Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **June 7, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 9
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Univar USA Inc.** **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: michael.mcguire@univarusa.com**	TELEPHONE: Michael C. McGuire **Cell: (313) 510-0623** **Office: (734)941-8235** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-6327 **Mary Ostrowski**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **May 28, 2010**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivered**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Effective May 28, 2010 this Contract is hereby Cancelled per Article 2, Remedies, 2701 Cancellation , Secton 2 Cancellation for Convenience by the State.

AUTHORITY/REASON:

Per DTMB Letter Dated April 19, 2010.

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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 29, 2010

CHANGE NOTICE NO. 8
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Univar USA Inc.** **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: michael.mcguire@univarusa.com**	TELEPHONE: Michael C. McGuire **Cell: (313) 510-0623** **Office: (734)941-8235** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-6327 **Mary Ostrowski**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **September 30, 2010**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivered**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately this Contract the following language is added to this contract and the following items are removed from this contract:

1.403 Price Term:

Prices are firm for the entire length of the quarter. All orders placed at any time during the quarter will receive the pricing that was quoted for that quarter. For instance, if an order is placed on the last day of a quarter, the pricing for the quarter in which the order was placed, will be honored.

Pricing offered is based on when the order is placed, not when delivery is made to the facility. An order can be placed in the current quarter with delivery in the next quarter.

ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT
001	**180-79**	**284,700**	**LB**

BTC-2125M: DUAL-QUAT CONCENTRATED GERMICIDE, MIXTURE OF 25% ALKYL DIMETHYL BENZYL AMMONIUM CHOLORIDE CAS #68391-01-5, 25% ALKYLDIMTHYL (ETHYLBENZYL) AMMONIUM CHLORIDE CAS #68956-76-6. MUST BE CLEAR LIQUID, MUST BE 50% ACTIVE CATIONIC. PRODUCT MUST BE REGISTERED WITH EPA FOR USE IN DISINFECTANTS PRODUCED BY MICHIGAN STATE INDUSTRIES. DRUM 425 LBS, SPECIFIC GRAVITY (8.1 LB/GA)
MUST BE BTC-2125M, PRODUCT NUMBER (3302), PRODUCT OF STEPHAN CHEMICAL
COMPANY, NORTHFIELD, IL. No Substitutions

005 **180-84** **507,000** **LB**

KASIL 6: POTASSIUM SILICATE SOLUTION. MUST BE DETERGENT GRADE. MUST BE COLORLESS, ODORLESS, VISCOUS LIQUID. 39.2% SOLIDS CONTENT BY WEIGHT. SPECIFIC GRAVITY; (1.39), CAS #1312-76-1 BRAND: PQ CORP 630 LB DRUM No Substitutions

008 **180-88** **367,500** **LB**

SODIUM XYLENE SULFONATE 40%: AKA; STEPANATE X & WITCONATE SXS, NAXONATE 4LS. 40% MINIMUM. HYDROTROPIC SOLVENT. CAS #1300-72-7. SPECIFIC GRAVITY (1.168), 500 LB DRUM, BRAND: WITCO, YOUNG
PRODUCT: SXS OR APPROVED ALTERNATE

AUTHORITY/REASON:

Per DMB Purchasing Operations and Agency agreement dated 3/25/10.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

December 9, 2009

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Univar USA Inc.** **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: michael.mcguire@univarusa.com**	TELEPHONE: Michael C. McGuire **Cell: (313) 510-0623** **Office: (734)941-8235** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-6327 **Mary Ostrowski**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **September 30, 2010**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivered**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Telephone numbers have been updated (see above)

F.O.B. "Delivery" corrected to "Delivered"

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

AUTHORITY/REASON:

Per DMB Purchasing Operations

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

June 4, 2009

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE: Michael C. McGuire **(313) 295-9072**
Univar USA Inc. **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: michael.mcguire@univarusa.com**	VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-6327 **Mary Ostrowski**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **September 30, 2010**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivery**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby EXTENDED through September 30, 2010.

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

AUTHORITY/REASON:

Per DMB Purchasing Operations and vendor agreement by letter dated May 26, 2009.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

August 18, 2008

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE: Michael C. McGuire **(313) 295-9072**
Univar USA Inc. **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: ies2d@univarusa.com**	VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-6327 **Mary Ostrowski**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **September 30, 2009**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivery**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby EXTENDED through September 30, 2009.

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

Please Note: The buyer for this Contract has been changed to Mary Ostrowski.

AUTHORITY/REASON:

Per DMB Purchasing Operations and vendor agreement by letter dated July 9, 2008.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

August 9, 2006

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE: Michael C. McGuire **(313) 295-9072**
Univar USA Inc. **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: ies2d@univarusa.com**	VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **September 30, 2008**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivery**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately the following price changes are in effect:

Item No.	Description	Product	Price
002	180-04	PHOSPHORIC ACID –75%	$ .43/pound

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

AUTHORITY/REASON:

Per agency and vendor agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

June 28, 2006

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE: Michael C. McGuire **(313) 295-9072**
Univar USA Inc. **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: ies2d@univarusa.com**	VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **September 30, 2008**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivery**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately the following price changes are in effect:

Item No.	Description	Product	Price
003	180-93	POLYTERGENT S405LF	$1.59/pound
004	180-93	TERGITOL NP-10	$0.77/pound
005	180-84	KASIL #6	$0.62/pound
008	180-88	SODIUM XYLENE SULFONATE	$0.32/pound

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

AUTHORITY/REASON:

Per agency and vendor agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

March 30, 2006

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE: Michael C. McGuire **(313) 295-9072**
Univar USA Inc. **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: ies2d@univarusa.com**	VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **September 30, 2008**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivery**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately the following price changes are in effect:

Item No.	Description	Product	Price
002	180-04	PHOSPHORIC ACID 75%	$0.44/pound
003	180-93	POLYTERGENT S405LF	$1.45/pound
004	180-93	TERGITOL NP-10	$0.74/pound
005	180-84	KASIL #6	$0.59/pound
007	505-25	SODIUM HYPOCHLORITE	$1.45/gallon
008	180-88	SODIUM XYLENE SULFONATE	$0.31/pound
010	180-90	D-LIMONENE	$1.01/pound

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

AUTHORITY/REASON:

Per agency and vendor agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

January 26, 2006

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR	TELEPHONE: Michael C. McGuire **(313) 295-9072**
Univar USA Inc. **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: ies2d@univarusa.com**	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005** To: **September 30, 2008**	
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivery**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS	
2,000 lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately the following price changes are in effect:

Item No.	Description	Product	Price
001	180-79	BTC 2125M	$1.29/pound
002	180-04	PHOSPHORIC ACID 75%	$0.47/pound
003	180-93	POLYTERGENT S405LF	$1.56/pound
004	180-93	TERGITOL NP-10	$0.94/pound
005	180-84	KASIL #6	$0.59/pound
007	505-25	SODIUM HYPOCHLORITE	$1.45/gallon
008	180-88	SODIUM XYLENE SULFONATE	$0.42/pound
010	180-90	D-LIMONENE	$1.20/pound

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

AUTHORITY/REASON:

Per agency and vendor agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

October 27, 2005

NOTICE
OF
CONTRACT NO. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Univar USA Inc.** **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: ies2d@univarusa.com**	TELEPHONE: Michael C. McGuire **(313) 295-9072** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005**	To: **September 30, 2008**
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivery**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **2,000 lb Minimum Order**	

The terms and conditions of this Contract are those of ITB #071I5200201 this Contract Agreement and the vendor's quote dated July 7, 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: $1,555,212.77

Form No. DMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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. 071B5200390
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR **Univar USA Inc.** **27001 Trolley Industrial Drive** **Taylor, MI 48180** **Email: ies2d@univarusa.com**	TELEPHONE: Michael C. McGuire **(313) 295-9072** VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Larry Guerrant **Quaternary Ammonium Derivatives – Chemicals – Michigan Department of Corrections, MSI**	
CONTRACT PERIOD: From: **September 30, 2005**	To: **September 30, 2008**
TERMS **30 Days**	SHIPMENT **10 Days ARO**
F.O.B. **Delivery**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **2,000 lb Minimum Order**	
MISCELLANEOUS INFORMATION: **The terms and conditions of this Contract are those of ITB #071I5200201 this Contract Agreement and the vendor's quote dated July 7, 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: $1,555,212.77**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No.071I5200201. Orders for delivery of equipment will be issued directly by the Department of Corrections/MSI through the issuance of a Purchase Order Form.

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

FOR THE VENDOR:	**FOR THE STATE:**
Univar USA, Inc. Firm Name	Signature
Authorized Agent Signature	**Anthony Des Chenes, Director** Name
Authorized Agent (Print or Type)	**Commodities Division, Acquisition Services** Division
Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Acquisition Services

Contract No. 071B5200390
Quaternary Ammonium Derivatives

Buyer Name: Terry Harris
Telephone Number: (517) 241-1650
E-Mail Address: harrist@michigan.gov

Quaternary Ammonium Derivatives

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Attachments:

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Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 DEFINING DOCUMENT

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

1.002 PROJECT TITLE AND DESCRIPTION RESERVED

1.003 PROJECT CONTROL

Project Control

a. The Contractor will carry out this project under the direction and control of the *Department of Corrections/Michigan State Industries.*

b. Although there will be continuous liaison with the Contractor team, the client agency's project director will meet *monthly* as a minimum, with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise.

c. The Contractor will submit brief written *monthly* summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the client agency's project director; and notification of any significant deviation from previously agreed-upon work plans. A copy of this report will be forwarded to the named buyer in Acquisition Services.

d. Within five (5) working days of the award of the Contract, the Contractor will submit to the *MSI* project director for final approval a work plan, which must include the following:

The Contractor's project organizational structure.

(1) The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.

(2) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.

(3) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

Reports

1.004 COMMENCEMENT OF WORK

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

1.1 Product Quality

1.101 SPECIFICATIONS RESERVED

1.102 RESEARCH AND DEVELOPMENT RESERVED

1.103 QUALITY ASSURANCE PROGRAM RESERVED

1.104 WARRANTY FOR PRODUCTS OR SERVICES

Contractor shall pay for all returns due to defective or damaged product. This shall include the warranty associated with the actual product being proposed, and the State have the right to refuse any damaged, late or out dated product as part of the warranty associated with this Contract. Contractor will handle any repairs that need to be made due to damaged or defective product, how installation problems will be rectified, and the process State agencies should follow to report warranty issues.

1.2 Service Capabilities

1.201 CUSTOMER SERVICE/ORDERING

Any supplies and services to be furnished under this contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule.

All delivery orders or task orders are subject to the terms and conditions of this Contract. In the event of conflict between a delivery order or task order and this Contract, this Contract shall control.

If mailed, a delivery order or task order is considered "issued" when the State deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods.

Contact person: Sharon DeMeerleer
Phone number: (313) 295-9072
Fax number: (313) 295-7078
Email: Ies2d@Univarusa.com

1.202 TRAINING RESERVED

1.203 REPORTING

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

1.204 SPECIAL PROGRAMS

1.205 SECURITY

This Contract may require frequent deliveries to State of Michigan facilities. The Contractor shall discuss in their proposals all measures utilized by their firm to ensure the security and safety of these buildings. This shall include, but is not limited to, performance of security background checks on all personnel assigned to State of Michigan facilities (i.e. delivery people) and how they are performed, what the security check consists of, the name of the company that performs the security checks, use of uniforms and ID badges, etc. If security background checks are performed on staff, bidders shall indicate the name of the company that performs the check as well as provide a document stating that each employee has satisfactorily completed a security check and is suitable for assignment to State facilities. Upon request by the State, bidders shall provide the results of all security background checks.

Upon review of the security measures included in a bidder’s proposal and if that bidder is awarded the contract, the State will decide whether to issue State ID badges to the bidder’s delivery personnel or accept the ID badge issued to delivery personnel by the bidder.

The State may decide to also perform a security background check. If so, bidders will be required to provide to the State a list of all delivery people that will service State of Michigan facilities, including name and date of birth (social security number of driver license number would also be helpful).

The Contractor and its subcontractors shall comply with the security access requirements of individual State facilities.

1.3 Delivery Capabilities

1.301 TIME FRAMES

It is requested that all orders be delivered within *10* calendar days after receipt of order.

1.302 MINIMUM ORDER

The minimum order is *2,000 lb.*

1.303 PACKAGING

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

1.304 PALLETIZING

Shipments shall be palletized whenever possible and shall conform to the following:

- Manufacturers standard 4-way shipping pallets are acceptable.
- Maximum height: 5'6"; including pallet.
- Maximum weight: 3500 pounds; including pallet.
- Pallets are to be securely banded or shrink-wrapped.
- The cost of palletizing must be included in the unit price.

1.305 DELIVERY TERM

Prices shall be quoted "F.O.B. Delivered" with transportation charges prepaid on all orders of *2,000 lb* or more to the State.

All orders shall be delivered within 10 calendar days after receipt of order.

Deliveries will be accepted Monday through Friday between 8:30 a.m. to 10 a.m. or 12 p.m. to 2:30 p.m. NO HOLIDAY deliveries. Delivery must meet approval of factory superintendent.

Shipments must be made for the quantity indicated on each individual Departmental Purchase Order/Contract Release Form. Shipments with overages or shortages in excess of 10% will not be accepted.

No other products or items must be on the delivery truck other than the product(s) which are being delivered to M.S.I. Overall length of the delivery truck must not exceed 65 feet.

Freight Charges - Should an agency order below the minimum order requirement of a Contract, or should a vendor quote F.O.B. Shipping Point on one-time purchases, the Contractor for shipping products must use one of the following carriers. Orders being shipped from or to in the State of Michigan or the States of Illinois, Indiana, Ohio, and Wisconsin, use Alvan Motor Freight (Tel: (800) 632-4172, attention Earl Batenburg); orders being shipped from or to ALL other states, use Roadway Express, Inc. (Tel: (800) 253-3193, attention David Lewis).

United Parcel Service (UPS) must be used in instances where the weight of the shipment is less than 150 lbs., or where shipments could be separated into smaller parcels such as three (3) 50 lb. packages. Also, if the shipment weighs less than 150 lbs, but costs $3000 or more, it must be sent by the appropriate carrier listed above.

If the Contractor fails to follow these shipping instructions, the State shall pay the carrier used and deduct the difference from the Contractor's invoice for the amount that was charged and the amount that would have been charged if the requested carrier had been used.

1.306 FOR ACCEPTANCE OF DELIVERABLES/PARE EXPLANATION RESERVED

1.4 Project Price

1.401 PROPOSAL PRICING RESERVED

1.402 QUICK PAYMENT TERMS RESERVED

1.403 PRICE TERM

Prices quoted are firm for the entire length of the given quarter.

1.5 Quantity term

Vendor agrees to supply all that the state requires

1.6 Reserved

Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

This Contract is for Quaternary Ammonium Derivatives, *Department of Corrections/Michigan State Industries will obtain price quote from all pre-qualified contractors, as a result of this Contract. Price quote will be obtained quarterly and award with purchase orders made based on low bid* for the State of Michigan. Exact quantities to be purchased are unknown, however the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form.

Indicated on this Contract cover page is the "ship to" address for the participating agency. However, if the Contractor and the State agree, additional State agencies may participate should the need develop.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

This Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the *Department of Corrections/Michigan State Industries*, hereinafter known *as MSI.* 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 this 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: *Terry Harris*
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) *241-1650*
harrist@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 *September 30, 2005* through *September 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 (CWHSAA) 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 this Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

2.009 MERGER

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

2.010 SEVERABILITY

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

2.011 SURVIVORSHIP

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

2.012 NO WAIVER OF DEFAULT

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

2.013 PURCHASE ORDERS

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

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

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

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

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

The Contractor shall:

1. Maintain current, accurate, and complete inventory records of assets and their costs;

2. Provide Acquisition Services or designated representative ready access to the records upon request;

3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and

4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

2.103 SOFTWARE COMPLIANCE RESERVED

2.104 RESERVED

2.105 PERFORMANCE AND RELIABILTIY EVALUATION (PARE) RESERVED

2.106 PREVAILING WAGE RESERVED

2.107 PAYROLL AND BASIC RECORDS RESERVED

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 RESERVED

2.203 POSSIBLE PROGRESS PAYMENTS RESERVED

2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS (Actual performance rendered) RESERVED

2.205 ELECTRONIC PAYMENT AVAILABILITY

Electronic transfer of funds is available to State contractors. Vendor is required 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 this Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of this Contract.

2.302 CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, this 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 this 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 this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this Section shall be null and void. Further, the Contractor may not assign the right to receive money due under this Contract without the prior written consent of the Director of Acquisition Services.

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

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

2.304 TAXES

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

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

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

2.305 INDEMNIFICATION

General Indemnification

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

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its 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 not withstanding 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

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

The State's liability for damages to the Contractor shall be limited to the value of 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 this Contract is for use of more than one State agency and if the good or service provided under this Contract do not the 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 contractor 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 PURCHASING FROM OTHER STATE AGENCIES 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 *180 days* 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 this Contract for Contract performance.

2.312 RESERVED

2.313 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:

Larry Guerrant
Department of Corrections
Michigan State Industries
5656 S. Cedar St. Lansing MI 48911
GUERRALC@michigan.gov

2.402 PERFORMANCE REVIEWS

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

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

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

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

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

2.502 QUALITY ASSURANCE

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

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

2.503 INSPECTION

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

2.504 GENERAL WARRANTIES (goods)

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

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

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

2.505 CONTRACTOR WARRANTIES RESERVED

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 RESERVED

2.508 EQUIPMENT WARRANTY RESERVED

2.509 RESERVED

2.6 Breach of Contract

2.601 BREACH DEFINED

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

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

2.602 NOTICE AND THE RIGHT TO CURE

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

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under 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 Ratesidentified within this Contract agreement.

A. 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 180 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.

B. 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.

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

This 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 this Contract Administrator determines appropriate for the convenience of the State.

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 this Contract Administrator in the administration of this Contract, or (2) by this 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 this 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 this Contract.

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

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

2.802 TIME EXTENTIONS

Time extensions for contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that 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 this 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, THIS CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.

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

2.804 AUDIT AND RECORDS UPON MODIFICATION

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

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

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

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

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

2.805 CHANGES

(a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of 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 State-furnished facilities, equipment, materials, services, or site; or
(4) Directing acceleration in the performance of the work.

(a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:

(1) The date, circumstances, and source of the order; and
(2) That the Contractor regards the order as a change order.

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

Article 3 – Certifications and Representations

3.307 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 checked **below**:

☑ 1. Commercial General Liability with the following minimum coverage:

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

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

☐ 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars ($1,000,000.00) with a maximum deductible of fifty thousand dollars ($50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars ($3,000,000.00) each occurrence and three million dollars ($3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

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.

PRICING

ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
001	180-79	284,700	LB	1.22	$347,334.00

BTC-2125M: DUAL-QUAT CONCENTRATED GERMICIDE, MIXTURE OF 25% ALKYL DIMETHYL BENZYL AMMONIUM CHOLORIDE CAS #68391-01-5, 25% ALKYLDIMTHYL (ETHYLBENZYL) AMMONIUM CHLORIDE CAS #68956-76-6. MUST BE CLEAR LIQUID, MUST BE 50% ACTIVE CATIONIC. PRODUCT MUST BE REGISTERED WITH EPA FOR USE IN DISINFECTANTS PRODUCED BY MICHIGAN STATE INDUSTRIES. DRUM 425 LBS, SPECIFIC GRAVITY (8.1 LB/GA) MUST BE BTC-2125M, PRODUCT NUMBER (3302), PRODUCT OF STEPHAN CHEMICAL COMPANY, NORTHFIELD, IL. No Substitutions

002	180-04	307,300	LB	.44	$135,212.00

PHOSPHORIC ACID 75%: AKA; ORTHOPHOSPHORIC ACID OR WHITE PHOSPHORIC ACID (H3 PO4). CAS #7664-38-2. MUST BE 75% CONCENTRATED LIQUID, TECHNICAL GRADE. 700 LB RETURNABLE DRUMS. BRANDS: PCS, ASTARIS, RHODIA, QUADRA No Substitutions

003	180-93	87,750	LB	1.32	$115,830.00

ALKOXYLATED LINEAR ALCOHOL 100%, AKA; COLWET NF-34, SURFONIC LF 17, POLYTERGENT S405LF; PLURAFAC S-405LF. NON-IONIC SURFACTANT. FOR USE IN CLEANING PRODUCTS. CAS #68987-81-5. BRAND: COLEMAN 450 LB DRUM OR APPROVED ALTERNATE

004	180-93	362,700	LB	.81	$293,787.00

TERGITOL NP-10: NONIONIC SURFACTANT, CHEMICAL NAME: NONYLPHENOL POLYETHYLENE GLYCOL ETHER. COMPONENTS: >97% CAS #127087-87-0, <3% CAS #25322-68-3, <2% CAS #9014-93-1. PALE YELLOW COLORED SURFACTANT. 100% CONCENTRATED LIQUID. 470 LB RETURNABLE DRUM PRODUCT: CARBIDE UNION OR DOW CHEMICAL COMPANY OR APPROVED ALTERNATE

005	180-84	507,000	LB	.535	$271,245.00

KASIL 6: POTASSIUM SILICATE SOLUTION. MUST BE DETERGENT GRADE. MUST BE COLORLESS, ODORLESS, VISCOUS LIQUID. 39.2% SOLIDS CONTENT BY WEIGHT. SPECIFIC GRAVITY; (1.39), CAS #1312-76-1 BRAND: PQ CORP 630 LB DRUM No Substitutions

006	180-24	66,3000	LB	NO BID	NO BID

SODIUM DICHLOROISOCYANURATE DIHYDRATE: AKA; SODIUM-DICHLOR-S-TRIAZINETRIONE. MEDIUM GRANULAR. AVALIABLE CHLORINE; 55.0-57.0 (% BY WEIGHT). MUST BE CAS #51580-86-0 AT 99%. BRAND:CDB 56 PRODUCT: CLEARON CORP 300 LB DRUM No Substitutions

ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
007	505-25	159,648	GA	1.24	$197,963.52
SODIUM HYPOCHLORITE: (NA O CL5 HOH), MUST BE 16% CONCENTRATED LIQUID CAS #7681-52-9. 55 GALLON DRUM					
008	180-88	367,500	LB	.2595	$95,366.25
SODIUM XYLENE SULFONATE 40%: AKA; STEPANATE X & WITCONATE SXS, NAXONATE 4LS. 40% MINIMUM. HYDROTROPIC SOLVENT. CAS #1300-72-7. SPECIFIC GRAVITY (1.168), 500 LB DRUM, BRAND: WITCO, YOUNG PRODUCT: SXS OR APPROVED ALTERNATE					
009	180-90	234,000	LB	NO BID	NO BID
LINEAR DODECYLBENZENE SULFONATE, SODIUM SALT: AKA: RHODATERGE AM-1007 A PRODUCT OF RHODIA INC. NO SUBSTITUTIONS ACCEPTABLE. 450 LB DRUMS CAS #25155-30-0 >44%. AMBER GEL LIKE LIQUID. BLEND OF SURFACTANTS FOR USE IN CLEANING PRODUCTS FORMULATIONS.					
010	180-90	97,500	LB	1.01	$98,475.00
D'LIMONENE TECHNICAL GRADE 93 - 95%: CITRUS STRIPPER OIL, TERPENE HYDROCARBON, CAS #5989-27-5. COLOR: YELLOW CAST WITH A STRONG CITRUS ODOR. 381 LB DRUM					
011	180-91	195,000	LB	NO BID	NO BID
AMIDEX CO-1: MODIFIED FATTY DIETHANOLAMIDE, SYNONYM; ALKANOLAMIDE PRODUCT OF CHEMRON CORPORATION. 400 LB DRUM. NO SUBSTITUTIONS					
012	180-30	33,150	LB	NO BID	NO BID
OPTI-BRITE: LAUNDRY BRIGHTENING AGENT. MUST BE IN LIQUID FORM CAS #27344-06-5, 450 LB DRUM					

DELIVERIES MON-FRI, 8:30-10:00 A.M. & 12:00-2:30 P.M. - NO HOLIDAYS
OVERAGES AND SHORTAGES IN EXCESS OF 5% WILL NOT BE ACCEPTED

DELIVERING CARRIERS MUST CALL 734-459-7400 X310 OR 311 FOR LEIN CLEARANCE ON ALL DRIVERS BEFORE DELIVERY TO FACILITY