

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

June 30, 2010

**CHANGE NOTICE NO. 4**  
**OF**  
**CONTRACT NO. 071B6200335**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR		TELEPHONE: Linda Harvey (517) 202-7385 Fax: (734) 942-0920
<b>Printwell Acquisitions, Inc.</b> <b>26975 Northline Road</b> <b>Taylor, MI 48180</b>  <p style="text-align: right;">printwellharvey1@aol.com</p>		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-7374 <b>Joan Bosheff</b>
Contract Compliance Inspector: Darron Birchmeier		
<b>Printing of Income Tax Booklets &amp; Related Forms - Treasury</b>		
CONTRACT PERIOD: From: <b>July 20, 2006</b>		To: <b>July 20, 2011</b>
TERMS	<b>Net 30 Days</b>	SHIPMENT <b>As Required</b>
F.O.B.	<b>Delivered</b>	SHIPPED FROM <b>Taylor, MI</b>
MINIMUM DELIVERY REQUIREMENTS <b>As Required</b>		
MISCELLANEOUS INFORMATION:		

**NATURE OF CHANGE(S):**

Effective immediately, the last option year available on this contract is exercised, therefore the Contract expiration date is hereby changed to July 20, 2011. This Contract is also INCREASED by \$28,000.00.

All other terms, conditions, and specifications remain the same.

**AUTHORITY/REASON:**

Per DTMB/Purchasing Operations and Administrative Board approval on June 30, 2010.

**INCREASE: \$28,000.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$623,100.00**

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

June 1, 2009

**CHANGE NOTICE NO. 3 (REVISED\*\*)**  
**OF**  
**CONTRACT NO. 071B6200335**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Printwell Acquisitions, Inc.</b> <b>26975 Northline Road</b> <b>Taylor, MI 48180</b>  <p style="text-align: right;">printwellharvey1@aol.com</p>	TELEPHONE: Linda Harvey <b>(517) 202-7385</b> <b>Fax: (734) 942-0920</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 <b>Joan Bosheff</b>
Contract Compliance Inspector: Darron Birchmeier <p style="text-align: center;"><b>Printing of Income Tax Booklets &amp; Related Forms - Treasury</b></p>	
CONTRACT PERIOD: From: <b>July 20, 2006</b> To: <b>July 20, 2010</b>	
TERMS <p style="text-align: center;"><b>Net 30 Days</b></p>	SHIPMENT <p style="text-align: center;"><b>As Required</b></p>
F.O.B. <p style="text-align: center;"><b>Delivered</b></p>	SHIPPED FROM <p style="text-align: center;"><b>Taylor, MI</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>As Required</b></p>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

Effective immediately, this Contract is hereby **EXTENDED** to July 10, 2010 and **INCREASED** by \$80,000.00. \*\*In addition, price changes per the attached are hereby incorporated into this Contract.

All other terms, conditions, and specifications remain the same.

**AUTHORITY/REASON:**

Per DMB/Purchasing Operations and Administrative Board approval on May 19, 2009.

**INCREASE: \$80,000.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$595,100.00**

**Change Request B - Appendix A**

<b>Item:</b>	<b>Annual Quantity</b>	<b>Press &amp; Bindery</b>	<b>Total Price</b>	<b>Price of Negative/each</b>	<b>2nd Color/M</b>	<b>Saddle-Stitch/M</b>	<b># Hours to Saddle Stitch all books</b>	<b>Price per Additional 1,000</b>	<b>4-Page Signature +/-</b>
<b>B1: MI-1040 CR-7 Book</b>	810,000	\$21.44	\$17,366.40	\$0.00	\$2.98	\$14.95	116	\$19.33	\$4.94/\$12.89
<b>B2: MI-1040 Income Tax Return (4 pgs)</b>	200,000	\$9.10	\$1,820.00	\$0.00	\$1.55			\$7.90	
<b>B3: MI-1040 CR Form</b>	135,000	\$7.06	\$953.10	\$0.00	\$1.11			\$6.21	
<b>B4: Schedule 1</b>	100,000	\$8.88	\$888.00	\$0.00	\$1.55			\$7.82	
<b>B5: MI-1040 CR7 Form</b>	25,000	\$17.14	\$428.50	\$0.00	\$2.76			\$15.08	
<b>B6: MI-1040 CR2 Book</b>	3,000	\$191.02	\$573.06	\$0.00	\$35.75	\$35.00	2	\$153.95	\$4.94/\$12.89
<b>B7: MI-1040ES</b>	3,000	\$165.91	\$497.72	\$0.00	\$22.53			\$76.31	
<b>B11: MI-1040 CR5 Book</b>	700	\$848.88	\$594.22	\$0.00	\$358.10	\$115.00	2	\$37.70	\$4.94/\$12.89
<b>B12: SUW Instruction Book (32 pgs)</b>	430,000	\$48.70	\$20,941.00	\$0.00	\$6.04	\$11.70	56	\$44.87	\$4.94/\$12.89
<b>B13: SUW Withholding Guide (32 pgs)</b>	230,000	\$53.10	\$12,213.00	\$0.00	\$5.73	\$11.84	30	\$17.08	\$4.94/\$12.89
<b>B14: Paper (88 pgs) Reproducible Packet</b>	1,200	\$4,105.86	\$4,927.03	\$0.00	\$206.43			\$2,687.18	
<b>B42: Michigan Business Tax Book (144 pgs)</b>	5,000	\$824.35	\$4,121.75	\$0.00	\$270.00	included	8	\$464.85	*see below
<b>TOTALS</b>			\$65,323.78						

\*\* See Appendix B for Test Print price estimates.

## **Change Request B - Appendix A - Page Two**

**\*B42 price is based on 144 pages. Adding and/or subtracting 4 pages results in additional cost.**

4 fewer pages - Add \$100.00 per M

4 additional pages - Add \$160.00 per M

**B1, B6 & B11 prices are based on 16 pages. Adding and/or subtracting 4 pages results in additional cost.**

4 fewer pages - Add \$4.94 per M

4 additional pages - Add \$12.89 per M

**B12 & B13 prices are based on 16 pages. Adding and/or subtracting 4 pages results in additional cost.**

4 fewer pages - Add \$4.94 per M

4 additional pages - Add \$12.89 per M

**Paper Requirements - B42 - 6,500 olbs. Of 40# groundwood offset - 35" rolls      650 lbs. per add'l. M**

**Additional Proofs - B42 pricing includes 1 Impose Proof. Additional proofs will be produced at \$3.50 per page, or \$504.00 for 144 pages.**

**Change Request B - Appendix B**

<b>Item:</b>	<b>Annual Quantity</b>	<b>Press &amp; Paper</b>	<b>Total Price</b>	<b>Price of Negative/each</b>
<b>B2: MI-1040 Income Tax Return</b>	300	\$740.74	\$222.22	\$0.00
<b>B3: MI-1040 CR Form</b>	300	\$740.74	\$222.22	\$0.00
<b>B4: Schedule 1</b>	300	\$740.74	\$222.22	\$0.00
<b>B5: MI-1040 CR7 Form</b>	300	\$740.74	\$222.22	\$0.00
<b>B9: MI-1040X</b>	300	\$740.74	\$222.22	\$0.00
<b>B15: Schedule CR5</b>	300	\$740.74	\$222.22	\$0.00
<b>B16: Schedule NR</b>	300	\$740.74	\$222.22	\$0.00
<b>B17: MI-1040CR2 form</b>	300	\$740.74	\$222.22	\$0.00
<b>B18: Schedule CT</b>	300	\$740.74	\$222.22	\$0.00
<b>B19: Form 4534</b>	300	\$740.74	\$222.22	\$0.00
<b>B20: Schedule 2</b>	300	\$740.74	\$222.22	\$0.00
<b>B21: Schedule W</b>	300	\$740.74	\$222.22	\$0.00
<b>B22: MI-1040 CR5 form</b>	300	\$740.74	\$222.22	\$0.00

<b>Item:</b>	<b>Annual Quantity</b>	<b>Press &amp; Paper</b>	<b>Total Price</b>	<b>Price of Negative/each</b>
<b>B31: Form 4575 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B32: Form 4577 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B33: Form 4578 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B34: Form 4580 (MBT)</b>	50	\$4,044.00	\$202.22	\$0.00
<b>B35: Form 4582 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B36: Form 4583 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B37: Form 4584 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B38: Form 4585 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B39: Form 4587 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B40: Form 4593 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B41: Form 4595 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>TOTALS</b>			\$4,304.28	

\* All MBT Forms are 2 pages, printed back to back, with exception to B34 (Form 4580), which is 6 pages.

<b>B23: Form 4567 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B24: Form 4568 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B25: Form 4569 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B26: Form 4570 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B27: Form 4571 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B28: Form 4572 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B29: Form 4573 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00
<b>B30: Form 4574 (MBT)</b>	50	\$1,348.00	\$67.40	\$0.00

B34 is delivered as three 2-page forms, collated into proper sequence.

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

May 21, 2009

**CHANGE NOTICE NO. 3**  
**OF**  
**CONTRACT NO. 071B6200335**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Printwell Acquisitions, Inc.</b> <b>26975 Northline Road</b> <b>Taylor, MI 48180</b>  printwellharvey1@aol.com	TELEPHONE: Linda Harvey <b>(517) 202-7385</b> <b>Fax: (734) 942-0920</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 <b>Joan Bosheff</b>
Contract Compliance Inspector: Darron Birchmeier <b>Printing of Income Tax Booklets &amp; Related Forms - Treasury</b>	
CONTRACT PERIOD: From: <b>July 20, 2006</b> To: <b>July 20, 2010</b>	
TERMS <b>Net 30 Days</b>	SHIPMENT <b>As Required</b>
F.O.B. <b>Delivered</b>	SHIPPED FROM <b>Taylor, MI</b>
MINIMUM DELIVERY REQUIREMENTS <b>As Required</b>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

**Effective immediately, this contract is hereby EXTENDED to July 10, 2010 and INCREASED by \$80,000.00.**

**All other terms, conditions and pricing remain the same.**

**AUTHORITY/REASON:**

**Per DMB/Purchasing Operations and Administrative Board approval on May 19, 2009.**

**INCREASE: \$80,000.00**

**TOTAL REVISED ESTIMATED CONTRACT VALUE: \$ 595,100.00**

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

December 17, 2008

**CHANGE NOTICE NO. 2 (Revised)**  
**OF**  
**CONTRACT NO. 071B6200335**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Printwell Acquisitions, Inc.</b> <b>26975 Northline Road</b> <b>Taylor, MI 48180</b>  <p style="text-align: right;">printwellharvey1@aol.com</p>	TELEPHONE: Linda Harvey <b>(517) 202-7385</b> <b>Fax: (734) 942-0920</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 <b>Joan Bosheff</b>
Contract Compliance Inspector: Darron Birchmeier <p style="text-align: center;"><b>Printing of Income Tax Booklets &amp; Related Forms - Treasury</b></p>	
CONTRACT PERIOD: From: <b>July 20, 2006</b> To: <b>July 20, 2009</b>	
TERMS <p style="text-align: center;"><b>Net 30 Days</b></p>	SHIPMENT <p style="text-align: center;"><b>As Required</b></p>
F.O.B. <p style="text-align: center;"><b>Delivered</b></p>	SHIPPED FROM <p style="text-align: center;"><b>Taylor, MI</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>As Required</b></p>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

There are amendments to the contract, per the attached.

All other terms, conditions and pricing remain the same.

**AUTHORITY/REASON:**

Per DMB/Purchasing Operations and Administrative Board approval on  
 December 2, 2008.

**TOTAT ESTIMATED CONTRACT VALUE: \$ 515,100.00**

**Proposal to Amend Contract #071B6200335**

**Change 1**

**September 23, 2008**

1. Section 1.104-B.1 (Quantity Estimates): Add the following forms:

<u>Form</u>	<u>Annual Quantity (est.)</u>	<u>3-year Quantity (est.)</u>
B19: Form 4534	300	900
B20: Schedule 2	300	900
B21: Schedule W	300	900
B22: MI-1040 CR5	300	900

Contractor Response to Amendment:

4 two-page forms will be added to the test printing in late October.

2. Section 1.104-B.2.b (Production): Amend language “B15-B18:” to:

“B15-B22:”.

Contractor Response to Amendment:

Test forms will be produced on the same press and paper as the final print run in order to insure accurate test results. Test files will not be used for final printing; new files will be supplied for final print run.

3. Section 1.104-B.4 (Individual Specifications):

- a. Add the following language:

B19. Form 4534 – Venture Capital Deduction Schedule

B20. Schedule 2 – Nonrefundable Credits

B21. Schedule W – Withholding Tax Schedule

B22. MI-1040 CR5 – Farmland Preservation Tax Credit Claim

- b. Amend the language “These four forms (B15-B18)...” to:

“These seven (7) forms (B15-B22)...”

Contractor Response to Amendment:

4 forms will be added to the test run that is printed late October/early November, bringing the total number of forms to be included to 7. Each page will be 8-1/2 x 11 finished size, either 1 sided or 2 sided, depending on the form. Forms will be supplied in digital format and a proof will be provided for approval prior to printing.

4. Pricing for the additional four (4) test forms shall equal the cost for current test forms.

Contractor Response to Amendment:

Unit pricing for the additional test forms will be consistent with and equal to original contract pricing for test forms.

5. The Single Business Tax expired December 31, 2007. This eliminates the need for Item B8 and introduces a need for a Michigan Business Tax (MBT) Book. This will be item B23. Complete Appendix A for pricing.

**Specifications:****Size:** 128 pages, 8.5" x 11" self cover**Treasury Option:** Treasury reserves the right to add or subtract additional 4-page signatures as needed.**Perforations:** To be identified on Purchase Order.**Production Samples:** Every 30,000<sup>th</sup> book must be pulled and inspected during the production run.**Packing:** 200 books per box**Delivery:** To be identified on the Purchase Order.**Contractor Response to Amendment:**

The Single Business Tax Book, Item B-8 on the original contract, will no longer be produced. The Michigan Business Tax Book will be added to the contract as Item B-42. Book will be 128 pages self cover, and includes forms pages which must be perforated vertically approximately 1/4" from binding edge to allow for easy removal. The MBT Book will print mid-December in approximately the same time frame as other items on the contract. Paper is to be provided by Michigan Dept. of Treasury. Files will be supplied to the printer in a digital format. Prior to printing, a proof will be provided to the contract administrator or other designated individual for approval. Proof will be held until December 15<sup>th</sup>, or until the legislature has adjourned. Approximately half of the books will pack on skids and ship to a mailer as designated by Michigan Dept. of Treasury. The balance of the job is to pack in cartons and deliver to a Lansing location.

6. Similar to Individual Income Tax forms, a number of Michigan Business Tax forms are to be printed for testing purposes. Treasury requests printing 50 copies of the following forms. Complete Appendix A for pricing.

4567: Michigan Business Tax Annual Return

4568: Michigan Business Tax Non-Refundable Credits Summary

4569: Michigan Business Tax Single Business Tax Credit Carry Forward

4570: Michigan Business Tax Credits for Compensation, Investment and Research and Development

4571: Michigan Business Tax Common Credits for Small Businesses

4572: Michigan Business Tax Charitable Contribution Credits

4573: Michigan Business Tax Miscellaneous Non-Refundable Credits

4574: Michigan Business Tax Refundable Credits

4575: Michigan Business Tax Loss Adjustment Worksheet for the Small Business Alternative Credit

4577: Michigan Business Tax Schedule of Shareholders and Officers

4578: Michigan Business Tax Schedule of Partners

4580: Michigan Business Tax Unitary Business Group Combined Filing Schedule

4582: Michigan Business Tax Penalty and Interest Computation for Underpaid Estimated Tax

4583: Michigan Business Tax Simplified Return

4584: Michigan Business Tax Election of Refund or Carry Forward of Credits

4585: Michigan Business Tax Investment Tax Credit Recapture from Sale of Assets Acquired Under Single Business Tax

4587: Michigan Business Tax Schedule of Recapture of Certain Business Tax Credits

4593: Michigan Business Tax Book – Tax Difference

4595: Michigan Business Tax Renaissance Zone Credit Schedule

**Specifications:****Size:** All forms are 2 pages, printed back to back, on 40# paper supplied by Treasury. Exception: Form 4580 is six pages, printed back to back.**Delivery:** 15 copies to JP Morgan Chase; 35 copies to Treasury, Attn: Chris Bourque.**Contractor Response to Amendment:**

19 Michigan Business Tax forms must be printed for testing purposes in early September.

1 form is 6 pages, the balance of the forms are 2 pages. They must be printed on the same 40# stock and on the same press as the final MBT book in order for the testing to be accurate. Files will be supplied in a digital format; a proof will be provided to the contract administrator or other designated individual for approval prior to printing. Finished forms must be delivered to Bank One (Belleville) and Michigan Dept. of Treasury in Lansing.

7. Treasury wishes to extend the current contract for an additional year (7/21/09-7/20/2010). Please provide pricing and paper usage estimates in Appendices B, C and D.

**Contractor Response to Amendment:**

Contract will be extended through 7/20/2010. Pricing is given for current quantities of books and forms (reference Appendices B, C and D) and is consistent with original contract pricing.

<u>Annual Quantity</u>	<u>Press &amp; Bindery</u>	<u>Total Price</u>	<u>Price of Negative/each</u>	<u>2nd Color/M</u>	<u>Saddle- Stitch/M</u>	<u># Hours to Saddle Stitch all books</u>	<u>Price per Additional 1,000</u>	<u>4-Page Signature +/-</u>
500,000	\$175.83	\$87,915.00	\$0.00	\$5.40	included	130	\$169.30	\$2.65(-) \$16.00 (+)
500,000	\$173.18	\$86,589.95	\$0.00	\$5.10	included	130	\$166.20	
500,000	\$191.83	\$95,916.87	\$0.00	\$5.62	included	130	\$184.22	
500,000	\$197.20	\$98,600.00	\$0.00	\$5.84	lincluded	130	\$187.99	

50	\$1,270.00	\$1,206.50	\$0.00	N/A	N/A	N/A	\$1,270.00	N/A
300	\$740.74	\$888.88	\$0.00	N/A	N/A	N/A	\$740.74	N/A

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

December 3, 2008

**CHANGE NOTICE NO. 2**  
**OF**  
**CONTRACT NO. 071B6200335**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Printwell Acquisitions, Inc.</b> <b>26975 Northline Road</b> <b>Taylor, MI 48180</b>  <p style="text-align: right;">printwellharvey1@aol.com</p>	TELEPHONE: Linda Harvey <b>(517) 202-7385</b> <b>Fax: (734) 942-0920</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 <b>Joan Bosheff</b>
Contract Compliance Inspector: Darron Birchmeier <p style="text-align: center;"><b>Printing of Income Tax Booklets &amp; Related Forms - Treasury</b></p>	
CONTRACT PERIOD: From: <b>July 20, 2006</b> To: <b>July 20, 2009</b>	
TERMS <p style="text-align: center;"><b>Net 30 Days</b></p>	SHIPMENT <p style="text-align: center;"><b>As Required</b></p>
F.O.B. <p style="text-align: center;"><b>Delivered</b></p>	SHIPPED FROM <p style="text-align: center;"><b>Taylor, MI</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>As Required</b></p>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

**Effective immediately this Contract is hereby INCREASED by \$102,100.00.**

**All other terms, conditions and pricing remain the same.**

**AUTHORITY/REASON:**

**Per DMB/Purchasing Operations and Administrative Board approval on  
 December 2, 2008.**

**TOTAT ESTIMATED CONTRACT VALUE: \$ 515,100.00**

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

August 2, 2006

**CHANGE NOTICE NO. 1**  
**OF**  
**CONTRACT NO. 071B6200335**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Printwell Acquisitions, Inc.</b> <b>26975 Northline Road</b> <b>Taylor, MI 48180</b>  <p style="text-align: right;">printwellharvey1@aol.com</p>	TELEPHONE: Linda Harvey <b>(517) 202-7385</b> <b>Fax: (734) 942-0920</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-7374 <b>Joan Bosheff</b>
Contract Compliance Inspector: Darron Birchmeier <b>Printing of Income Tax Booklets &amp; Related Forms - Treasury</b>	
CONTRACT PERIOD: From: <b>July 20, 2006</b> To: <b>July 20, 2009</b>	
TERMS <b>Net 30 Days</b>	SHIPMENT <b>As Required</b>
F.O.B. <b>Delivered</b>	SHIPPED FROM <b>Taylor, MI</b>
MINIMUM DELIVERY REQUIREMENTS <b>As Required</b>	
MISCELLANEOUS INFORMATION:	

**NATURE OF CHANGE(S):**

**Effective immediately the Estimated Contract Value is corrected. The Estimated Contract Value is \$413,000.00.**

**All other terms, conditions and pricing remain the same.**

**AUTHORITY/REASON:**

**Per DMB/Purchasing Operations and Administrative Board approval on July 18, 2006.**

**TOTAT ESTIMATED CONTRACT VALUE: \$ 413,000.00**

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

July 19, 2006

**NOTICE  
 OF  
 CONTRACT NO. 071B6200335  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF VENDOR		TELEPHONE: Linda Harvey <b>(517) 202-7385</b> Fax: <b>(734) 942-0920</b>
<b>Printwell Acquisitions, Inc.</b> <b>26975 Northline Road</b> <b>Taylor, MI 48180</b>  <p style="text-align: right;">printwellharvey1@aol.com</p>		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-7374 <b>Joan Bosheff</b>
Contract Compliance Inspector: Darron Birchmeier		
<b>Printing of Income Tax Booklets &amp; Related Forms - Treasury</b>		
CONTRACT PERIOD: From: <b>July 20, 2006</b>		To: <b>July 20, 2009</b>
TERMS	<b>Net 30 Days</b>	SHIPMENT <b>As Required</b>
F.O.B.	<b>Delivered</b>	SHIPPED FROM <b>Taylor, MI</b>
MINIMUM DELIVERY REQUIREMENTS <b>As Required</b>		
MISCELLANEOUS INFORMATION:		

The terms and conditions of this Contract are those of **ITB #07116200176** this Contract Agreement and the vendor's quote dated **May 1, 2006**. 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: \$232,441.53**

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

**CONTRACT NO. 071B6200335**  
**between**  
**THE STATE OF MICHIGAN**  
**and**

NAME & ADDRESS OF VENDOR  <b>Printwell Acquisitions, Inc.</b> <b>26975 Northline Road</b> <b>Taylor, MI 48180</b>  <p style="text-align: right;">printwellharvey1@aol.com</p>	TELEPHONE: Linda Harvey <b>(517) 202-7385</b> <b>Fax: (734) 942-0920</b> <hr/> VENDOR NUMBER/MAIL CODE  BUYER/CA (517) 373-7374 <b>Joan Bosheff</b>
Contract Compliance Inspector: Darron Birchmeier <p style="text-align: center;"><b>Printing of Income Tax Booklets &amp; Related Forms - Treasury</b></p>	
CONTRACT PERIOD: From: <b>July 20, 2006</b> To: <b>July 20, 2009</b>	
TERMS <p style="text-align: center;"><b>Net 30 Days</b></p>	SHIPMENT <p style="text-align: center;"><b>As Required</b></p>
F.O.B. <p style="text-align: center;"><b>Delivered</b></p>	SHIPPED FROM <p style="text-align: center;"><b>Taylor, MI</b></p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;"><b>As Required</b></p>	
MISCELLANEOUS INFORMATION: <p><b>The terms and conditions of this Contract are those of <a href="#">ITB #07116200176</a> this Contract Agreement and the vendor's quote dated <a href="#">May 1, 2006</a>. 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.</b></p>	
<b>Estimated Contract Value: \$232,441.53</b>	

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No.07116200176](#). Orders for delivery of equipment will be issued directly by the [Department of Treasury](#) through the issuance of a Purchase Order Form.

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

<b>FOR THE VENDOR:</b>  <p style="text-align: center;"><b>Printwell Acquisitions Inc.</b></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>	<b>FOR THE STATE:</b>  <p style="text-align: center;">Signature</p> <hr/> <p style="text-align: center;"><b>Joan Bosheff, Buyer Specialist</b></p> <hr/> <p style="text-align: center;">Name/Title</p> <p style="text-align: center;"><b>Commodity Division, Purchasing Operations</b></p> <hr/> <p style="text-align: center;">Division</p> <hr/> <p style="text-align: center;">Date</p>
--	--



**STATE OF MICHIGAN**  
**Department of Management and Budget**  
**Purchasing Operations**

Contract #071B6200335  
Printing of Income Tax Booklets and Related Forms

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

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- APPENDIX C: SECTION 1.104-C PAPER ESTIMATES
- APPENDIX D: TEST SAMPLES PRINTING ESTIMATES
- APPENDIX E: PAPER PRICES FOR 35# and 60# PAPER AND STORAGE



## **ARTICLE 1 – STATEMENT OF WORK**

### **1.0 Project Information**

#### **1.01 PROJECT**

This Contract is for the Printing of Income Tax Booklets and Related Forms for the Michigan Department of Treasury (Treasury).

#### **1.02 BACKGROUND**

Treasury is responsible for collecting income tax revenue due the State from businesses and taxpayers. Printing of tax forms and booklets is required to assist businesses and taxpayers with the filing and payment of their taxes. Taxpayers requesting tax form materials are mailed the proper forms and documentation to meet the taxpayers' timely filing and notification requirements for the State.

#### **1.101 IN SCOPE**

The Contractor shall provide the following services:

- A. Communication with paper vendors regarding paper shipments.
- B. Inspection of paper received from paper vendors.
- C. Printing of State tax forms and booklets within identified time frames, including testing of forms/booklets.
- D. Delivery of tax forms and booklets to specified locations within Michigan.
- E. Reporting of various information to the Contract Compliance Inspector including, but not limited to, paper received, tax forms/booklets printed, extra paper, shipping dates, etc.
- F. Provide 60# paper for item B14 (Section 1.104-C.4).

#### **1.102 OUT OF SCOPE**

- A. Storage of extra paper for use in subsequent tax seasons.
- B. Provide 35# paper for forms B12 and B13 (Section 1.104-C.4).

#### **1.103 ENVIRONMENT**

The Contractor must be able to accept files either electronically in Adobe PDF format, on disk or camera ready or via an FTP site.

#### **1.104 WORK AND DELIVERABLE**

The Contractor shall provide Deliverables/Services and staff and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

##### **A. General Specifications (for all forms/books)**

1. Michigan Printing Law  
All printing under this contract shall be in compliance with Public Act 153 of 1937, as amended. The provisions of the Printing Act are applicable to the contractor and all subcontractors.
2. Paper  
Unless otherwise specified, books and forms are to be printed on 40# offset supplied by a State vendor. It is the printer's responsibility to contact the paper vendor to arrange shipment. Freight costs for paper shipped to the printer will be the responsibility of the paper vendor. Under no circumstances shall the printer order additional paper beyond the tonnage specified in the bid without prior written approval from the Contract Compliance Inspector.
3. Manufacturing Location Changes  
The Contractor shall notify the State in writing of any proposed change in the site at which any portion of printing is performed. No such change shall be made without prior written approval from DMB, Office of Purchasing Operations per Section 1.403.



4. **Lack of Need for Service**  
At any time, Treasury may determine that it no longer needs an item. Treasury is not obligated to pay for any services that it does not authorize. It is also possible that the manufacturing method of an item may need to be changed due to legislation or lack of need for part of the service. Price changes will be negotiated on a case-by-case basis.
5. **Legislative Delays**  
Treasury cannot authorize printing or mailing until legislation is complete. If pending legislation delays Treasury's ability to authorize printing, the printer is not relieved of the obligation to provide service in the number of days originally estimated for each item. Treasury is not liable for the cost of any downtime incurred if legislative delays make it impossible for Treasury to authorize production.
6. **Calendar Days**  
All deliveries are specified in calendar days. Calendar days includes Saturdays and Sundays but does not include the following holidays: New Year's Eve third shift, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve third shift and Christmas Day. Third shift is any shift beginning after 6 p.m.
7. **Emergency Plan**  
The Contractor shall have an emergency disaster plan to continue providing service without interruption to Treasury.
8. **Overruns/Underruns**  
A maximum of 1% for overruns and underruns will be allowed on orders of 100,000 pieces or more. A maximum of 3% will be allowed for all orders less than 100,000.
9. **Delivery/Turnaround**  
Various delivery/turnaround requirements have been established for each item. The Contractor must notify the Contract Compliance Inspector of delivery date to mailers, Materials Management Warehouse or to other delivery sites 24 hours prior to the delivery. Delivery is considered complete when the specified delivery locations (Appendix A) have received the identified quantities of each form/booklet.
10. **Composition**  
Copy is provided on disk or camera ready. Files (PDF) can also be sent via an FTP site or e-mail if the contractor has the capability of accepting files through this medium.
11. **Color**  
All items will be printed using one color, black ink, printed on two sides, unless otherwise noted. Treasury reserves the right to switch ink color but will notify the contractor of this by October 1 of each year if color changes are necessary.
12. **Overtime**  
Requests for overtime payment for any item on this Contract will not be paid unless the Contract Compliance Inspector specifically requests overtime.
13. **Perforations in Books**  
Unless otherwise specified, forms included in the books must be perforated vertically .25" inside the bound 11" edge and must tear cleanly. Pages to be perforated are identified in the individual item specification sections. Treasury reserves the right to move, add, or delete form pages; it is permissible to perforate an entire signature if this reduces cost. At the beginning of the press run, the Contract Compliance Inspector will assist the contractor in establishing a suitable perforation and location, if necessary.



- 14. Binding  
All books must be trimmed on three sides and bound by glue or saddle stitch. Whether the books are bound by glue or staple, the Contractor must meet the required daily production rate.

**TREASURY OPTION** -- Treasury may require all or a portion of the books to be saddle stitched to accommodate a stuffer or envelope.

- 15. Proofs  
Proofs must be delivered to Treasury within 48 hours of receiving copy, if provided on disk/electronically. An additional 24 hours is granted if copy is provided on paper (camera-ready copy).
- 16. Carton Labeling  
Label ALL cartons with the complete name of the item, the tax year, the Treasury contract release number, the commodity number provided by Treasury and the quantity. Wrapped skids should be labeled with the same information.
- 17. Packing  
See Individual Specification sections for specific instructions. Cartons must be sturdy construction to ensure cartons will not break open during mailing or when stacked in storage. Cartons are not to exceed 40 pounds. Pallet height is not to exceed 5'6" (including pallet height).
- 18. Test Samples  
Around November 6, Contractor must print 300 test samples for those forms identified in Section 1.104-C. Copy for these forms will be provided around October 27 and is to be used only for the 300 test samples; new copy will be provided for final production. The Contractor must mail 30 of the test forms to Treasury's Bank contractor and the remainder to Treasury's Return Processing Division. Forms must be printed on paper equivalent to what will be used for final production. Print contractor must supply paper for the test samples (40# recycled offset, 25 x 38 basis weight, minimum brightness 65, opacity 82).
- 19. Quality Assurance
  - a. Problems with the paper at the mill and in transit to the printer are the responsibility of the paper vendor. Damage to the paper while it is stored at the printer is the responsibility of the printer.  
  
Problems with the paper on press will normally be the responsibility of the paper vendor. The printer must advise the paper vendor and Contract Compliance Inspector within 24 hours when a paper problem occurs during production. If the paper vendor and the printer disagree about the cause of the problem on press, Treasury will arbitrate and the final decision will be binding.
  - b. Production  
Tax forms contained in the book are processed through scanning equipment. It is important that the Contractor make every effort to ensure that books are trimmed squarely and ink is applied property. Crooked forms and light ink negatively impact processing. Describe the quality assurance process to ensure forms are trimmed squarely and ink is of consistent darkness.
  - c. Production Samples  
The Contractor shall pull a set number for forms/booklets (production samples) to verify quality. The number of production samples to be pulled are specified in the individual form/booklet sections (1.104-B and C). At a minimum, the Contractor shall confirm that forms/booklets are not crooked, ink brightness is acceptable and forms/booklets match approved proof. The Contractor shall overnight to the



Contract Compliance Inspector, the production samples from that day's production run.

If the Contractor verifies a production sample does not meet minimum requirements stated above, the Contractor must stop production, identify all forms/booklets in the production run that are of poor quality and reprint (at the contractors' expense) the number of forms that were of poor quality.

- 20. Production Approval  
Final production of tax forms/booklets may only occur after the contractor receives both a Treasury purchase order and the Contract Compliance Inspector's written approval to commence printing for each form/booklet. The Contract Compliance Inspector's written approval of each proof is not considered authorization to begin final production

**B. Michigan Tax Books and Forms**

1. Quantity Estimates

<u>Form</u>	<u>Annual Quantity (est.)</u>	<u>3-year Quantity (est.)</u>
B1: MI-1040CR-7 book	785,000	2,350,000
B2: MI-1040/Sch W form (17 x 11)	315,000*	945,000
B3: MI-1040CR	190,000*	570,000
B4: Schedule 1	125,000*	375,000
B5: MI-1040CR-7 form	64,000*	192,000
B6: MI-1040 CR2 Book	6,500	19,500
B7: MI-1040ES	5,500	16,500
B8: Single Business Tax Book	5,000	15,000
B9: MI-1040X	5,000*	15,000
B10: MI-1041 Book	5,000	15,000
B11: MI-1040 CR5 Book	1,200	3,600
B12: SUW Instruction Book	445,000	1,335,000
B13: SUW Withholding Guide	270,000	810,000
B14: Paper Reproducible Packet	1,400	4,200
B15: Schedule CR5	300*	900
B16: Schedule NR	300*	900
B17: MI-1040 CR2 form	300*	900
B18: Schedule CT	300*	900

\*Denotes items where 300 test prints are required for testing at Treasury's form tax form processing contractor.

**TREASURY OPTION** -- The State reserves the right to reduce the quantities estimated above.

2. Production

a. Items B1 - B11

For Item B1, books must be produced at a minimum rate of 100,000/day. The Contractor must deliver to Treasury's mailing vendor each day as books are produced. All other shipments must be delivered to specified locations (see Appendix A). Items B6 and B11 must also be delivered to Treasury's mailing vendor upon completion.

Target Schedule: This information is provided solely to help the Contractor with planning. TREASURY IS NOT OBLIGATED TO MEET THESE DATES.

Treasury confirms quantity and paper tonnage  
with Contractor .....September 15  
Purchase Order sent to Contractor .....December 1



Target date for final copy to Contractor .....December 11  
 Proof received from Contractor .....December 13  
 Printing Authorized.....December 14  
 Target date for first delivery to mail contractor and/or  
 Treasury Warehouse.....December 21 \*\*

\*\* This date refers to items B1, B6 and B11 only. Refer to the production section in the Individual Specifications for due dates on the other items.

b. Production Schedule for Test Prints (Quantity: 300 each) for Items B2-B5, B9, B15-B18:

Purchase Order sent to Contractor .....October 10  
 Final copy provided to Contractor .....October 27  
 Proofs received from Contractor .....October 30  
 Proofs approved; printing authorized .....October 31  
 Contractor delivers printed copy to both sites.....November 6

c. Items B12 - B13

Treasury confirms quantity and paper tonnage  
 with Contractor ..... July 20  
 Purchase Order sent to Contractor .....August 20  
 Target date for final copy to Contractor .....October 2  
 Proof received from Contractor.....October 9  
 Printing Authorized.....October 17  
 Target date for final delivery to SUW Contractor .....October 27

Treasury cannot authorize printing until legislation is complete. If pending legislation delays Treasury's ability to furnish copy or return proofs by the estimated dates, the Contractor is not relieved of the obligation to provide service in the number of days originally estimated for each item.

For Item B13 only, Treasury cannot authorize printing until the Consumer Price Index is announced by the IRS. This is typically provided the third week of October.

3. Shipping  
 For Items B1-B11 and B14, the Contract Compliance Inspector will provide final delivery instructions to the Contractor by December 10 each year.

For Items B12-B13, instructions will be provided by September 1 each year. See Appendix A for delivery specifications.

4. Individual Specifications

B1: MI-1040CR-7 Home Heating Credit Claim Instruction Books

Size: 16 pages; 8.5" x 11" self-cover.

**TREASURY OPTION** -- Treasury reserves the right to add or subtract additional 4-page signatures as needed.

Perforations: Perforations are needed on pages 9-14.

Packing: 200 books per carton.

Production Samples: Every 30,000<sup>th</sup> book shall be pulled and inspected during the production run.



B2: MI-1040, Michigan Income Tax Return and Schedule W (form)

Size: 17" x 11" flat, folded to 8 ½" x 11"; 4 pages, printed two sides.

Perforations: This form perforates vertically 8.5" from the left edge.

Production: Delivery must be completed five days after authorization to print.

Packing: 1,250 forms per carton.

Production Samples: Every 40,000<sup>th</sup> book shall be pulled and inspected during the production run.

Test Forms: Deliver 300 sample forms to Treasury's Bank Contractor and Return Processing Division around November 6.

B3: MI-1040CR, Michigan Homestead Property Tax Credit Claim (form)

B4: Schedule 1 (form)

B5: MI-1040CR-7, Michigan Home Heating Credit Claim (form)

For the above three forms (B3, B4 and B5)

Size: 8.5" x 11" flat, printed on two sides. No perforations.

Production: Delivery of each form must be complete five (5) days after proof is approved.

Production Samples: Every 30,000<sup>th</sup> book for items B3 & B4 and every 10,000<sup>th</sup> book for item B5 shall be pulled and inspected during the production run.

Packing: 2,500 per carton.

Test Forms: Deliver 300 sample forms to Treasury's Bank Contractor and Return Processing Division around November 6.

B6: MI-1040CR-2 Homestead Property Tax Credit Claims for Disabled Veterans and Blind People Instruction Books

Size: 16 pages; 8.5" x 11" self-cover.

**TREASURY OPTION** -- Treasury reserves the right to add or subtract additional 4-page signatures as needed.

Perforations: Perforations are needed on pages 11-14.

Packing: 200 books per carton.

B7: MI-1040ES

Size: 17" x 22" printed two sides.

Production: Target date for copy is December 15. Delivery must be complete seven (7) days after proof approval.



Perforations: One (1) vertical perforation at 8.5" from left edge. Four (4) horizontal perforations on 8.5" x 14" on right side.

Folding: Two (2) folds. Final size 8.5" x 7."

Paper: Printed on 60# offset supplied by a Treasury paper vendor.

Packing: 1,000 per carton.

**B8: Single Business Tax Instruction Book**

Size: 80 pages; 8.5" x 11" self-cover.

**TREASURY OPTION** -- Treasury reserves the right to add or subtract additional 4-page signatures as needed.

Perforations: Perforations are needed on pages 17-63.

Production: Delivery must be complete ten (10) days after authorization to print. If copy is delayed due to pending legislation past Dec. 18, Treasury will require approximately 1,400 be printed for inclusion with the Reproducible Packet (Item B-14) within five (5) days of authorization to print.

Packing: 200 books per carton.

**B9: MI-1040X**

Size: 17" x 11" printed two sides. Folded to 8.5" x 11", 4 pages.

Perforations: This form perforates vertically 8.5" from left edge.

Production: Target date for copy is December 15. Delivery must be complete seven (7) days after authorization to print.

Packing: 1,250 per carton.

Test Forms: Deliver 300 sample forms to Treasury's Bank Contractor and Return Processing Division around November 6.

**B10: MI-1041 Fiduciary Income Tax Instruction Books**

Size: 16 pages; 8.5" x 11" self-cover.

Perforations: Perforations are needed on pages 7-14.

Production: This book may be delayed into January. In most years, this book will be the final item printed. Copy is usually available by January 10. Delivery is required seven (7) days after authorization to print.

Packing: 200 books per carton.

**B11: MI-1040CR-5 Farmland Preservation Credit Claim Instruction Books**

Size: 16 pages; 8.5" x 11" self-cover.



**TREASURY OPTION** -- Treasury reserves the right to add or subtract 4-page signatures as needed.

Perforations: Perforations are needed on pages 7-14.

Packing: 200 books per carton.

**B12: Sales, Use and Withholding Taxes Instruction Book (78)**

Size: 48 pages; 8.5" x 11", self-cover.

**TREASURY OPTION** -- Treasury reserves the right to add or subtract additional 4-page signatures as needed.

Paper: Printed on 35# offset.

**TREASURY OPTION** -- Treasury may elect to have printing contractors provide 35# paper. Cost of paper is specified in Appendix E for pricing. These costs are for information only. If Treasury decides to obtain paper from the printing Contractor, a contract change notice will be issued. Prices for paper shall be valid for a period of 365 days from date contract becomes effective.

Perforations: Perforations are needed on pages 15-18 and 39-46.

Production: Delivery must be complete ten (10) days after authorization to print. If copy is delayed due to pending legislation past Nov. 1, Treasury will require 200,000 within five (5) days of authorization to print and the balance within ten (10) days.

Production Samples: Every 10,000<sup>th</sup> book shall be pulled and inspected during the production run.

Packing: All books wrapped on pallets and appropriately labeled.

**B13: Income Tax Withholding Guide**

Paper: Printed on 35# paper offset.

**TREASURY OPTION** -- Treasury may elect to have printing contractors provide 35# paper. Cost of paper is specified in Appendix E. These costs are for information only. If Treasury decides to obtain paper from the printing Contractor, a contract change notice will be issued. Prices for paper shall be valid for a period of 365 days from date contract becomes effective.

Size: 28 pages; 8.5" x 11" self-cover.

**TREASURY OPTION** -- Treasury reserves the right to add or subtract additional 4-page signatures as needed.

Perforations: Two forms are located in center of booklet and must be perforated (pages 11-14), but Treasury reserves the right to move, add, or delete form pages.

Production: Delivery must be complete ten (10) days after authorization to print.



Production Samples: Every 10,000<sup>th</sup> book shall be pulled and inspected during the production run.

Packing: All books wrapped on pallets and appropriately labeled.

B14: Reproducible Packet

Paper: Grade 3 60# gloss or equivalent. Paper is to be supplied by print contractor. Cost of paper is specified in Appendix E. Pricing shall be valid for 365 days after the contract becomes effective.

Size: 8.5" x 11"

Press: 88 pages printed two sides.

**TREASURY OPTION** -- Treasury reserves the right to add or subtract additional 4-page signatures as needed.

Bindery: Trim on four sides.

Collating: Each packet must be collated as follows:

1. Printed packet (88 pages)
2. 1 Income Tax Instruction Book (Item A1)
3. 1 Home Heating Credit Claim Instruction Book (Item B1)
4. 1 Single Business Tax Combined Instruction Book (Item B8)
5. MI-1040ES, Michigan Estimated Income Tax for Individuals forms (Item B7)
6. 1 Income Tax Withholding Guide (Item B13)
7. Chipboard

Wrap: The packets must be shrink-wrapped or cold-sealed individually.

Production Schedule: Final copy will be provided by December 27 each year. Items 2 through 6 will be available by January 3. All items must be collated, wrapped and delivered by January 13, or within seven (7) days of receiving all materials and authorization to print.

Packing: 15 packs per carton.

B15. Schedule CR5 Form - Schedule of Taxes and Allocation to Each Agreement

B16. Schedule NR - Nonresident and Part-year Resident Schedule

B17. MI-1040 CR2 - Homestead Property Tax Credit Claim for Veterans and Blind People

B18. Schedule CT - College Tuition and Fees Credit

**These four forms (B15-B18) need to be printed for test samples only (300 copies).**

Size: 8.5" x 11" flat, printed on two sides (except Item B15, which is printed on one side only). No perforations.

Production: Delivery of each form must be complete 4 days after authorization to print.



Test Forms: 300 sample forms are to be delivered to Treasury's Bank Contractor and Return Processing Division around November 6.

**Paper Storage**

Lower than expected print volumes or a higher amount of paper provided by the paper vendor may cause excess paper to remain after printing is completed. The Contractor shall store excess paper until the following tax season upon request of the Contract Compliance Inspector.

**1.2 Roles and Responsibilities**

**1.201 CONTRACTOR STAFF, ROLES, AND RESPONSIBILITIES**

Key Contractor staff as follows:

**Linda Harvey, Sales Representative** – Will be located at her office in Holt. She will meet with the Contract Compliance Inspector to pick up files, drop off proofs, and pick up proofs. She will frequently come to the plant in Taylor to bring copy, run proofs, oversee the job in production, and review production samples.

**Paul Feldpausch, Customer Service** – Paul will be located at the Taylor printing facility. He will be responsible for in-plant coordination of all jobs and interfacing with prepress, pressroom, bindery and shipping to make sure all timelines are met. He will report daily production and shipping information to both Linda Harvey and to the Contract Compliance Inspector. Paul will also contact the paper vendor to coordinate the delivery of paper in a timely manner.

**Joe Brandemore, Prepress Manager** – Joe will be located at the Taylor printing facility. He will be responsible for producing proofs and implementing changes as needed in a timely manner. He will also be responsible for making plates once job is approved.

**John Feldpausch, Production Coordinator** – John will be located at the Taylor facility. John will schedule jobs for printing once they have been approved by the Contract Compliance Inspector.

**Gregg Sabourin, Bindery Foreman** – Gregg will be located at the Taylor facility and will oversee the bindery operations for those pieces that are not press finished.

**John Sussell, General Manager** – John will be located at the Taylor facility and will oversee all managers and project coordinators on a daily basis.

**Jack Ostrem, Shipping Foreman** – Jack will be located at the Taylor facility and will coordinate all shipments as required per Appendix A or as provided by the Contract Compliance Inspector. Jack will schedule truck and advise Paul Feldpausch with regard to daily counts being shipped to various locations.

**Joe Ledinko, 2<sup>nd</sup> Shift Foreman** – Joe will be located at the Taylor facility and will oversee all areas of the plant during 2<sup>nd</sup> shift operations. He will be responsible for contacting the appropriate individuals should any questions or problems arise during the production after normal workday hours.

**1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

The Contract Compliance Inspector shall provide day-to-day oversight of the contract. The Contract Compliance Inspector shall be responsible for:

- A. Communication, submission and approval of form/booklet copy/proofs.
- B. Approval to begin testing/production.

**1.203 OTHER ROLES AND RESPONSIBILITIES**

Paper vendors shall be responsible for shipping paper to the printers' location.

**1.3 Project Plan**

**1.301 PROJECT PLAN MANAGEMENT**



The Contractor's project plan for this Contract is as follows:

Initially, information regarding item specifications, quantities, paper and target time frames will be confirmed by Linda Harvey in concert with the State Contract Compliance Inspector. That information will be written up in the form of specific job descriptions and reviewed with the production at Printwell. That team will include John Sussell, General Manager; Paul Feldpausch, Customer Service; John Feldpausch, Production Coordinator; and Linda Harvey, Sales Representative. If it is deemed at that time that additional individuals need to be involved, they will be brought into the meeting. Paul Feldpausch will communicate on a daily basis with Linda Harvey and the Contract Compliance Inspector regarding proof status, any problems or questions regarding files, production quantities, and delivery dates. Paul will communicate in written form by e-mail and fax so that there is an ongoing stream of information regarding job status. Paper consumption will occur on a job-by-job basis. Once jobs are completed, paper usage will be assessed.

Paul arrives at Printwell about 8:00 A.M. (Detroit traffic conditions permitting) and will take stock of bindery progress, pressroom production, product ready to ship, and proofs that may be ready to be taken to the client. He will report to Linda Harvey as much information as he can determine prior to the 9:00 A.M. production meeting, at which time a complete assessment will be achieved as well as projections for job flow. A report will be sent to Linda Harvey and/or the Contract Compliance Inspector no later than mid-morning.

Assessment of production will be made by checking product that is ready to ship and verifying shipping receipts, and checking counts on the presses (for press finished product counts). Physical inventory counts of paper remaining in stock after completion of each job will be compared to starting inventory to confirm that accurate usage is reported.

### **1.302 REPORTS**

- A. During the production season, the Contractor shall provide daily reports detailing by form, quantities shipped to specified locations (Appendix A). Reports shall be e-mailed to the Contract Compliance Inspector and shall detail the previous production day's data.
- B. The Contractor shall provide a report detailing paper remaining after all tax forms and booklets have been produced.
- C. The contractor shall provide a report to the Contract Compliance Inspector following delivery of paper from Treasury's paper vendor. This report shall include:
  - 1. Amount of paper (in cwt.).
  - 2. Type of paper.
  - 3. Description of the condition of the paper.
  - 4. Paper vendor.
  - 5. Copy of paper role label.
- D. If the Contractor encounters press issues that involve paper, a report shall be provided to the Contract Compliance Inspector within 24 hours of discovery of the problem. This report shall include:
  - 1. Description of the problem.
  - 2. Assessment of potential causes of the problem.
  - 3. Copy of paper role label.

## **1.4 Project Management**

### **1.401 ISSUE MANAGEMENT**

When issues arise, they will be addressed as follows: Issues will be brought to the attention of Paul Feldpausch, Customer Service, who will work in concert with Linda Harvey, who will contact the Contract Compliance Inspector with specifics regarding the issue in question. If Linda is not immediately available, Paul will contact the State and discuss the issue directly with the Contract Compliance Inspector. Communications is the key, and issues are many times resolved by making



a telephone call and asking questions or making suggestions. If issues cannot be resolved this simply, John Sussell, General Manager, will become involved. At all times, even when there are no issues or problems, there will be three-way contact between Paul, Linda and the Contract Compliance Inspector.

#### **1.402 RISK MANAGEMENT**

Risk management generally involves (1) identification of the risk, (2) assigning a level of priority based on the probability of occurrence and impact to the project, (3) definition of mitigation strategies, and (4) monitoring of risk and mitigation strategy. Risk assessment review should be conducted on a regular basis.

The Contractor will address Risk Management in three areas:

1. Internal Controls. The Contractor has established policies and procedures to control the manufacturing process to ensure quality products are produced. These policies are reviewed and updated as needed.
2. Security. The Contractor has established policies and procedures to protect the company's data and information and the State's data. This includes daily, weekly, and monthly backup of the appropriate data. These policies and procedures are reviewed and updated as needed. The Contractor has a security system to protect the physical assets when there are no employees in the building.
3. Financial. The Contractor has the appropriate insurance coverage in place to cover the appropriate financial risks that could happen to the Contractor. Once a year these financial risks are evaluated and the insurance coverage is adjusted accordingly.

#### **1.403 CHANGE MANAGEMENT**

If a proposed contract change is approved by the Contract Compliance Inspector, the Contract Compliance Inspector will submit a request for change to the Department of Management and Budget, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Vendors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.**

### **1.5 Acceptance**

#### **1.501 CRITERIA**

The following criteria will be used by the State to determine Acceptance of the Services and/or Deliverables provided under this SOW:

The Contract Compliance Inspector provides the print contractor written approval of test forms/booklets.

#### **1.502 FINAL ACCEPTANCE**

The Contract Compliance Inspector receives proof of delivery from locations identified in section 1.104.

### **1.6 Project Price**

#### **1.601 PRICING**

The Contractor shall provide pricing for the items included on this ITB (see attached Item Listing).

#### **1.602 PRICE TERM**

Prices are firm for the entire length of the Contract.



## **ARTICLE 2 – GENERAL TERMS AND CONDITIONS**

### **2.0 Introduction**

#### **2.001 GENERAL PURPOSE**

The Contract is for the Department of Treasury for the Printing of Income Tax Booklets and Related Forms. 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 Department of Treasury on the Purchase Order Contract Release Form.

Indicated on Appendix A is the shipping information 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 Purchasing Operations, State of Michigan, Department of Management and Budget, hereinafter known as Purchasing Operations, for the Department of Treasury, hereinafter known as Treasury. Where actions are a combination of those of Purchasing Operations and Treasury, the authority will be known as the State.

Purchasing Operations 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. Purchasing Operations is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Purchasing Operations will remain the SOLE POINT OF CONTACT throughout the procurement process.

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

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

Department of Management and Budget  
Purchasing Operations  
Attn: Joan Bosheff  
2nd Floor, Mason Building  
P.O. Box 30026  
Lansing, Michigan 48909  
Phone: (517) 373-7374  
Email: bosheffj@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 July 20, 2006, through July 20, 2009.

**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 Purchasing Operations to exercise an option year.

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

Written notice will be provided to the Contractor 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, the Contractor 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.

Public Act 451, 1994 Parts 801 and 821

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 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. 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 NOTIFICATION OF OWNERSHIP**

The Contractor shall make the following notifications in writing:

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

The Contractor shall:

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



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

**2.103 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 PAYROLL AND BASIC RECORDS**

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

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

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



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

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

#### **2.108 COMPETITION IN 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 RESERVED**

### **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. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at [www.cpexpress.state.mi.us](http://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 Purchasing Operations.



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 Purchasing Operations has given written consent to the delegation.

**The Contractor must obtain the approval of the Director of Purchasing Operations before using a place of performance that is different from the address that bidder provided in the bid.**

#### **2.304 TAXES**

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

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

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

#### **2.305 INDEMNIFICATION**

##### General Indemnification

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

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

##### Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees



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

#### Code Indemnification

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

#### Indemnification Obligation Not Limited

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

#### Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect notwithstanding 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**

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract.

**2.307 CONTRACT DISTRIBUTION**

Purchasing Operations shall retain the sole right of Contract distribution to Treasury unless other arrangements are authorized by Purchasing Operations.

**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 Purchasing Operations 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 Purchasing Operations.** The Contract Compliance Inspector for this project is:

Darron Birchmeier  
Department of Treasury  
Austin Building, 2<sup>nd</sup> Floor  
430 West Allegan  
Lansing, MI 48909  
Phone: (517) 241-3548  
Fax: (517) 373-6941  
Email: [birchmeierd@michigan.gov](mailto:birchmeierd@michigan.gov)

**2.402 PERFORMANCE REVIEWS**

Purchasing Operations in conjunction with the Department of Treasury 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 Purchasing Operations, 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 Purchasing Operations, 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 RESERVED****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 Purchasing Operations has approved a change.

**2.502 RESERVED**

**2.503 RESERVED****2.504 RESERVED****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 STAFF**

The State reserves the right to approve the Contractor’s assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State. The staffing numbers and qualifications proposed must be in agreement with the accepted contract resulting from the proposal.

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

**2.507 RESERVED**

**2.508 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, such a breach may be considered as a default in the performance of a material obligation of this contract.

**2.602 NOTICE AND THE RIGHT TO CURE**

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

**2.603 EXCUSABLE FAILURE**

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable



control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

## 2.7 Remedies

### 2.701 CANCELLATION

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

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

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

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

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a



cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in the Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

## **2.702 RESERVED**

## **2.703 LIQUIDATED DAMAGES**

1. 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.

2. 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.
3. If delivery of forms/booklets are not within time frames outlined in section 1.104, then the State shall be entitled to collect liquidated damages in the amount of 1% of total press and bindery costs for each day late. The State will also be entitled to collect liquidated damages in the amount of \$50,000 for the cost incurred by Treasury's tax form processor to manually enter tax return data due to poor form quality including crooked forms and poor ink quality.

**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 EXTENSIONS**

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**

Purchasing Operations 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 Purchasing Operations.

**2.804 AUDIT AND RECORDS UPON MODIFICATION**

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

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



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

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

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

## **2.805 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.

## **2.806 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](http://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 Purchasing Operations, 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 Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, 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 INSURED 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 Purchasing Operations 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.

## Appendix A: Shipping Information

<u>Item</u>	Mailing Vendor - Direct Mail	Mail Vendor - Bulk Distribution	Contract Comp. Insp.	Reproducible Packet Vendor	DMB Warehouse	Tranter Building	Treasury Ops Center	SUW Vendor	Treasury Bank Vdr	Treasury Ret. Proc.
B1: CR7 Book	465,000	184,000	1,400	1,400	34,000	96,400	3,800			
B2: 1040/Sch W		270,000	400		44,500	500	400		30	270
B3: MI-1040CR form		168,000	30		21,500	2,000	1,000		30	270
B4: Schedule 1		112,000	400		11,900	500	200		30	270
B5: MI-1040CR7 form		48,000	30		16,300				30	270
B6: CR2 Book	2,400		30		3,800		200			
B7: MI-1040ES			30	1,400	4,100					
B8: SBT Book			50	1,400	3,350		200			
B9: MI-1040X			30		5,000				30	270
B10: 1041 Book			30		5,000					
B11: CR5 Book	700		30		500					
B12: SUW Line x Line BK			30					445,000		
B13: Withholding Guide			30	1,400	400			268,600		
B14: Reproducible Packet		1,080	10		281		15			
B15: Schedule CR5									30	270
B16: Schedule NR									30	270
B17: MI-1040 CR2 form									30	270
B18: Schedule CT									30	270

## **Shipping Addresses**

**Addresses for the Direct Mail, Bulk Distribution, and Reproducible Packet vendors will be provided once the contract is awarded.**

### **Contract Compliance Inspector**

Darron Birchmeier  
Richard H. Austin Building  
430 W. Allegan  
Lansing, MI 48922

### **DMB Warehouse**

Attn: Donna King  
7461 Crouner Drive  
Lansing, MI 48913

### **Tranter Building**

Attn: John Betts  
334 Hazel St.  
Lansing, MI 48922

### **Treasury Ops Center**

7285 Parsons Drive  
Dimondale, MI 48821

### **SUW Vendor**

Attn: Bill Condon  
1601 Clay Street  
Detroit, MI 48211

### **Treasury Bank Vendor**

Bank One  
Attn: Bonnie Christiansen  
MI1-8244  
9000 Haggerty Road  
Belleville, MI 48111

### **Treasury Return Processing**

Attn: Tom Aldrich  
Return Processing, 2nd Floor  
7285 Parsons Drive  
Dimondale, MI 48821

**Appendix B: Section 1.104-C Printing Estimates**

<b>Item:</b>	<b>Annual Quantity</b>	<b>Press &amp; Bindery</b>	<b>Total Price</b>	<b>Price of Negative/each</b>	<b>2nd Color/M</b>	<b>Saddle-Stitch/M</b>	<b># Hours to Saddle Stitch all books</b>	<b>Price per Additional 1,000</b>	<b>4-Page Signature +/-</b>
<b>B1: MI-1040 CR-7 Book</b>	785,000	\$21.47	\$16,853.95	\$0.00	\$2.98	\$14.95	98.0	\$19.33	\$4.94 (-) \$12.89 (+)
<b>B2: MI-1040 Income Tax Return</b>	315,000	\$8.37	\$2,636.55	\$0.00	\$1.09			\$7.53	
<b>B3: MI-1040 CR Form</b>	190,000	\$6.78	\$1,288.20	\$0.00	\$1.11			\$6.11	
<b>B4: Schedule 1</b>	125,000	\$8.66	\$1,082.50	\$0.00	\$1.55			\$7.79	
<b>B5: MI-1040 CR7 Form</b>	64,000	\$14.83	\$949.12	\$0.00	\$2.76			\$13.35	
<b>B6: MI-1040 CR2 Book</b>	6,500	\$171.06	\$1,111.89	\$0.00	\$30.62	\$21.00	1.0	\$153.95	\$4.94 (-) \$12.89 (+)
<b>B7: MI-1040ES</b>	5,500	\$191.46	\$1,053.03	\$0.00	\$18.53			\$172.31	
<b>B8: Single Business Tax Book</b>	5,000	\$577.69	\$2,888.45	\$0.00	\$192.41	\$57.57	1.4	\$519.93	\$4.94 (-) \$12.89 (+)
<b>B9: MI-1040X</b>	5,000	\$196.61	\$983.05	\$0.00	\$33.80			\$176.95	
<b>B10: MI-1041 Book</b>	5,000	\$220.44	\$1,102.20	\$0.00	\$38.49	\$26.00	1.0	\$198.39	\$4.94 (-) \$12.89 (+)
<b>B11: MI-1040 CR5 Book</b>	1,200	\$847.08	\$1,016.49	\$0.00	\$146.31	\$75.00	1.0	\$762.37	\$4.94 (-) \$12.89 (+)
<b>B12: SUW Instruction Book</b>	445,000	\$64.30	\$28,613.50	\$0.00	\$6.04	\$11.69	56.0	\$47.87	\$4.94 (-) \$12.89 (+)
<b>B13: SUW Withholding Guide</b>	270,000	\$47.67	\$12,870.90	\$0.00	\$5.73	\$11.84	34.0	\$17.08	\$4.94 (-) \$12.89 (+)
<b>B14: Paper Reproducible Packet</b>	1,400	\$3,593.34	\$5,030.68	\$0.00	\$0.00	\$206.43	1.0	\$18.26	\$4.94 (-) \$12.89 (+)

\*\* See Appendix F for Items B15 - B18.

## Appendix C: Section 1.104-C Paper Estimates

<u>Item:</u>	<u>Annual Quantity</u>	<u>Estimated Tonnage</u>	<u>Roll Size</u>	<u>Press</u>	<u>Press Manufacturer</u>
<b>B1: MI-1040 CR-7 Book</b>	785,000	57,182	35.0	Web	Heidelberg
<b>B2: MI-1040 Income Tax Return</b>	315,000	6,345	35.0	Web	Heidelberg
<b>B3: MI-1040 CR Form</b>	190,000	2,007	35.0	Web	Heidelberg
<b>B4: Schedule 1</b>	125,000	1,435	35.0	Web	Heidelberg
<b>B5: MI-1040 CR7 Form</b>	64,000	899	35.0	Web	Heidelberg
<b>B6: MI-1040 CR2 Book</b>	6,500	806	35.0	Web	Heidelberg
<b>B7: MI-1040ES</b>	5,500	315	23.0 x 35.0	Sheet fed	Heidelberg
<b>B8: Single Business Tax Book</b>	5,000	3,487	35.0	Web	Heidelberg
<b>B9: MI-1040X</b>	5,000	629	35.0	Web	Heidelberg
<b>B10: MI-1041 Book</b>	5,000	697	35.0	Web	Heidelberg
<b>B11: MI-1040 CR5 Book</b>	1,200	422	35.0	Web	Heidelberg
<b>B12: SUW Instruction Book</b>	445,000	85,472	35.0	Web	Heidelberg
<b>B13: SUW Withholding Guide</b>	270,000	31,410	35.0	Web	Heidelberg
<b>B14: Paper Reproducible Packet</b>	1,400	1,078	23.0 x 35.0	Sheet fed	Heidelberg

**Appendix D: Test Samples Printing Estimates**

<b>Item:</b>	<b>Annual Quantity</b>	<b>Press &amp; Paper</b>	<b>Total Price</b>	<b>Price of Negative/each</b>
<b>B2: MI-1040 Income Tax Return</b>	300	\$740.74	\$222.22	\$0.00
<b>B3: MI-1040 CR Form</b>	300	\$740.74	\$222.22	\$0.00
<b>B4: Schedule 1</b>	300	\$740.74	\$222.22	\$0.00
<b>B5: MI-1040 CR7 Form</b>	300	\$740.74	\$222.22	\$0.00
<b>B9: MI-1040X</b>	300	\$740.74	\$222.22	\$0.00
<b>B15: Schedule CR5</b>	300	\$740.74	\$222.22	\$0.00
<b>B16: Schedule NR</b>	300	\$740.74	\$222.22	\$0.00
<b>B17: MI-1040CR2 form</b>	300	\$740.74	\$222.22	\$0.00
<b>B18: Schedule CT</b>	300	\$740.74	\$222.22	\$0.00

**Appendix E: Paper Prices for 35# and 60# Paper and Storage**

<u>Item:</u>	<u>Annual Quantity</u>	<u>Paper Weight</u>	<u>Estimated Tonnage</u>	<u>Price/Cwt.</u>	<u>Roll Size</u>	<u>Mill</u>
<b>B12: SUW Instruction Book</b>	445,000	35#	85,472	\$38.50	35.0	Heidelberg
<b>B13: SUW Withholding Guide</b>	270,000	35#	31,410	\$38.50	35.0	Heidelberg
<b>B14: Paper Reproducible Packet</b>	1,400	60#	1,078	\$70.00	23.0 x 35.0	Heidelberg

**Cost to Store Paper/cwt.** \$0.14/cwt.