

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

September 10, 2009

CHAGNE NOTICE NO. 2
TO
CONTRACT NO. 071B5200404
 (Supercedes Contract #071B5200214)
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE (517) 336-0001	
Oetzel-Hartman Group 321 Woodland Pass, Suite 200 East Lansing, MI 48823 <p style="text-align: right;">pwhitener@ohgroup.us</p>		Pat Whitener or Terrell Oetzel	
		BUYER/CA: (517) 241-1916 Jim Wilson	
Contract Compliance Inspector: Cathy Borsenik, DOT-F&A (517) 335-0976 or Tom Falik, DOT Purchasing (517) 373-8699 Appraisal Services for Finance and Accounting – Department of Treasury			
CONTRACT PERIOD:		From: October 1, 2005	To: September 30, 2009
TERMS	N/A	SHIPMENT	N/A
F.O.B.	N/A	SHIPPED FROM	N/A
MINIMUM DELIVERY REQUIREMENTS Four (4) Original Bound Appraisal Reports per Property Appraisal Assignment			

NATURE OF CHANGE(S):

Effective immediately, the Appraisal Fee is reduced by \$10%.

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

AUTHORITY/REASON:

Per vendor agreement and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$150,000.00

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

September 26, 2007

CHAGNE NOTICE NO. 1
TO
CONTRACT NO. 071B5200404
 (Supercedes Contract #071B5200214)
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Oetzel-Hartman Group 321 Woodland Pass, Suite 200 East Lansing, MI 48823 pwhitener@ohgroup.net	TELEPHONE (517) 336-0001 Pat Whitener or Terrell Oetzel
	VENDOR NUMBER / MAIL CODE (001)
	BUYER/CA: (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Cathy Borsenik, DOT-F&A (517) 335-0976 or Tom Falik, DOT Purchasing (517) 373-8699 Appraisal Services for Finance and Accounting – Department of Treasury	
CONTRACT PERIOD: From: October 01, 2005 To: September 30, 2009	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS Four (4) Original Bound Appraisal Reports per Property Appraisal Assignment	

NATURE OF CHANGE(S):

Effective immediately, this Contract is hereby **EXTENDED** until **September 30, 2009**, and **INCREASED** by **\$100,000.00**. **NOTE:** The Buyer for this Contract is changed to **Jim Wilson (517) 241-1916**. All other terms, conditions, specifications, and pricing remain unchanged.

AUTHORITY/REASON:

Per agency request (PRF dated 5/31/2007), Ad Board approval on 9/18/2007, and DMB/Purchasing Operations.

INCREASE: \$100,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: 150,000.00

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

October 25, 2005

NOTICE
TO
CONTRACT NO. 071B5200404
(Supercedes Contract #071B5200214)
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Oetzel-Hartman Group 321 Woodland Pass, Suite 200 East Lansing, MI 48823 pwhitener@owgroup.net	TELEPHONE (517) 336-0001 Pat Whitener or Terrell Oetzel
	VENDOR NUMBER / MAIL CODE (001)
	BUYER/CA: (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Cathy Borsenik, DOT-F&A (517) 335-0976 or Tom Falik, DOT Purchasing (517) 373-8699 Appraisal Services for Finance and Accounting – Department of Treasury	
CONTRACT PERIOD: From: October 01, 2005 To: September 30, 2007	
TERMS N/A	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS Four (4) Original Bound Appraisal Reports per Property Appraisal Assignment	

The terms and conditions of this Contract to deliver APPRAISAL SERVICES for the Finance and Accounting Division of the Michigan Department of Treasury are those from: ITB #071152100050; the vendor's quote and proposal dated 11/05/2004; terminated Contract 071B5200214; and, *this* Contract Agreement.

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.

Maximum, Cumulative Contract Value: **\$50,000.00**

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

CONTRACT NO. 071B5200404
 (Supercedes Contract #071B5200214)

between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Oetzel-Hartman Group 321 Woodland Pass, Suite 200 East Lansing, MI 48823 ATTN: Ms. Pat Whitener or Mr. Terrell Oetzel <p style="text-align: right;">pwhitener@owgroup.net</p>		VENDOR TELEPHONE (517) 336-0001
		VENDOR NUMBER / MAIL CODE (001)
		BUYER/CA: (517) 373-8622 Malynda Little
Contract Compliance Inspector: Cathy Borsenik, DOT-F&A (517) 335-0976 or Tom Falik, DOT Purchasing (517) 373-8699 Appraisal Services for Finance and Accounting – Department of Treasury		
CONTRACT PERIOD: From: October 01, 2005		To: September 30, 2007
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>	
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>	
MINIMUM DELIVERY REQUIREMENTS Four (4) Original Bound Appraisal Reports per Property Appraisal Assignment		

THIS IS NOT AN ORDER: This Contract Agreement to deliver APPRAISAL SERVICES for the Finance & Accounting Division of the Michigan Department of Treasury, is hereby awarded due to Contractor merger and reorganization and termination of Contract # 071B52100214. The terms and conditions of this Contract are those from: ITB #071152100050; the vendor's quote and proposal dated 11/05/2004; terminated Contract 071B5200214; and, *this* Contract Agreement as follows.

Orders for delivery of service will be issued directly by the Michigan Department of Treasury through the issuance of a Purchase Order Form. All terms and conditions of the invitation to bid are made a part hereof by reference.

Estimated Contract Value: **\$50,000.00**

<p>FOR THE VENDOR:</p> <p style="text-align: center;">Oetzel-Hartman Group</p> <hr/> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	<p>FOR THE STATE:</p> <hr/> <p style="text-align: center;">Signature Malynda Little, Buyer</p> <hr/> <p style="text-align: center;">Name Services Division, Acquisition Services</p> <hr/> <p style="text-align: center;">Title</p> <hr/> <p style="text-align: center;">Date</p>
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Article 1 – Statement of Work (SOW)

1.0 Project Identification

This **CONTRACT-AGREEMENT** is by and between the **State of Michigan** (hereinafter referred to as the State) and the **Oetzel-Hartman Group** (FEIN**32-0153498**) (hereinafter referred to as Contractor), and it is effective for approximately two years **starting 10/01/2005 and ending 09/30/2007, to provide appraisal services** to the Finance & Accounting Division of Michigan Department of Treasury.

1.001 INTRODUCTION

The Michigan Department of Treasury's objective for purchasing appraisal services is to verify the true cash value of certain properties, which are not owned by the State but for which the State (by statute) is responsible to pay the local property taxes. The private properties are certain commercial assisted-living and adult foster care homes.

1.002 BACKGROUND

The Michigan Department of Treasury is responsible for payment of property taxes for certain senior citizen and disabled housing facilities under Section 211.7d for the Michigan Compiled Laws (MCL). In order to assure that the State is paying the correct amount in ad valorem taxes, it is necessary to determine whether the state equalized and taxable values are correct for each property. There are approximately twenty of these facilities for which the State needs to obtain an appraisal report (as a full-narrative, Self Contained, or a narrative Summary Appraisal report).

1.1 Scope of Work and Deliverables

1.101 IN SCOPE

The following is a general description of the appraisal services that the State considers in-scope for appraisal services through this contract-agreement:

Contractor shall:

- (1) Complete an appraisal report (full narrative Self Contained or narrative Summary report) for the designated properties, upon notification from the Michigan Department of Treasury, that is a routine inspection of and inquiries about the subject property. Not all properties will be appraised at the same time or even in the same fiscal year. Approximately twenty (20) properties will need appraisal reports through the end of this contract term of 09/30/2007.
- (2) Provide representation and expert testimony, where needed and as requested by the State, to pursue any needed corrections of state equalized value and taxable value.

1.102 OUT OF SCOPE

Work under this contract-agreement that is considered out-of-scope includes expert identification or testing of hazardous substances such as chemical or biological contaminations or detrimental environmental conditions, provided that routine inspection of and inquiries about the subject propert(y)ies do not develop any information that indicate any apparent hazardous or detrimental environmental condition which would negatively or detrimentally effect the habitability or marketability of the subject propert(y)ies, such as "black mold," radon, termites, carpenter ants or other naturally occurring phenomena or infestations, or soil issues (it will be assumed that the improved properties have sufficient soil conditions to physically hold each of the properties).

The State accepts that the Contractor will not be responsible for such environmental issues, and that each appraisal report will assume there are no environmental problems involved with any of the properties, that would not be apparent to a lay-person unless otherwise disclosed in the report. *However*, if there is an apparent issue of settling, apparent environmental condition(s), or otherwise apparent hazardous substance(s) on or affecting any of the properties, then this will be taken into consideration and included in the final valuation of the subject propert(y)ies.

1.103 TECHNICAL ENVIRONMENT

RESERVED – not applicable to this contract at this time.

**1.104 WORK AND DELIVERABLE**

Contractor shall provide services and staff, and otherwise do all things necessary for or incidental to the performance of appraisal services, as set forth below:

Contractor shall:

1. Inspect properties personally, and advise Contract Compliance Inspector in a written appraisal report (full narrative self-contained or narrative summary report) of Contractor's opinion of the true cash value of the property based on the property's highest and best use for Michigan general property tax purposes, including fixtures. Each appraisal report will also consider specific issues regarding utilities, access, easements, etc. The appraisers will first make contact with the persons involved in the property to inspect the subject property, the surrounding neighborhood, and the general area.
2. Contact the local governmental agencies to obtain information such as assessed values, taxable values, millage rates, utilities available to the site, zoning, floodplain information, and other information that is available through a governmental office to assist in the final analysis and valuation of each of the individual properties.
3. Complete an appraisal report (full narrative, self-contained, or narrative summary report) for the subject properties, as requested by the Contract Compliance Inspector, that:
 - a. Complies with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation.
 - b. Considers the three traditional valuation approaches to the subject propert(y)ies, with inspection of the lease comparables and inspection of the comparable sales, to include analysis of:
 - i. Market value
 - ii. Income value
 - iii. Cost value

(Further, if one any of these three approaches is **not included** in the final valuation, then a **justification for the omission** will be included in the report). The report shall reconcile the appropriate approaches to a final indicated value of subject propert(y)ies.
 - c. Submits an approved work plan annual which is approved by the Michigan Department of Treasury, agreeing that:
 - i. Reports for all properties will not be due at the same time, and that a schedule of properties to be appraised will be developed for each contract year;
 - ii. The estimated length of time to complete an appraisal report will be reported to the CCI, upon Contractor's receipt of notification of need for property appraisal(s);
 - iii. Upon written request from the Contractor, an extension of time may be granted by the State in writing (as determined by the State), in the event Contractor has not received from the State enough or proper information needed to complete the property appraisal, or in the event other extenuating circumstances occur;
 - iv. The final due date for all appraisal reports requested for that fiscal year is February 1st of each contract year.
 - d. With each appraisal report:
 - i. Identify the individual appraiser's professional designation(s);
 - ii. Include a copy of the appraiser's current State certification / license;



- iii. Acknowledge that the appraisal report was completed by one key-staff appraiser and was reviewed by one other key-staff appraiser who agreed to cooperate in that review.
 - iv. Provide four (4) original bound copies of each report for each appraisal assignment completed.
4. Revise the report, as necessary. If revision is needed due to Contractor's error or oversight, then revision shall be submitted to the State's Contract Compliance Inspector (CCI) within ten (10) calendar days from receipt of CCI's request, at no additional cost to the State. However, if revisions become necessary because of revised plans or additional requirements on the part of the State, it shall be done by written amendment (Change Notice) to this Contract.
 5. Provide representation and expert testimony, where needed and as requested by the State, and to pursue any needed corrections of state equalized value and taxable value.
 6. Agree that any agents or employees of Contractor, in the performance of this Contract, shall act in an independent capacity and not act as officers or employees of the State.

1.2 Roles and Responsibilities

1.201 CONTRACTOR STAFF

The following are designed as key personnel in the performance of this contract-agreement and are the contractor-staff assigned responsibility for submission of all the appraisal reports of the subject property(ies):

1. Mr. Terrell R. Oetzel,
Member of the Appraisal Institute (MAI)
Member of Counselors of Real Estate (CRE)
Member of Society of Golf Appraisers (SGA)
(State of Michigan Certified General Real Estate Appraiser
License # 1201000007)
2. Mr. James T. Hartman,
Member of the Appraisal Institute (MAI)
(State of Michigan Certified General Real Estate Appraiser
License #1201005950)
3. Mr. Alan L. Johns, MAI, CPM
(State of Michigan Certified General Real Estate Appraiser
License #1201002166)

1.202 STATE STAFF

Please also see § 2.002 of this Contract.

PURCHASE AUTHORITY

This Contract award is issued by the State of Michigan, Department of Management and Budget (DMB), Acquisition Services, hereafter known as Acquisition Services, for and on behalf of the State of Michigan, Department of Treasury. Where actions are a combination of those by Acquisition Services and Department of Treasury, the authority will be known as the State. **Acquisition Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the services described herein.**

Acquisition Services is the only office authorized to change, modify, amend, alter, clarify, etc., the prices, specifications, terms, and conditions of this contract award.



1.3 Project Plan

1.301 PROJECT PLAN MANAGEMENT / WORK PLAN

1. The Contractor will carry out this project primarily under the **direction and control of the Department of Treasury**. This appraisal for each of the subject propert(y)ies will be developed independently and professionally without State Agency influence.
2. While this contract covers multiple years, an annual work plan must be developed and approved by both parties to this contract.
 - a. The Agency must encumber funds for each State fiscal period, which is effective from 10/1 through 9/30. **The Agency-End-User (program office) staff and/or the Contract Compliance Inspector [CCI] are responsible to prepare and approve an annual work plan for each fiscal period** the contract is effective, and identify the funds to be encumbered for that period. This work plan is developed, reviewed with, and then presented to the contract-vendor for review and signature each fiscal year. This activity should be accomplished in time for processing before the start of each fiscal year on October 01. This work plan or calendar will detail the activities and delivery due-dates within the scope of the contract that the Agency expects to receive during that State fiscal year. The pricing, as established by this contract, will apply to these expected activities.
 - b. The CCI and the contractor will work together to reach agreement on the work plan and schedule for each fiscal period to ensure that both the State and the Contractor understand and agree on what work will be expected by when, and agree on reimbursement for each fiscal year. Although there will be continuous liaison with the Contractor team, the Agency Contract Compliance Inspector, Agency Contract Manager, and/or other Agency designee(s) as determined by the State, will meet as needed with the Contractor's project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
3. The Contractor will submit brief written summaries, as requested, of progress which outlines 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 Contract Compliance Inspector or designee; and notification of any significant deviation from previously agreed-upon work plans.
4. Within ten (10) business days of Contract execution, the Contractor will submit a detailed work plan for final approval to the Contract Compliance Inspector or designee. This final implementation plan must be in agreement with the work-plan as described by the Agency at the beginning of a new fiscal period and must be in agreement with the proposal as submitted by the contractor and subsequently accepted by the State, and must include the following:
 - a. The Contractor's project organizational structure.
 - b. The Contractor's staffing table with names and title of personnel assigned to each individual project assignment. Necessary substitutions of key personnel due to change of employment status and other unforeseen circumstances may only be made with prior approval by the State.
 - c. The project breakdown, showing any sub-projects, activities, tasks, or resources required and allocated to each assignment.
 - d. The time-phased plan showing a projected completion date for each assignment.

1.4 Project Management

1.401 ISSUE MANAGEMENT

RESERVED – not applicable to this contract at this time.

1.402 RISK MANAGEMENT

RESERVED – not applicable to this contract at this time.

1.403 CHANGE MANAGEMENT

RESERVED – not applicable to this contract at this time.



1.5 Acceptance

1.501 CRITERIA

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables as described herein:

Appraisal report must comply with the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation, pursuant to §1.104 (3).

1.502 FINAL ACCEPTANCE

The CCI will provide final Acceptance of the service within thirty (30) calendar days upon receiving the revised appraisal report as referenced in §1.104 of this Agreement.

1.6 Compensation and Payment

1.601 FISCAL REQUIREMENTS

1. Reimbursement Method:

The Unit Rate Billing Method shall be used in claiming reimbursement under this Agreement. The Contractor shall maintain a record system that documents the total number of units of service as defined in this Agreement and delivered during the term of this Agreement. These records shall also document the specific units billed to the Department of Treasury under this Agreement.

2. Appraisal Services Unit Definitions:

Property Appraisal: One Unit of Service shall equal one completed property appraisal report (with required four [4] copies) of subject property completed and accepted by the Department of Treasury.

Expert Testimony: One Unit of Service shall equal one hour (sixty minutes) of recorded expert testimony.

3. Volume of Service:

Approximately 170 properties identified below will need to be appraised by the conclusion of this contract-agreement.

Subject Property Name	Street Address	City	State	Zip
Grand Ravine	725 Grand Street	Allegan	MI	49010
Luther Community Manor	210 Wilson Street	Alpena	MI	49707
Lurie Terrace	600 West Huron Street	Ann Arbor	MI	48103
Sequoia Place	1131 North Maple Road	Ann Arbor	MI	48103
Meadows Apartments, The	85 Lennon Street	Battle Creek	MI	49014
Belleville Cooperative Apartments	575 Supmter Road	Belleville	MI	48111
Columbia Court	275 West Columbia Avenue	Belleville	MI	48111
River Grove Retirement Community	5761 Jupiter	Belmont	MI	49306
Water Tower Apartments	715 Water Tower	Big Rapids	MI	49307
Golden Horizon Apts.- Lss Manor	Calumet 50a Mine Street	Calumet	MI	49913
Canton Place	44505 Ford Road	Canton Township	MI	48187
Carleton Co-op Apartments	188 Center Street	Carleton	MI	48117
Spring Valley Apartments	100 Spring Valley Ave	Caspian	MI	49915



Dunn Family Sr. Citizens Home	8400 Engleman	Center Line	MI	48015
Kiwanihome	430 South Sheldon	Charlotte	MI	48813
Grebe Village	1035 Stanley Street	Cheboygan	MI	49721
Bear Creek Villa	179 East Ferney; P.O. Box 178	Clarksville	MI	48815
Clawson Manor	255 West 14 Mile Road	Clawson	MI	48017
Peace Presbyterian Village	17275 Fifteen Mile Road	Clinton Township	MI	48035
Halcyon Point	30 West Park Avenue	Coldwater	MI	49036
River Village Apartments	162 River Street	Coopersville	MI	49404
Croswell Country Manor	240 Mills Street	Croswell	MI	48422
Braidwood Manor	336 North Main Street	Davison	MI	48423
Taekens Terrace	10133 Lapeer Road	Davison	MI	48423
Normandy Apartments	24320 Michigan Avenue	Dearborn	MI	48124
St. Sarkis Tower	19230 Ford Road	Dearborn	MI	48128
Dearborn Heights Co-op Tower	16600 West Outer Drive	Dearborn Heights	MI	48127
Bethany Presbyterian Manor	8737 - 14th Street	Detroit	MI	48206
Brush Park Paradise Valley	2900 Brush Street	Detroit	MI	48201-
Canaan Manor	9539 Hayes	Detroit	MI	48213
Clinton House	99 Kenilworth	Detroit	MI	48202
Eden Manor	18040 Coyle	Detroit	MI	48235
Ellis Manor	19200 Shiawassee Drive	Detroit	MI	48219
Evangelical Manor, Inc.	6720 West Outer Dr	Detroit	MI	48235
Ida P. & Conrad H. Smith Apts.	1826 Brainard	Detroit	MI	48208
Mcauley Commons	11500 Shoemaker	Detroit	MI	48213
McGivney Bethune Apartments	16850 Wyoming	Detroit	MI	48221
Meyers Plaza Cooperative Apartments	18000 Meyers	Detroit	MI	48235
Morton Manor	20000 Dequindre	Detroit	MI	48234
Oak Village Apartment (Detroit Voa)	11515 Petosky	Detroit	MI	48204
Phillip C. Sims Building	800 Dickerson Avenue	Detroit	MI	48215
Rademacher Lodge	1777 Rademacher	Detroit	MI	48209
Restoration Towers	16631 Lasher	Detroit	MI	48219
Rio Vista Cooperative Apartments	1250 - 18th Street	Detroit	MI	48216
Robert Holmes Teamster Housing	419 East Warren 15100 Brush Street	Detroit	MI	48201



Theresa Maxis Apartments	16800 Wyoming	Detroit	MI	48221
Williams Pavilion	99 East Forest Avenue	Detroit	MI	48201
Dowagiac Rotary Villa	300 Cleveland Avenue	Dowagiac	MI	49047
Kiwanis Springbrook Manor	300 King Street	Eaton Rapids	MI	48827
Ecorse Manor Co-op Apts	4560 Ninth Street	Ecorse	MI	48229
Miles Manor	307 Salliotte	Ecorse	MI	48229
Ausable Valley Apartments	1441 Maple Drive	Fairview	MI	48621
Detroit Baptist Manor	30301 West 13 Mile Road (alpha, Drake, Epsilon)	Farmington Hills	MI	48018
Flat Rock Co-op Apartments	28744 Telegraph Road	Flat Rock	MI	48134
Flint Heights Sr Citizens Apts	G-3064 Miller Road	Flint	MI	48507
Kearsley Manor	814 East Kearsley Street	Flint	MI	48503
Roy J Morrison Apts(Flint Cerebral Palsy)	2102 Stedron	Flint	MI	48505
Slidell Sen Citizens Residence	2201 West Carpenter Road	Flint	MI	48505
Taylor Lake Manor (cooper Lk)	6601 Oxley Drive	Flint	MI	48505
River Manor Senior Housing	10000 Shawdowlane Avenue	Galesburg	MI	49053
Allen Manor	532 James Street, SE	Grand Rapids	MI	49503
Birchgrove Apartments	4020 Kalamazoo Avenue, SE	Grand Rapids	MI	49508
Delaware Manor	10 Delaware Street, SW	Grand Rapids	MI	49507
Elmdale Apartments	1361 Elmdale Street, NE	Grand Rapids	MI	49505
Gaylord House(cascade Chr Hm)	2765 Orange Avenue, SE	Grand Rapids	MI	49506
Leonard Pines Apartments	1331 Leonard NE	Grand Rapids	MI	49505
Oak Ridge Retirement Community	3781 Giddings SE	Grand Rapids	MI	49508
Village Drive Apartments	2000 Saginaw SE	Grand Rapids	MI	49508
Grand Heritage Manor	4300 Parkview Drive	Grandville	MI	49418
Hillside Apartments Phase Ii	311 West Main Street	Harbor Springs	MI	49740
Park Place Of Harper Woods	19460 Park Drive	Harper Woods	MI	48225
Ahepa 371, Inc.	26700 Crocker Boulevard	Harrison Township	MI	48045
Woodside Apartments	215 Wendall Street	Hartford	MI	49057
Grange Acres	6101 Marsh Road	Haslett	MI	48840



Hazel Park Co-op Apartments	701 East Woodward Heights	Hazel Park	MI	48030
Highland Haven/meadowview	923 Duck Lake Road	Highland	MI	48356
Highland Haven/woodside	917 Duck Lake Road	Highland	MI	48031
Bishop G.d. Moore Apt Complex	99 Manchester Parkway	Highland Park	MI	48203
Labelle Towers	33 Labelle Avenue	Highland Park	MI	48203
Harrison Avenue Group Home	342 Harrison Avenue	Holland	MI	49423
Mcintosh Manor	775 Butternut Drive	Holland	MI	49423
Presbyterian Village Of Holly	3323 Grange Hall Road	Holly	MI	48442
Presbyterian Village Of Holly, Phase	3325 Grange Hall Road	Holly	MI	48442
Pine View Community Apts.	220a W Sharon Avenue	Houghton	MI	49931
Chateau Cherry Hill	213 Henry Ruff Road	Inkster	MI	48141
St. Clement's Manor	4009 Northland	Inkster	MI	48141
Heritage Hills Apartments	600 Golden Drive	Kalamazoo	MI	49001
Milham Parkside Apartments	20 W. Leona Avenue	Kalamazoo	MI	49001
Spring Valley Crossing	2535 Mt. Olivet Road	Kalamazoo	MI	49004
Twin Lakes Apartments	3125 Nichols Road	Kalamazoo	MI	49004
Washington Square Co-op Apts.	701 Collins Street	Kalamazoo	MI	49001
Westland Meadows Apartments	4300 Leisure Lane	Kalamazoo	MI	49007
Bailey's Grove Retirement Community	5252 Bailey's Center Drive	Kentwood	MI	
Metropolitan Apartments	4634 North Breton Court, SE	Kentwood	MI	49508
Looking Glass Terrace	631 East Grand River	Laingsburg	MI	48848
Heritage Place Of Lake Orion	211 Atwater Street	Lake Orion	MI	48035
Capital Gardens Apartments	2019 Grand River Avenue	Lansing	MI	48906
Independence Square Apartments	2010 West Holmes Road	Lansing	MI	48910
West Genesee Apartments	1964 West Genesee	Lapeer	MI	48446
Brush Creek Apts(law Sen Vill)	400 South Paw Paw	Lawrence	MI	49064
Friendship Village	710 Riverside Drive	Litchfield	MI	49252
Trinity Park	14866 Middlebelt Road	Livonia	MI	48154
Schneider Manor	725 Bowes Road	Lowell	MI	49331
Lawndale Apartments	900 E Lawndale Street	Ludington	MI	49431



Madison Heights Co-op	500 East Irving	Madison Heights	MI	48071
New Horizons Co-op Apartments	31101 Edward Street	Madison Heights	MI	48071
Cherry Creek Village	201 Cherry Creek Road	Marquette	MI	49855
Oakwood Village	580 Cox Street	Marquette	MI	49855
Kiwanis Village Of Mason	210 Kiwanis Drive #a-2	Mason	MI	48854
Interfaith Manor	1220 9th Avenue	Menominee	MI	49858
Northland Newhope Heights	1520 46th Avenue	Menominee	MI	49858
Cleveland Manor I & li	2200 Cleveland Avenue	Midland	MI	48640
Church Of Christ Sr. Housing	23561 Fifteen Mile Rd, Bldg	Mount Clemens	MI	48043
Elizabeth Lee Doles Manor	42700 Colchester Road	Mount Clemens	MI	48043
St. George Tower	42250 Hayes	Mount Clemens	MI	48044
Immanuel Village	310 S Bradley	Mt Pleasant	MI	48858
Christian Manor	1480 Laughlin	Muskegon	MI	49442
Jefferson Towers a/k/a Muskegon Retirement	1077 Jefferson Street	Muskegon	MI	49440
Pioneer Arbour, Inc	2300 Barclay Street	Muskegon	MI	49442
Trinity Manor	347 Shonat Street	Muskegon	MI	
Whispering Timbers	1589 Hoyt Street	Muskegon	MI	49442
Woodview Apartments	782 West Brooks	Newago	MI	49337
Four Flags Plaza	17 North Seventh Street	Niles	MI	49120
Jewish Federation Apts I - IV	15106 West 10 Mile Road	Oak Park	MI	48237
Lynn Street Manor	4255 South Lynn Street	Onaway	MI	49765
Baraga Manor	301 Washington Street	Otesgo	MI	49078
Kiwanis Village Of Owosso	1464 North M-52	Owosso	MI	48867
St. David's Gate Co-op Apts.	44841 Ann Arbor Road	Plymouth	MI	48170
Pontiac Plains Apartments	483 West Columbia	Pontiac	MI	48342
Chippewa Court Apartments	2876 Henry Street	Port Huron Township		
Portage Pines Apartments	7968 Kenmure	Portage	MI	49002
Coventry Place(redfrd Twp Voa)	24200 Cathedral Avenue	Redford Twp	MI	48239
Danish Village	2566 Walton Boulevard	Rochester Hills	MI	48063
Richter Place	9101 Courtland	Rockford	MI	49341
Whispering Willows Co-op Apts.	11100 Wayne Road	Romulus	MI	48174



Barton Towers Co-op Apartments	333 North Troy	Royal Oak	MI	48067
Royal Oak Manor	606 Williams Street	Royal Oak	MI	48067
Essex Manor	4000 Harold Street	Saginaw	MI	48601
Joan Manley Wolfe Apartments	4235 Mccarty Road	Saginaw	MI	48603
Saginaw Westchester Village No.	3200 Dale Road	Saginaw	MI	48603
Saginaw Westchester Village So.	4055 W Michigan	Saginaw	MI	48603
Millpond Manor	460 Russell St	Saline	MI	48176
East Village Apartments	245 Margaret	Sandusky	MI	48471
Cedar Park	474 Cedar Street	Schoolcraft	MI	49087
Woodridge Apartments	25325 Grodan Avenue	Southfield	MI	48034
Southgate Co-op Apartments	11255 Allen Road	Southgate	MI	48195
Harvest Way Retirement Community	65 Ida Red Avenue	Sparta	MI	49345
Evergreen Village	217 S Dewitt	Spring Lake	MI	49456
Vineyards	3355 South Lakeshore Drive	St. Joseph	MI	49085
Lakeside Towers	15000 Shoreline Drive	Sterling Heights	MI	48078
River Country Apartments	1099 W. Michigan Ave.	Three Rivers	MI	49093
Churchside Village	6105 Center Road	Traverse City	MI	49686
Community Living Apartments	920 Grant Street	Traverse City	MI	49684
Trenton Towers	2645 Riverside Drive	Trenton	MI	48183
Bethany Villa Apartments	1680 Jackson Drive	Troy	MI	48083
Walker Meadow Retirement Community	1101 Wilson Avenue, Nw	Walker	MI	49544
Walker Village	1230 Walker Village Dr., Nw	Walker	MI	49504
Tivoli Manor	28103 Imperial	Warren	MI	48093
Ukrainian Village	26377 Ryan Road	Warren	MI	48091
Warren Glenn Presbyterian Village	2950 East Twelve Mile Road	Warren	MI	48092
Tae-keuk Village (korean Amer)	3712 Williams Street	Wayne	MI	48184
Hechtman Federation Apartments	6700 West Maple Road	West Bloomfield	MI	48033
Our Saviour's Manor	29495 Annapolis Avenue	Westland	MI	48185
Bishop Co-op	2651 Biddle	Wyandotte	MI	48192
Wyandotte Co-op	2455 Biddle	Wyandotte	MI	48192
David's House Group Home	2390 Banner St S.w.	Wyoming	MI	49509
Villa Esperanza	1446 44th Street, S.w.	Wyoming	MI	49509



Haven Huis Apartments	100 Madison Court	Zeeland	MI	49464
S.h.a.w.l. I Whitehall	225 Hall Street		MI	49461
S.h.a.w.l. li - Montague	8363 Cook Street		MI	49437

1.602 PAYMENT

1. Rate

The Contractor shall submit an invoice to the Department of Treasury upon final acceptance of a service delivery. This invoice shall accurately represent the units of service delivered, the reimbursement rate by type of service and the total amount being claimed.

The Department of Treasury shall then make payments to the Contractor approximately four weeks after receipt of the Contractor's invoice, based upon the rates per unit of service delivered as described below. The unit rate(s) established in this Agreement shall remain fixed for the entire period of the Agreement.

<u>Unit Title</u>	<u>Rate</u>
Appraisal Services: Property Appraisal:	\$5,000.00
Appraisal Services: Expert Testimony:	\$200.00

2. Maximum Amount

The State hereby agrees to pay the Contractor an amount not to exceed Seventy-Five Thousand dollars and 00/100 (**\$75,000.00**) for services performed under this Agreement exclusively during the period 10/01/2005 to 09/30/2007. Obligations incurred prior to or after the period covered by this Agreement shall be excluded from the Contractor's monthly invoices.

1.7 Additional Terms and Conditions Specific to this Service

Because this is a multi-year Contract, the Department of Treasury must encumber funds for each State fiscal period (October 01 through September 30) in which this Contract is effective (see § 1.6 (A), above, *Compensation and Payment, Effective Period*). The Agency is responsible for approving (1) an annual work plan and calendar, and (2) a fiscal year budget (projecting the anticipated amount to be paid under this Agreement) for each fiscal period the Contract is effective.

A. Work Plan and Calendar

See § 1.104 of this Agreement. The work plan will detail the specific activities and target completion dates (calendar) within the scope of the Contract that the Agency expects to receive during that State fiscal year, and include an up-dated budget plan for that fiscal period. The pricing as established by this Contract will apply to these expected activities. This should be accomplished before the start of the State fiscal year on October 1. The CCI and the contractor will work together to reach agreement on the schedule for each fiscal period to ensure that both parties understand and agree on what work will be expected and reimbursed in each fiscal year.

B. Fiscal Year Budget

An annual budget that coincides with the state's fiscal year must also be prepared and proposed by the vendor, and then approved by the Agency, so that it may complete its encumbrance for the fiscal year, within the terms as described above in § 1.6 of this Agreement, *Compensation and Payment*. The total projected budget for a fiscal year may be revised annually as needed, but it must not exceed the total cumulative amount approved for payment under this Contract.



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contract is for appraisal services for the State of Michigan. Orders will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

As stated in § 1.202, the Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Department of Treasury, hereinafter known as Department of Treasury. Where actions are a combination of those of Acquisition Services and the State agencies, the authority will be known as the State.

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

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

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

Department of Management and Budget
Acquisition Services
Attn: **Malynda Little**
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 373-8622
littlem3@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 approximately 2.5 years and will commence with the issuance of a Contract. **This Contract Agreement is effective from October 01, 2005 through September 30, 2007.**

Option(s). The State offers two options to extend this contract beyond September 30, 2007, in increments of one-fiscal year through September 30, 2009. 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 any option(s) to extend in the future.



If the State should offer an option to extend this agreement, written notice will be provided to the Contractor within fifteen (15) calendar days prior to the ending date of the contract, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least thirty calendar (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

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

2.006 APPLICABLE STATUTES

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

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)
MI OSHA MCL §§ 408.1001 – 408.1094
Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.
Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.
MI Consumer Protection Act MCL §§ 445.901 – 445.922
Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.
Department of Civil Service Rules and regulations
Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.
Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.
MCL §§ 423.321, et seq.
MCL § 18.1264 (law regarding debarment)
Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.
Contract Work Hours and Safety Standards Act (CWHSA) 40 USCS § 327, et seq.
Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795
Rules and regulations of the Environmental Protection Agency
Internal Revenue Code
Rules and regulations of the Equal Employment Opportunity Commission (EEOC)
The Civil Rights Act of 1964, USCS Chapter 42
Title VII, 42 USCS §§ 2000e et seq.
The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.
The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.
The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.
The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.
The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.
Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106
Sherman Act, 15 U.S.C.S. § 1 et seq.
Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.
Clayton Act, 15 U.S.C.S. § 14 et seq.

2.007 RELATIONSHIP OF THE PARTIES

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

**2.008 HEADINGS**

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

2.009 MERGER

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

2.010 SEVERABILITY

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

2.011 SURVIVORSHIP

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

2.012 NO WAIVER OF DEFAULT

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

2.013 PURCHASE ORDERS

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

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

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

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

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



The Contractor shall:

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

2.103 SOFTWARE COMPLIANCE

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

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

2.104 IT STANDARDS

RESERVED – not applicable to this contract at this time.

2.105 PERFORMANCE AND RELIABILITY EVALUATION

RESERVED – not applicable to this contract at this time.

2.106 PREVAILING WAGE

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

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



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

2.107 PAYROLL AND BASIC RECORDS

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

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

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

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

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

2.108 COMPETITION IN SUB-CONTRACTING

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

2.109 CALL CENTER DISCLOSURE

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

2.2 Contract Performance

2.201 TIME IS OF THE ESSENCE

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

2.202 CONTRACT PAYMENT SCHEDULE

All invoices should reflect appraisal reports completed pursuant to § 1.6, *Compensation and Payment* of this Agreement. The Contractor will submit a monthly invoice of completed appraisal reports; furthermore, the invoice must list the contract number and/or purchase order number. Payment will be issued upon Final Acceptance defined in § 1.502, *Final Acceptance*.



All invoices must be submitted to the following address (failure to do so may result in late payment):

Michigan Department of Treasury
Finance & Accounting Division
ATTN: C. Borsenik
430 West Allegan
Lansing, MI 48922

2.203 POSSIBLE PROGRESS PAYMENTS

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

2.204 POSSIBLE PERFORMANCE BASED PAYMENTS RESERVED – not applicable to this contract at this time.

2.205 ELECTRONIC PAYMENT AVAILABILITY

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

2.206 PERFORMANCE OF WORK BY CONTRACTOR RESERVED – not applicable to this contract at this time.

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

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

2.302 CONTRACTOR RESPONSIBILITIES

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

2.303 ASSIGNMENT AND DELEGATION

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

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



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

2.304 TAXES

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

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

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

2.305 INDEMNIFICATION

General Indemnification

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

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



Patent/Copyright Infringement Indemnification

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

Code Indemnification

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

Indemnification Obligation Not Limited

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

Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect not withstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

Indemnification Procedures

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

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



After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.

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

2.306 LIMITATION OF LIABILITY

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

2.307 CONTRACT DISTRIBUTION

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

2.308 FORM, FUNCTION, AND UTILITY

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

**2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION**

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

2.310 RESERVED**2.311 TRANSITION ASSISTANCE**

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

2.312 WORK PRODUCT

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

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

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

2.313 PROPRIETARY RIGHTS

RESERVED – not applicable to this contract at this time.



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

a. AGENCY LIAISON TO ACQUISITION SERVICES

The Director of Acquisition Services directs the contact person named below, or any other person so designated by the Agency's Purchasing Authority, be authorized to serve and act as the Agency's buyer and liaison to Acquisition Services regarding this contract, or regarding any requested modifications, clarifications, amendments, alterations, or any other changes to the prices, terms, conditions, or specifications of this contract. The Agency assigned liaison to Acquisition Services is:

Tom Falik,
State of Michigan – Department of Treasury
Bureau of Administrative Services – Departmental Services
Purchasing Division
430 West Allegan Street
Lansing, MI 48922
Email: falikt@michigan.gov
Tel: (517) 373-8699

b. AGENCY END USER and CONTRACT COMPLIANCE INSPECTOR

(Contract Manager and Program Specialist)

The Director of Acquisition Services further directs that the Agency shall appoint and assign an employee to manage this agreement on a day-to-day basis. This day-to-day management will include (i) verifying service and work product delivery; (ii) validation of contractor invoices; and, (iii) contractor performance evaluation. However, management or administration of any contract implies no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions, and specifications to this contract: that authority is retained solely by Acquisition Services. This contact person will also be responsible for contract compliance inspection and monitoring. **The Agency appointed contract compliance inspector and agency end-user is:**

Cathy Borsenik, Auditing Specialist
State of Michigan – Department of Treasury
Finance & Accounting Administration
430 West Allegan
Lansing, MI 48922
Email: borsenikc@michigan.gov
Tel: (517) 335-0976

2.402 PERFORMANCE REVIEWS

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

Upon a finding of poor performance, which has been documented by Acquisition Services, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Acquisition Services, the Contract may be canceled for default.



Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

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

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS

RESERVED – not applicable to this contract at this time.

2.502 RESERVED

2.503 RESERVED

2.504 GENERAL WARRANTIES

RESERVED – not applicable to this contract at this time.

2.505 CONTRACTOR WARRANTIES

The following customary representations and warranties by the Contractor, include, without limitation:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.
9. The contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. The Contractor is the lawful owner or licensee of any Deliverable licensed or sold to the state by Contractor or developed by Contractor under this contract, and Contractor has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.



11. If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
12. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.
13. The Contractor is qualified and registered to transact business in all locations where required.
14. Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
15. All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

2.506 STAFF

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

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

2.507 SOFTWARE WARRANTIES

RESERVED – not applicable to this contract at this time.

2.508 EQUIPMENT WARRANTIES

RESERVED – not applicable to this contract at this time.

2.509 PHYSICAL MEDIA WARRANTY

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

**2.6 Breach of Contract****2.601 BREACH DEFINED**

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

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

2.602 NOTICE AND THE RIGHT TO CURE

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

2.603 EXCUSABLE FAILURE

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



2.7 Remedies

2.701 CANCELLATION

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

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

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

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

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

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.



5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.702 RIGHTS UPON CANCELLATION

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

2.703 LIQUIDATED DAMAGES

RESERVED – not applicable to this contract at this time.

2.704 STOP WORK

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

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

A claim under this clause shall not be allowed:

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

at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:



- a) Cancel the stop work order; or
 - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.
2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
- a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
 - b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

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

2.705 SUSPENSION OF WORK

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

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

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

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

2.802 TIME EXTENTIONS

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



2.803 MODIFICATION

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

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

2.804 AUDIT AND RECORDS UPON MODIFICATION

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

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

- (a) The proposal for modification;
- (b) The discussions conducted on the proposal, including those related to negotiation;
- (c) Pricing of the modification; or
- (d) Performance of the modification.

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

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

2.805 CHANGES

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



Article 3 – Certifications and Representations

3.1 Disclosures

The Contractor submitted all required certifications and representations with its proposal on 11/09/2005, and all certifications and representations are hereby incorporated into this contract by reference. In addition, if it is determined that the Contractor purposely or willfully submitted false information, the State will pursue debarment of the vendor, and this contract will be cancelled.

3.2 Changes to Disclosures

If any of the certifications, representations, or disclosures indicated in this document change after submission of vendor's proposal (dated 11/09/2005), then the Contractor is required to report those changes immediately to the Department of Management and Budget, Acquisition Services.

3.3 State Assertions

If the state finds that grounds to debar exist, it shall send notice to the vendor of proposed debarment indicating the grounds for proposed debarment and the procedures for requesting a hearing. If the vendor does not respond with a written request for a hearing within twenty (20) calendar days, the state shall issue the decision to debar without a hearing. The debarment period may be of any length up to eight (8) years. After the debarment period expires, the vendor may reapply for inclusion on bidder lists through the regular application process, pursuant to Executive order 2003-1.

ANY FALSE CERTIFICATION OF ANY OF THE PROVISIONS AS STATED IN ITB 07115200050 AND IN CONTRACTOR'S PROPOSAL (SUBMITTED 11/09/2005) IS GROUNDS FOR DEBARMENT AND WILL GIVE THE STATE THE RIGHT TO INVOKE ALL REMEDIES AVAILABLE TO IT UNDER THIS CONTRACT.

WITH SIGNING THE CONTRACT AGREEMENT, I HEREBY CERTIFY TO THE BEST OF MY KNOWLEDGE AND BELIEF, THAT THE REPRESENTATIONS AND CERTIFICATIONS MADE IN THE PROPOSAL SUBMITTED ON 11/05/2004 AND SUBSEQUENTLY ACCEPTED BY THE STATE REMAIN ACCURATE AND CURRENT AS OF THE DATE SIGNED.