

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

March 8, 2010

CHANGE NOTICE NO. 3 (REVISED*)**
TO
CONTRACT NO. 071B6200102
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE: Jaime Smith, CFO (360) 468-3375
Northwest Marine Technology, Inc. P.O. Box 427 Shaw Island, WA 98286		
Email: jaime.smith@nmt.us		BUYER/CA (517) 373-1455 Laura Gyorkos
Contract Compliance Inspector: Steve Vanderlaan (269) 668-2696 Decimal Coded Wire Tags – Department of Natural Resources		
CONTRACT PERIOD: From: January 10, 2006 To: January 30, 2011		
TERMS	SHIPMENT	
Net 30 Days	90 Days - ARO	
F.O.B.	SHIPPED FROM	
Delivered	Shaw Island, WA	
MINIMUM DELIVERY REQUIREMENTS		
2,000 Tags		

NATURE OF CHANGE (S):

Effective January 30, 2010 The State hereby exercises the Second*** Contract option year making the new expiration date January 30, 2011. Additional funds of \$100,000.00 have been added to this Contract.

Prices have been changed to reflect 2010 pricing. See the attached price list for revised pricing. All other terms, conditions specifications remain unchanged.

AUTHORITY/REASON:

Per DMB Purchasing Operations, agency and vendor agreement, and State Administrative Board approval on March 2, 2010.

TOTAL REVISED ESTIMATED CONTRACT VALUE REMAINS: \$325,000.00

Price List

Refunds – There are no refunds on orders of coded wire tags.

Standard, Half-length, One-and-a-half-length & Sequential Formats

Quantity* 90-Day Delivery 30-Day Delivery

2,000 – 9,000 \$152/1,000 \$166/1,000

10,000 – 99,000 \$105/1,000 \$116/1,000

100,000 – 999,000 \$95/1,000 \$108/1,000

1,000,000 and over \$90/1,000 \$100/1,000

*Minimum order – 2,000 tags

Agency Only Format

Quantity 90-Day Delivery 30-Day Delivery**

100,000 and over \$39/1,000 \$43/1,000

**Minimum order – 100,000 tags

Precut DCWTs *Minimum order – 200 tags**

The tags will arrive ready to use. Single Shot Tag Injector sold separately.

Quantity Cost

sold in increments of 100-----\$36/100

Precut DCWT can be used with a single shot injector
(shown above) for small scale studies and for feasibility studies
of the Decimal Coded Wire Tag.

Single Shot Tag Injector-----\$110

Photo

MKIV Tagging Unit ----- 31,800

MKIV Tag Injector with accessories

Quality Control Device with accessories

MKIV Tag Injector ----- \$21,700

MKIV Tag Injector

Touch or foot switch Tool kit

Transit case Instruction manual

3 non-custom head molds Power supply

3K Agency wire for training 1 pkg of 5 needles

Quality Control Device (QCD) ----- \$12,600

QCD for the MKIV Interconnect cable

Transit case Instruction manual

Handheld Multishot Tag Injector ----- \$7,350

Tool kit Transit case Instruction manual

3K Agency wire for training 1 pkg of 5 needles

For the MKIV Tag Injector

Battery Adaptor Cable ----- \$94

Cutter ----- \$1,960

Drive Roller Set ----- \$175

Foot Switch or Touch Switch----- \$240

5 Etched or Non-Etched Needles ----- \$118

20 Etched or Non-Etched Needles -----	\$448
Needle Carrier with Nut -----	\$747
Needle Nut -----	\$15
Needle Carrier Clamp -----	\$145
Needle Support Tube with Protector -----	\$90
24V Power Supply -----	\$390
Drive Roller Puller -----	\$70
MKIV Tool Kit -----	\$400

For the Quality Control Device

Filter -----	\$47
Filter Gasket -----	\$10
Filter Gasket Assembly -----	\$275
Interconnect Cable -----	\$210
Solenoid Valve-New -----	\$225

DCWT Supplies – Prices

Spare and Replacement Parts

For the Handheld Multishot Tag Injector (MSCWT)

Cut Lever with Alignment Pin-----	\$307
Cutter -----	\$2,163
Drive Roller -----	\$100
Field Kit -----	\$290
5 Etched or Non-Etched Needles -----	\$118
20 Etched or Non-Etched Needles -----	\$448
Needle Support Tube -----	\$46
Push Wire Replacements -----	\$19

Accessories for DCWT Equipment

DCWT Detection Standard -----	\$5
Wand Shield (Titanium Tip) -----	\$150
Wand Holster -----	\$45
Head Mold Base -----	\$20
Head Mold (for non-custom sizes and species) -----	\$105
Custom Head Mold from supplied specimen -----	\$715
MagniViewer -----	\$200
Illuminator -----	\$300
Tag Reading Jig with 2 Pencils -----	\$200
Tag Reading Pencils -----	\$60
Wire Cutting (per 100 tags, includes mounting) -----	\$20

Accessories for the R Series Detector

Aluminum Tubular Legs -----	\$700
Diverter Gate Only -----	\$7,000
Quad Counter for Gate -----	\$1,650

Counter Cable ----- \$212

Power Supply ----- \$286

Counter Only ----- \$638

Equipment Upgrades and Repairs

MKIV Quality Control Device ----- \$2,500

Install the mechanical flapper gate in 2.5 inch
QCD. Includes a new 24V Power Supply.

V-Detector ----- \$860

Install the most current version of electronics,
conduct thorough inspection and cleaning.

Handheld Wand Detector ----- \$2,650

Repair damaged casings, conduct thorough inspection and cleaning.

Install Wand Shield (add \$150)

RDetector electronics upgrade ----- \$1,500

Sales: 360-468-3375 Biological Support: 360-596-9400 www.nmt.us

Detection Equipment prices

V-Detector ----- \$5,000

Handheld Wand Detector ----- \$5,000

R Series Detector R8000 ----- \$14,200

R Series Detector R9500 ----- \$17,500

R Series Diverter Gate with Dual Counter ----- \$7,500

Quad Counter for R8000 or R9500 ----- \$1,400

T4 Detector with legs & funnel ----- \$9,000

T4 Diverter Gate & Control Box ----- \$3,600

T13 Detector with Control Box ----- \$75,000

T13 Diverter Gate with Counter ----- \$10,000

Manual Elastomer Injection System

VIE tags can be purchased in a variety of kits to suit
project designs. Elastomer material has a recommended
shelf life of one year.

Master Kit ----- \$1,165

2 Manual Elastomer Injectors

10 units of elastomer (6 cc each)

Mixing and injecting supplies

VI Light

Field carrying case

Four Color Kit ----- \$535

1 Manual Elastomer Injector

4 units of elastomer (6 cc each)

Mixing and injecting supplies
VI Light
Field carrying case

Single Color Kit ----- \$252

1 Manual Elastomer Injector
1 unit of elastomer (6 cc)
Mixing and injecting supplies
VI Light
Field carrying case

Trial Pack of Elastomer ----- \$42

1cc of elastomer
Mixing and injecting supplies
Refill kit: Mixing supplies & 1 color (6 cc) ----- \$110
Syringes: 0.3 cc injection ----- pack of 20-----\$10
Manual Elastomer Injector ----- \$32
VI Light ----- \$120

Air Driven Elastomer Injection System Prices

Air Driven Elastomer Injection System----- \$5,500

Monthly Rental of this system ----- \$415

Quantity Price
5,000 - 9,000 \$163/1,000
10,000-99,000 \$126/1,000
100,000 - 999,000 \$105/1,000
1,000,000+ \$87/1,000

VI Alpha Tag Prices

VI Alpha tags are sold in increments of 100. Please specify color when ordering.

Quantity Price

100 - 900 \$.75 each
1,000 - 4,900 .70 each
5,000 + .65 each

VI Alpha Starter Kit ----- \$295

100 VI Alpha tags
Injector
Replacement Needle and Shim
VI Light(7 LED)

VI Alpha Injector ----- \$130

VI Light (7 LED) ----- \$120

Replacement Needle and Shim -----

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

March 8, 2010

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NAME & ADDRESS OF VENDOR		TELEPHONE: Jaime Smith, CFO (360) 468-3375
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CONTRACT PERIOD: From: January 10, 2006 To: January 30, 2011		
TERMS	Net 30 Days	SHIPMENT 90 Days - ARO
F.O.B.	Delivered	SHIPPED FROM Shaw Island, WA
MINIMUM DELIVERY REQUIREMENTS		
2,000 Tags		

NATURE OF CHANGE (S):

Effective January 30, 2010 The State hereby exercises the first Contract option year making the new expiration date January 30, 2011. Additional funds of \$100,000.00 have been added to this Contract.

Prices have been changed to reflect 2010 pricing. See the attached price list for revised pricing. All other terms, conditions specifications remain unchanged.

AUTHORITY/REASON:

Per DMB Purchasing Operations, agency and vendor agreement, and State Administrative Board approval on March 2, 2010.

TOTAL REVISED ESTIMATED CONTRACT VALUE REMAINS: \$325,000.00

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20 Etched or Non-Etched Needles ----- \$448

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Wand Shield (Titanium Tip) ----- \$150

Wand Holster ----- \$45

Head Mold Base ----- \$20

Head Mold (for non-custom sizes and species) ----- \$105

Custom Head Mold from supplied specimen ----- \$715

MagniViewer ----- \$200

Illuminator ----- \$300

Tag Reading Jig with 2 Pencils ----- \$200

Tag Reading Pencils ----- \$60

Wire Cutting (per 100 tags, includes mounting) ----- \$20

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VI Light

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VI Light
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Trial Pack of Elastomer ----- \$42

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Syringes: 0.3 cc injection ----- pack of 20-----\$10
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VI Light(7 LED)

VI Alpha Injector ----- \$130

VI Light (7 LED) ----- \$120

Replacement Needle and Shim -----

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

January 30, 2009

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B6200102
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE: Jaime Smith, CFO (360) 468-3375
Northwest Marine Technology, Inc. P.O. Box 427 Shaw Island, WA 98286 jaime.smith@nmt.us		
		BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: Steve Vanderlaan (269) 668-2696 Decimal Coded Wire Tags – Department of Natural Resources		
CONTRACT PERIOD: From: January 10, 2006 To: January 30, 2010		
TERMS	Net 30 Days	SHIPMENT 90 Days - ARO
F.O.B.	Delivered	SHIPPED FROM Shaw Island, WA
MINIMUM DELIVERY REQUIREMENTS		
2,000 Tags		

NATURE OF CHANGE (S):

Effective January 30, 2009 this Contract is hereby EXTENDED one (1) year through January 30, 2010.

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

AUTHORITY/REASON:

Per DMB Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$225,000.00

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

January 10, 2006

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B6200102
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE: Jaime Smith, CFO (360) 468-3375
Northwest Marine Technology, Inc. P.O. Box 427 Shaw Island, WA 98286 jaime.smith@nmt.us		
		BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: Steve Vanderlaan (269) 668-2696 Decimal Coded Wire Tags – Department of Natural Resources		
CONTRACT PERIOD: From: January 10, 2006 To: January 31, 2009		
TERMS	Net 30 Days	SHIPMENT 90 Days - ARO
F.O.B.	Delivered	SHIPPED FROM Shaw Island, WA
MINIMUM DELIVERY REQUIREMENTS		
2,000 Tags		

NATURE OF CHANGE (S):

Effective January 10, 2006, the start date for this Contract is hereby changed to January 10, 2006 in order for the Department of Natural Resources to purchase the tags utilizing the 90-day pricing.

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

AUTHORITY/REASON:

Per request of the Department of Natural Resources (Email dated 1/5/06 from Laurie Beauchamp).

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$225,000.00

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

December 12, 2005

NOTICE
OF
CONTRACT NO. 071B6200102
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR		TELEPHONE: Jaime Smith, CFO (360) 468-3375
Northwest Marine Technology, Inc. P.O. Box 427 Shaw Island, WA 98286		
		BUYER/CA (517) 373-6535 William C. Walsh, CPPB
Contract Compliance Inspector: Steve Vanderlaan (269) 668-2696 Decimal Coded Wire Tags – Department of Natural Resources		
CONTRACT PERIOD: From: February 1, 2006 To: January 31, 2009		
TERMS	Net 30 Days	SHIPMENT 90 Days - ARO
F.O.B.	Delivered	SHIPPED FROM Shaw Island, WA
MINIMUM DELIVERY REQUIREMENTS 2,000 Tags		

The terms and conditions of this Contract are attached.

Estimated Contract Value: \$225,000.00

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

**CONTRACT NO. 071B6200102
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Northwest Marine Technology, Inc. P.O. Box 427 Shaw Island, WA 98286	TELEPHONE: Jaime Smith, CFO (360) 468-3375
Contract Compliance Inspector: Steve Vanderlaan (269) 668-2696 Decimal Coded Wire Tags – Department of Natural Resources	BUYER/CA (517) 373-6535 William C. Walsh, CPPB
CONTRACT PERIOD: From: February 1, 2006 To: January 31, 2009	
TERMS <p style="text-align: center;">Net 30 Days</p>	SHIPMENT <p style="text-align: center;">90 Days - ARO</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">Shaw Island, WA</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">2,000 Tags</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are attached. Estimated Contract Value: \$225,000.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the **ITB No.07116200010**. Orders for delivery of equipment will be issued directly by the **Department of Natural Resources** 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: Northwest Marine Technology, Inc. _____ Firm Name _____ Authorized Agent Signature _____ Authorized Agent (Print or Type) _____ Date	FOR THE STATE: _____ Signature William C. Walsh, CPPB, Buyer Manager _____ Name/Title Commodities Division, Acquisition Services _____ Division _____ Date
---	---



STATE OF MICHIGAN
Department of Management and Budget
Acquisition Services

Contract No. 071B6200102
Decimal Coded Wire Tags

Buyer Name: William C. Walsh, CPPB
Telephone Number: (517) 373-6535
E-Mail Address: Walshw@michigan.gov



Decimal Coded Wire Tags

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Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 DEFINING DOCUMENT

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

1.002 PROJECT TITLE AND DESCRIPTION

This Contract is for patented Northwest Marine Technology, Inc. (NMT) *decimal coded wire tags for fish tagging project.*

1.003 PROJECT CONTROL

Project Control

Northwest Marine Technology, Inc. will carry out this project under the direction and control of the Michigan Department of Natural Resources (MDNR) – Fisheries Division.

1.004 COMMENCEMENT OF WORK

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

1.1 Product Quality

1.101 SPECIFICATIONS

Patented Northwest Marine Technology, Inc. (NMT) Decimal Coded Wire Tags; for use in MDNR existing Infra-structure of twelve (12) Mark IV Automatic Tagging Units manufactured by NMT that operate with NMT decimal coded wire tags. Equipment requires specific, patented, decimal coded wire tags to operate in the precision manner it was designed.

MDNR tags an estimated 1,000,000 fish annually at several fish hatcheries around the State as part of an on-going federally funded research. This project has been on-going since 1985 in Michigan. The stainless steel wire and numeric coding, used to make the decimal coded wire tag, is very specific in nature and is patented for use in the Mark IV tagging units.

1.102 RESERVED

1.103 RESERVED

1.104 WARRANTY FOR PRODUCTS OR SERVICES

1.2 Service Capabilities

1.201 CUSTOMER SERVICE/ORDERING

Northwest Marine Technology, Inc. shall verify orders that have quantities that appear to be abnormal or excessive.

Northwest Marine Technology, Inc.'s contact for this Contract is:

Jaime Smith, CFO
PO Box 427
Shaw Island, WA 98286
(360) 468-3375



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 State deposits the order in the mail. Orders may be issued orally, by facsimile, or by electronic commerce methods.

1.202 TRAINING - RESERVED

1.203 REPORTING

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

1.204 SPECIAL PROGRAMS-RESERVED

1.205 RESERVED

1.3 Delivery Capabilities

1.301 TIME FRAMES

Standard delivery time for all orders will be ninety (90) calendar days after receipt of order. An option for 30 calendar days is offered at the prices indicated in section 1.401.

1.302 MINIMUM ORDER

Minimum order is 2,000 tags. Any data group that is smaller than 10,000 tags will be charged at the 2,000-9,000 price without regard to the total quantity of tags ordered.

1.303 PACKAGING

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

1.304 PALLETIZING

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

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

1.305 DELIVERY TERM

Prices shall be quoted "F.O.B. Delivered" with transportation charges prepaid on all orders of **2,000 tags or more** to the State, or on all orders totaling or in excess of Northwest Marine Technology Inc.'s minimum order requirement stated on the Item Listing. Other F.O.B. terms will not be accepted and shall disqualify a bidder from further consideration. This supersedes Instruction #8 on the reverse side of the Invitation To Bid cover page.



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

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

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

1.306 RESERVED

1.4 Project Price

1.401 PRICING

QUANTITY OF DECIMAL CODED WIRE TAGS PER SINGLE ORDER	PRICING PER THOUSAND TAGS – 90 DAY DELIVERY	PRICING PER THOUSAND TAGS – 30 DAY DELIVERY
2,000 – 9,9999	\$127.00	\$142.00
10,000-99,999	\$87.00	\$97.00
100,000-999,999	\$80.00	\$90.00
1,000,000 & Greater	\$75.00	\$84.00
Spooling Surcharge for non-standard packaging		
Indicate standard spool/pkg: <u>10,000 Tags</u>		
<u>\$60.00/Non-Standard Spool</u>		

1.402 QUICK PAYMENT TERMS-RESERVED

1.403 PRICE TERM

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

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



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

1.5 Quantity term

Northwest Marine Technology, Inc. agrees to supply all that the state requires

1.6 Other Terms and Conditions Needed for this Contract



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

This Contract is for patented Northwest Marine Technology Decimal Coded Wire Tags for Use in Mark IV Automatic Tagging Units for the State of Michigan. Exact quantities to be purchased are unknown, however Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc. by various State Agencies on the Purchase Order Contract Release Form.

Various MDNR Fish Hatcheries and Research Stations located throughout the State of Michigan may order from this Contract. This shall not limit participation of additional agencies/locations as the need may develop at the same prices, terms and conditions. Units of local State may also issue orders (see attached Non-State Agency Statement).

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

This Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Michigan Department of Natural Resources, hereinafter known as MDNR. Where actions are a combination of those of Acquisition Services and the State agencies, the authority will be known as the State.

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

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

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

Department of Management and Budget
Acquisition Services
Attn: William C. Walsh, CPPB
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 373-6535
walshw@michigan.gov

2.003 NOTICE

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

**2.004 CONTRACT TERM**

The term of this Contract will be for three (3) years and will commence with the issuance of a Contract. This will be approximately February 1, 2006 through January 31, 2009.

Option. The State reserves the right to exercise two (2) one-year options, at the sole option of the State. Northwest Marine Technology, Inc. performance, quality of products, price, cost savings, and Northwest Marine Technology Inc.'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. Northwest Marine Technology, Inc. performance, quality of products, price, cost savings, and Northwest Marine Technology Inc.'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 Northwest Marine Technology, Inc. within thirty (30) days, provided that the State gives Northwest Marine Technology, Inc. a preliminary written notice of its intent to extend at least sixty (60) days before the Contract expires. The preliminary notice does not commit the State to an extension. If the State 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, Northwest Marine Technology, Inc. consents to personal jurisdiction in the state of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

2.006 APPLICABLE STATUTES

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

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

MI OSHA MCL §§ 408.1001 – 408.1094

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

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

MI Consumer Protection Act MCL §§ 445.901 – 445.922

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

Department of Civil Service Rules and regulations

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

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

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

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

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

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

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

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

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

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

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

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

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

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

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

Sherman Act, 15 U.S.C.S. § 1 et seq.

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

Clayton Act, 15 U.S.C.S. § 14 et seq.



2.007 RELATIONSHIP OF THE PARTIES

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

2.008 HEADINGS

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

2.009 MERGER

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

2.010 SEVERABILITY

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

2.011 SURVIVORSHIP

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

2.012 NO WAIVER OF DEFAULT

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

2.013 PURCHASE ORDERS

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

2.1 Vendor/Northwest Marine Technology, Inc. Obligations

2.101 ACCOUNTING RECORDS

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



2.102 NOTIFICATION OF OWNERSHIP

Northwest Marine Technology, Inc. shall make the following notifications in writing:

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

Northwest Marine Technology, Inc. shall:

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

2.103 RESERVED

2.104 RESERVED

2.105 RESERVED

2.106 PREVAILING WAGE-RESERVED

2.107 PAYROLL AND BASIC RECORDS-RESERVED

2.108 COMPETITION IN SUB-CONTRACTING

Northwest Marine Technology, Inc. shall select sub-Contractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Contract.

2.109 RESERVED

2.2 Contract Performance

2.201 RESERVED

2.202 CONTRACT PAYMENT SCHEDULE

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

The specific payment schedule for this Contract will mutually agreed upon by the State and Northwest Marine Technology Inc.. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.



2.203 POSSIBLE PROGRESS PAYMENTS-RESERVED

2.204 RESERVED

2.205 ELECTRONIC PAYMENT AVAILABILITY

Electronic transfer of funds is MANDATORY for State Contractors. It is MANDATORY that Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc. prior to signing of this Contract. The State fiscal year is October 1st through September 30th. Northwest Marine Technology Inc. should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of this Contract.

2.302 NORTHWEST MARINE TECHNOLOGY, INC. RESPONSIBILITIES

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

2.303 ASSIGNMENT AND DELEGATION

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

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

Northwest Marine Technology, Inc. must obtain the approval of the Director of Acquisition Services before using a place of performance that is different from the address that Northwest Marine Technology Inc. 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



Northwest Marine Technology Inc. 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, Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc. or any of its sub-Contractors 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 Northwest Marine Technology Inc. of any representation or warranty made by Northwest Marine Technology Inc. in this 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 Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc., by any of its sub-Contractors, 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 Northwest Marine Technology Inc. or any of its sub-Contractors in its or their capacity as an employer of a person.

Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc. or its sub-Contractors, 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 Northwest Marine Technology Inc.'s opinion be likely to become the subject of a claim of infringement, Northwest Marine Technology Inc. shall at Northwest Marine Technology Inc.'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



Northwest Marine Technology Inc., (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 Northwest Marine Technology, Inc., (iii) accept its return by the State with appropriate credits to the State against Northwest Marine Technology Inc.'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, Northwest Marine Technology Inc. shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Northwest Marine Technology, Inc.'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 Northwest Marine Technology Inc. or any of its sub-Contractors, 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 Northwest Marine Technology Inc. or any of its sub-Contractors 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 this Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

Indemnification Procedures

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

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Northwest Marine Technology, Inc. of such claim in writing and take or assist Northwest Marine Technology, Inc. in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Northwest Marine Technology, Inc.. No failure to so notify Northwest Marine Technology, Inc. shall relieve Northwest Marine Technology, Inc. of its indemnification obligations except to the extent that Northwest Marine Technology, Inc. can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Northwest Marine Technology, Inc. shall notify the State in writing whether Northwest Marine Technology, Inc. agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Northwest Marine Technology, Inc. of a claim and prior to the State receiving Northwest Marine Technology, Inc.'s Notice of Election, the State shall be entitled to defend against the claim, at Northwest Marine Technology, Inc.'s expense, and Northwest Marine Technology, Inc. will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Northwest Marine Technology, Inc. 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) Northwest Marine Technology, Inc. shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Northwest Marine Technology, Inc.'s financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Northwest Marine Technology, Inc. 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 Stateal 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 Stateal or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Northwest Marine Technology, Inc. given within ten (10) days after the State's receipt of Northwest Marine Technology, Inc.' s information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Northwest Marine Technology, Inc. has failed to demonstrate to the reasonable satisfaction of the State Northwest Marine Technology, Inc.'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 Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc.. If it is determined that the claim was one against which Northwest Marine Technology, Inc. was required to indemnify the State, upon request of the State, Northwest Marine Technology, Inc. shall promptly reimburse the State for all such reasonable costs and expenses.

2.306 LIMITATION OF LIABILITY

Except as set forth herein, neither Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc.; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Northwest Marine Technology, Inc.'s indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to Northwest Marine Technology Inc. shall be limited to the value of this Contract.

2.307 CONTRACT DISTRIBUTION

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

2.308 FORM, FUNCTION, AND UTILITY-RESERVED

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, Northwest Marine Technology Inc. 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 LIABILITY INSURANCE

A. Insurance

The Northwest Marine Technology, Inc. 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 Northwest Marine Technology Inc.'s performance of services under the terms of this Contract, whether such services are performed by Northwest Marine



Technology Inc., or by any sub-Contractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

The Northwest Marine Technology, Inc. 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 Northwest Marine Technology Inc. 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 Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc.'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, Northwest Marine Technology Inc. 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. **THIS 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.

Northwest Marine Technology, Inc. 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)

Northwest Marine Technology, Inc. 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. Northwest Marine Technology Inc. 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, Northwest Marine Technology Inc. must have vehicle liability insurance on any auto including owned, hired and



non-owned vehicles used in Northwest Marine Technology, Inc.'s business for bodily injury and property damage as required by law.

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

- Workers' compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of Northwest Marine Technology Inc.'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, Northwest Marine Technology, Inc. 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.

Northwest Marine Technology, Inc. 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.

- Employers liability insurance with the following minimum limits:

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

- 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 Northwest Marine Technology, Inc. or its Sub-Contractors, 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).
- 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.
- 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.
- Fire and Personal Property Insurance covering against any loss or damage to the office space used by Northwest Marine Technology, Inc. for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc.. 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. Sub-Contractors

There are no sub-Contractors for this Contract.



C. Certificates of Insurance and Other Requirements

Northwest Marine Technology, Inc. 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, Northwest Marine Technology Inc. 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 Northwest Marine Technology, Inc. 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.

Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc. under this Contract to any indemnified party or other persons. Northwest Marine Technology, Inc. shall be responsible for all deductibles with regard to such insurance. If Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc., or Northwest Marine Technology, Inc. shall pay the entire cost (or any part thereof) upon demand by the State.

2.311 WORKPLACE SAFETY

1. In performing work under this Contract on State premises, Northwest Marine Technology Inc. shall conform to any specific safety requirements contained in this Contract or as required by law or regulation. Northwest Marine Technology Inc. shall take any additional precautions as the State may reasonably require for safety and accident prevention purposes. Any violation by Northwest Marine Technology Inc. of such safety requirements, rules, laws or regulations shall be a material breach of this Contract subject to the cancellation provisions contained herein.
2. In performing services for the State pursuant to this Contract, Northwest Marine Technology Inc. shall comply with Department of Civil Service Rules 2-20 regarding Workplace Safety and 1-8.3 regarding Discriminatory Harassment. In addition, Northwest Marine Technology Inc. shall comply with Civil Service Regulations governing workplace safety and discriminatory harassment and any applicable state agency rules on these matters that the agency provides to Northwest Marine Technology Inc.. Department of Civil Service Rules and Regulations can be found on the Department of Civil Service website at www.michigan.gov/mdcs.

2.312 WORKPLACE DISCRIMINATION

The Northwest Marine Technology, Inc. represents and warrants that in performing services for the State pursuant to this Contract, Northwest Marine Technology Inc. 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. Northwest Marine Technology Inc. further agrees that every sub-Contract 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 sub-Contractor. 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.



Northwest Marine Technology, Inc. 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.

2.313 RESERVED

2.314 WEBSITE INCORPORATION

State expressly states that it will not be bound by any content on Northwest Marine Technology Inc.'s website, even if Northwest Marine Technology Inc.'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:

Steve VanderLaan, Planting and Marking Coordinator
Michigan Department of Natural Resources
Wolf Lake State Fish Hatchery
34270 County Road 62, Mattawan, MI 49071
(vanderls@michigan.gov or phone – 269-668-2696)

2.402 PERFORMANCE REVIEWS

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

Upon a finding of poor performance, which has been documented by Acquisition Services, Northwest Marine Technology Inc. shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Acquisition Services, this Contract may be canceled for default. Delivery by Northwest Marine Technology Inc. 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 Northwest Marine Technology, Inc. agrees that the State may, upon 24-hour notice, perform an audit at Northwest Marine Technology, Inc.'s location(s) to determine if Northwest Marine Technology Inc. is complying with the requirements of this Contract. Northwest Marine Technology Inc. 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 this Contract, shall be considered default by Northwest Marine Technology Inc. of the terms and conditions of this Contract and may result in cancellation of this Contract by the State. The brand and product number offered for all items shall remain consistent for the term of this Contract, unless Acquisition Services has approved a change.

2.502 QUALITY ASSURANCE

Northwest Marine Technology, Inc. sets the product quality for Decimal Coded Wire Tags and assures that quality.

2.503 INSPECTION

All goods are subject to inspection and testing. In the event goods are defective in material or workmanship, or otherwise fail to meet the requirements of this Contract, the State shall have the right to reject the goods or retain the goods and correct the defects. Northwest Marine Technology Inc. shall pay the State for expenses incurred in correcting defects. Rejected goods will be held for 45 days after delivery. Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc. fails to make arrangements within the specified time period.

2.504 GENERAL WARRANTIES (goods)

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

2.505 CONTRACTOR WARRANTIES-RESERVED

2.506 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 Northwest Marine Technology Inc. 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 Northwest Marine Technology, Inc., the State shall provide Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc.); 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 sub-Contractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to Northwest Marine Technology Inc. as of the date specified by the State in a written notice of cancellation to Northwest Marine Technology Inc.. Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc. which are caused by acts or omissions of its sub-Contractors will not relieve Northwest Marine Technology Inc. of its obligations under the Contract except to the extent that a sub-Contractor is itself subject to any excusable failure condition described above and Northwest Marine Technology Inc. cannot reasonably circumvent the effect of the sub-Contractor's default or delay in performance through the use of alternate sources, workaround plans or other means.



2.7 Remedies
2.701 CANCELLATION

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

1. Material Breach by Northwest Marine Technology Inc. In the event that Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc., 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, Northwest Marine Technology Inc. shall be responsible for all costs incurred by the State in canceling this Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in this Contract.

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

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

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in this Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel this Contract for its convenience, in whole or in part, by giving Northwest Marine Technology Inc. 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. Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc.. The State shall give Northwest Marine Technology Inc. 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 Northwest Marine Technology Inc., an officer of Northwest Marine Technology Inc., or an owner of a 25% or greater share of Northwest Marine Technology Inc., is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or sub-Contract; 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 Northwest Marine Technology Inc.'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 Northwest Marine Technology, Inc. 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, Northwest Marine Technology, Inc. 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 Northwest Marine Technology, Inc.'s Default pursuant to Section 2.602; otherwise the State shall compensate Northwest Marine Technology, Inc. for such termination assistance on a time and materials basis in accordance with the Amendment Labor Rates within this Contract agreement.

2.703 LIQUIDATED DAMAGES-RESERVED

2.704 STOP WORK-RESERVED

2.705 SUSPENSION OF WORK-RESERVED

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

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

2.802 TIME EXTENTIONS

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

2.803 MODIFICATION

Acquisition Services reserves the right to modify this Contract at any time during 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 Northwest Marine Technology Inc. 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 Northwest Marine Technology, Inc. The item(s) may be included on this Contract, only if prior written approval has been granted by Acquisition Services.



2.804 AUDIT AND RECORDS UPON MODIFICATION

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

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

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

Northwest Marine Technology, Inc. shall make available at its office at all reasonable times the materials described in the paragraphs above.

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

2.805 CHANGES

(a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the Contract, including changes:

- (1) In the specifications (including drawings and designs);
- (2) In the method or manner of performance of the work;
- (3) In the State-furnished facilities, equipment, materials, services, or site; or
- (4) Directing acceleration in the performance of the work.

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

- (1) The date, circumstances, and source of the order; and
- (2) That Northwest Marine Technology Inc. regards the order as a change order.

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