

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 23, 2009

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B5200394
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Atlantic Textile Co. P.O. Box 537 Longport, NJ 08403 atltext@aol.com	TELEPHONE: Peter J. Mimmo (609) 822-4441
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Larry Guerrant Flat Knit Fabric – Michigan Department of Corrections – MSI	
CONTRACT PERIOD: From: October 1, 2005 To: September 30, 2010	
TERMS 30 Days	SHIPMENT 3-5 Days ARO
F.O.B. Delivery	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS 400lb Minimum Order	

NATURE OF CHANGE (S):

This contract is hereby extended by execution of option terms provided within the contract to September 30, 2010.

All other terms, specifications and pricing remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations.

ESTIMATED CONTRACT VALUE REMAINS: \$3,360,391.00

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

July 16, 2008

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B5200394
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Atlantic Textile Co. P.O. Box 537 Longport, NJ 08403 atltext@aol.com	TELEPHONE: Peter J. Mimmo (609) 822-4441
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Larry Guerrant Flat Knit Fabric – Michigan Department of Corrections – MSI	
CONTRACT PERIOD: From: October 1, 2005 To: September 30, 2009	
TERMS 30 Days	SHIPMENT 3-5 Days ARO
F.O.B. Delivery	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS 400lb Minimum Order	

NATURE OF CHANGE (S):

This contract is hereby extended by execution of option terms provided within the contract to September 30, 2009.

All other terms, specifications and pricing remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations.

ESTIMATED CONTRACT VALUE REMAINS: \$3,360,391.00

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

May 11, 2007

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B5200394
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE: Peter J. Mimmo (609) 822-4441	
Atlantic Textile Co. P.O. Box 537 Longport, NJ 08403 atltext@aol.com		VENDOR NUMBER/MAIL CODE	
		BUYER/CA (517) 241-1650 Terry Harris	
Contract Compliance Inspector: Larry Guerrant Flat Knit Fabric – Michigan Department of Corrections – MSI			
CONTRACT PERIOD:		From: October 1, 2005	To: October 1, 2008
TERMS	30 Days	SHIPMENT	3-5 Days ARO
F.O.B.	Delivery	SHIPPED FROM	N/A
MINIMUM DELIVERY REQUIREMENTS			
400lb Minimum Order			

NATURE OF CHANGE (S):

Effective April 10, 2007, prices on the following items have been increased. Please refer to attached revised item listing.

Item No.	Commodity/Description	Current Price per lb	New Price Per lb	Increase
001	Knit Fabric, Flat (White) 36" Tube Size	\$1.985	\$2.04	2.8%
002	Knit Fabric, Flat (White) 40" Tube Size	\$1.985	\$2.04	2.8%
003	Knit Fabric, Flat (White) 44" Tube Size	\$1.985	\$2.04	2.8%
004	Knit Fabric, Flat (White) 48" Tube Size	\$1.985	\$2.04	2.8%
005	Knit Fabric, Flat (White) 52" Tube Size	\$1.985	\$2.04	2.8%
006	Knit Fabric, Flat (White) 56" Tube Size	\$1.985	\$2.04	2.8%
007	Knit Fabric, Flat (White) 60" Tube Size	\$1.985	\$2.04	2.8%
008	Knit Fabric, Flat (Blue) 36" Tube Size	\$2.709	\$2.785	2.8%
009	Knit Fabric, Flat (Blue) 40" Tube Size	\$2.709	\$2.785	2.8%
010	Knit Fabric, Flat (Blue) 44" Tube Size	\$2.709	\$2.785	2.8%
011	Knit Fabric, Flat (Blue) 48" Tube Size	\$2.709	\$2.785	2.8%
012	Knit Fabric, Flat (Blue) 52" Tube Size	\$2.709	\$2.785	2.8%
013	Knit Fabric, Flat (Blue) 56" Tube Size	\$2.709	\$2.785	2.8%
014	Knit Fabric, Rib (White) 32" Tube Size	\$1.955	\$2.01	2.8%

015	Knit Fabric, Rib (White) 36" Tube Size	\$1.955	\$2.01	2.8%
016	Knit Fabric, Rib (White) 40" Tube Size	\$1.955	\$2.01	2.8%
017	Knit Fabric, Rib (White) 44" Tube Size	\$1.955	\$2.01	2.8%
018	Knit Fabric, Rib (White) 60" Tube Size	\$1.955	\$2.01	2.8%
019	Knit Fabric, Rib (Blue)40" Tube Size	\$2.68	\$2.755	2.8%

All other terms, specifications and pricing remain the same.

AUTHORITY/REASON:

Per vendor request, agency agreement and DMB approval

ESTIMATED CONTRACT VALUE REMAINS: \$3,360,391.00

PRICING

ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
001	850-24-44-8350	20,000	LB	<u>\$2.04</u>	<u>\$40,800.00</u>
	KNIT FABRIC, FLAT WHITE, 36 IN. TUBE SIZE, YIELD 3.9 YDS/LB FLAT KNIT; WHITE; 36 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS.				
002	850-24-44-8400	20,000	LB	<u>\$2.04</u>	<u>\$40,800.00</u>
	KNIT FABRIC, FLAT WHITE, 40 IN. TUBE SIZE, YIELD 3.5 YDS/LB FLAT KNIT; WHITE; 40 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
003	850-24-44-8459	100,000	LB	<u>\$2.04</u>	<u>\$204,000.00</u>
	KNIT FABRIC, FLAT WHITE, 44 IN. TUBE SIZE, YIELD 3.2 YDS/LB FLAT KNIT; WHITE; 44 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
004	850-24-44-8509	200,000	LB	<u>\$2.04</u>	<u>\$408,000.00</u>
	KNIT FABRIC, FLAT WHITE, 48 IN. TUBE SIZE, YIELD 2.93 YDS/LB FLAT KNIT; WHITE; 48 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
005	850-24-44-8558	200,000	LB	<u>\$2.04</u>	<u>\$408,000.00</u>
	KNIT FABRIC, FLAT WHITE, 52 IN. TUBE SIZE, YIELD 2.7 YDS/LB FLAT KNIT; WHITE; 52 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
006	850-24-44-8608	200,000	LB	<u>\$2.04</u>	<u>\$408,000.00</u>
	KNIT FABRIC, FLAT WHITE, 56 IN. TUBE SIZE, YIELD 2.51 YDS/LB FLAT KNIT; WHITE; 56 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				

ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
007	850-24-44-8657	200,000	LB	<u>\$2.04</u>	<u>\$408,000.00</u>
	KNIT FABRIC, FLAT				
	WHITE, 60 IN. TUBE SIZE, YIELD 2.34 YDS/LB FLAT KNIT; WHITE; 60 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
008	850-24-44-0357	10,000	LB	<u>\$2.785</u>	<u>\$27,850.00</u>
	KNIT FABRIC, FLAT				
	BLUE, 36 IN. TUBE SIZE, YIELD 3.9 YDS/LB FLAT KNIT; LIGHT BLUE; 36 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
009	850-24-44-0407	5,000	LB	<u>\$2.785</u>	<u>\$37,722.83</u>
	KNIT FABRIC, FLAT				
	BLUE, 40 IN. TUBE SIZE, YIELD 3.5 YDS/LB FLAT KNIT; LIGHT BLUE; 40 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
010	850-24-44-0456	8,000	LB	<u>\$2.785</u>	<u>\$22,280.00</u>
	KNIT FABRIC, FLAT				
	BLUE, 44 IN. TUBE SIZE, YIELD 3.2 YDS/LB FLAT KNIT; LIGHT BLUE; 44 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
011	850-24-44-0506	8,000	LB	<u>\$2.785</u>	<u>\$22,280.00</u>
	KNIT FABRIC, FLAT				
	BLUE, 48 IN. TUBE SIZE, YIELD 2.93 YDS/LB FLAT KNIT; LIGHT BLUE; 48 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
012	850-24-44-0555	10,000	LB	<u>\$2.785</u>	<u>\$27,850.00</u>
	KNIT FABRIC, FLAT				
	BLUE, 52 IN. TUBE SIZE, YIELD 2.7 YDS/LB FLAT KNIT; LIGHT BLUE; 52 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				

ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
------	---------------------------	----------	------	------------	-------------

013	850-24-44-0605	8,000	LB	<u>\$2.785</u>	<u>\$22,280.00</u>
-----	----------------	-------	----	----------------	--------------------

KNIT FABRIC, FLAT

BLUE, 56 IN. TUBE SIZE, YIELD 2.51 YDS/LB
 FLAT KNIT; LIGHT BLUE;
 56 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

014	850-24-46-8051	10,000	LB	<u>\$2.01</u>	<u>\$20,100.00</u>
-----	----------------	--------	----	---------------	--------------------

KNIT FABRIC, RIB

WHITE, 32 IN. TUBE SIZE, YIELD 3.1 YDS/LB
 RIB KNIT; WHITE;
 32 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

015	850-24-46-8101	150,000	LB	<u>\$2.01</u>	<u>\$301,500.00</u>
-----	----------------	---------	----	---------------	---------------------

KNIT FABRIC, RIB

WHITE, 36 IN. TUBE SIZE, YIELD 2.8 YDS/LB
 RIB KNIT; WHITE;
 36 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

016	850-24-46-8150	200,000	LB	<u>\$2.01</u>	<u>\$402,000.00</u>
-----	----------------	---------	----	---------------	---------------------

KNIT FABRIC, RIB

WHITE, 40 IN. TUBE SIZE, YIELD 2.5 YDS/LB
 RIB KNIT; WHITE;
 40 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

017	850-24-46-8200	200,000	LB	<u>\$2.01</u>	<u>\$402,000.00</u>
-----	----------------	---------	----	---------------	---------------------

KNIT FABRIC, RIB

WHITE, 44 IN. TUBE SIZE, YIELD 2.3 YDS/LB
 RIB KNIT; WHITE;
 44 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

018	850-24-46-8259	150,000	LB	<u>\$2.01</u>	<u>\$301,500.00</u>
-----	----------------	---------	----	---------------	---------------------

KNIT FABRIC, RIB

WHITE, 60 IN. TUBE SIZE, YIELD 1.68 YDS/LB
 RIB KNIT; WHITE;
 60 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
------	---------------------------	----------	------	------------	-------------

019	850-24-46-0801	5,000	LB	<u>\$2.755</u>	<u>\$13,775.00</u>
-----	----------------	-------	----	----------------	--------------------

KNIT FABRIC, RIB

BLUE, 40 IN. TUBE SIZE, YIELD 2.2 YDS/LB

RIB KNIT; LIGHT BLUE;

40 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

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

May 25, 2006

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B5200394
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Atlantic Textile Co. P.O. Box 537 Longport, NJ 08403 mspartner@aol.com	TELEPHONE: Peter J. Mimmo (609) 822-4441
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Larry Guerrant Flat Knit Fabric – Michigan Department of Corrections – MSI	
CONTRACT PERIOD: From: October 1, 2005 To: October 1, 2008	
TERMS 30 Days	SHIPMENT 3-5 Days ARO
F.O.B. Delivery	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS 400lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately, the following commodity code is added to the contract:

**Commodity Code #850-24-44:
Knit Fabric, Flat
Blue, 60" tube size, yield 2.34 yards/lb.
Flat knit: Blue**

All other terms, specifications and pricing remain the same.

AUTHORITY/REASON:

Per agency request and DMB concurrence.

ESTIMATED CONTRACT VALUE REMAINS: \$3,360,391.00

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

February 7, 2006

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B5200394
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Atlantic Textile Co. P.O. Box 537 Longport, NJ 08403	TELEPHONE: Peter J. Mimmo (609) 822-4441
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Larry Guerrant Flat Knit Fabric – Michigan Department of Corrections – MSI	
CONTRACT PERIOD: From: October 1, 2005 To: October 1, 2008	
TERMS 30 Days	SHIPMENT 3-5 Days ARO
F.O.B. Delivery	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS 400lb Minimum Order	

NATURE OF CHANGE (S):

Effective immediately, the following commodity code is added to the contract:

Commodity Code #850-24-46:
Knit Fabric, Rib
White, 24" tube size, yield 2.1 yards/lb.
Rib knit: White

All other terms, specifications and pricing remain the same.

AUTHORITY/REASON:

Per agency request and DMB concurrence.

ESTIMATED CONTRACT VALUE REMAINS: \$3,360,391.00

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

November 22, 2005

NOTICE
OF
CONTRACT NO. 071B5200394
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Atlantic Textile Co. P.O. Box 537 Longport, NJ 08403	TELEPHONE: Peter J. Mimmo (609) 822-4441
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Larry Guerrant Flat Knit Fabric – Michigan Department of Corrections – MSI	
CONTRACT PERIOD: From: October 1, 2005 To: October 1, 2008	
TERMS 30 Days	SHIPMENT 3-5 Days ARO
F.O.B. Delivery	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS 400lb Minimum Order	

The terms and conditions of this Contract are those of **ITB #07115200243** this Contract Agreement and the vendor's quote dated **June 15, 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: **\$3,360,391.00**

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

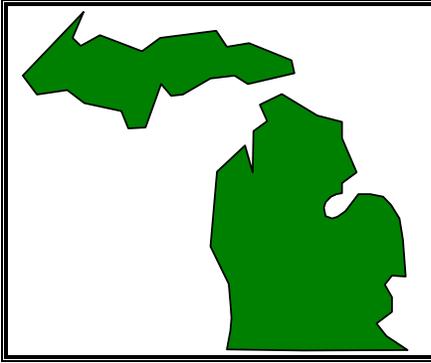
CONTRACT NO. 071B5200394
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR Atlantic Textile Co. P.O. Box 537 Longport, NJ 08403	TELEPHONE: Peter J. Mimmo (609) 822-4441 VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Larry Guerrant Flat Knit Fabric – Michigan Department of Corrections – MSI	
CONTRACT PERIOD: From: October 1, 2005 To: October 1, 2008	
TERMS <p style="text-align: center;">30 Days</p>	SHIPMENT <p style="text-align: center;">3-5 Days ARO</p>
F.O.B. <p style="text-align: center;">Delivery</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">400lb Minimum Order</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #071I5200243 this Contract Agreement and the vendor's quote dated June 15, 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: \$3,360,391.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No.071I5200243](#). 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.

<p>FOR THE VENDOR:</p> <p style="text-align: center;">Atlantic Textile Co. _____ Firm Name</p> <p style="text-align: center;">_____ Authorized Agent Signature</p> <p style="text-align: center;">_____ Authorized Agent (Print or Type)</p> <p style="text-align: center;">_____ Date</p>	<p>FOR THE STATE:</p> <p style="text-align: center;">_____ Signature Elise Lancaster, Deputy Director _____ Name Acquisition Services _____ Title</p> <p style="text-align: center;">_____ Date</p>
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------



STATE OF MICHIGAN
Department of Management and Budget
Acquisition Services

Contract No. [071B5200394](#)
[Flat Knit Fabric for Corrections/MSI](#)

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



Flat Knit Fabric

Article 1 – Statement of Work (SOW) 3

1.0 Introduction 3

 1.001 **DEFINING DOCUMENT..... 3**

 1.002 **PROJECT TITLE AND DESCRIPTION RESERVED 3**

 1.003 **PROJECT CONTROL 3**

 1.004 **COMMENCEMENT OF WORK..... 3**

1.1 Product Quality..... 3

 1.101 **SPECIFICATIONS..... 3**

 1.102 **RESEARCH AND DEVELOPMENT RESERVED 4**

 1.103 **QUALITY ASSURANCE PROGRAM RESERVED 4**

 1.104 **WARRANTY FOR PRODUCTS OR SERVICES 4**

1.2 Service Capabilities..... 4

 1.201 **CUSTOMER SERVICE/ORDERING 4**

 1.202 **TRAINING RESERVED..... 4**

 1.203 **REPORTING..... 4**

 1.204 **SPECIAL PROGRAMS RESERVED 4**

 1.205 **SECURITY 4**

1.3 Delivery Capabilities..... 5

 1.301 **TIME FRAMES 5**

 1.302 **MINIMUM ORDER..... 5**

 1.303 **PACKAGING 5**

 1.304 **PALLETIZING 5**

 1.305 **DELIVERY TERM..... 5**

 1.306 **RESERVED FOR ACCEPTANCE OF DELIVERABLES/PARE EXPLANATION 5**

1.4 Project Price..... 6

 1.401 **PROPOSAL PRICING RESERVED..... 6**

 1.402 **QUICK PAYMENT TERMS RESERVED 6**

 1.403 **PRICE TERM..... 6**

1.5 Quantity term..... 6

1.6 RESERVED 6

Article 2 – General Terms and Conditions 7

2.0 Introduction 7

 2.001 **GENERAL PURPOSE..... 7**

 2.002 **ISSUING OFFICE AND CONTRACT ADMINISTRATOR 7**

 2.003 **NOTICE 7**

 2.004 **CONTRACT TERM 7**

 2.005 **GOVERNING LAW..... 8**

 2.006 **APPLICABLE STATUTES..... 8**

 2.007 **RELATIONSHIP OF THE PARTIES 8**

 2.008 **HEADINGS..... 9**

 2.009 **MERGER 9**

 2.010 **SEVERABILITY..... 9**

 2.011 **SURVIVORSHIP..... 9**

 2.012 **NO WAIVER OF DEFAULT 9**

 2.013 **PURCHASE ORDERS 9**

2.1 Vendor/Contractor Obligations..... 9

 2.101 **ACCOUNTING RECORDS 9**

 2.102 **NOTIFICATION OF OWNERSHIP 9**

 2.103 **SOFTWARE COMPLIANCE RESERVED 10**

 2.104 **RESERVED 10**

 2.105 **PERFORMANCE AND RELIABILTIY EVALUATION (PARE) RESERVED 10**

 2.106 **PREVAILING WAGE RESERVED..... 10**

 2.107 **PAYROLL AND BASIC RECORDS RESERVED..... 10**

 2.108 **COMPETITION IN SUB-CONTRACTING..... 10**

 2.109 **CALL CENTER DISCLOSURE..... 10**

2.2 Contract Performance..... 10



2.201	TIME IS OF THE ESSENCE	10
2.202	CONTRACT PAYMENT SCHEDULE RESERVED	10
2.203	POSSIBLE PROGRESS PAYMENTS RESERVED	10
2.204	POSSIBLE PERFORMANCE-BASED PAYMENTS (Actual performance rendered) RESERVED	10
2.205	ELECTRONIC PAYMENT AVAILABILITY	10
2.206	RESERVED PERFORMANCE OF WORK BY CONTRACTOR	10
2.3	Contract Rights and Obligations	10
2.301	INCURRING COSTS	10
2.302	CONTRACTOR RESPONSIBILITIES.....	11
2.303	ASSIGNMENT AND DELEGATION	11
2.304	TAXES	11
2.305	INDEMNIFICATION.....	11
2.306	LIMITATION OF LIABILITY	13
2.307	CONTRACT DISTRIBUTION	14
2.308	FORM, FUNCTION, AND UTILITY	14
2.309	ASSIGNMENT OF ANTITRUST CAUSE OF ACTION.....	14
2.310	PURCHASING FROM OTHER STATE AGENCIES RESERVED.....	14
2.311	TRANSITION ASSISTANCE.....	14
2.312	RESERVED	14
2.313	RESERVED	14
2.314	WEBSITE INCORPORATION.....	14
2.4	Contract Review and Evaluation.....	14
2.401	CONTRACT COMPLIANCE INSPECTOR	14
2.402	PERFORMANCE REVIEWS	15
2.403	AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS.....	15
2.5	Quality and Warranties.....	16
2.501	PROHIBITED PRODUCTS	16
2.502	QUALITY ASSURANCE	16
2.503	INSPECTION	16
2.504	GENERAL WARRANTIES (goods).....	16
2.505	CONTRACTOR WARRANTIES RESERVED.....	17
2.506	STAFF	17
2.507	RESERVED	17
2.508	EQUIPMENT WARRANTY RESERVED	17
2.509	RESERVED	17
2.6	Breach of Contract	17
2.601	BREACH DEFINED.....	17
2.602	NOTICE AND THE RIGHT TO CURE.....	17
2.603	EXCUSABLE FAILURE	17
2.7	Remedies.....	18
2.701	CANCELLATION.....	18
2.702	RIGHTS UPON CANCELLATION	19
2.703	LIQUIDATED DAMAGES	19
2.704	STOP WORK.....	19
2.705	SUSPENSION OF WORK.....	20
2.8	Changes, Modifications, and Amendments	20
2.801	APPROVALS.....	20
2.802	TIME EXTENTIONS	20
2.803	MODIFICATION.....	21
2.804	AUDIT AND RECORDS UPON MODIFICATION	21
2.805	CHANGES.....	21
Article 3 – Certifications and Representations		22
3.301	LIABILITY INSURANCE	22
SPECIFICATION REQUIREMENT		25

Attachments:

Pricing



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 *Michigan State Industries* 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 the contract administrator. Contractor shall not proceed with performance of the work to be done under this agreement, including the purchase of necessary materials, until both parties have signed this agreement to show acceptance of its terms.

1.1 Product Quality

1.101 SPECIFICATIONS

The specification is located at the end of this Contract.

**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: Peter / Lou Mimmo
Phone number: (609) 822-4441
Fax number: (609) 822-8641
Email: msparticus@aol.com

1.202 TRAINING RESERVED**1.203 REPORTING**

The contractor will generating reports monthly 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 RESERVED**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 **15** calendar days after receipt of order.

1.302 MINIMUM ORDER

The minimum order is **400Lb.**

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 **400Lb** or more to the State.

All orders shall be delivered within 15 calendar days after receipt of order.

All rolls must be wrapped in clear cellophane or plastic wrap.

Deliveries will be accepted Monday through Friday between 7:30 a.m and 1:30 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 5% 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 RESERVED FOR ACCEPTANCE OF DELIVERABLES/PARE EXPLANATION

**1.4 Project Price****1.401 PROPOSAL PRICING RESERVED****1.402 QUICK PAYMENT TERMS RESERVED****1.403 PRICE TERM**

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

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

Requests for price changes shall be RECEIVED IN WRITING AT LEAST TEN DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the CONTRACT may be cancelled. The continued payment of any charges due after September 30th of any fiscal year will be subject to the availability of an appropriation for this purpose.

1.5 Quantity term

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 *Flat Knit Fabric* 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 the Invitation To Bid 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 *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 *October 1, 2005* through *October 1, 2008*.

Option. The State reserves the right to exercise _____ 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 30 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

This 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 (FOIA) MCL §§ 15.231, et seq.
 Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.
 MI Consumer Protection Act MCL §§ 445.901 – 445.922
 Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.
 Department of Civil Service Rules and regulations
 Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.
 Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.
 MCL §§ 423.321, et seq.
 MCL § 18.1264 (law regarding debarment)
 Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.
 Contract Work Hours and Safety Standards Act (CWHSSA) 40 USCS § 327, et seq.
 Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795
 Rules and regulations of the Environmental Protection Agency
 Internal Revenue Code
 Rules and regulations of the Equal Employment Opportunity Commission (EEOC)
 The Civil Rights Act of 1964, USCS Chapter 42
 Title VII, 42 USCS §§ 2000e et seq.
 The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.
 The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.
 The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.
 The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.
 The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.
 Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106
 Sherman Act, 15 U.S.C.S. § 1 et seq.
 Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.
 Clayton Act, 15 U.S.C.S. § 14 et seq.

2.007 RELATIONSHIP OF THE PARTIES

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

**2.008 HEADINGS**

Captions and headings used in 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 the Contract for any reason.

2.012 NO WAIVER OF DEFAULT

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

2.013 PURCHASE ORDERS

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

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

The Contractor and all 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 the Contract period and any extension thereof, and for three years from expiration date and final payment on this Contract or extension thereof.

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

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



The Contractor shall:

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

2.103 SOFTWARE COMPLIANCE RESERVED

2.104 RESERVED

2.105 PERFORMANCE AND RELIABILITY 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 this 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 RESERVED PERFORMANCE OF WORK BY CONTRACTOR

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

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



2.302 CONTRACTOR RESPONSIBILITIES

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

2.305 INDEMNIFICATION

General Indemnification

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

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



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

Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Code Indemnification

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

Indemnification Obligation Not Limited

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



Continuation of Indemnification Obligation

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

Indemnification Procedures

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

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan 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 the Contract is for use of more than one State agency and if the good or service provided under this Contract do not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

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

2.310 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 the 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 this Contract. However, overseeing this Contract implies **no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Acquisition Services.** This Contract Compliance Inspector for this project is:

Nancy Taylor-Williams
Department of Corrections
Michigan State Industries
5656 S. Cedar St. 48911
TAYLORNE@michigan.gov (517) 373-3897



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 this 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 this Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to this 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 this Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under this Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its 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 this Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of this Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) this Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under this 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 this Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

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

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

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

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



3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.702 RIGHTS UPON CANCELLATION

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

2.703 LIQUIDATED DAMAGES

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 this 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 the Contract Administrator determines appropriate for the convenience of the Government.

If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of 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 this 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 this 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 this 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) This Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes:
 - (1) In the specifications (including drawings and designs);
 - (2) In the method or manner of performance of the work;
 - (3) In the Government-furnished facilities, equipment, materials, services, or site; or
 - (4) Directing acceleration in the performance of the work.
- (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 this 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

3.301 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 this 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 this 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.

- (a) To use, duplicate, and disclose data furnished under this clause, in precedence over any other clause of this contract providing for rights in data.
- (b) The Government is not precluded from using similar or identical data acquired from other sources.



SPECIFICATION REQUIREMENT

These requirements apply to flat knit fabrics, item 001 through item 013.

- 1) Must be flat knit fabric.
- 2) Must be 50% polyester/50% cotton.
- 3) All rolls must be tubular or one-half the width of the fabric.
- 4) All widths must be plus or minus ½ inch.
- 5) Must be resin treated.
- 6) Must be 22 cut stitch minimum, 30 wales, average stitch 32.
- 7) Must be 35 pounds to 40 pounds per roll.
- 8) Finished side of fabric must face inside of tube.
- 9) **Must be provided in all colors specified and match the samples provided with the invitation to bid. The judgment of the State of Michigan whether or not the colors to be provided meet the needs of Michigan State Industries will be final. (The sample size about 1 square yard).**

These requirements apply to rib knit fabrics item 014 through item 019.

- 1) Must be rib knit fabric.
- 2) Must be 50% polyester/50% cotton
- 3) Must be 1 X 1 rib knit.
- 4) All rolls must be tubular or one-half the width of the fabric.
- 5) All widths must be plus or minus ½ inch.
- 6) Must have a soft finish.
- 7) Must be 14 cut stitch minimum, 20 wales, average stitch 32.
- 8) Must be 35 pounds to 40 pounds per roll.
- 9) **Must be provided in all colors specified and match the samples provided with the invitation to bid. The judgment of the State of Michigan whether or not the colors to be provided meet the needs of Michigan State Industries will be final. (The sample size about 1 square yard).**



PRICING

ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
001	850-24-44-8350	20,000	LB	<u>\$1.985</u>	<u>\$39,700.00</u>
	KNIT FABRIC, FLAT				
	WHITE, 36 IN. TUBE SIZE, YIELD 3.9 YDS/LB FLAT KNIT; WHITE; 36 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS.				
002	850-24-44-8400	20,000	LB	<u>\$1.985</u>	<u>\$39,700.00</u>
	KNIT FABRIC, FLAT				
	WHITE, 40 IN. TUBE SIZE, YIELD 3.5 YDS/LB FLAT KNIT; WHITE; 40 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
003	850-24-44-8459	100,000	LB	<u>\$1.985</u>	<u>\$198,500.00</u>
	KNIT FABRIC, FLAT				
	WHITE, 44 IN. TUBE SIZE, YIELD 3.2 YDS/LB FLAT KNIT; WHITE; 44 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
004	850-24-44-8509	200,000	LB	<u>\$1.985</u>	<u>\$397,000.00</u>
	KNIT FABRIC, FLAT				
	WHITE, 48 IN. TUBE SIZE, YIELD 2.93 YDS/LB FLAT KNIT; WHITE; 48 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
005	850-24-44-8558	200,000	LB	<u>\$1.985</u>	<u>\$397,000.00</u>
	KNIT FABRIC, FLAT				
	WHITE, 52 IN. TUBE SIZE, YIELD 2.7 YDS/LB FLAT KNIT; WHITE; 52 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				
006	850-24-44-8608	200,000	LB	<u>\$1.985</u>	<u>\$397,000.00</u>
	KNIT FABRIC, FLAT				
	WHITE, 56 IN. TUBE SIZE, YIELD 2.51 YDS/LB FLAT KNIT; WHITE; 56 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS				



ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
007	850-24-44-8657	200,000	LB	<u>\$1.985</u>	<u>\$397,000.00</u>
KNIT FABRIC, FLAT WHITE, 60 IN. TUBE SIZE, YIELD 2.34 YDS/LB FLAT KNIT; WHITE; 60 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS					
008	850-24-44-0357	10,000	LB	<u>\$2.709</u>	<u>\$27,090.00</u>
KNIT FABRIC, FLAT BLUE, 36 IN. TUBE SIZE, YIELD 3.9 YDS/LB FLAT KNIT; LIGHT BLUE; 36 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS					
009	850-24-44-0407	5,000	LB	<u>\$2.709</u>	<u>\$13,545.00</u>
KNIT FABRIC, FLAT BLUE, 40 IN. TUBE SIZE, YIELD 3.5 YDS/LB FLAT KNIT; LIGHT BLUE; 40 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS					
010	850-24-44-0456	8,000	LB	<u>\$2.709</u>	<u>\$21,672.00</u>
KNIT FABRIC, FLAT BLUE, 44 IN. TUBE SIZE, YIELD 3.2 YDS/LB FLAT KNIT; LIGHT BLUE; 44 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS					
011	850-24-44-0506	8,000	LB	<u>\$2.709</u>	<u>\$21,672.00</u>
KNIT FABRIC, FLAT BLUE, 48 IN. TUBE SIZE, YIELD 2.93 YDS/LB FLAT KNIT; LIGHT BLUE; 48 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS					
012	850-24-44-0555	10,000	LB	<u>\$2.709</u>	<u>\$27,090.00</u>
KNIT FABRIC, FLAT BLUE, 52 IN. TUBE SIZE, YIELD 2.7 YDS/LB FLAT KNIT; LIGHT BLUE; 52 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS					



ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
------	---------------------------	----------	------	------------	-------------

013	850-24-44-0605	8,000	LB	<u>\$2.709</u>	<u>\$21,672.00</u>
-----	----------------	-------	----	----------------	--------------------

KNIT FABRIC, FLAT

BLUE, 56 IN. TUBE SIZE, YIELD 2.51 YDS/LB
 FLAT KNIT; LIGHT BLUE;
 56 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

014	850-24-46-8051	10,000	LB	<u>\$1.955</u>	<u>\$19,550.00</u>
-----	----------------	--------	----	----------------	--------------------

KNIT FABRIC, RIB

WHITE, 32 IN. TUBE SIZE, YIELD 3.1 YDS/LB
 RIB KNIT; WHITE;
 32 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

015	850-24-46-8101	150,000	LB	<u>\$1.955</u>	<u>\$293,250.00</u>
-----	----------------	---------	----	----------------	---------------------

KNIT FABRIC, RIB

WHITE, 36 IN. TUBE SIZE, YIELD 2.8 YDS/LB
 RIB KNIT; WHITE;
 36 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

016	850-24-46-8150	200,000	LB	<u>\$1.955</u>	<u>\$391,000.00</u>
-----	----------------	---------	----	----------------	---------------------

KNIT FABRIC, RIB

WHITE, 40 IN. TUBE SIZE, YIELD 2.5 YDS/LB
 RIB KNIT; WHITE;
 40 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

017	850-24-46-8200	200,000	LB	<u>\$1.955</u>	<u>\$391,000.00</u>
-----	----------------	---------	----	----------------	---------------------

KNIT FABRIC, RIB

WHITE, 44 IN. TUBE SIZE, YIELD 2.3 YDS/LB
 RIB KNIT; WHITE;
 44 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS

018	850-24-46-8259	150,000	LB	<u>\$1.955</u>	<u>\$293,250.00</u>
-----	----------------	---------	----	----------------	---------------------

KNIT FABRIC, RIB

WHITE, 60 IN. TUBE SIZE, YIELD 1.68 YDS/LB
 RIB KNIT; WHITE;
 60 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS



ITEM	COMMODITY/ DESCRIPTION	QUANTITY	UNIT	UNIT PRICE	TOTAL PRICE
------	---------------------------	----------	------	------------	-------------

019	850-24-46-0801	5,000	LB	<u>\$2.68</u>	<u>\$13,400.00</u>
-----	----------------	-------	----	---------------	--------------------

KNIT FABRIC, RIB

BLUE, 40 IN. TUBE SIZE, YIELD 2.2 YDS/LB
RIB KNIT; LIGHT BLUE;
40 INCH TUBE SIZE. PER ATTACHED TERMS, CONDITIONS AND SPECIFICATIONS