

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 14, 2009

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B6200049
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Complete Source, Inc. 4455 44th Street SE Grand Rapids, MI 49512</p> <p style="text-align: center;">Email: Schweitzer@completesource.com</p>	TELEPHONE: Paul Schweitzer (616) 285-9145 Fax: (616) 285-9145
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 Joan Bosheff
Contract Compliance Inspector: Barb Dewitt <p style="text-align: center;">Production of Voucher Checks – DHS</p>	
CONTRACT PERIOD: From: November 11, 2005 To: May 11, 2010	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">Per Specifications</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">Per Specifications</p>	

NATURE OF CHANGE (S):

Effective immediately this Contract is hereby EXTENDED six (6) months and INCREASED \$5,000.00,

AUTHORITY/REASON:

Per DMB Purchasing Operations

Total Estimated Contract Value Remains: \$36,393.10

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

November 6, 2008

CHANGE NOTICE NO. 5
TO
CONTRACT NO. 071B6200049
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Complete Source, Inc. 4455 44th Street SE Grand Rapids, MI 49512 Email: Schweitzer@completesource.com	TELEPHONE: Paul Schweitzer (616) 285-9145 Fax: (616) 285-9145
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 Joan Bosheff
Contract Compliance Inspector: Barb Dewitt Production of Voucher Checks – DHS	
CONTRACT PERIOD: From: November 11, 2005 To: November 11, 2009	
TERMS Net 30 Days	SHIPMENT Per Specifications
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS Per Specifications	

NATURE OF CHANGE (S):

Effective November 11, 2008, price increases per the attached.

AUTHORITY/REASON:

Per DMB Purchasing Operations

Total Estimated Contract Value Remains: \$31,393.10

ITEM LISTING

<u>Number of Vouchers to be Ordered</u>	<u>Quantity</u>	<u>Price/1,000 (TH) Vouchers Virgin Stock</u>
Vouchers to be ordered in quantities of	1,000	<u>\$158.77/TH</u>
Vouchers to be ordered in quantities of	1,500	<u>\$130.96/TH</u>
Vouchers to be ordered in quantities of	2,000	<u>\$111.32/TH</u>
Vouchers to be ordered in quantities of	2,500	<u>\$101.22/TH</u>
Vouchers to be ordered in quantities of	3,000	<u>\$96.21/TH</u>
Vouchers to be ordered in quantities of	3,500	<u>\$91.82/TH</u>
Vouchers to be ordered in quantities of	4,000	<u>\$87.24/TH</u>
Vouchers to be ordered in quantities of	5,000	<u>\$85.99/TH</u>
Vouchers to be ordered in quantities of	6,000	<u>\$83.14/TH</u>
Vouchers to be ordered in quantities of	7,500	<u>\$79.87/TH</u>
Vouchers to be ordered in quantities of	8,000	<u>\$77.96/TH</u>
Vouchers to be ordered in quantities of	10,000	<u>\$73.16/TH</u>

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

August 8, 2008

CHANGE NOTICE NO. 4
TO
CONTRACT NO. 071B6200049
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Complete Source, Inc. 4455 44th Street SE Grand Rapids, MI 49512 Email: Schweitzer@completesource.com	TELEPHONE: Paul Schweitzer (616) 285-9145 Fax: (616) 285-9145
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 Joan Bosheff
Contract Compliance Inspector: Barb Dewitt Production of Voucher Checks – DHS	
CONTRACT PERIOD: From: November 11, 2005 To: November 11, 2009	
TERMS Net 30 Days	SHIPMENT Per Specifications
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS Per Specifications	

NATURE OF CHANGE (S):

Effective immediately, this Contract is hereby EXTENDED one (1) year to November 11, 2009 and INCREASED \$10,000.00.

All other terms, conditions, remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations and Administrative Board approval of August 5, 2009.

Total Estimated Contract Value Remains: \$31,393.10

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

October 26, 2007

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B6200049
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Complete Source, Inc. 4455 44th Street SE Grand Rapids, MI 49512 Email: Schweitzer@completesource.com	TELEPHONE: Paul Schweitzer (616) 285-9145 Fax: (616) 285-9145
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 Joan Bosheff
Contract Compliance Inspector: Barb Dewitt Production of Voucher Checks – DHS	
CONTRACT PERIOD: From: November 11, 2005 To: November 11, 2008	
TERMS Net 30 Days	SHIPMENT Per Specifications
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS Per Specifications	

NATURE OF CHANGE (S):

Effective November 11, 2007, price increases per the attached.

All other terms, conditions, remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations

Total Estimated Contract Value Remains: \$21,393.10

ITEM LISTING

<u>Number of Vouchers to be Ordered</u>	<u>Quantity</u>	<u>Price/1,000 (TH) Vouchers Virgin Stock</u>
Vouchers to be ordered in quantities of	1,000	<u>\$150.92/TH</u>
Vouchers to be ordered in quantities of	1,500	<u>\$124.49/TH</u>
Vouchers to be ordered in quantities of	2,000	<u>\$105.82/TH</u>
Vouchers to be ordered in quantities of	2,500	<u>\$96.22/TH</u>
Vouchers to be ordered in quantities of	3,000	<u>\$91.45/TH</u>
Vouchers to be ordered in quantities of	3,500	<u>\$87.28/TH</u>
Vouchers to be ordered in quantities of	4,000	<u>\$82.93/TH</u>
Vouchers to be ordered in quantities of	5,000	<u>\$81.74/TH</u>
Vouchers to be ordered in quantities of	6,000	<u>\$79.03TH</u>
Vouchers to be ordered in quantities of	7,500	<u>\$75.92/TH</u>
Vouchers to be ordered in quantities of	8,000	<u>\$74.11/TH</u>
Vouchers to be ordered in quantities of	10,000	<u>\$69.54/TH</u>

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

September 27, 2006

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B6200049
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Complete Source, Inc. 4455 44th Street SE Grand Rapids, MI 49512	TELEPHONE: Paul Schweitzer (616) 285-9145 Fax: (616) 285-9145
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 Joan Bosheff
Contract Compliance Inspector: Barb Dewitt Production of Voucher Checks – DHS	
CONTRACT PERIOD: From: November 11, 2005 To: November 11, 2008	
TERMS Net 30 Days	SHIPMENT Per Specifications
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS Per Specifications	

NATURE OF CHANGE (S):

Effective November 11, 2006, price increases per the attached.

All other terms, conditions, remain the same.

AUTHORITY/REASON:

Per letter from vendor dated September 18, 2006 and DMB Purchasing Operations Approval.

NET INCREASE: \$509.25

Total Revised Estimated Contract Value: \$21,393.10

ITEM LISTING

<u>Number of Vouchers to be Ordered</u>	<u>Quantity</u>	<u>Price/1,000 (TH) Vouchers Virgin Stock</u>
Vouchers to be ordered in quantities of	1,000	<u>\$143.46/TH</u>
Vouchers to be ordered in quantities of	1,500	<u>\$118.34/TH</u>
Vouchers to be ordered in quantities of	2,000	<u>\$100.59/TH</u>
Vouchers to be ordered in quantities of	2,500	<u>\$91.46/TH</u>
Vouchers to be ordered in quantities of	3,000	<u>\$86.93/TH</u>
Vouchers to be ordered in quantities of	3,500	<u>\$82.97/TH</u>
Vouchers to be ordered in quantities of	4,000	<u>\$78.83/TH</u>
Vouchers to be ordered in quantities of	5,000	<u>\$77.70/TH</u>
Vouchers to be ordered in quantities of	6,000	<u>\$75.12TH</u>
Vouchers to be ordered in quantities of	7,500	<u>\$72.17/TH</u>
Vouchers to be ordered in quantities of	8,000	<u>\$70.45/TH</u>
Vouchers to be ordered in quantities of	10,000	<u>\$66.10/TH</u>

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 31, 2005

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B6200049
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Complete Source, Inc. 4455 44th Street SE Grand Rapids, MI 49512	TELEPHONE: Paul Schweitzer (616) 285-9145 Fax: (616) 285-9145
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 Joan Bosheff
Contract Compliance Inspector: Barb Dewitt Production of Voucher Checks – DHS	
CONTRACT PERIOD: From: November 11, 2005 To: November 11, 2008	
TERMS Net 30 Days	SHIPMENT Per Specifications
F.O.B. Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS Per Specifications	

NATURE OF CHANGE (S):

Additional pricing information as follows:

Composition Charge: \$60/ ½ hour
Negatives/Plates: \$85/each

All other terms, conditions, remain the same.

Total Estimated Contract Value Remains: \$20,883.85

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 21, 2005

**NOTICE
 OF
 CONTRACT NO. 071B6200049
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Complete Source, Inc. 4455 44th Street SE Grand Rapids, MI 49512</p>	TELEPHONE: Paul Schweitzer (616) 285-9145 Fax: (616) 285-9145
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 Joan Bosheff
Contract Compliance Inspector: Barb Dewitt <p style="text-align: center;">Production of Voucher Checks – DHS</p>	
CONTRACT PERIOD: From: November 11, 2005 To: November 11, 2008	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">Per Specifications</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">Per Specifications</p>	

The terms and conditions of this Contract are those of [ITB #07115200384](#) this Contract Agreement and the vendor's quote dated [September 2, 2005](#). In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$20,883.85

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. 071B6200049
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Complete Source, Inc. 4455 44th Street SE Grand Rapids, MI 49512</p>	TELEPHONE: Paul Schweitzer (616) 285-9145 Fax: (616) 285-9145 <hr/> VENDOR NUMBER/MAIL CODE BUYER/CA (517) 373-7374 Joan Bosheff
Contract Compliance Inspector: Barb Dewitt <p style="text-align: center;">Production of Voucher Checks – DHS</p>	
CONTRACT PERIOD: From: November 11, 2005 To: November 11, 2008	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">Per Specifications</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">Per Specifications</p>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of ITB #071I5200384 this Contract Agreement and the vendor's quote dated September 2, 2005. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</p>	
Estimated Contract Value: \$20,883.85	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No.071I5200384](#). Orders for delivery of equipment will be issued directly by the [Department of Human Services](#) through the issuance of a Purchase Order Form.

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

FOR THE VENDOR: <hr/> <p style="text-align: center;">Complete Source, Inc.</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>	FOR THE STATE: <hr/> <p style="text-align: center;">Signature</p> <hr/> <p style="text-align: center;">Joan Bosheff, Buyer Specialist</p> <hr/> <p style="text-align: center;">Name</p> <p style="text-align: center;">Commodities Division, Acquisition Services</p> <hr/> <p style="text-align: center;">Title</p> <hr/> <p style="text-align: center;">Date</p>
--	--



STATE OF MICHIGAN
Department of Management and Budget
Acquisition Services

Contract #[071B6200049](#)
[Production of Voucher Checks](#)

Buyer Name: Joan Bosheff
Telephone Number: (517) 373-7374
E-Mail Address: bosheffj@michigan.gov

TABLE OF CONTENTS

Article1 – Statement of Work (SOW)	1
1.0 Introduction	1
1.001 PROJECT TITLE AND DESCRIPTION	1
1.002 PROJECT CONTROL	1
1.1 Product Quality.....	1
1.101 SPECIFICATIONS	1
1.2 Service Capabilities.....	1
1.201 CUSTOMER SERVICE/ORDERING	1
1.202 TRAINING	1
1.203 REPORTING	1
1.3 Delivery Capabilities.....	2
1.301 TIME FRAMES	2
1.302 VENDOR ORDER ACKNOWLEDGEMENT AND DELIVERY NOTIFICATION	2
1.303 PACKAGING	2
1.304 PACKING	2
1.305 CARTON LABELING	2
1.306 DELIVERY TERM	3
1.4 Project Price.....	3
1.401 PROPOSAL PRICING	3
1.403 PRICE TERM	3
1.5 Quantity term.....	3
1.6 Printing Act.....	3
Article 2 – General Terms and Conditions	4
2.0 Introduction	4
2.001 GENERAL PURPOSE	4
2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR	4
2.004 CONTRACT TERM	4
2.005 GOVERNING LAW	5
2.006 APPLICABLE STATUTES	5
2.007 RELATIONSHIP OF THE PARTIES	6
2.008 HEADINGS	6
2.009 MERGER	6
2.010 SEVERABILITY	6
2.011 SURVIVORSHIP	6
2.012 NO WAIVER OF DEFAULT	6
2.013 PURCHASE ORDERS	6
2.1 Vendor/Contractor Obligations.....	6
2.101 ACCOUNTING RECORDS	6
2.102 RESERVED	6
2.103 RESERVED	6
2.104 RESERVED	7
2.105 RESERVED	7
2.106 PREVAILING WAGE	7
2.107 RESERVED	7
2.108 COMPETITION IN SUBCONTRACTING	7
2.109 CALL CENTER DISCLOSURE	7
2.2 Contract Performance	7
2.201 TIME IS OF THE ESSENCE	7
2.202 RESERVED	7
2.203 RESERVED	7
2.204 RESERVED	7
2.205 ELECTRONIC PAYMENT AVAILABILITY	8
2.206 RESERVED	8
2.3 Contract Rights and Obligations	8
2.301 INCURRING COSTS	8
2.302 CONTRACTOR RESPONSIBILITIES	8

2.303	ASSIGNMENT AND DELEGATION	8
2.304	TAXES	8
2.305	INDEMNIFICATION.....	9
2.306	LIMITATION OF LIABILITY	11
2.307	CONTRACT DISTRIBUTION	11
2.308	FORM, FUNCTION, AND UTILITY	11
2.309	ASSIGNMENT OF ANTITRUST CAUSE OF ACTION.....	11
2.310	RESERVED	11
2.311	RESERVED	11
2.312	RESERVED	11
2.313	RESERVED	11
2.314	WEBSITE INCORPORATION.....	11
2.4	Contract Review and Evaluation.....	11
2.401	CONTRACT COMPLIANCE INSPECTOR	11
2.402	PERFORMANCE REVIEWS	12
2.403	AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS.....	12
2.5	Quality and Warranties.....	12
2.501	PROHIBITED PRODUCTS	12
2.502	QUALITY ASSURANCE	12
2.503	INSPECTION	13
2.504	GENERAL WARRANTIES (goods).....	13
2.505	CONTRACTOR WARRANTIES.....	13
2.506	RESERVED	14
2.507	RESERVED	14
2.508	RESERVED	14
2.509	RESERVED	14
2.6	Breach of Contract	14
2.601	BREACH DEFINED.....	14
2.602	NOTICE AND THE RIGHT TO CURE.....	15
2.603	EXCUSABLE FAILURE	15
2.7	Remedies	15
2.701	CANCELLATION.....	15
2.702	RIGHTS UPON CANCELLATION	17
2.703	LIQUIDATED DAMAGES	17
2.704	RESERVED	17
2.705	RESERVED	17
2.8	Changes, Modifications, and Amendments	17
2.801	APPROVALS.....	17
2.802	TIME EXTENTIONS	17
2.803	MODIFICATION.....	18
2.804	RESERVED	18
2.805	RESERVED	18
2.806	WORKPLACE DISCRIMINATION	18
2.807	LABOR RELATIONS	18
2.808	LIABILITY INSURANCE	18

ATTACHMENTS:

- Specifications (3 pages)
- Item Listing (1 page)
- County Office Locations (4 pages)
- Printing Act (1 page)



Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 PROJECT TITLE AND DESCRIPTION

This is a Contract for the Production of Voucher Checks for the Michigan Department of Human Services.

1.002 PROJECT CONTROL

Project Control

The Contractor will carry out this project under the direction and control of the Michigan Department of Human Services.

1.1 Product Quality

1.101 SPECIFICATIONS

Definite Specifications - All commodities and/or services to be furnished hereunder shall conform to the specifications as noted in the Item Listing and/or copies of specifications attached.

1.2 Service Capabilities

1.201 CUSTOMER SERVICE/ORDERING

The Contractor shall have having the capacity to receive orders electronically, by phone, facsimile, and by written order. The Contractor shall provide a statewide toll-free phone number for phone orders. The Contractor shall have internal controls, approved by Acquisition Services, to insure that authorized individuals with the State place orders. The Contractor shall verify orders that have quantities that appear to be abnormal or excessive.

The Contractor shall have an accessible customer service department with an individual specifically assigned to State of Michigan accounts. The Contractor shall have experienced sales representatives make timely personal visits to State accounts. The Contractor's customer service must respond to State agency inquiries promptly. The Contractor shall provide a statewide toll-free number for customer service calls.

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

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

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

1.202 TRAINING

The Contractor shall provide training to individual agencies, when necessary, on aspects of ordering, shipping, billing, and receiving. At the request of the Contract Administrator, the Contractor shall provide in-service training to agency personnel on products, installation, and product safety issues. The Contractor shall also provide agency training jointly with the State as needed during the period covered by the contract at no additional charge.

1.203 REPORTING

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



1.3 Delivery Capabilities

1.301 TIME FRAMES

Orders shall be delivered as follows: Seven (7) calendar days will be allowed to deliver proofs after receipt of order. Thirty (30) calendar days will be allowed to deliver voucher checks after receipt of approved proof or after receipt of order (exact reprint with no proof). Seven (7) calendar days will be allowed to deliver voucher checks after receipt of approved proof or after receipt of order (exact reprint with no proof) ONLY UPON SPECIAL REQUEST FOR RUSH DELIVERY. There will be no rush charges for rush deliveries.

1.302 VENDOR ORDER ACKNOWLEDGEMENT AND DELIVERY NOTIFICATION

The Contractor shall acknowledge receipt of order by advising the "ship to" office in writing two to three weeks in advance of the scheduled delivery date.

The Contractor shall advise the "ship to" address by telephone that the order has been shipped and indicate the actual date when it should arrive.

A complete list of authorized primary and secondary contacts will be made available to the Contractor. For security purposes, it is important that the Contractor contact only these authorized people regarding any orders.

1.303 PACKAGING

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

Unless otherwise specifically noted, the costs of reels, drums, pallets and containers are included in the price and become the property of the State of Michigan. Charges for returnable shipping containers shall be stated in the ITB, together with return instructions for shipment to contractor's plant, transportation charges "collect."

1.304 PACKING

1. Voucher checks to be packed conveniently per carton.
2. Lowest consecutive number shall be on top, highest number on bottom in each carton.
3. Breaks between consecutively numbered voucher checks in an occasional carton are acceptable. The location of the break shall be identified on the inside of the carton by inserting a piece of paper which can be followed down the side of the carton to the location of the break. The location of the break shall also be well marked on the outside of the carton in which it occurs.
4. Cartons are to be taped shut securely so cartons will not open accidentally with normal handling in shipping and storage.

1.305 CARTON LABELING

Each carton shall be labeled in letters at least one (1) inch high, with the following:

Office name (Ingham County Department of Human Services), Schoolcraft/Alger County Department of Human Services, etc.)

Type of document inside (Voucher Checks)

Beginning and ending numbers for checks contained in the carton

Number of cartons in shipment and placement of the individual carton within that shipment (2 of 5, 3 of 5, etc.). Numerical sequence of cartons shall be directly related to the numerical sequence of the checks.

**1.306 DELIVERY TERM**

Prices are "F.O.B. Delivered" with transportation charges prepaid on all orders to the State.

1.4 Project Price**1.401 PROPOSAL PRICING**

See attached Item Listing for pricing.

1.403 PRICE TERM

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

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

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

1.5 Quantity term

Requirements – Vendor agrees to supply all that the State requires.

1.6 Printing Act

All printing shall be done in accordance with the provisions of Public Act 153 of 1937, as amended. The provisions of Public Act 153 are applicable to the Contractor and all subcontractors. IF CONTRACTOR HAS ACCESS TO THE ALLIED PRINTING TRADES COUNCIL UNION LABEL, IT MUST BE USED.



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contract is for the Production of Voucher Checks for the State of Michigan. Exact quantities to be purchased are unknown; however, the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by the Michigan Department of Human Services on the Purchase Order Contract Release Form.

Indicated on the Attachment are the "ship to" addresses for the participating agency. However, if the Contractor and the State agree, additional State agencies may participate should the need develop.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Department of Human Services, hereinafter known as DOC. Where actions are a combination of those of Acquisition Services and DHS, 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.

The 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
Joan Bosheff, Buyer Specialist
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
Phone: (517) 373-7374
E-Mail: bosheffj@michigan.gov

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

2.004 CONTRACT TERM

The term of this Contract will be for three (3) years and will commence with the issuance of a Contract. This will be approximately November 11, 2005, through November 11, 2008.

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



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

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

2.005 GOVERNING LAW

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

2.006 APPLICABLE STATUTES

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

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

MI OSHA MCL §§ 408.1001 – 408.1094

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

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

MI Consumer Protection Act MCL §§ 445.901 – 445.922

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

Department of Civil Service Rules and regulations

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

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

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

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

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

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

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

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

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

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

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

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

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

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

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

Sherman Act, 15 U.S.C.S. § 1 et seq.

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

Clayton Act, 15 U.S.C.S. § 14 et seq.

Public Act 153 of 1937, as amended

**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 DHS through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. The 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 RESERVED**2.103 RESERVED**

**2.104 RESERVED****2.105 RESERVED****2.106 PREVAILING WAGE**

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

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

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

2.107 RESERVED**2.108 COMPETITION IN SUBCONTRACTING**

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

The Contractor 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**

The Contractor 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 RESERVED**2.203 RESERVED****2.204 RESERVED**



2.205 ELECTRONIC PAYMENT AVAILABILITY

Electronic transfer of funds is available to State contractors. The Contractor is 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 RESERVED

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of the Contract. The State fiscal year is October 1st through September 30th. The Contractor 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.

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

2.304 TAXES

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

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

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



2.305 INDEMNIFICATION

General Indemnification

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

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

Patent/Copyright Infringement Indemnification

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



Code Indemnification

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

Indemnification Obligation Not Limited

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

Continuation of Indemnification Obligation

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

Indemnification Procedures

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

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney



may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

2.306 LIMITATION OF LIABILITY

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

2.307 CONTRACT DISTRIBUTION

Acquisition Services shall retain the sole right of Contract distribution to DHS.

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 RESERVED

2.312 RESERVED

2.313 RESERVED

2.314 WEBSITE INCORPORATION

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

2.4 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Acquisition Services of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies no authority to negotiate, change, modify, clarify,



amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Acquisition Services. The Contract Compliance Inspector for this project is:

Barb Dewitt
Forms and Publications Analyst
Department of Human Services
Office Services
Grand Tower Suite 203
P.O. Box 30037
Lansing, MI 48909
Phone: (517) 241-7914
E-Mail: dewittb@michigan.gov

2.402 PERFORMANCE REVIEWS

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

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

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

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

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by the Contractor of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Acquisition Services has approved a change.

2.502 QUALITY ASSURANCE

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



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

2.503 INSPECTION

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

2.504 GENERAL WARRANTIES (goods)

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

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

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

2.505 CONTRACTOR WARRANTIES

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

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;



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

2.506 RESERVED

2.507 RESERVED

2.508 RESERVED

2.509 RESERVED

2.6 Breach of Contract

2.601 BREACH DEFINED

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



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

2.602 NOTICE AND THE RIGHT TO CURE

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

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaroud 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, workaroud 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

- A. The State and the Contractor hereby agree to the specific standards set forth in this Contract. It is agreed between the Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide promised services would be difficult or impossible to determine with accuracy. The State and the Contractor therefore agree that liquidated damages as set out herein shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, at the written direction of the State, the Contractor shall pay the State the indicated amount as liquidated damages, and not as a penalty. Amounts due the State as liquidated damages, if not paid by the Contractor within fifteen (15) days of notification of assessment, may be deducted by the State from any money payable to the Contractor pursuant to this Contract. The State will notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date the State deducts such sums from money payable to the Contractor. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such rights.
- B. The Contractor shall not be liable for liquidated damages when, in the opinion of the State, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God, fires, floods, epidemics, and labor unrest; but in every case the delays must be beyond the control and without the fault or negligence of the Contractor.

2.704 RESERVED

2.705 RESERVED

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 RESERVED

2.805 RESERVED

2.806 WORKPLACE DISCRIMINATION

The Contractor represents and warrants that in performing services for the State pursuant to this Contract, the Contractor agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental handicap or disability. The Contractor further agrees that every subcontract entered into for the performance of any Contract or purchase order resulting here from will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, et seq., and the Persons With Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, et seq., and any breach thereof may be regarded as a material breach of the Contract or purchase order.

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

2.807 LABOR RELATIONS

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq., the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an **unfair labor practice** compiled pursuant to Section 2 of the Act. A Contractor of the State, in relation to the Contract, shall not enter into a Contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to Section 4 of 1980 Public Act 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.

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

2.808 LIABILITY INSURANCE

A. Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of



or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Contractor waives all rights against the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents for recovery of damages to the extent these damages are covered by the insurance policies the Contractor is required to maintain pursuant to this Contract.

All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

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

See www.michigan.gov/cis

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

Before both parties sign the Contract or before the purchase order is issued by the State, the Contractor must furnish to the Director of Acquisition Services, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Acquisition Services, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Acquisition Services, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

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

- 1. Commercial General Liability with the following minimum coverage:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit
 - \$500,000 Fire Damage Limit (any one fire)

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSURED on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

- 2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned



vehicles used in Contractor's business for bodily injury and property damage as required by law.

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

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

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

The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company. This provision shall not be applicable where prohibited or limited by the laws of the jurisdiction in which the work is to be performed.
- 4. Employers liability insurance with the following minimum limits:

 - \$100,000 each accident
 - \$100,000 each employee by disease
 - \$500,000 aggregate disease
- 5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).
- 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
- 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
- 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

B. Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any



Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

C. Certificates of Insurance and Other Requirements

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

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



SPECIFICATIONS

Safety Features

The following safety features will be standard on all orders and on the form:

1. Printed on the authorized signature line of the face of the voucher check must be a line of microscopic type (approximately .0008 inch height) that, when viewed without magnification, will appear as a plain, dashed or fuzzy line, but when viewed under extreme magnification will appear as a sentence of type approved by DHS. (This currently reads "Michigan Department of Human Services.")
2. The reverse of the voucher check must bear an artificial watermark printed in fluorescent ink in a step-and-repeat pattern approved by DOC. The mark must be visible to the human eye when viewed at an angle but must not be such that it can be photographically reproduced, scanned by a computer-scanning device or reproduced on a color copier.
3. The voucher check shall be produced on a standard #25 white safety paper, with a background design printed on both the front check area and back of the sheet. The paper must be usable with laser printers. The paper should have a treatment (such as 'laser lock', 'toner grip', or 'toner fuse') to make it more difficult to remove or lift off toner from laser checks. If attempts are made to alter any data on the check by applying ink eradicator, the wavy design on the front should dissolve and expose the word "NULL" or "VOID". The ink eradicator shall also create a bleached out white area in the background design on the back of the check. Once activated, these indicia shall be permanent and not subject to being washed or soaked away.
4. A six (6) digit consecutive number shall be printed with a penetrating red dye, and a black ink printing technique shall be used for the consecutive numbering. This feature shall create a red halo effect around the numbers on the face of the check and shall bleed through the paper creating a reverse image on the back. **DUPLICATE NUMBERS ARE NOT ACCEPTABLE.** Missing numbers are acceptable, but only if a listing of the missing numbers is provided to DOC.

Printing

1. Form size: 8-1/2" wide x 11" high.
2. Form prints two sides, in reflex blue ink EXCEPT for the black consecutive numbering and the black M.I.C.R. numbering.
3. The front and back of the actual check portion (does not include the check stub) shall have a background design pantograph.
4. M.I.C.R. numbering shall be printed in standard black magnetized ink that is acceptable to the national banking system.
5. All printed images except for consecutive and M.I.C.R. numbering must be in non-magnetic ink.
6. The following statements shall appear on the FRONT of the voucher check:

"THE BACK OF THIS DOCUMENT HAS AN ARTIFICIAL WATERMARK; HOLD AT ANGLE TO VIEW".

"A RED MIRROR IMAGE OF THIS NUMBER MUST APPEAR ON THE BACK".

"THIS CHECK IS PRINTED IN BLUE INK".
7. The following statements shall appear on the BACK of the voucher check:



“IF ANY SECURITY FEATURES OF THIS CHECK HAVE BEEN TAMPERED WITH, THIS CHECK IS VOID AND THE MICHIGAN DEPARTMENT OF HUMAN SERVICES WILL NOT BE LIABLE”.

“IF THE WORD ‘NULL’ OR ‘VOID’ APPEARS ON THE FACE OF THIS CHECK OR IF THERE ARE BLANK WHITE AREAS ON EITHER SIDE, THIS CHECK IS VOID.”

A dual signature and date box appears at one end of the check back, above which shall be printed the following statements: “KNOW YOUR ENDORSER(S) – REQUIRE PROPER IDENTIFICATION AND ENDORSEMENT IN YOUR PRESENCE.” “By signing/endorsing/depositing this check, I hereby certify the information given to get this check is true and complete. I understand I may be prosecuted if I have given any false information or hidden any facts.”

Below and at the opposite end of the check, there shall be a box with areas to record the Drivers License or Department of State I.D., thumbprint, and other I.D. (car make or license number, etc.).

Paper

The paper currently used in printing voucher checks is 25 lb. check protection paper. The printers used to print these checks are the Hewlett Packard LaserJet 4000 TN or 4050 TN series. The paper must work with these printers.

Perforations

Perforate horizontally 7-5/16” from top of page and in 7-5/16” from left edge (1-3/16” on the right edge will not be perforated), then perforate down 3-11/16” to bottom of page.

Overruns/Underruns

A five (5) percent overrun or under-run is acceptable.

Plant and Manufacturing Security

Outside Perimeter:

- Fire exit doors with break alarm bell for local alert in the event of exit.
- Locks on all outside doors.
- Intrusion alarm system.
- A log for all visitors entering office and manufacturing areas.
- Limited access to all production areas.

Inside Plant:

- Spoilage and overruns to be destroyed by a method acceptable to the State of Michigan (specify method).
- Printing plates produced only under maximum-security conditions and stored in vaults when not in use.
- Shipping manifest made up and cartons pulled in sequential order and carried on pallets directly to the trucks.

The State of Michigan reserves the right to enter contractor’s premises at any time during the production of forms to inspect methods of production and assure full compliance with all provisions of the instructions and purchase order.



Proofs

On all orders, the proof shall be ready by original copy and corrected by the contractor and clean proofs furnished to DOC "ship to" address. Proofs as a result of revisions requested by the State of Michigan shall be charged in accordance with the composition hourly rate.



ITEM LISTING

<u>Number of Vouchers to be Ordered</u>	<u>Quantity</u>	<u>Price/1,000 (TH) Vouchers Virgin Stock</u>
Vouchers to be ordered in quantities of	1,000	<u>\$138.51/TH</u>
Vouchers to be ordered in quantities of	1,500	<u>\$114.26/TH</u>
Vouchers to be ordered in quantities of	2,000	<u>\$97.12/TH</u>
Vouchers to be ordered in quantities of	2,500	<u>\$88.30/TH</u>
Vouchers to be ordered in quantities of	3,000	<u>\$83.93/TH</u>
Vouchers to be ordered in quantities of	3,500	<u>\$80.11/TH</u>
Vouchers to be ordered in quantities of	4,000	<u>\$76.11/TH</u>
Vouchers to be ordered in quantities of	5,000	<u>\$75.02/TH</u>
Vouchers to be ordered in quantities of	6,000	<u>\$72.53/TH</u>
Vouchers to be ordered in quantities of	7,500	<u>\$69.68/TH</u>
Vouchers to be ordered in quantities of	8,000	<u>\$68.02/TH</u>
Vouchers to be ordered in quantities of	10,000	<u>\$63.82/TH</u>



COUNTY OFFICE LOCATIONS

No.	County Name	Zone	County Director	Office Address	Telephone	Fax Number
1	Alcona	2	Karin Hobbs	P.O. Box 586 205 North State Harrisville MI, 48740	(989) 724-2100	(989) 724-5716
3	Allegan	3	Susan Bailey-Carman	3255 122nd Ste 300 Allegan MI, 49010	(269) 673-7700	(269) 673-7795
4	Alpena	2	Doug McCombs	711 W. Chisholm Alpena MI, 49707	(989) 354-7200	(989) 354-7242
7	Baraga	1	James Aebli	P.O. Box 10 108 Main Street Baraga MI, 49908	(906) 353-4700	(906) 353-8415
9	Bay	4	Kathy Cholak-Jones	1399 W. Center Rd. Essexville MI, 48732	(989) 895-2100	(989) 895-2494
11	Berrien	3	Jerry S. Frank	P.O. Box 1407 401 Eighth Street Benton Harbor MI, 49023	(269) 934-2000	(269) 934-2115
12	Branch	4	Connie Dykman	388 Keith Wilhelm Dr. Coldwater MI, 49036	(517) 279-4200	(517) 278-5346
13	Calhoun	3	Gwain McCree	190 E. Michigan Ave. P.O. Box 490 Battle Creek MI, 49016-0490	(269) 966-1284	(269) 966-2835
14	Cass	3	Chris Kadulski	325 M-62 Cassopolis MI, 49031-1056	(269) 445-0200	(269) 445-0299
15	Charlevoix	2	Bill Denemy	2229 Summit Park Dr Petoskey MI, 49770	(231) 348-1600	(231) 347-6211
16	Cheboygan	2	Kenneth DesArmo	827 S. Huron St. Cheboygan MI, 49721-2209	(231) 627-8500	(231) 627-8546
17	Chippewa	1	Kathleen Langhals	463 East 3 Mile Rd. Sault Ste. Marie MI, 49783	(906) 635-4100	(906) 635-4173
18	Clare	4	Howard Sweeney	725 Richard Dr. Harrison MI, 48625	(989) 539-4260	(989) 539-5302
19	Clinton	3	Jan Baszler	201 W. Railroad St. Johns MI, 48879	(989) 224-5500	(989) 224-8717
20	Crawford	2	Cindy Pushman	230 Huron Grayling MI, 49738	(989) 348-7691	(989) 348-2838
21	Delta	1	Russ Sexton	2940 College Ave. Escanaba MI, 49829-9596	(906) 786-5394	(906) 786-5350
22	Dickinson	1	Bob Roberge	1238 Carpenter Ave. Iron Mountain MI, 49801	(906) 774-1484	(906) 774-2775
23	Eaton	3	Don Rewa	1050 Independence Blvd. Charlotte MI, 48813	(517) 543-0860	(517) 543-5726
25	Genesee	UC (20)	Denise O. Chambers	125 E. Union St. P.O. Box 1620 Flint MI, 48501	(810) 760-2200	(810) 760-2984

PRODUCTION OF VOUCHER CHECKS

CONTRACT # 071B6200049



26	Gladwin	4	Howard Sweeney	250 N. State Street Gladwin MI, 48624	(989) 426-3300	(989) 426-3353
28	Grand Traverse	2	Mary Marois	701 S. Elmwood Ste. 19 Traverse City MI, 49684-3185	(231) 941-3900	(231) 941-0037
29	Gratiot	3	Jan Baszler	201 Commerce Drive Ithaca MI, 48847	(989) 875-5181	(989) 875-2811
30	Hillsdale	4	Connie Dykman	40 Care Drive Hillsdale MI, 49242-1096	(517) 439-2200	(517) 439-2272
31	Houghton	1	James Aebli	200 Quincy St. P.O. Box 630 Hancock MI, 49930	(906) 482-0500	(906) 487-7726
32	Huron	4	Thomas Dillon	1911 Sand Beach Rd. Bad Axe MI, 48413	(989) 269-9201	(989) 269-9875
33	Ingham	3	Susan Hull	5303 S. Cedar St. Lansing MI, 48911	(517) 887-9400	(517) 887-9500
36	Iron	1	Bob Roberge	P.O. Box 250 337 Brady Avenue Caspian MI, 49915	(906) 265-9958	(906) 265-6390
37	Isabella	4	Mark Stevens	1475 S. Bamber Rd. Mt. Pleasant MI, 48858	(989) 772-8400	(989) 772-8460
38	Jackson	4	Tanda Reynolds	301 E. Louis Glick Hwy. Jackson MI, 49201	(517) 780-7400	(517) 780-7160
39	Kalamazoo	3	Sherry Thomas-Cloud	322 E. Stockbridge Ave. Kalamazoo MI, 49001	(269) 337-4900	(269) 337-5179
40	Kalkaska	2	Fred Harris	503 North Birch Street Kalkaska MI, 49646	(231) 258-1200	(231) 258-4482
41	Kent	UC (20)	Andrew L. Zylstra	415 Franklin, S.E. Grand Rapids MI, 49507	(616) 247-6000	(616) 247-6293
43	Lake	3	Jim McCormick	5653 S. M-37 Baldwin MI, 49304	(231) 745-8159	(231) 745-2930
44	Lapeer	4	Irene Bazan Waller	1505 Suncrest Dr. Lapeer MI, 48446	(810) 667-0800	(810) 667-0795
45	Leelanau	2	Mary L. Marois	701 S. Elmwood Ste. 19 Traverse City MI, 49684-3185	(231) 941-3900	(231) 941-0037
46	Lenawee	4	Joseph A. Satterelli	Suite 3013 1040 S. Winter St. Adrian MI, 49221	(517) 264-6300	(517) 264-6357
47	Livingston	4	Susan Fulton	2300 E. Grand River, Ste. 1 Howell MI, 48843	(517) 548-0200	(517) 548-0298
50	Macomb	UC (20)	Angelo Nicholas	19700 Hall Rd., Ste. A Clinton Township MI, 48038-1478	(586) 412-6100	(586) 412-6141
51	Manistee	2	Doug Lapham	1672 US 31 South Manistee MI, 49660	(231) 723-8375	(231) 398-2106
53	Mason	3	Nancy Sterk	915 Diana St. Ludington MI, 49431	(231) 845-7391	(231) 843-1430

PRODUCTION OF VOUCHER CHECKS

CONTRACT # 071B6200049



54	Mecosta	3	Dennis Major	800 Water Tower Rd. Big Rapids MI, 49307	(231) 796-4300	(231) 796-0799
56	Midland	4	Mark Stevens	P.O. Box 1609 1509 Washington, Ste. A Midland MI, 48641	(989) 839-1100	(989) 839-1199
57	Missaukee	2	Dave VanHouten	P.O. Box 309 10641 W. Watergate Rd. Cadillac MI, 49601	(231) 779-4500	(231) 779-4507
58	Monroe	4	Terrence Beurer	1051 S. Telegraph Monroe MI, 48161	(734) 243-7200	(734) 243-1660
59	Montcalm	3	Philip L. Larson	P.O. Box 278 609 N. State Stanton MI, 48888	(989) 831-8400	(989) 831-8496
60	Montmorency	2	James Beach	P.O. Box 427 11636 M-32, West Atlanta MI, 49709	(989) 785-4218	(989) 785-2302
61	Muskegon	3	Jane Johnson	P.O. Box 4290 2700 Baker St. Muskegon Heights MI, 49444	(231) 733-3700	(231) 733-3872
62	Newaygo	3	James H. McCormick	P.O. Box 640 1018 Newell White Cloud MI, 49349	(231) 689-5500	(231) 689-5586
63	Oakland	UC (20)	Margaret Warner	Stoneridge E., Ste. 200 41000 Woodward Ave. Bloomfield Hills MI, 48304-2263	(248) 975-4800	(248) 975-4855
64	Oceana	3	Nancy Sterk	P.O. Box 70 4081 W. Polk Road Hart MI, 49420	(231) 873-7251	(231) 873-3803
68	Oscoda	2	James Beach	P.O. Drawer 849 200 W. Fifth St. Mio MI, 48647	(989) 826-4000	(989) 826-3961
69	Otsego	2	Cindy Pushman	Ste. 3A 800 Livingston Blvd. Gaylord MI, 49735	(989) 732-1702	(989) 732-8715
70	Ottawa	3	Loren Snippe	12185 James St., Ste. 200 Holland MI, 49424	(616) 394-7200	(616) 395-5526
73	Saginaw	4	Randy Barst	P.O. Box 5070 411 E. Genesee Saginaw MI, 48605-9931	(989) 758-1500	(989) 758-1476
74	St. Clair	4	James Nunnold	220 Fort Street Port Huron MI, 48060	(810) 966-2000	(810) 966-2025
75	St. Joseph	3	Chris Kadulski	692 E. Main St. Centreville MI, 49032	(269) 467-1200	(269) 467-1229
76	Sanilac	4	Irene Bazan Waller	515 S. Sandusky Rd. Sandusky MI, 48471	(810) 648-4420	(810) 648-4432

PRODUCTION OF VOUCHER CHECKS

CONTRACT # 071B6200049



77	Schoolcraft	1	Robyn Loviska	300 Walnut St. Courthouse, Rm. 175A Manistique MI, 49854	(906) 341-2114	(906) 341-2110
78	Shiawassee	4	Susan Fulton	Suite 1 1975 W. Main Owosso MI, 48867	(989) 725-3200	(989) 725-3305
79	Tuscola	4	Thomas Dillon	1365 Cleaver Rd. Caro MI, 48723	(989) 673-9100	(989) 673-9209
80	VanBuren	3	Marc Del Mariani	57150 C. R. 681 P.O. Box 7 Hartford MI, 49057	(269) 621-2800	(269) 621-2927
81	Washtenaw	4	Cynthia Maritato	22 Center St. Ypsilanti MI, 48198-9965	(734) 481-2000	(734) 481-8386
83	Wexford	2	Dave VanHouten	P.O. Box 309 10641 W. Watergate Rd. Cadillac MI, 49601	(231) 779-4500	(231) 779-4507



PUBLIC ACT No. 153

HOUSE ENROLLED ACT NO. 112

PASSED DURING THE REGULAR SESSION OF 1937

Introduced by Messrs. Rahoi Hailwood and Thomas L. Smith

An ACT relative to printing for the state of Michigan; to establish the requirements of responsible bidders, to prescribe penalties for the violation of the provisions of this act; and to repeal all acts and parts of acts inconsistent with the provisions of this act.

The People of the State of Michigan enact:

Section 1. All printing for which the state of Michigan is chargeable, or which is paid for with funds appropriated wholly of in part by the state, excepting that which is printed for primary school districts, counties, townships, cities, villages, and/or legal publications ordered for or by elective state officers, must be printed within the state of Michigan, and shall bear the label of the branch of the allied printing trades council of the locality in which they are printed, except under the following conditions:

1. Printing firms not having the use of the allied printing trades council union label and who are desirous of presenting bids for printing as enumerated above shall be required to establish consideration as a responsible bidder as follows:
 - a. As a condition to consideration as a responsible bidder printing concerns must file with the secretary of state a sworn statement to the effect that employees in the employ of the concern which is to produce such printing are receiving the prevailing wage rate and are working under conditions prevalent in the locality in which the work is produced.
 - b. Whenever a collective bargaining agreement is in effect between an employer and employees who are represented by a responsible organization which is in no way influenced or controlled by the management, such agreement and its provisions shall be the minimum requirements for being adjusted a responsible bidder under this act.
 - c. Printing firms having the use of the allied printing trades council union label shall be deemed as having complied with the provisions of this act, but nothing in these provisions shall be constructed as exempting such bidders from any provision of the act, and such bidders shall also be required to conform with all of its provisions.
2. State-owned printing establishments in Jackson prison and the boys' industrial school at Lansing shall be exempt from the above provisions: *Provided, however,* that these institution shall not perform printing other than the needs and requirement of these institutions.

Section 2. Any officer or employee of the state who shall accept any printed matter, or is found to have had printed matter produced under conditions other than set forth in this act, and which is paid for with funds appropriated wholly or in part by the state, shall be subject to a fine of fifty dollars for each and every offense.

Section 3. All acts or parts of acts inconsistent with the provisions of this act are hereby repealed.

(Signed by the Governor, July 3, 1937.)