termination assistance on a time and materials basis in accordance with the Amendment Labor Rates identified within this Contract agreement.

A. Rights and Obligations Upon Termination

- (1) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of the Contract,



Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

- (2) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for partially completed Deliverables, on a percentage of completion basis. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (3.) If any such termination by the State is for cause, the State shall have the right to set-off against any amounts due Contractor the amount of any damages for which Contractor is liable to the State under this Contract or pursuant to law or equity.
- (4.) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Services under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

B. Termination Assistance

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

C. Reservation of Rights

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

D. End of Contract Transition

In the event the Contract is terminated, for convenience or cause, or upon expiration, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State.



In the event of termination or the expiration of the Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 calendar days. These efforts shall include, but are not limited to, the following:

- (1) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors.
- (2) Knowledgeable Personnel. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (3) Information - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under the Contract. The Contractor will also provide any licenses required to perform the Services under the Contract.
- (4) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services under the Contract. This shall include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level.
- (5) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (6) Single Point of Contact. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

E. Transition out of this Contract

- (1) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Cooperating with any contractors, vendors, or other entities with whom the State contracts to meet its telecommunication needs, for at least two hundred and seventy (270) days after the termination of this Contract;
 - (ii) Reserved.
 - (iii) Providing the State with all asset management data generated from the inception of this Contract through the date on which this Contract is terminated, in a comma-delimited format unless otherwise required by the Program Office;
 - (iv) Reconciling all accounts between the State and the Contractor;
 - (v) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
 - (vi) Freezing all non-critical software changes;
 - (vii) Notifying all of the Contractor's subcontractors of procedures to be followed during the transition out phase;



- (viii) Assisting with the communications network turnover, if applicable;
 - (ix) Assisting in the execution of a parallel operation until the effective date of termination of this Contract
 - (x) Answering questions regarding post-migration services;
 - (xi) Delivering to the State any remaining owed reports and documentation still in the Contractor's possession.
- (2) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
- (i) Reconciling all accounts between the State and the Contractor;
 - (ii) Completing any pending post-project reviews.

2.703 LIQUIDATED DAMAGES-Reserved

2.704 STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:
 - a) Cancel the stop work order; or
 - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
 - a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
 - b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.



2.705 SUSPENSION OF WORK

The Contract Administrator may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contract Administrator determines appropriate for the convenience of the Government.

If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contract Administrator in the administration of this contract, or (2) by the Contract Administrator's failure to act within the time specified in this contract (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor, or for which an equitable adjustment is provided for or excluded under any other term or condition of this contract.

A claim under this clause shall not be allowed:

- (1) For any costs incurred more than 20 days before the Contractor shall have notified the Contract Administrator in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and
- (2) Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

2.8 Changes, Modifications, and Amendments

2.801 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.

2.802 TIME EXTENTIONS

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

2.803 MODIFICATION

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

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



2.804 AUDIT AND RECORDS UPON MODIFICATION

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

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

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

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

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

2.805 CHANGES

- (a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes:
 - (1) In the specifications (including drawings and designs);
 - (2) In the method or manner of performance of the work;
 - (3) In the Government-furnished facilities, equipment, materials, services, or site; or
 - (4) Directing acceleration in the performance of the work.
- (b) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
 - (1) The date, circumstances, and source of the order; and
 - (2) That the Contractor regards the order as a change order.
- (c) Except as provided in this clause, no order, statement, or conduct of the Contract Administrator shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.

3.000 WORKPLACE DISCRIMINATION

The Contractor represents and warrants that in performing services for the State pursuant to this 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 or purchase order resulting here from will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, et seq., and the Persons With Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, et seq., and any breach thereof may be regarded as a material breach of the Contract or purchase order.



Vendor hereby represents that in performing this contract it will not violate The Civil Rights Act of 1964, USCS Chapter 42, including, but not limited to, Title VII, 42 USCS §§ 2000e et seq.; the Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.; or The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.; the Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626 et seq.; the Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.; or the Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

4.000 LABOR RELATIONS

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.

The Contractor represents and warrants that the company does not appear in the current register of employers failing to correct an unfair labor practice.

5.000 LIABILITY INSURANCE

A. 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.

All insurance coverage 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 specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. Companies that have been approved to do business in the State shall issue all policies of insurance required in this Contract.

See www.michigan.gov/cis

Where specific limits are shown, they are the minimum acceptable limits. If Contractor's policy contains higher limits, the State shall be entitled to coverage to the extent of such higher limits.

Before both parties sign the Contract 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 ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.**



All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

The Contractor is required to pay for and provide the type and amount of insurance listed **below**:

1. Commercial General Liability with the following minimum coverage:

\$1,000,000	General Aggregate Limit other than Products/Completed Operations
\$1,000,000	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 certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

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 certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

3. Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile. For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Any certificates of insurance received must also provide a list of states where the coverage is applicable.

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. 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. Employers liability insurance with the following minimum limits:

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

**B. Subcontractors**

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

C. Certificates of Insurance and Other Requirements

Contractor shall furnish to the Office of Acquisition Services certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds, but only to the extent of liabilities assumed by Contractor as set forth in Indemnification Section of this Contract, under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of the Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.



VENDOR PRICE SHEET- Appendix A

All costs for each category listed are included. Costs are based on the completion of 375 on-site Pollution Prevention (P2) assessments. Details of the cost development are covered in the Cost Proposal Detail (included as part of Appendix A).

A. Technical Services

On-site P2 Assessments, Technical Assistance Hours, Student Mentoring Hours

1 Total Staffing Costs		\$	96,000.00	
2 Total Subcontractor Costs			725,156.40	
3 Total Supplies and Materials			6,510.00	
4 Total Direct Costs			19,581.00	
5 Overhead Calculation: Item 1	\$	96,000.00		
Item 2		725,156.40		
Item 3		6,510.00		
	\$	827,666.40	(@15%)	124,149.96
Subtotal A				\$ 971,397.36

B. Technical Services: Recruitment

1 Total Staffing Costs		\$	10,200.00	
2 Total Subcontractor Costs			6,544.20	
3 Total Supplies and Materials			558.00	
4 Total Direct Costs			1,579.80	
5 Overhead Calculation: Item 1	\$	10,200.00		
Item 2		6,544.20		
Item 3		558.00		
	\$	17,302.20	(@15%)	2,595.33
Subtotal B				\$ 21,477.33

C. Technical Services: Training



1 Total Staffing Costs		\$	33,600.00
2 Total Subcontractor Costs			224,643.15
3 Total Supplies and Materials			2,790.00
4 Total Direct Costs			43,899.00
5 Overhead Calculation: Item 1	\$	33,600.00	
Item 2		224,643.15	
Item 3		2,790.00	
	\$	261,033.15	(@15%) 39,154.97
Subtotal C			\$ 344,087.12

D. Technical Services: Quality Assurance

1 Total Staffing Costs		\$	18,600.00
2 Total Subcontractor Costs			18,868.80
3 Total Supplies and Materials			558.00
4 Total Direct Costs			829.80
5 Overhead Calculation: Item 1	\$	18,600.00	
Item 2		18,868.80	
Item 3		558.00	
	\$	38,026.80	(@15%) 5,704.02
Subtotal D			\$ 44,560.62

E. Technical Services: Program Measurement

1 Total Staffing Costs		\$	12,600.00
2 Total Subcontractor Costs			138,432.60
3 Total Supplies and Materials			930.00



4 Total Direct Costs				1,383.00
5 Overhead Calculation: Item 1	\$	12,600.00		
Item 2		138,432.60		
Item 3		930.00		
	\$	151,962.60	(@15%)	22,794.39
Subtotal E				\$ 176,139.99

F. Education and Outreach: Technology Transfer and Marketing

1 Total Staffing Costs	\$	19,200.00		
2 Total Subcontractor Costs				38,953.20
3 Total Supplies and Materials				744.00
4 Total Direct Costs				9,506.40
5 Overhead Calculation: Item 1	\$	19,200.00		
Item 2		38,953.20		
Item 3		744.00		
	\$	58,897.20	(@15%)	8,834.58
Subtotal F				\$ 77,238.18

G. Program Management

1 Total Staffing Costs	\$	109,800.00		
2 Total Subcontractor Costs				79,535.40
3 Total Supplies and Materials				6,510.00
4 Total Direct Costs				9,681.00
5 Overhead Calculation: Item 1	\$	109,800.00		
Item 2		79,535.40		
Item 3		6,510.00		
	\$	195,845.40	(@15%)	29,376.81



Subtotal G

\$ 234,903.21

Total Cost (Subtotals A through G)

\$ 1,869,803.81

UNIT PRICES [1]

Individual Assessment

\$ 2,521.10 x 375 on-site assessments =

\$ 945,415.86

Technical Assistance

\$ 25.08 x 750 hours =

\$ 18,814.70

Student Mentoring

\$ 23.89 x 300 hours =

\$ 7,166.80

Total for Assessments

\$ 971,397.36

Each Unit Price includes related expenses and overhead



Subcontractors - Assessors

<u>Number of Assessors</u>	<u>Assessments</u>		<u>Reports</u>		<u>Assessments Mileage</u>		<u>Other Cost</u>	<u>Cost per Assessment</u>	<u>Number of Assessments</u>	<u>Total Cost</u>
	<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Number of Miles</u>	<u>Cost</u> [0.328/Mile]				
2	30	540	20	360	150	98	8	1,006	30	\$ 30,192.00
3	40	720	24	432	225	221	12	1,385	77	106,675.80
4	55	990	28	504	300	394	16	1,904	12	22,843.20
6	75	1,350	42	756	450	886	24	3,016	6	18,093.60
										\$ 177,804.60
Per diem: 300 Assessor Days at \$11.25/day										3,375.00
Per diem: 45 Assessor Overnight Stays at \$100/day										4,500.00
Total Annual Assessment Cost for 125 Assessments										\$ 185,679.60
Total Three-year Assessment Cost for 375 Assessments										\$ 557,038.80

Training

Training includes one (1) four-day session for which one day will be allocated to assessments, three (3) one-day sessions, on-the-job training for new assessors and funding for attendance at special interest conferences.

<u>Number of Assessors</u>	<u>Training</u>		<u>Per Diem</u>		<u>Per Diem</u>		<u>Mileage</u>		<u>Other Cost</u>	<u>Total Cost</u>
	<u>Hours</u>	<u>Rate</u> [18/Hour]	<u>Number</u>	<u>Rate</u> [11.25]	<u>Number</u>	<u>Rate</u> [100]	<u>Number of Miles</u>	<u>Cost</u> [0.328/Mile]		
50	24	21,600	100	1,125	200	20,000	300	4,920	150	\$ 47,795.00
20	8	2,880	17	191	3	300	100	656	20	4,047.25
20	8	2,880	17	191	3	300	100	656	20	4,047.25
20	8	2,880	17	191	3	300	100	656	20	4,047.25
3	16	864	6	68	-	-	100	98	20	1,049.90



Training (Continued)

<u>Number of Assessors</u>	<u>Training</u>		<u>Per Diem</u>		<u>Per Diem</u>		<u>Mileage</u>		<u>Other Cost</u>	<u>Total Cost</u>
	<u>Hours</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number of Miles</u>	<u>Cost</u>		
		[18/Hour]		[11.25]		[100]		[0.328/Mile]		
25	8	3,600					100	820		4,420.00
Total Annual Training Cost for Assessors										\$ 65,406.65

Total Three-year Training Cost for Assessors **\$ 196,219.95**

Recruiting

<u>Recruiting</u>		<u>Mileage</u>		<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>	<u>Number of Miles</u>	<u>Cost</u>	
	[18/Hour]		[0.328/Mile]	
50	900	200	64	\$ 964.00

Total Annual Recruiting Cost for Assessors **\$ 964.00**

Total Three-year Recruiting Cost for Assessors **\$ 2,892.00**

Marketing and Technology Transfer

<u>Marketing and TT</u>		<u>Mileage</u>		<u>Other Cost</u>	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>	<u>Number of Miles</u>	<u>Cost</u>		
	[18/Hour]		[0.328/Mile]		
225	4,050	1,000	320	600	\$ 4,970.00

Total Annual Marketing and Technology Transfer Cost for Assessors **\$ 4,970.00**

Total Three-year Marketing and Technology Transfer Cost for Assessors **\$ 14,910.00**



<u>Measurement</u>		<u>Measurement</u>				<u>Mileage</u>		<u>Other</u>	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Cost</u>	<u>Cost</u>	
	[18/Hour]		[11.25]		[100]	<u>of Miles</u>	[0.328/Mile]		
1,200	21,600	20	225	2	200	25,000	8,200	500	<u>\$ 30,725.00</u>
Total Annual Measurement Cost for Assessors									<u>\$ 30,725.00</u>
Total Three-year Measurement Cost for Assessors									<u>\$ 92,175.00</u>
<u>Technical Assistance (including Student Mentoring)</u>									
<u>Technical Assistance</u>		<u>Per Diem</u>		<u>Per Diem</u>		<u>Mileage</u>		<u>Other</u>	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Cost</u>	<u>Cost</u>	
	[18/Hour]		[11.25]		[100]	<u>of Miles</u>	[0.328/Mile]		
350	6,300					2,500	820	150	<u>\$ 7,270.00</u>
Total Annual Technical Assistance Cost for Assessors									<u>\$ 7,270.00</u>
Total Three-year Technical Assistance Cost for Assessors									<u>\$ 21,810.00</u>
Total Annual Cost for Assessor Activity									<u>\$ 295,015.25</u>
Total Three-year Cost for Assessor Activity									<u>\$ 885,045.75</u>



Other Subcontractors

<u>Editor</u>			<u>Other</u>	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>		<u>Cost</u>	
	[20/Hour]			
650	13,000		350	\$ <u>13,350.00</u>

<u>Associate Editors</u>			<u>Other</u>	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>		<u>Cost</u>	
	[20/Hour]			
850	17,000		750	\$ <u>17,750.00</u>

Total Annual Cost for Editors **\$ 31,100.00**

Total Three-year Cost for Editors **\$ 93,300.00**

<u>Associate Project Manager [1]</u>		<u>Per Diem</u>		<u>Per Diem</u>		<u>Mileage</u>		<u>Other</u>	<u>Total Cost</u>
<u>Hours</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Cost</u>	<u>Cost</u>	
	[30/Hour]		[11.25]		[100]	<u>of Miles</u>	[0.328/Mile]		
1,200	36,000	10	100	3	300	3,500	1,148	1,000	\$ <u>38,548.00</u>

Total Annual Cost for Associate Project Manager **\$ 38,548.00**

Total Three-year Cost for Associate Project Manager **\$ 115,644.00**

[1] See Cost Allocation Below



Other Subcontractors (Continued)

Assistant		Per Diem		Per Diem		Mileage		Other	Total Cost
<u>Project Manager [2]</u>		<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Rate</u>	<u>Number</u>	<u>Cost</u>	<u>Cost</u>	
<u>Hours</u>	<u>Rate</u>		[11.25]		[100]	<u>of Miles</u>	[0.328/Mile]		
	[25/Hour]								
900	22,500	10	100	3	300	3,500	1,148	300	\$ 24,348.00
Total Annual Cost for Assistant Project Manager									\$ 24,348.00
Total Three-year Cost for Assistant Project Manager									\$ 73,044.00
 [2] See Cost Allocation Below									
<u>Accountant [3]</u>								Other	Total Cost
<u>Hours</u>	<u>Rate</u>							<u>Cost</u>	
	[50/Hour]								
425	21,250							450	\$ 21,700.00
Total Annual Cost for Accountant									\$ 21,700.00
Total Three-year Cost for Accountant									\$ 65,100.00
 [3] See Cost Allocation Below									
P2/E2 Training Specialists and Coordinators									
Total Annual Cost for Flat Fee Contracts									\$ 12,500.00



Other Subcontractors (Continued)

Total Three-year Cost for Flat Fee Contracts	<u>\$ 37,500.00</u>
Total Annual Cost for Other Subcontractor Activity	<u>\$ 128,196.00</u>
Total Three-year Cost for Other Subcontractor Activity	<u>\$ 384,588.00</u>
Total Annual Cost for Assessor and Other Subcontractor Activity	<u>\$ 423,211.25</u>
Total Three-year Cost for Assessor and Other Subcontractor Activity	<u>\$ 1,269,633.75</u>

Cost Allocation

	[1]	[2]	[3]
Assessments	10%	30%	30%
Recruiting		5%	
Training		30%	10%
Quality Assurance	10%	10%	
Program Measurement	40%		
Marketing and Technology Transfer	5%	25%	
Program Management	35%		60%
	100%	100%	100%



Staffing

<u>Position *</u>	<u>Hours</u>	<u>Rate</u>	<u>Total Cost</u>
Project Manager [4]	1,000	40	\$ 40,000.00
Asst. Project Mgr. [4]			-
Office Manager [5]	2,000	22	44,000.00
Office Assistant [6]	1,000	16	16,000.00
Total Annual Cost for Staffing			<u>\$ 100,000.00</u>

Total Three-year Cost for Staffing **\$ 300,000.00**

Cost Allocation *

	[4]	[5]	[6]
Assessments	5%	50%	50%
Recruiting	3%	5%	
Training	7%	10%	25%
Quality Assurance	10%	5%	
Program Measurement	5%	5%	
Marketing and Technology Transfer	5%	10%	
Program Management	65%	15%	25%
	100%	100%	100%

Direct Costs

<u>Specific</u>	<u>Annual Cost</u>
Assessors: Equipment	\$ 3,000.00
Technical Assistance: Degree Day Subscription	300.00
Training: Manuals	750.00
Recruiting: Advertising	250.00



Direct Costs (Continued)

Marketing: Brochures, Mailings	2,000.00
Business Cards	800.00
	\$ 7,100.00

General (See Cost Allocation [7])

	<u>Annual Cost</u>
Employer Cost for Social Security and Medicare (0.0765%)	\$ 7,650.00
Employer Cost for State Unemployment (\$9,000 Base at 0.01%)	270.00
Insurance: General Liability	700.00
Workers' Compensation	600.00
	\$ 9,220.00

Total Annual Cost for Direct Costs **\$ 16,320.00**

Total Three-year Cost for Direct Costs **\$ 48,960.00**

Cost Allocation [7]

Assessments	35%
Recruiting	3%
Training	15%
Quality Assurance	3%
Program Measurement	5%
Marketing and Technology Transfer	4%
Program Management	35%
	100%



Supplies and Materials

General (See Cost Allocation [8])

Office Supplies	\$ 3,100.00
Postage	2,500.00
Stationery and Envelopes	600.00
Total Annual Cost for Supplies and Materials	<u>\$ 6,200.00</u>

Total Three-year Cost for Supplies and Materials	<u>\$ 18,600.00</u>
---	----------------------------

Cost Allocation [8]

Assessments	35%
Recruiting	3%
Training	15%
Quality Assurance	3%
Program Measurement	5%
Marketing and Technology Transfer	4%
Program Management	35%
	100%

Cost Summary

Annual Contract Cost for Indirect Costs	\$ 516,911.25
15% Overhead	77,536.69
Annual Contract Cost for Direct Costs	<u>28,820.00</u>
Total Annual Contract Cost	<u>\$ 623,267.94</u>

**Cost Summary (Continued)**

Three-year Contract Cost for Indirect Costs	\$ 1,550,733.75
15% Overhead	232,610.06
Three-year Contract Cost for Direct Costs	<u>86,460.00</u>
Total Three-year Contract Cost	<u><u>\$ 1,869,803.81</u></u>
Cost per Assessment (375)	<u><u>\$ 4,986.14</u></u>



DEFINITION OF TERMS- Appendix B

TERMS	DEFINITIONS
CONTRACTOR	The successful bidder who is awarded a contract.
RETAP	“RETAP” means the Michigan Retired Engineer Technical Assistance Program, established under Section 14511, Part 145, Waste Reduction Assistance, Natural Resources and Environmental Protection Act (NREPA), 1994, PA 451, as amended. This program provides pollution prevention (P2) assistance pursuant to Section 14504 of the NREPA. Retired engineers, scientists, and other qualified professionals participating in the program conduct this assistance.
POLLUTION PREVENTION (P2)	“Pollution prevention” means source reduction and environmentally sound on-site or off-site reuse or recycling. For purposes of this Request for Proposal, P2 opportunities include energy efficiency opportunities. Waste treatment, control, management, and disposal are not considered P2.
RETAP PROFESSIONALS, RETAP ASSESSORS	The terms “RETAP professionals” and “RETAP assessors” are used interchangeably. They are the retired engineers, scientists, and other qualified professionals who participate in the program. The RETAP assessors have, on average, 35 years of experience in Michigan industry.
ELIGIBILITY	“Eligibility” refers to the priorities set by the Department of Environmental Quality (DEQ) for the assistance based on demand, funds, and the needs of the applicants; taking into consideration the most effective use of the assistance. Currently, on-site P2 assessments are available to businesses with fewer than 500 full-time employees in this state. Institutions of any size are also eligible to receive on-site P2 assessments.
FULL-TIME EMPLOYEE (FTE)	A “full-time employee” means an individual that works at the facility 2,080 hours per year. It is calculated by dividing the total number of employee hours per year by 2,080.
INSTITUTION	An “institution” means any public entity including schools, hospitals, and local government agencies.



ON-SITE POLLUTION PREVENTION (P2) ASSESSMENT	<p>An “on-site P2 assessment” is a facility review by one or more RETAP assessor(s) to recommend P2 and cost-saving opportunities. It is not regulatory and does not include “hands-on” assistance with implementation. It typically requires a pre-assessment for purposes of collecting needed background information on the facility’s operations, waste generation, and material and utility usages. For purposes of this Request for Proposal, a complete on-site P2 assessment includes the delivery of a final written assessment report to the accessed facility.</p>
CONFIDENTIALITY	<p>“Confidentiality” applies to information on companies assessed by the RETAP. The contractor shall not divulge facility names or proprietary data. The assessment reports are provided to the assessed facility, not to the DEQ (except in sanitized form for quality assurance purposes). However, there may be instances where the DEQ has a legitimate need to request assessment data/reports; for example, if a complaint is registered about the assistance or a facility agrees to publicly acknowledge information about the assessment for a case study. With regard to public entities, the Freedom of Information Act applies and the report in possession of the entity may not be confidential.</p>
TECHNICAL ASSISTANCE	<p>“Technical assistance” includes on-site P2 assessments as defined previously and on-site assistance to facilities for specialized assignments specified by the DEQ, such as detailed cost analyses, process mapping, engineering design work, and evaluations of grant proposals.</p>
OUTCOME MEASURES	<p>“Outcome measures” are quantitative and qualitative measures of changes in behavior of the facilities caused, at least in part, by actions of the P2 program. Outcome measures include changes in awareness and understanding, and environmental and human health improvements. An example of environmental improvement would be, the number of pounds of pollutant emission reductions at a facility resulting from the adoption of a P2 practice.</p>

**CURRENT RATES FOR RETAP ASSESSORS- Appendix C**Per Diem (flat rate, not actual costs):

Overnight: \$100.00 - food and lodging/day (per diem)
If not overnight: 12 hours+ \$30.00/day
6-12 hours \$11.25/day
Less than 6 hours – no per diem

Travel Expense: \$0.328 per mile, automobile travel

Salary: \$16.00 per hour worked
On-site and report writing
Actual travel time round trip between home and assessment site

Miscellaneous: Actual expense for telephone, fax, postage, supplies, etc.



TRAVEL REIMBURSEMENT FOR STATE GOVERNMENT EMPLOYEES-Appendix D

Below are excerpts from the “Standardized Travel Regulations for State Classified and Non-Classified Employees,” issued by the Department of Management and Budget (DMB). This information is related to reimbursement for meals and mileage. For additional information, please visit the DMB Internet site at: http://www.michigan.gov/dmb/0,1607,7-150-9141_13132---,00.html.

Section 6.3

Allowances for individual meals are based on the following schedule:

Breakfast: When travel commences prior to 6:00 a.m. and extends beyond 8:30 a.m.

Lunch: When travel commences prior to 11:30 a.m. and extends beyond 2:00 p.m.

Dinner: When travel commences prior to 6:30 p.m. and extends beyond 8:00 p.m.

Section 14.1

The following reimbursements are required by the Internal Revenue Service to be reported on an employee's W-2 form as "Other Compensation." Please refer to the appropriate procedure in the Guide to Government.

A. Premium Mileage. Please refer to procedure 0410.07 USE OF PRIVATELY OWNED VEHICLES in the Guide to Government.

B. Meals. Please refer to procedure 0420.02 TRAVEL EXPENSE VOUCHER in the Guide to Government.



PROTOCOL FOR RETAP ASSESSMENTS-Appendix E

Purpose: The purpose of this procedure is to establish minimum standards for conducting Michigan Retired Engineer Technical Assistance Program (RETAP) assessments at businesses or institutions that have invited the assistance. It describes the protocol to be followed by the RETAP teams and the technical assistance contractor.

I. ASSESMENT REQUEST

- A. Receive request for assessment and make sure the business or institution understands the nature of the RETAP and a RETAP assessment.
- B. Discuss company concerns and the RETAP procedures.
- C. Obtain information about the company and prepare tracking documents:
 - 1. Name, title, address, and phone number of contact person.
 - 2. Number of employees, square footage, and other relevant information, such as directions to facility. Assign tracking number.
 - 3. Inform the contact person that the company will be contacted within a few days by an assessor, designated as the Team Leader, to set up a pre-assessment.
 - 4. Request a copy of the most recent 12 months of utility bills (electrical, gas, water, waste disposal, etc.) to be ready for pre-assessment.
 - 5. Request other relevant information, such as process flow diagrams; if possible, this should be available for the pre-assessment.
 - 6. Find out about the company's processes and other information by looking at their Web site and other sources, such as the Michigan Manufacturers Directory.
 - 7. Send a letter of acknowledgement immediately, including a pre-assessment folder containing additional information, a detailed checklist of requested technical information, and legal forms.
- D. Contact an appropriate assessor and, if willing and able, assign the assessor as the Team Leader. Provide the information to the assessor, which has been entered on the tracking form. The responsibility to continue the process now shifts to the Team Leader.
- E. The Team Leader establishes the date and time for the pre-assessment visit and for an on-site assessment, if appropriate at this time.

II. PREASSESSMENT VISIT

This phase takes approximately one to three hours of on-site time.

- A. Select one or two RETAP engineers (Team Leader) to make a plant visit, based on their location and expertise relative to the company to be assessed. Provide available information regarding company and related industry information to the Team Leader.



- B. In an ongoing training process, the contractor and the RETAP team should establish credibility by conducting research to obtain pollution prevention (P2) information relevant to the industry, prior to the pre-assessment or assessment. The purpose is to refresh knowledge and learn about newly-emerged P2 opportunities for possible discussion with company representatives at this time.
- C. Discuss company concerns and expectations with the highest level of management available, for brief introduction and information exchange, obtaining company support and approval.
- D. Obtain plant information, e.g.: physical layout and data on wastes, using pre-assessment checklist. Obtain signatures on the liability disclaimer forms.
- E. Ascertain the company's level of P2 knowledge. Find out what waste reduction efforts the company has already implemented.
- F. Conduct a brief plant tour.
- G. Schedule assessment (if not previously arranged).
- H. Prepare documentation for the visit and develop a file for the company assessment.
- I. Confirm participation of selected team for full on-site assessment.

III. ON-SITE ASSESSMENT

This phase can take one half-day to two full days of on-site time.

- A. If necessary, conduct research and study P2 methods to address opportunity areas that surface before and during the pre-assessment.
- B. The RETAP assessors meet briefly before starting time. If not already done, the Team Leader shares the pre-assessment information and the Team Leader assigns a report writer, if it is not himself.
- C. The Team Leader will lead the discussion at the opening meeting with the company officials (highest levels possible).
 - 1. Introduce assessors. Describe their backgrounds and experience.
 - 2. Discuss company concerns and assessment approach/techniques.
- D. Guided company tour – thorough review of process and waste streams. Pay special attention to problem areas and noted opportunities for waste reduction, cost savings, and improvements.
 - 1. As you offer suggestions, do so diplomatically. Remember, the company knows more about their company than the assessor does.
 - 2. Look at everything possible, including the outdoors. Ask to look behind closed doors and into areas not in the mainstream of the process; if refused, accept the refusal graciously.



3. Ask as many questions as necessary to understand what you are seeing.
4. Take many notes.
5. Team members will assist the Team Leader in preparing a list of items to review with the company during the exit interview.

- E. After the tour, team members meet privately for a short debriefing session. Review assessment notes for discussion at the exit interview.
- F. Conduct an exit interview with company officials to ensure accuracy of notes and discuss findings briefly.
- G. Compliment the company on one or more items they have done, or are doing well.
- H. Thank the host team and leave.
- I. The Team Leader is to notify the contractor of assessment completion, within 24 hours following assessment.

IV. ASSESSMENT REPORT

The report is sent to the facility within 45 days after assessment.

- A. Team members send copies of notes to team report writer, within two-three days after the assessment.
- B. If necessary, conduct brief research for P2 methods to address opportunity areas that surfaced during assessment.
- C. Prepare draft report and send to the contractor within two-three weeks following assessment.
- D. Edit draft, revise as needed. As necessary, discuss the draft with the RETAP team writer. Send a copy of the revised draft to the RETAP team writer for review and comments: to be returned within one week of receipt. Finalize editing and assembly of the report.
- E. Send the report to facility/company.
- F. Contractor calls company six weeks after report is sent to determine whether the report has been received, read, and understood. The contractor asks whether any corrections are needed.

V. FOLLOW-UP

- A. Follow-up with the assessed company at 6-, 12-, and 24-month intervals, after the report is sent. Seek the potential for developing case studies and provide additional information, if desired.
- B. At above intervals, schedule Team Leader to revisit the company to complete the survey form regarding implementation of recommendations, cost savings, and quantified waste reduction.



(Sample report cover)
POLLUTION PREVENTION ASSESSMENT REPORT-Appendix F

Company Name
Address

COMPANY ASSESSMENT TEAM

Company Team Member's Name(s) and Title(s)

**RETIRED ENGINEER TECHNICAL ASSISTANCE PROGRAM
(RETAP) ASSESSMENT TEAM**

Team Leader's Name
Report Writer's Name
Other Team Members

PREPARED BY THE

Name of Contractor

ON BEHALF OF THE

**ENVIRONMENTAL SCIENCE AND SERVICES DIVISION
MICHIGAN DEPARTMENT OF ENVIRONMENTAL QUALITY**

Assessment Date: *month, day, and year*
Report Mailed: *month, day, and year*



(Sample report format)
TABLE OF CONTENTS

Purpose and Objectives

- Explain the purpose and objectives of the RETAP assessments.

Executive Summary

- See Executive Summary table below.

I. Introduction and Background

- Date(s) of site visit(s).
- Description of business.
- Size of business.
- Services or products provided by business.

II. Description of Facilities and Operations

- Describe the process and equipment used (efficiencies, leaks, spills, etc.).
- Process flow diagrams and material balances.
- Raw materials used (sources, types, quantities, compositions, trends, handling, and storage).
- Product, utility, water, sewer, and raw material costs.
- Operating and maintenance costs.
- Size of facility, layout if important.
- Processing methods.

III. Current Status, Waste Streams, and Recommendations for Improvement

- Wastes generated (sources, types, quantities, compositions, trends, handling, treatment, and storage)
- Disposal/recycling practices.
- Prioritized sites of significant waste generation, including company input.
- Waste treatment and disposal costs.
- Utility costs.



(Sample report format, continued)

A. Opportunities for Pollution Prevention

- General operating practices (such as good housekeeping, waste segregation, inventory control, material handling, waste tracking, maintenance, and better operating procedures).
- Specific management options for each waste stream.
- Feasibility analysis of options.
- Prioritized list of pollution prevention options (based on the RETAP assessor and company personnel input).
- Costs and resources required for priority options.
- Savings and benefits.
- Production impacts.
- Liabilities.

B. Opportunities for Energy Efficiency

- General operating practices.
- Specific management options for pumps, motors, etc.
- Feasibility analysis of options.
- Prioritized list of energy efficiency options (based on RETAPer and company personnel input).
- Costs and resources required for priority options.
- Savings and benefits.
- Production impacts.
- Liabilities.

IV. Conclusion

- Should indicate appreciation to the business for the assessment opportunity.
- Summary of assessment and recommendations.

V. Attachments

- This section should include a list of the Department of Environmental Quality (DEQ) staff to contact for further information on waste reduction and the Environmental Assistance Center of the DEQ. The contractor shall work with the Environmental Science and Services Division to develop this list and update periodically.
- Include other sources of assistance.



CURRENT MONTHLY REPORT (Month, Year)-Appendix G

A. Assessment Activity – The following summarizes assessment activity for the month of _____.

Requests for Assessments	Pre-assessments	Assessments	Reports Mailed
1. (Date of Request) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	1. (Date of Pre-assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	1. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	1. (Date Mailed) Type of Business; County; Facility Identifier No.; Facility SIC Codes.
2. (Date of Request) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	2. (Date of Pre-assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	2. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	2. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.
3. (Date of Request) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	3. (Date of Pre-assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	3. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	3. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.
4. (Date of Request) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	4. (Date of Pre-assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	4. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	4. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.
5. (Date of Request) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	5. (Date of Pre-assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	5. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.	5. (Date of Assessment) Type of Business; County; Facility Identifier No.; Facility SIC Codes.
Etc.	Etc.	Etc.	Etc.

Total number of assessments completed from (date) through (date) is _____.

Total number of assessment reports mailed from (date) through (date) is _____.

B. Recruiting and Training

During the month of _____, the following recruiting activities occurred:

During the month of _____, the following training activities occurred:

C. Marketing

During the month of _____, the following marketing activities occurred:

D. Measurement

Comments and questions from the (number) companies responding to follow-up telephone calls six weeks after assessment reports were mailed, included:

(Number) 6-month, (number) 9-month, (number) 12-month, and (number) 24-month program measurement surveys were completed. Results are tabulated in the attachments along with copies of the survey sheets. Some notable achievements reported with these surveys include:



MEASUREMENT OF ASSESSMENTS

Number of Businesses Surveyed in (*Month, Year*) = _____

SURVEY SUMMARY

Average Assessment Effectiveness Rating = _____

Number of Companies Willing to be a Case Study = _____

Number of Companies with Increased Awareness of Wastes = _____

Recommendations Total	_____	<u>100%</u>
Recommendations Fully Implemented	_____	_____%
Recommendations Partially Implemented	_____	_____%
Recommendations Planned to be Implemented	_____	_____%
Recommendations Not Planned to be Implemented	_____	_____%
Recommendations Not Responded to	_____	_____%



ID #	SIC#	# Emp.	Team Ldr.	Rpt. Writer	Assessment Team Members	PM	Rating	CS?	WA	Rec	Full	Part	Plan	NP	NR

Column Heading Code

PM – Number of months after RETAP assessment report has been mailed to the business that program measurement is made.

Rating – Value of the RETAP assessment to the company on a scale of 1 to 10.

CS? – Will the company allow information on the RETAP assessment to be used for a case study or made public at a technical conference?

WA – Has the RETAP assessment increased employee concerns about waste generation?

Rec – Number of RETAP recommendations.

Full – Number of RETAP assessment recommendations fully implemented.

Part – Number of RETAP assessment recommendations partially implemented.

Plan – Number of RETAP assessment recommendations planned for implementation.

NP – Number of RETAP assessment recommendations not planned to be implemented.

NR – Not responded to. Generally, being investigated but decision not made regarding implementation.



State of Michigan Contract Number _____-Appendix H
 Summary of Expenses for (Month, Year)

	A	B	C	D	E	F	
	Assessments Technical Assistance	Recruitment	Training	Quality Assurance	Program Measurement	Technology Transfer Marketing	TOTAL
Staffing Costs							
Subcontractor Costs							
Supplies/Materials							
Direct Costs							
Sub-Total							
Overhead Costs							
Total							
CONTRACT AMOUNT							
Expenditures for Month, Day, Year							
Expenditures for Jan. 1 – Month day, Year							
Expenditures for Year-to-Date							
Expenditures for Third Contract Year							
Expenditures for Second Contract Year							
Expenditures for First Contract Year							
Expenditures for Contract-to-Date							
Contract Balance							



State of Michigan Contract Number _____
Detail of Expenses for (Month, Day, Year)

Detail of Total																			
							A [ATA]		B [R]		C [T]		D [QA]		E [PM]		F [TTM]		
	Date	Facility No.	Payee	Hours	Code	TOTAL	Cost	Expenses	Cost	Expenses	Cost	Expenses	Cost	Expenses	Cost	Expenses	Cost	Expenses	
Staffing Costs																			
Sub-Contractor Costs																			
Supplies/ Materials																			
Direct Costs																			
Sub-Total																			
Overhead Costs																			
TOTAL																			

Code Explanations

A	Assessment	PP	Project Planning
AE	Associate Editor	Q	Quality Assurance
E	Editing Reports	R	Recruiting
ES	Editing Supplies	RW	Report Writing
MK	Marketing	T	Training
O.S.	Office Supplies	TA	Technical Assistance
PA	Pre-Assessment	TC	Training Coordinator
PM	Program Measurement	TT	Technical Transfer
PMC	Program Measurement Coordinator		

