

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET **October 20, 2011**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B7200230
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Alpena County Sheriff's Office 320 Johnson Street Alpena, MI 49707 <p style="text-align: right;">kieliszs@alpenacounty.org</p>	TELEPHONE (989) 354-9830 Steven Kieliszewski
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1145 Lymon C. Hunter, CPPB
Contract Compliance Inspector: MSGT Robert Mills Armed Security Guard Services – Alpena Combat Readiness Training Center – DMVA	
CONTRACT PERIOD: From: May 1, 2007 To: November 30, 2011	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective October 18, 2011, this Contract is hereby **EXTENDED** to November 30, 2011. Please also note that contract is **INCREASED** by \$132,532.40. All other terms, conditions, specifications and pricing remain the same.

AUTHORITY/REASON:

Per agency request (PRF dated 9/26/11), Vendor agreement and State AdBoard approval dated October 18, 2011.

INCREASE: \$132,532.40

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$3,776,360.00

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

October 9, 2007

**CHANGE NOTICE NO. 1
 TO
 CONTRACT NO. 071B7200230
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Alpena County Sheriff's Office 320 Johnson Street Alpena, MI 49707 <p style="text-align: right;">kielisz@alpenacounty.org</p>	TELEPHONE (989) 354-9830 Steven Kieliszewski
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1145 Lymon C. Hunter, CPPB
Contract Compliance Inspector: MSGT Robert Mills Armed Security Guard Services – Alpena Combat Readiness Training Center – DMVA	
CONTRACT PERIOD: From: May 1, 2007 To: September 30, 2011	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

NATURE OF CHANGE(S):

Effective immediately, the Buyer for this Contract is hereby changed to Lymon Hunter, CPPB, (517) 241-1145.

AUTHORITY/REASON:

Per DMB/Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$3,643,827.60

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

April 20, 2007

**NOTICE
 TO
 CONTRACT NO. 071B7200230
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Alpena County Sheriff's Office 320 Johnson Street Alpena, MI 49707 <p style="text-align: right;">kielisz@alpenacounty.org</p>	TELEPHONE (989) 354-9830 Steven Kieliszewski
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-3768 Lance Kingsbury
Contract Compliance Inspector: MSGT Robert Mills Armed Security Guard Services – Alpena Combat Readiness Training Center – DMVA	
CONTRACT PERIOD: From: May 1, 2007 To: September 30, 2011	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

The terms and conditions of this Contract are those of ITB #071I6200319, this Contract Agreement and the vendor's quote dated 01/05/07. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$3,643,827.60

**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. 071B7200230
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR <p style="text-align: center;">Alpena County Sheriff's Office 320 Johnson Street Alpena, MI 49707</p> <p style="text-align: right;">kieliszs@alpenacounty.org</p>	TELEPHONE (989) 354-9830 Steven Kieliszewski VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-3768 Lance Kingsbury
Contract Compliance Inspector: MSGT Robert Mills <p style="text-align: center;">Armed Security Guard Services – Alpena Combat Readiness Training Center – DMVA</p>	
CONTRACT PERIOD: From: May 1, 2007 To: September 30, 2011	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: <p>The terms and conditions of this Contract are those of ITB #071I6200319, this Contract Agreement and the vendor's quote dated 01/05/07. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.</p> <p>Estimated Contract Value: \$3,643,827.60</p>	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I76200319. Orders for delivery will be issued directly by the Department of Military and Veterans Affairs through the issuance of a Purchase Order Form.

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

<p>FOR THE VENDOR:</p> <p style="text-align: center;">Alpena County Sheriff's Office _____ Firm Name</p> <p style="text-align: center;">_____ Authorized Agent Signature</p> <p style="text-align: center;">_____ Authorized Agent (Print or Type)</p> <p style="text-align: center;">_____ Date</p>	<p>FOR THE STATE:</p> <p style="text-align: center;">_____ Signature Kristi L. B. Thompson, Director _____ Name/Title Services Division, Purchasing Operations _____ Division</p> <p style="text-align: center;">_____ Date</p>
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**STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET—PURCHASING OPERATIONS
Contract No. 071B7200230**

ARMED SECURITY GUARD SERVICES – REGION 7

CONTRACT LOCATION:

ALPENA COMBAT READINESS TRAINING CENTER



**Armed Security Guard Services
Region 7**

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Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 Project Request

This Contract is for armed security guard services at the Alpena Combat Readiness Training Center.

1.002 Project Background - RESERVED

1.1 Scope of Work and Deliverables

1.101 In-Scope

The Contractor shall provide all personnel, equipment, tools, materials, supervision and other items and services necessary to perform the services as described in the specifications herein.

1.102 Out-Of-Scope

The following tasks are **considered out-of-scope** for this Contract (unless otherwise stated as a requirement on the Location Specification Sheet(s) (LSS)):

- Performance of personal chores for anyone (i.e., porter or courier service);
- Providing of transportation for agency staff or visitors (i.e., chauffeur service);
- Courier / Porter Services

1.103 Environment

The services requested are identified herein and during the hours specified in the LSS and by the Contract Compliance Inspector (CCI).

All work shall be done in accordance with all regulations governing the state agency wherein the work is to be performed and with minimum possible interference with the proper functioning of the activities of that state agency. Supplies, materials, equipment, etc. shall be confined so as not to unduly encumber the premises.

1.104 Work and Deliverable

- A. The Contractor, through innovation, technology or other means, shall perform and provide the required services and staff to complete the frequencies determined by the State and otherwise do all things necessary for, or incidental, to the performance of work. Compliance will be based on the State's overall evaluation and interpretation in accordance with method of performance, frequencies and method of performance, as set forth in this document.
- B. The Contractor shall provide all services and related items and services necessary for, or incidental, to the performance of work in accordance with this contract, including, but not limited to:
 - 1. All personnel;
 - 2. Equipment;
 - 3. Tools;
 - 4. Supplies;
 - 5. Materials;
 - 6. Training; and
 - 7. Supervision of Staff.
- C. The Contractor shall provide services at the locations described on the LLS's and/or directed by the CCI.

1.105 Specifications

The Contractor must be able to provide appropriate staff to properly service the requirements of this Contract.



Installation Entry Control

The Contractor shall provide courteous, timely service, continuously, while maintaining control of all personnel and vehicles entering the installation in accordance with the local installation plans and policies. When required, the Contractor will also control all personnel and vehicles departing the installation in accordance with local installation plans and policies. Entry control requirements will vary according to Force Protection Conditions (FPCON). At a minimum, the Contractor will be required to provide the following services:

1. Ensure vehicles display valid installation vehicle registration decals (DD Form 2220) or Visitor Pass (AF Form 75).
2. Perform checks of individual identification. Guards will physically touch all identification cards while checking both the front and back of the card. Any expired card will be confiscated and actions taken in accordance with (IAW) local procedures.
3. Perform systematic inspections of vehicles IAW local procedures.
4. Issue Visitor Passes at gates.
5. Direct and Control traffic at gate.
6. Perform emergency procedures for gate closure IAW local procedures.
7. Perform emergency response actions as required.
8. Effectively operate the vehicle barrier system(s).
9. Perform required paperwork and notification procedures as required.

Vehicle Inspections

Prior to base entry, all commercial and visitor vehicles shall be inspected to ensure no unauthorized vehicles, personnel, or materials enter the installation. Base Entry/Exit Point Checks will be conducted in accordance with local directives. Inspections will be conducted in a professional, safe, and courteous manner while maintaining control of all personnel and vehicles during inspection. Vehicle inspection requirements will vary according to FPCON. Contractor shall supply to their employees, at no cost to the employee, any necessary safety equipment/material (i.e., flashlights, gloves, goggles, appropriate clothing/shoes, traffic vests, etc.) to conduct vehicle inspection.

1. Conducts inspection of vehicles at the designated vehicle inspection point in accordance with the provided DOD guidelines and local procedures. Inspections include, but are not limited to, the interior of the vehicle, bed/box, trunk, trailer, under the hood, and underside of the vehicle. The guard will instruct all vehicle operators to open all doors, compartments, hood, trunk, gas tank door, etc. The guard at no time will open/close these items.
2. Inspections include the use of various State furnished equipment such as mirrors, hand-held/desk top explosive detectors, X-Ray units, under vehicle surveillance systems, and support to the handler of any employed Military/Civilian Working Dog Team, if available.
3. Verify arrival of explosive laden vehicles with local Transportation Management Office (TMO). Direct explosive laden vehicles to local designated holding areas and receiving points.
4. Be able to distinguish the difference between a commercial vehicle inspection required on all vehicles and base entry/exit point checks. Required paperwork will be completed in a timely manner as required.

Visitor Control

The Contractor shall provide courteous, timely service, continuously, while maintaining control of all personnel during required document verification and vehicle pass processing prior to proceeding onto the installation in accordance with the local installation plans and policies. Contractor shall issue visitor passes (AF Form 75) and civilian identification badges according to AF and local procedures once it is determined there is a valid need. The Contractor shall perform all required background checks for the issuing of civilian identifications. If the member is authorized a DD 2220, Vehicle Registration Decal, the guard will issue same to the registered vehicle driver. The vehicle registration must match the military member or military dependent. This post will also assist in vehicle inspections as required.

Security Response Teams

The Contractor shall provide courteous, timely service, continuously, while conducting patrols as an individual or member of a Security Response Team on the installation in accordance with local installation plans and policies.



- a. Internal Security Response Teams (ISRT): Dedicated patrol inside a USAF restricted area for protection level resources providing immediate response to any situation affecting the protection level resource IAW AFI 31-101, *USAF Physical Security*. The Contractor will ensure Contract guards are familiar with all Federal Aviation Administration (FAA) restrictions and fines for airfield violations. Fines issued to Contractor personnel will be the responsibility of the Contractor.
1. ISRT members working inside an operational flight line must adhere to flight line driving requirements. ISRT members will also conduct Random Antiterrorism Measures (RAMs) as directed.
 2. The Contractor will ensure members successfully pass a National Agency Check (NAC). The NAC will allow the Contractor to be issued a Restricted Area Badge, Air Force Form 1199 series as outlined in Air Force Instruction (AFI) 31-501 and 31-101.
 3. The Contractor will ensure members successfully pass a flight line driving training session to measure flight line competency.
 4. The guard will perform ISRT duties as required to ensure only authorized personnel are granted access into the area. The restricted areas include the flight line, ramp area, run-up pad, associated hangers, and any area designated in writing by the Alpena CRTC Commander.
 5. The guard will remain within the post limits until properly relieved.
 6. Enforce regulations designed to prevent breaches of security. Exercise judgment and discretion when intervening to all incidents while keeping the situation under surveillance and report (sound the alarm). Perform required vehicle inspections as required.
- b. External Security Response Teams (ESRT): Assigned patrol inside the perimeter of the installation providing a minimum response time of five (5) minutes to all incidents. The ESRT may need to access the flight line area as required.
1. ESRT duties, at a minimum, include: Alarm Response, Patrol Response to calls for service or incidents, Patrolman Investigations, Traffic Enforcement to include ticketing, Building Checks, Post Relief, and other associated patrol duties as directed.
 2. The Contractor will ensure members successfully pass a National Agency Check (NAC). The NAC will allow the contractor to be issued a Restricted Area Badge, Air Force Form 1199 series as outlined in Air Force Instruction (AFI) 31-501 and 31-101.
 3. The Contractor will ensure members successfully pass a flight line driving training session to measure flight line competency.
 4. Enforce regulations designed to prevent breaches of security. Exercise judgment and discretion when intervening to all incidents while keeping the situation under surveillance and report (sound the alarm). Perform required vehicle inspections as required.
- c. Central Security Control (CSC): Assigned controller inside base control center. CSC duties, at a minimum, include: Operates communication equipment to receive incoming calls for assistance and dispatches personnel and equipment to scene of emergency. Operates telephone console to receive incoming calls for assistance. Questions caller to determine nature of problem and type and number of personnel and equipment needed, following established guidelines. Scans status charts and computer screen to determine units available. Monitors alarm system signals that indicate location of fire or other emergency. Operates two-way radio to dispatch police, fire, medical, and other personnel and equipment, and to relay instructions or information to remove units. Types commands on computer keyboard to update files and maintain logs. Tests communications, alarm equipment, and backup systems to ensure serviceability. May provide pre-arrival instructions to caller, utilizing knowledge of emergency medical techniques. May activate alarm system to notify fire stations.

Qualified Armed Guards

- a. Training: Contractor shall meet all training, licensing, and certification requirements as identified in supporting subparagraphs and in accordance with Michigan laws. Contract security guards will perform duties as first responders and therefore will have current CPR, basic first aid, and HAZMAT Awareness certifications.



- b. Pre-Performance Training and Job Knowledge: Contractor provides all pre-performance training and is responsible for all associated expenses to include, but not limited to, state fees, license fees, and certification fees, except for the 40-hour CRTC SFS initial training. These fees will be paid for by the Contractor and not be assessed back to the employee. A reasonable degree of proficiency and knowledge of the specific Security Forces tasks and associated security guard skills identified herein are required under this Contract. Contractor employees shall meet training requirements for state-level armed security guards in the state where they are working. State required training must be performed by a state certified trainer. Certification documents for all state certified trainers will be provided to the military client. **Application of Federal immunity from State regulation does not apply.**
1. For installations in a state with no state certification requirements, the Contractor shall provide a minimum 40-hour training plan for Contract guards. This training plan must be reviewed in advance by the CRTC Chief, Security Forces, with Contracting Officer approval and shall include, at a minimum, the following topics: Use of deadly force, secondary use of force, entry control procedure, apprehension techniques, vehicle search techniques, local and state applicable legal statutes, verbal judo, physical fitness training, defensive tactics/self defense techniques, use and care of facilities, driver training, operational risk management techniques, emergency action procedures, and additional weapons familiarization (if required). General training requirements shall also include basic First Aid and CPR (certified current), HAZMAT Awareness, crowd control, exposure to bodily fluids, fire prevention, and safety to include the use of fire extinguishers, response to bomb threats, weather emergencies, and evacuation procedures. The security guard will complete the 40-hour training requirement prior to furnished initial training.
 2. The Contractor shall provide a third (3rd) party instructor to conduct the 40-hour training for all Contract guards. The third (3rd) party instructor shall be certified to conduct security guard training. Contractor shall submit documentation of successful completion of this training by each Contract guard to the CRTC/SFS Training Section.
 3. Contractor shall provide the State (CRTC SFS) a copy of all initial and refresher Contract guard training records/certifications. Refresher training is required within one (1) year from date of hire and every year thereafter.
- c. State Licensing. Contractor will adhere to Michigan licensing requirements.
1. Licensing of Security Guards. Contractor shall ensure all security guards possess state weapons permits and state armed guard certification required for state armed guards to perform security guard services in the respective state of employment. **Federal immunity from state regulation is not applicable to this task order.** If license is not obtained prior to performance start date, Contractor shall show proof of license application submission with all fee payments and successful completion of all prerequisites for licensing. All guards, whether or not they have received licenses, **must be fully trained and qualified before posting.** The Contractor will pay for all licensing fees. Licensing fees will not be assessed back to the employee.
 2. Licensing of Contractor. Contractor must possess State certificates or licenses to the extent such certificates or licenses are required to obtain security guard licenses or weapons permits for their employees before start of performance. **Federal immunity from state regulation is not applicable to this task order.** If the necessary certificate or license is not obtained prior to performance start date, Contractor shall show proof of application submission with all fee payments and successful completion of all prerequisites for licensing. However, the Contractor is not relieved from providing fully trained and qualified guards by Contract start date.
- d. Arming Requirements for Contract Personnel. Contractor shall provide to the Chief, Security Forces, or their designated representative, written proof that Contract Employees have accomplished successful completion of weapons training and qualification as described in AFI 31-207. This requirement must be met prior to posting that employee. The Contractor may be required to remove from duty any individual for unsafe weapons handling, loss of ammunition, or range safety violations. Copies of individual state weapons certification authorization must be on file with the CRTC SFS. Until license certification is received, Contractor shall provide proof of license application submission with all fee payments and successful completion of all prerequisites for licensing. Employees will be fit for duty prior to arming. The Contract shift supervisor will ensure all personnel are fit for duty prior to arming.



- e. Secondary Use of Force (Expandable Baton, Oleoresin Capsicum (OC) Spray and TASER). Each Contract guard must carry the equivalent secondary use of force, as is carried/used by the State. No guard is authorized to carry any secondary use of force without first meeting required State standards/training/certification. Secondary use items will be provided to all Contract guards and at no cost to the employee, by the State or Contractor.

Contractor Furnished Items

Contractor shall ensure all Contract guards are properly equipped in accordance with the requirements of this Contract. Equipment shall meet or exceed all minimum standards set by National Institute of Justice (NIJ). Contractor shall ensure the Contract guards are trained and certified in the proper use of any equipment and material item necessary in the performance of duties under this Contract. **All guards must be fully equipped before posting.**

- a. Uniforms: The Contractor shall provide standard security guard uniforms in accordance with commercial standards and Appendix B of this Contract. Uniforms will be BDU style and may be blue, black, brown, or khaki in color. Outer garments (i.e. jackets) will be of same color and match issued uniforms. Each full time employee will receive a minimum of four (4) complete uniforms and each part time employee shall receive two (2). Uniform and patch submission must be reviewed by CRTC SFS/SFM with Contracting Officer approval prior to purchase or approved by the State of Michigan. Provide sufficient uniform clothing and footwear for use during local installation inclement weather conditions/extremes. All seasonal uniforms will be identical, except for items that identify rank or position. All security guards on duty will wear uniform seasonal clothing, shoes, and equipment. Vehicle inspection posts require specialized uniforms (i.e. overalls). Contractor shall submit sample of uniforms to CRTC SFS/SFM for review and Contracting Officer approval prior to purchase.
- b. Badges: The State will provide Contract personnel identification badges to wear while on duty. The badges must be able to withstand inclement weather. Badges shall contain a personal photograph, full name of employee and Contractor's company name. Badges shall be worn in a uniform manner on the outermost garment in full view above the waist. This is a separate requirement from the Common Access Card (CAC), discussed in this Contract.
- c. Miscellaneous Equipment: Unless specifically stated otherwise, each item of guard equipment, secondary use of force equipment, and associated items are to be provided on a 1:1 basis (i.e., 17 guards at the Alpena CRTC, then Contractor will provide 17 duty belts, vests, etc.). Equipment will be uniform across the board and the cost will not be assessed back to the employee.
- **Duty Belt** - Appropriate holster, flashlight holder, uniform belt keepers (4), single magazine case, and secondary use of force holder(s) handcuff case, radio pouch, and latex glove case. All duty belt equipment must be constructed of the same black nylon base material (i.e. web belt with web gear) and approved by CRTC SFS.
 - **Handcuffs** shall be Smith & Wesson, Peerless, or equal. Handcuffs are considered to be equal if they are constructed of a gauge of metal that is at least as thick/dense as used by Smith & Wesson or Peerless, have double locks, and open with a standard handcuff key.
 - **Land Mobile Radios (LMR)**. LMRs and frequencies provided by the State. Ample LMRs shall be on site prior to the start of the Contract and can be shared by shift personnel. One (1) LMR will be provided to each security guard and shall be carried on their duty belt. The radio will be provided by the military. Contractor purchased radios must be capable of programming PL (private line) codes to talk to installation radios, and meet Air Force Standards for narrow band-width requirements
 - **Flashlight** – One (1) flashlight will be provided to each security guard and shall be carried on their person at all times. Replacement batteries and bulbs will be provided by the Contractor as required.
 - **Night Vision Goggles (NVGs)** – One (1) pair will be provided to the site and assigned to the SRT.



- **Binoculars** – One (1) Pair will be provided to the site and assigned to the SRT.
- **Reflective Vest** – One (1) reflective vest will be issued to each security guard, to be readily available for periods of reduced visibility/inclement weather, as directed by local base policy.
- **Expandable Baton/OC Spray** (at level of strength used by the Air Force) or other secondary use of force equipment, as used and mandated by local base policy.
- **Body Armor** Contractor will provide, at a minimum, Level IIIA (as outlined by the National Institute of Justice) body armor. One (1) set of body armor will be provided for each guard (i.e. 17 guards at the Alpena Combat Readiness Training Center equals 17 sets of body armor). Body armor will be readily available when guards are posted and worn in accordance with local policy. Contractor purchase/Government owned (CP-GO) is applicable.
- **Tactical Helmet/NIJ Level IIIA** One (1) helmet will be provided for each guard (i.e. 17 guards at Alpena CRTC equals 17 helmets). Helmet will be readily available when guards are posted and worn in accordance with local policy. Contractor purchase/Government owned (CP-GO) is applicable.
- **Kit Bag** - to house body armor and helmet. One (1) bag will be provided for each guard (i.e. 17 guards at Alpena CRTC equals 17 bags). Bag with items will be readily available when guards are posted in accordance with local policy. Contractor purchase/Government owned (CP-GO) is applicable.

Note: Contractor Purchase – Government Owned (CP-GO) is the premise that the Contractor purchases, uses, and cares for the item and, at the end of the Contract, turns over the item to the Government. The concept is the cost of equipment is factored into the initial bid package and allows for the Government to reutilize the item for future use while remaining fiscally responsible. For any items that fall under this, the Contractor will provide a copy of the sales receipt and warranty on or before the first day of the Contract to the Chief, Security Forces.

- d. Contractor Vehicle: Contractor shall provide one (1) primary patrol vehicle for full Contract performance to include shift relief/breaks, Post Associated Time (PAT), timely transport of guards to and from any location in the performance of duty, and accomplishment of assigned additional duties as well as patrolling.

The recommended primary vehicle for the Alpena CRTC is a 4x4 SUV (4 door) or Quad Cab Pick-up, capable of carrying a minimum of four (4) people with associated gear during times of inclement weather. During normal weather the vehicle will be able to carry four (4) people with associated gear and must be sufficient to meet all safety requirements and passenger limitations. All vehicles must meet State approval prior to use. Contractor provided vehicles must be clearly marked as such, meeting State approval prior to use. Only clearly marked Contractor owned or leased vehicles, no "privately owned vehicles" (POVs) owned by individual employees, will be used to perform any services required by this task order. In addition, the Contractor shall have available a back up vehicle meeting the same requirement as the primary when the primary vehicle is out of service.

The vehicle shall be equipped with one (1) emergency light, siren, and a Public Address (PA) system. The vehicle shall also be equipped with a two (2)-way vehicle mounted radio which is capable of communicating with the site radios. The radio will need to be programmed to frequencies provided by the military. Radios must be capable of programming PL (private line) codes. In addition, the vehicle will be equipped with a shotgun/rifle rack to secure the weapon.

The Contractor shall be responsible for licenses, insurances, maintenance, repair, and fuel for the vehicle. In addition, the Contractor shall provide a comparable replacement vehicle in the event the primary vehicle is not operational (i.e. repair, maintenance, etc.). If the vehicle becomes damaged or disabled the Contractor will remove the vehicle from the installation within 72 hours, until it can be returned to service in good repair.



1. Vehicle markings will adhere to Air Force specifications. Deviations must be reviewed by CRTC SFS/SFM.
 2. Contract Security employees will at times use Government vehicles in the performance of their duties. **Damage to State vehicles by Contract employees will be the responsibility of the Contractor to make whole.** The installation vehicle maintenance will obtain three (3) estimates for all vehicle damage. The total cost of repair shall be reimbursed to the Government as a Claim against the Contractor and the Contractor will contact the vender directly to settle any repair costs to the satisfaction of the Government. Vehicles shall be inspected for damage at the beginning and end of each shift. Any noted damaged will be immediately reported to the contractor site manager for an investigation.
 3. Contract Security vehicle shall be used by Government personnel in the performance of their duties, when required.
 4. Contractor vehicle will remain at the Alpena CRTC for applicable patrol use and posting to support mission requirements.
- e. Weapons. Prior to completion of the AF Qualification Course of Fire, the Contractor shall provide each security guard with his/her personally assigned standard 9mm Beretta Model M9 semi-automatic handgun (commercial variant without attachments such as laser sights), or equal in performance of this Contract's tasking requirements. The salient characteristic of an equivalent is the pistol's ability to accept an ammunition magazine used in the Beretta Model M9. The Contractor will obtain Government approval for any equivalent before Contract start date. One (1) 9mm weapon, or authorized equivalent, will be provided for each guard (i.e. 17 guards at the Alpena CRTC equals 17 - 9mm weapons). The Contractor shall provide each SRT Member with a Colt M-16/M-4 or equal (commercial variant without attachments such as laser sights) for a total of four (4) and associated equipment and ammunition. The Contractor will obtain Government approval for any equivalent before Contract start date. The Contractor shall also provide each shift supervisor with a Remington 870 Shotgun for a total of one (1).

The Contractor site manager will maintain inspection records on all weapons assigned to Contractor employees and ensure routine maintenance and cleaning is performed. All weapons will be issued from the CRTC SFS Arms Vault. Overall responsibility lies with the member as they receive the weapon from the issue window. Contract employees may report for duty in ample time to perform functions checks on their assigned weapon.

1. Use of any privately owned personal weapon or ammunition is prohibited.
2. Contract security personnel shall not carry a concealed weapon on an Air Force installation even if they are licensed to do so off the installation.
3. The Contractor shall ensure weapons familiarization in accordance with (IAW) AFMAN 31-229, AFI 36-2226 and AFMAN 36-2227, Volume 1. Pre-performance and recurring qualification training shall meet the Air Force Qualification Course (AFQC) standard stated in Chapter 2 of AFMAN 36-2227, Volume 1. For the purpose of applying the training and qualification requirements of AFI 36-2226 and AFMAN 36-2227, Contract Guards will be classified as the equivalent of Category A shooters and, after initial qualification, Contract employees must re-qualify on their assigned weapon every 12 months, at a minimum. The frequency for qualification training and certification will be IAW those stated in paragraph 2.72 of AFI 36-2226. The Contractor shall provide documentation of successful completion of all training to the Quality Assurance Evaluator (QAE).
4. Weapons shall be loaded/unloaded in accordance with Air Force procedures outlined in AFI 31-229. ANG 7-level Security Forces Member or Shift Supervisors must ensure trained and certified clearing barrel agent is present during all clearing, loading, and unloading operations. Contract guard shift supervisors will perform duties as clearing barrel official. They will need additional training and must successfully complete a written and practical test administered by the CRTC SFS Training Manager.
5. The CRTC SFS reserves the right to train, arm, and equip the Contract security personnel with government weapons, including M-16 rifles. Individuals will only be so armed upon specific authorization from the Installation Commander. Individuals must have the appropriate qualification/training. Weapons training on the M16 will be provided by a third (3rd) party instructor with a military member present when using military weapons.



- f. Ammunition. Contractor must provide same the ammunition as used by the Government at time of service for each security guard (i.e., standard ball or hollow-point 9mm ammunition.) The Contractor must:
- Provide ammunition that will include the 9mm, shotgun, and equivalent to the 5.56mm.
 - Provide, on-hand in armories prior to Contract start date, duty ammunition load to equip 100 percent of Contract guards at the same time.
 - Provide each Contract security employee with sufficient ammunition for a full magazine in the weapon and a second full magazine to be carried on his/her person while on duty. Arming requirements include a chambered round in weapon when on duty. When off-duty, ammunition will be turned in and accounted for by the Government armory custodial ammunitions account.
 - Provide frangible, non-lead ammunition for weapons training, if training is conducted on lead free Government ranges. **NOTE:** Range requirements may vary by location.
 - Provide appropriate ammunition for the completion of the weapons proficiency training using the Air Force Qualification Course of Fire as a guide.
- g. Weapons Maintenance. Contractor shall ensure weapons are serviceable and properly cleaned. Any problems or malfunction of weapons shall be immediately reported to on-duty armorer.

Administrative/Security Clearance

Contractor shall conduct, document, and coordinate on all security clearance matters as identified in supporting sub-paragraphs. Additionally, the contractor shall comply with all security processes and procedures as identified in supportive sub-paragraphs.

- a. **DD Form 254 (DOD Contract Security Classification Specification).** The Government will complete an initial DD Form 254 identifying the extent to which Site Managers will be granted access to classified information. The Contractor will submit for Government approval any secondary DD Form 254s necessary for subcontractors.
- b. **Visitor Group Security Agreement (VGSA).** Since performance is on Government installations, the Contractor shall enter into a long-term visitor group security agreement as required in applicable USAF regulations. This agreement shall outline how the Contractor integrates security requirements for Contract operations with the Air Force as outlined in this section to ensure effective and economical operation on the installation. On the installation, the long-term visitor group security agreement may take the place of a Standard Practice Procedure (SPP). The agreement shall include protection of classified information, security checks of designated work areas, and internal security controls for protection of high-value pilferable property. The CRTC SFS will manage and maintain the document IAW DoD 5220.22-R, AFD 31-6, AFI 31-601.
- c. **Security Clearance Requirements -** A Secret security clearance is required for **all Contract employees.** If clearance is validated in the Joint Personnel Adjudication System, an individual may perform duties pending administrative transfer of the clearance. For personnel that do not possess a current Secret Clearance, the Contractor is responsible for submission and tracking the security clearance request. The Contractor is further responsible for requesting Interim Secret before completion of local training. All other Contract employees will be required to have a SF85P, Public Trust.

Pass and Identification Items

The Contractor shall ensure the following pass and identification items required for Contract performance are obtained for employees and non-Government owned vehicles as applicable:

- Common Access Card (CAC), DD Form 1172. Application for Uniformed Services Identification Card. Contractor shall coordinate with CRTC SFS and comply with local installation requirements. The CAC may or may not be required. This a separate requirement from the Contractor personnel badges required in this Contract.
- AF Form 2219 (series), Registered Vehicle Expiration Tab.
- DD Form 2220, DOD Registered Vehicle and Installation Tab.
- AF Form 75, Visitor/Vehicle Pass.
- AF Form 1199 series, Restricted Area Badge (RAB).



Retrieving Identification Media

The Contractor shall retrieve and return to host unit, all identification media, including vehicle decals, badges, etc., from Contract employees that depart for any reason before the Contract expires and upon termination of the Contract.

Listing of Employees

The Contractor shall maintain a current listing of employees by installation, which must include employee's full name, social security number, date of birth, and level of security clearance (if applicable). The list shall be validated and signed by a company management official and provided to the Chief, Security Forces, or designee at the local installation prior to the Contract start date. Updated listings shall be provided when any employee's status or information changes by the site manager.

Reporting Requirements

The Contractor shall report to a Chief, Security Forces, or designee any information or circumstances of which they are aware may pose a threat to the security and/or safety of DOD personnel, Contractor personnel, resources, and classified or unclassified defense information IAW AFI 71-101, Volume 1 & 2.

Incident Reporting

The Contractor shall immediately report all incidents to the Chief, Security Forces, or designee. Incidents include, but not limited to, weapons discharge, breach of security, accidents, procedural violations, and injury to persons or property. The Contractor and all employees shall not discuss or provide any information concerning any incident with any other private, civil, or Government organizations without permission of the Chief, Security Forces, or designee, and the Contracting Officer.

Testifying Responsibility

Contractor is required to fully cooperate if called upon to testify or submit a statement in a court-martial or any related court or legal proceeding. Contractor employees called upon to testify will do so in duty status. Cost associated with this task shall be included as overhead to the Contractor. Replacements must be provided for guards who testify in duty status to ensure all posts are fully manned at all times.

Physical Security Work Areas

Contract employees shall comply with installation operations plans/instructions for Force Protection Condition procedures, Random Antiterrorism Measures (RAMS), and local search/identification requirements. The Contractor shall safeguard all Government property.

Duty/Work Areas

The Contractor shall adhere to local installation procedures for entry to areas where Contractor personnel will work.

Key Control

The Contractor shall establish and implement key control procedures to ensure keys issued to the Contractor by the Government are properly safeguarded and not used by unauthorized personnel. The Contractor shall not duplicate keys issued by the Government. Lost keys shall be reported immediately to the Site Manager. The total cost of lost keys, re-keying, or lock replacement shall be reimbursed to the Government as a Claim against the Contractor. Contractor employees shall not use keys to open work areas for personnel other than Contract employees engaged in performance of duties, unless authorized by the Chief, Security Forces, or designee.

Prior To Employment Security Screening

The following background checks will be conducted and completed for all Contractor personnel performing services under this Contract. Further, all Contractor personnel are subject to periodic background checks throughout the duration of this Contract, at the discretion of the Government.



- a. Wants and Warrants Investigations. The Contractor shall perform and provide a pre-employment Wants and Warrants investigation on each individual to the extent required for State armed guards in the State of performance. Investigations shall include, at a minimum, employment history, verification checks of conviction records, ongoing criminal charges, credit check, driving record, and proof of possession of a valid driver's license. The Contractor is responsible for pre-employment background investigation costs. The Contractor will provide all investigation results to the Chief, Security Forces, or designee upon request.
- b. NCIC and NAC Requirements. After a preliminary review/evaluation/candidate endorsement, the Contractor shall provide the Chief, Security Forces, or designee the name (First, Middle, Last) and full social security number and date of birth of each recommended prospective guard candidate. The Government will perform a National Crime Information Center (NCIC) check on all prospective Contractor on-site employees. If NCIC results indicate an individual does not meet National Agency Check (NAC) requirements, the Government reserves the right to require removal under this Contract. The Contractor may temporarily assign a potential employee pending a favorable NAC report if the Contractor has submitted all required information to the Government and there is no known disqualifying information.

**Inquiries: OPM-CFIS, Customer Services Group, (202) 606-1042
 OPM-FIPC, Customer Services Group, (724) 794-5612**

- c. Lautenberg Amendment. Persons who are prohibited by 18 U.S.C. 922(d) (9) and (g)(9), Lautenberg Amendment, from possessing firearms cannot be employed under this Contract. This includes persons who have been convicted of, or charged with, any felony, or have been convicted of a misdemeanor crime of domestic violence, or who are subject to a court order that restrains the person from harassing, stalking, or threatening. Further, the Contractor must present to the Contracting Officer any known evidence of criminal misconduct by a prospective or current employee. The Contracting Officer, in their sole discretion, will determine whether such misconduct is a disqualification from employment. Personnel currently employed who are formally charged with a criminal act (to include domestic abuse shall be suspended from work pending the outcome of such charges).

NOTE: Contractor will brief each employee on the Lautenberg Amendment and complete a DD Form 2760 on each employee. The briefing and Form must be completed before that employee receives Government provided training and annually thereafter. Contractor will provide the Chief, Security Forces or designee documentation of all initial and annual briefings.

General Information

- a. Place of Performance/Hours of Operation. The Contractor shall support the CRTC Security Forces at the Alpena Combat Readiness Training Center addressed in this Contract. The shift start/stop times will be determined by the Chief, Security Forces, or designee. Recommend Contract security personnel not exceed 40 hours per week to include related Post-Associated Time (PAT). PAT is defined as time required for weapons/equipment issue and turn-in, pre- and post-shift briefings (Guard mount) and transit time to and from post. PAT for the Alpena CRTC is **estimated** to be 20 minutes prior to and 10 minutes after each shift. **PAT does not include 30 minutes for lunch. All Contract employees will be required to respond as directed when taking lunch. This time will be considered returned to the employee during down time throughout each tour of duty. Contractors will not disarm or leave base as this will affect manning and response capability. Lunches will be consumed on base.** All Contractor employees will receive all Guard mount information pre- and post-shift from Security Forces shift supervisor prior to posting. The Contractor's Guard shifts will coincide with the installation's SF unit shift start and stop times. The Contractor will stand Guard mount pre- and post-shift briefings along with the local SF personnel.
 1. Assigned ANG Security forces supervisors will post schedules in CSC at least three (3) calendar days before the beginning of each workweek.
 2. All ANG Security shift personnel at the Alpena CRTC generally perform on three (3) shifts. Days off are scheduled by the assigned ANG Security Forces seven (7)-level shift supervisor. Schedules are assigned based on mission requirements.



3. Intelligence, FPCON and available manning ultimately dictate the type of schedule required. CRTC SFS will notify Contract Security Employees at their earliest convenience when a change is required. It's important to note that this scenario usually happens during contingency operations with short notice.
4. Contract Security personnel shall not perform any duty in excess of 12 hours and must have at least eight (8) hours rest between shifts. **The consumption/intake of alcoholic beverages or other substances that would impair/alter judgment or performance during the eight (8)-hour period prior to a scheduled shift is prohibited.** Employees must be fit for duty.
5. The shift supervisor will provide shift relief for employees during meals (when possible) and OJT/standardization and evaluation training and testing.

Scheduling:

Shift hours are as follows:

* 0700-1500 (day shift)

* 1500-2300 (afternoon shift)

* 2300-0700 (midnight shift)

* Note: Shift times do not include Post Associated Times and may be changed to meet mission requirements.

Contract personnel shall receive all Federal Holidays. If the person is scheduled to work on a federal holiday said person will be paid time and a half (based on basic pay). If a person is called in on a holiday to cover a shift, the employee will be paid double time (based on basic pay). The Federal holidays are as follows: New Year's Day MLK, Jr. Day, President's Day, Labor Day, Columbus Day, Independence Day, Memorial Day, Veterans Day, Thanksgiving Day and Christmas Day.

- b. Privacy Act. Work on this project may require that personnel have access to Privacy Information. Personnel shall adhere to the Privacy Act, Title 5 of the U.S. Code, Section 552a and applicable rules and regulations. Violations of the privacy act will be immediately reported to the Chief, Security Forces, or designee.
- c. Minimum Guard Requirements. Contractor guards shall meet all pre-employment requirements prior to assuming Government posting duties. Contractor will ensure that all guards meet the following qualifications prior to posting:
 - Civilian or military law enforcement/security experience preferred.
 - Be a citizen of the United States.
 - Be at least 21 years of age.
 - Speak, read, write, and understand English.
 - Be drug free and remain drug free for the duration of this Contract.
 - Have knowledge of procedures on use of wire and radio communications and report writing.
 - Be able to operate a personal computer and basic operating systems and programs.
 - Be a high school graduate or possess a Graduate Equivalency Degree (GED) equivalent.
 - Possess a valid driver's license or valid Michigan ID.
 - Possess a state-issued security guard license and weapons permit (in jurisdictions where such licenses or permits are available)
 - Understand and carry out oral and written instructions.
 - Provide instruction on necessary rules, duties, and functions.
 - Recognize dangerous conditions about buildings/grounds and respond as necessary.
 - Meet and deal effectively, in a courteous manner, with the public/staff and all those who enter the premises.
 - Have knowledge of safety precautions and fire prevention methods.
 - Prepare clear, concise, and complete written reports as required by POC/CCI, or designee.
 - Complete necessary forms in performance of duties as required by the State.
 - Solve problems and de-escalate situations in a non-confrontational manner.
 - Possess the ability to perform basic mathematical calculations, such as addition, subtraction, multiplication, and division, at a minimum.



- d. Standards of Appearance. Contract employees' appearance will be neat, fit, well groomed, and present a professional image. Employees may not be overweight to the extent that a professional image is not maintained (Body Mass Index greater than 30). Contractors are encouraged to adopt a physical fitness program similar to the United States Air Force or MCOLES for their employees located at this site. Employees must pass the MCOLES or USAF Fitness Test prior to employment and annually thereafter. CRTC SFS will provide oversight of fitness testing when using the Air Force Standard, MCOLES testing must be provided in writing to show completion.
- Contract employees may not have any intentional body alteration/modification that results in a visible, physical effect that detracts from a professional image.
 - Contract employees may not have visible tattoos that are obscene, gang affiliated, advocate sexual, racial, ethnic, or religious discrimination or are of an unprofessional nature. Employees may not have any visible brands.
 - Contract employees are prohibited from attaching, affixing, or displaying (body piercing) objects, articles, jewelry or ornamentation to or through the ear, nose, tongue, or any exposed body part. **EXCEPTION:** Women may wear one (1) matching pair of earrings; one (1) small conservative earring per earlobe that fit tightly without extending below the earlobe.
 - The Contractor shall coordinate with the local Security Forces leadership to determine what presents a professional image. Contract guards will wear uniform work clothing with Contractor insignia clearly displayed on the outer uniform garment, above the waist. Unauthorized insignia or accoutrements will not be worn with or on uniform work clothing. Uniform work clothing will be clean and in well-pressed condition at all times. Footwear will be polished at all times.
- f. Mental demands. Contract security personnel must be mentally alert at all times and capable of taking prompt, efficient action to mitigate emergency situations such as fire, attempted theft, espionage, sabotage, and other acts detrimental to safeguarding Government personnel and property.
- g. Physical Demands. Contract employees are expected to be physically able to perform the following functions in the performance of their assigned duties: frequent and prolonged walking, standing, sitting, stooping, climbing, crawling, jumping, occasional running or sprinting, and subduing and detaining violent, or potentially violent, individuals. They must be able to lift up to 70 pounds and administer self-aid and buddy care as defined by AFI 36-2238 and AFH 36-2218 Volumes 1 and 2. The Contractor employees shall be capable of performing all duties without regard to any physical limitations that would preclude full performance of duty. Physical stamina and strength in all of its forms (endurance, temperature/climate, stress, etc.) is a basic requirement of this position. Individuals not meeting the physical requirements of their assigned position will be removed from this Contract upon the Contracting Officer's request.
- h. Medical Examinations. The Contractor shall ensure that all personnel are free from any conditions that would interfere with the full performance of duties, as demonstrated by the results of a physical examination prior to their performance start date. Disqualifying conditions include presence of any blood borne pathogens, including hepatitis and HIV. The Contractor must ensure **current immunizations meet the local civilian law enforcement requirements prior to performance start date.**
- i. Drug Screening. The contractor is responsible for all associated costs of drug screening for Contract employees throughout the term of this Contract. Contractor is responsible to conduct initial drug tests for all employees prior to performance start date. Drug testing will meet or exceed all state and local requirements. A positive initial drug test disqualifies the individual from employment under this Contract. Employed Contract personnel are subject to random drug screening at all times. The Contractor shall conduct, at a minimum, random drug screening on their Contract workforce, resulting in 100% tested within a one (1) year period or within the term of this Contract, whichever is shorter. Contractor will submit timely drug test procedures and results to the Security Forces Manager. Contractor will notify the CRTC SFS/SFM of any positive drug test results within 72 hours of drug test result notification. A positive drug test disqualifies the individual from further employment under this Contract.



- j. Standardization Evaluation (Stan-Eval)/Assessments & Testing. Within 60 calendar days of assuming post, and annually thereafter, Contract guards will be administered and must pass a Stan-Eval IAW AFI 36-2225, Chapter 3. The local security forces unit will administer and document the Stan-Eval that consists of a written examination, oral test, performance evaluation, weapons safety, arming, and use of force test, and weapons test. If a Contract guard fails the Stan-Eval, the individual has 15 duty days for review training and must complete a re-evaluation within 15 duty days of review training completion. During the period of review training/awaiting re-evaluation, guards may continue to perform duties as long as they are on a post with other fully qualified guards who have passed their Stan-Eval. Should the guard fail the re-evaluation, they will be permanently excluded from performance under this Contract **pursuant to paragraph titled Permanent Removal of Guard Personnel of this Contract.** It is the Contractor's responsibility to ensure their personnel prepare for the Stan-Eval. The site manager will ensure employees are prepared for any and all testing as documented in the members training folder.

Special Provisions

- a. Temporary Removal of Guard Personnel Posing an Imminent Threat. The Commanders of the Security Forces units or designated representative at locations where Contract guard personnel are performing may direct the Contractor to temporarily remove immediately any individual from duty who poses an imminent threat to safety of personnel or Government resources. The temporary removal will last until the incident prompting removal has been resolved to the satisfaction of the Government. Once the incident has been resolved, the individual will either be allowed to return to work on the Contract or permanently removed from performance on this Contract in accordance with sections below as the Government deems appropriate. Temporary removal of guard personnel does not relieve the Contractor of any performance requirements or create an entitlement to an equitable adjustment.
- b. Permanent Removal of Guard Personnel. The Government reserves the right to permanently exclude any individual from performance under this Contract whose performance does not meet standards or fails to pass a security check under this Contract for just cause. Such failure includes, but is not limited to, falsifying reports or statements; mishandling weapons; loss, destruction, or irresponsible use of Government equipment; or other criteria identified in this Contract. When so instructed, the Contractor shall immediately remove such individual from the site. Permanent removal of guard personnel does not relieve the Contractor of any performance requirements or create an entitlement to an equitable adjustment. The Contractor shall not reinstate on this Contract any employee who has been permanently removed.
- c. Armed Security Guard. The Contractor shall provide 17 state certified/trained and qualified on-duty armed security guards distributed among three (3) shifts from the first day of performance through completion of this Contract in support of IEC, VC, VI, CSC, and SRT functions at the Alpena CRTC in accordance with this Contract and any other mandatory federal, state, local, Department of Defense (DOD), and Air Force regulations (<http://www.e-publishing.af.mil/>), as applicable and applicable Force Protection Conditions (FPCON) to include Random Antiterrorism Measures and additional duties as required to meet mission requirements. In support of their IEC, VC, VI, CSC, and SRT duties, Contractor guards must be able to deter, detect, and detain, by use of necessary force, trespassers or persons who illegally gain, or attempt to gain, access to military bases. Additionally, Contractor guards must be able to detect and detain persons suspected of committing other offenses such as operating a motor vehicle under the influence, improper transport of drugs/explosive materials/weapons and any other skills that are inherent to performance of the tasks of this Contract, in accordance with installation operating instructions provided by CRTC Security Forces (SFS). Such personnel will be detained until Contractor personnel are able to turn them over to law enforcement authorities. **NOTE:** Contractor shall provide all equipment not otherwise furnished by the Government (as stated in this Contract) necessary to safely perform all task requirements set forth in this Contract.
- d. Personnel Records. A copy of all records for each Contract guard, Shift Supervisor, and Site Manager working at the installation shall be maintained at the installation of their employment. These records shall be available for inspection by the Government to ensure compliance with this Contract.



The Contractor shall maintain a copy of each record auditable by the CRTS SFS at a moments notice. Records include, but are not limited to, State training completion, verification of license application, State weapons and state training licenses/certifications, proof of medical and drug clearance for each employee, documented proof of completed local background investigation, and other training documents.

State Furnished Items

The State will provide to the Contractor, for use in the performance of this Contract only, the following information, facilities, property, and equipment.

- a. **Initial Training:** After each guard satisfactorily completes all personnel requirements in this Contract (including meeting all prerequisites to obtain a State guard license in jurisdictions where available), the Government will provide that guard approximately 40 hours of training. Government-furnished initial training includes, but is not limited to:
- Unit mission as applicable to the Contractor duties.
 - How to use and care for Security Forces facilities and equipment.
 - How to perform Installation Entry Control duties, Vehicle Inspections duties, and Visitor Control Center duties.
 - Authority and areas of jurisdiction to include the Arming and Use of Force Training (including Deadly Force) IAW AFI 31-207 and AFMAN 31-222.
 - Familiarization with Memorandums of Understanding or assistance agreements with local supporting agencies.
 - Government Drivers Training and licensing, as required by the Government.
 - Safety.
 - Routine, Exercise and Emergency Actions to include: Safe Haven, bomb threat, HAZMAT, explosive shipments, etc.
 - Communication procedures (radio, telephone, etc.).
 - Expanded initial training requirements, as deemed necessary by the Government. Initial training includes, but not limited to: emergency procedures, standardization and evaluation training, training on other weapons, accountability, and procedures to draw, handle, and turn-in ammunition.
 - Ensuring Contractor guards are able to detect and detain persons suspected of committing other offenses such as drunk driving, improper transport of drugs, and transporting explosive materials/weapons, etc. in accordance with installation SOPs and/or special orders.
 - Secondary use of force training (tactical baton, nightstick and/or Oleoresin Capsicum (OC) spray, and/or TASER).
 - Tour of Duty exercises
- b. **Small Arms Firing Range Time:** Small arms firing ranges are available on this site. The Contractor will need to coordinate with CRTS SFS for range space availability. Contractor is responsible for making timely alternative range arrangements. Government will provide oversight to ensure Air Force Qualification Course (AFQC) standards are met.

Weapons and Ammunition: Government is responsible for storage and issue of Contractor owned weapons and ammunition. These weapons and ammunition may be stored immediately upon Contract award after completion of a joint inventory. Government is responsible for providing weapons storage racks/containers. The Government will issue weapons and ammunition from Contractor's supply to each Contract guard prior to posting and return all issued weapons and ammunition at the end of each shift to Contractor's supply.

- c. **Office Space:** Government will provide Guardmount area as required. Telephone access shall be made available for the local area only and will be made available only to the site manager. Contractor is responsible for providing a computer and printer along with all peripheral computer equipment and supplies for each Site Manager. If the installation provides LAN access, the Contractor shall be required to comply with installation computer security requirements when accessing the Government LAN.



- d. **Duty Equipment Storage:** Government will provide Contract employees with storage for duty equipment in CRTS SFS locker room. Contract personnel must provide their own lock for securing items.

1.2 Roles and Responsibilities

1.201 Contractor Roles & Responsibilities

A. PERSONNEL

1. The State reserves the right to approve personnel for this project and to require replacement of personnel found to be unacceptable at any time during the project. (See §2.040).
2. Contractor shall be responsible for repair, replacement or cleanup as necessary due to carelessness or negligence on the part of the contractor and its personnel.

B. SUPERVISION

Contractor shall provide all supervision as may be necessary to oversee its personnel:

1. Contractor shall exercise all supervisory control and general control over all day-to-day operations of his/her employees, including control over all workers duties. At the conclusion of each service, the Contractor shall inspect the facility for completion and performance quality of the required services. The Contractor shall also be responsible for payment of all wages to employees, taxes and fringe benefits, sick leave, pension benefits, vacations, medical benefits, life insurance or unemployment compensation or the like. The Contractor shall discipline his/her employees, as needed, including firing and hiring.
2. Contractor must maintain a secure environment while servicing the facility. The Contractor shall comply with all security regulations and special working conditions as required by the agency:
 - No one is allowed into the facility other than those individuals responsible for performing services.
 - In locations that include a security alarm system, Contractor must also properly set the security alarm when leaving (if applicable).
 - Failure to maintain a secure environment and set the security alarm (where applicable) will result in issuance of a complaint and possible cancellation of this Contract.
 - Any cost incurred from a security service or local police for false alarms caused by failure of the Contractor to properly set the security alarm will be the responsibility of the Contractor.
3. In addition, should this Contract be cancelled for failure to lock the building, or properly set the security alarm, the cost of changing the building locks and re-coding the security alarm, if applicable, will be charged to the Contractor. These costs may be deducted from the monthly payment due the Contractor.
4. The agency CCI may require that Contractor immediately remove any contractual employee(s) from the agency's premises for just cause. The Contractor will assume any and all responsibilities relating to this removal. Any employee so removed may not be placed in another state agency.
5. The agency CCI shall make final determination of a contractual employee's suitability for assignment to a specific location. Problems of this nature will be addressed with the Contractor's management.

1.202 State Staff Roles & Responsibilities

CCI or agency / departmental designee shall:

- A. Complete assignments related to this Contract implementation.



- B. Shall provide the Contractor the general and specific orders detailing these services at each Contracted location. These orders shall be deemed a portion of this Contract and failure to carry out these orders shall be considered a violation of this Contract.
- C. Give additional written or oral instructions to clarify the desired performance as is determined by the State to be needed.
- D. Provide necessary, registered and returnable keys for the Contractor's entrance to areas of the buildings necessary for the completion of described work in this Contract (Contractor must not duplicate any such keys).
- E. All reporting forms as necessary, for the Contract locations.
- F. Lighting, sanitary facilities, and necessary telephone communications. **NOTE:** Contractor shall reimburse the State for all personal call expenses incurred by their employees.
- G. Names and telephone numbers of authorized personnel, including police, fire, etc., to be notified in the event of mechanical failure or emergencies.
- H. Designation of an on-site CCI for the day to day administration of the services provided under this Contract.
- I. The CCI will meet monthly with staff from the contractor's administrative office to review reports, discuss the service level(s) provided, discuss the proficiency of security guards assigned, and discuss potential modification(s) to operating procedures.
- J. In the event that the Contractor has issues that need to be discussed with DMVA, the designated CCI will meet with the Contractor within three (3) days of request.
- K. Training shall be provided by the designated CCI, if applicable, in:
 - 1. The correct operation of any security alarm system used at site.
 - 2. Supervisors in the proper use of on-site procedure manuals. Training updates shall be conducted as necessary, but not less than quarterly.
 - 3. Administration of written test to all supervisors and guards assigned to location(s) covered under this Contract within two (2) weeks of guards assignment to facility. Random testing of procedures will be given at the CCI's discretion. DMVA reserves the right to have guards and/or supervisors who do not demonstrate an acceptable level of performance on the test to be removed from the site.

1.203 Contract Implementation Period / Transition / Orientation

The State CCI will administer this Contract on a day-to-day basis during the term of this Contract. However, administration of this Contract implies no authority to change, modify, clarify, amend, or otherwise alter the terms, conditions and specification of this Contract. That authority is retained by the DMB – Purchasing Operations.

Before commencement of work by a new Contractor, the State CCI will:

- A. Schedule a meeting with the Contractor to talk about these Contract specifications and answer any questions the Contractor may have.
- B. Walk-through the facility/area with the Contractor to point out where any alarms and/or any other specifics of the building and/or area to be serviced.
- C. Contractor must provide name(s) of staff authorized to be at the building and telephone numbers of any supervisors, if other than the Contractor.



- D. Exchange emergency telephone numbers where the Contractor can be reached, day or night, and where the CCI can be reached.
- E. List of supplies and MSDS must be obtained. You may also request to see the products you are not responsible for.
- F. Do LEIN checks if necessary. See this Contract for information required for lien checks.
- G. Once the new Contractor has begun the work, the CCI shall:
 - 1. Provide written correspondence and feedback to the Contractor after each service. The Contractor must be informed of any deficiencies and allowed time to correct the deficiencies. If deficiencies continue, a formal Complaint to Vendor or Vendor Performance report will be filed.
 - 2. Inform Contractor where to forward invoices for immediate processing and payment.
 - 3. Be available to answer questions from the Contractor. Feedback (communication) is critical.

1.204 Other Roles & Responsibilities - RESERVED

1.3 Project Plan

1.301 Project Plan Management

- A. For each location, a project work plan for managing implementation of the services shall be specified and submitted to the CCI for review and approval.
- B. Project management plan shall identify methods, tools and processes proposed to oversee the project, address issues and changes as may arise, and keep the appropriate parties apprised of progress.
- C. Contractor will carry out this project under the direction and control of the specified CCI for the respective locations where services are to be performed.
- D. Contractor shall meet with the CCI and other agency or departmental project-leads, on a basis to be established by CCI and Contractor, but shall meet quarterly, at a minimum, for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise, as well as continuously communicate with the agency/departmental project-lead.
- E. Contractor's Work Plan, which must be approved prior to commencement of work, must include the following:
 - 1. SCHEDULE OF OPERATIONS - personnel expected to complete work on this Contract.
 - 2. Name(s) of supervisors – 24-hour contact telephone numbers and best contact times.
 - 3. Equipment failure **WILL NOT** constitute an acceptable reason for failure to provide service. Adjustments to providing this service, including any weather-related deviations, must be approved by the CCI or designated representative.
 - 4. Any misrepresentation by the Contractor of its ability to perform the work described in this Contract will be grounds for immediate termination. In such case, this Contract will be awarded to the next best-valued bidder who can demonstrate the ability to perform the work.

**1.4 Project Management****1.401 Issue Management, Inspection and Correction of Deficiencies**

- A. Agency/Departmental Compliance Inspector (CCI) will conduct inspections for all specifications identified in this Contract and will provide performance evaluations to the Contractor noting deficiencies in the contract specifications. The CCI (or his/her appointed representative) shall make the final determination as to whether any task has been satisfactorily performed.
- B. CCI will also maintain a record comprised of complaints from agency or departmental staff and provide record of this to the Contractor at the beginning of each service; this record will identify the areas requiring special attention on that day, which must to be completed by Contractor within eight (8) hours of its receipt.
- C. Contractor must remain responsible to make any necessary changes if the CCI determines that any task has not been performed adequately or satisfactorily. Contractor must correct the deficiency within 24 hours from notice of the deficiency, or sooner depending on the severity of the task.
- D. Should the Contractor fail to correct specification deficiencies, a Complaint to Vendor (Vendor Performance form) will be filed by the CCI. Repeated failure to correct specification deficiencies resulting in issuance of subsequent Complaint to Vendor (Vendor Performance form) may result in cancellation of this Contract and/or the assessment of liquidated damages as defined in Section 2.073 by Purchasing Operations.
- E. When issues or discrepancies against the specifications and terms of this Contract occur, the CCI or Designee will contact the Contractor's designated representative. All issues or discrepancies must be taken care by a mutually agreed time period between the agency and the Contractor. Agencies reserve the right to initiate Contractor performance documentation in MAIN (the State's central accounting system) to be submitted to the buyer at DMB, Purchasing Operations to record relevant performance activities. If issues are not resolved in the designated time, the CCI or Designee will follow their agency's procedures for Contractor performance resolution.

1.402 Risk Management - RESERVED**1.403 Change Management**

- A. If a proposed Contract change is requested by the CCI and approved by the agency purchasing/procurement office, then the request for change will be submitted to the Department of Management and Budget, Purchasing Operations Buyer, who will then make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request.
- B. If the DMB Purchasing Administration Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the assigned Buyer will issue an addendum to this Contract, via a Contract Change Notice.
- C. Contractors who provide products or services prior to the issuance of a Contract Change Notice by DMB Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.

1.404 Proposal Pricing - RESERVED**1.5 Compensation and Payment****1.501 Compensation and Payment**

- A. Payment / Reimbursement Method:
Quantities specified are estimates based on prior purchases and the State is not obligated to purchase in these or any other quantities. Exact quantities are unknown, however, the Contractor will be required to furnish all such services as may be ordered during this Contract period.



In the event that additional service is required, the Contractor will be paid at the rate of one and one-half (1½) times the net hourly wage quoted for the first 48 hours of new service requested if less than 48 hours advance notice had been given to the Contractor. At the end of the 48 hour period, the rate of payment will revert to the net hourly wage quoted.

Contractor employees at each location shall be compensated at no less than one and one half (1½) times their hourly rate of pay on the following six holidays: New Years Day, Memorial Day, July 4th, Labor Day, Thanksgiving Day, and Christmas Day. This premium shall be incorporated into the Contractor's hourly bill rate (i.e. the State shall compensate the Contractor at the hourly bill rate specified on the Item Listing for these days).

Contractor employees shall be compensated at the minimum hourly rates stipulated in the contract. Payroll deductions for uniforms or other miscellaneous operating expenses will not be permitted.

The Contractor shall comply with Michigan's Payment of Wages and Fringe Benefits Act, Public Act 390 of 1978, as amended, being MCL 408.471 to 408.490. The Contractor's failure to pay wages required by this Contract and/or comply with Public Act 390 of 1978, as amended, shall be considered a material breach of this Contract. The State reserves the right to audit Contractor's records to verify that payment of wages is in compliance with this Contract and the Act. Unless otherwise notified by DMB, Purchasing Operations, the contractor shall submit to the appropriate buyer at DMB, Purchasing Operations, on a basis consistent with the armed guard(s) payroll schedule, proof that the employees assigned by the contractor to the location(s) covered by this Contract have been paid wages in compliance with this Contract and the Act.

B. Payment/Invoice

Invoices shall be for actual hours of security service provided. Separate invoices shall be issued for each vehicle, building and/or location, if applicable. Invoices shall include contract number, hours billed, hourly rate, and building and/or location name. Any additional hours shall be itemized on the invoice. Contractor shall attach documentation showing each guard's name, hours worked per day and total hours worked for billing period. Training hours, in-house and on-the-job, required to comply with this Contract shall not be billed to the state but shall be part of Contractor's operational overhead.

Invoices shall be sent to the DMVA location where services are performed - attention of the CCI.

C. Quick / Prompt Payment Terms - RESERVED

**1.502 Price Term**

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

The unit rate(s) quoted and established shall remain FIXED for the entire period of the Agreement, except as follows:

- a. Rate/prices are subject to change at the end of each 365-day period.
- b. Such changes shall be based on changes in actual costs for delivery of services.
- c. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change.
- d. Purchasing Operations reserves the right to consider various pertinent information sources to evaluate price increase requests (such as CPI, PPI, and US City Average, as published by the US Department of Labor, Bureau of Labor Statistics).
- e. Purchasing Operations also reserves the right to consider other information related to special economic and/or industry market circumstances, when evaluating a price change request.
- f. Purchasing Operations reserves the right to deny a Contractor's request for a rate-change, and have the original, quoted rates remain in effect for the life of the Agreement.
- g. Changes may be either increase or decreases, and may be requested by either party.
- h. Approved changes shall be firm for the remainder of this Contract period unless further revised at the end of the next 365-day period.
- i. Requests for price changes shall be RECEIVED IN WRITING AT LEAST 60 days PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance and approval by the State before becoming effective.
- j. In the event new prices are not acceptable, this CONTRACT may be cancelled.
- k. The continued payment of any charges due after September 30th of any fiscal year will be subject to the availability of an appropriation for this purpose.



Article 2 – General Terms and Conditions

2.0 Contract Structure and Administration

2.001 Definitions

Capitalized terms used in this Contract (including its Attachments and Exhibits) shall have the meanings given below, unless the context requires otherwise:

- (a) "Days" means calendar days unless otherwise specified.
- (b) "24x7x365" means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).
- (c) "Additional Service" means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.
- (d) "Business Day," whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.
- (e) "Deliverable" means physical goods and/or commodities as required or identified by a Statement of Work
- (f) "Key Personnel" means any Personnel designated in **Article 1, Section 1.201** as Key Personnel.
- (g) "State Location" means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.
- (h) "Subcontractor" means a company Contractor delegate's performance of a portion of the services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.
- (i) "State" means the State of Michigan.
- (j) "Department" means the Department of Management and Budget of the State of Michigan.
- (k) "Director" means the State Purchasing Director.
- (l) "Agency" means the unit of State government covered by this Contract.
- (m) "Representative" means the person designated by the agency to coordinate and supervise the service.
- (n) "Contractor" means a person, firm or corporation agreeing to provide service(s).

2.002 Issuing Office

This Contract is issued by the Department of Management and Budget, Purchasing Operations (PO), for the Michigan Department of Military and Veteran's Affairs (DMVA). Where actions are a combination of those of Purchasing Operations and the State agencies, the authority will be known as the State. Information listed on the Location Specification Sheet(s) will be included as attachments with this Contract.

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. **DMB-PO is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contract Administrator for this contract is:

Lance Kingsbury
Department of Management and Budget - Purchasing Operations
Mason Building—2nd Floor
P.O. Box 30026
Lansing, Michigan 48909
(517) 241-3768
kingsburyl@michigan.gov

**2.003 Contract Compliance Inspector (CCI)**

The person named below, or any other person so designated, be authorized to monitor and coordinate the activities for this Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of such Contract as that authority is retained by the Office of Purchasing Operations.** The CCI for this Contract is:

MSGT Rob Mills: 989.354.6251

2.004 Project Manager - RESERVED**2.02 Contract Objectives/Scope/Background****2.021 Background - RESERVED****2.022 Purpose - RESERVED****2.023 Objectives and Scope - RESERVED****2.024 Interpretation - RESERVED****2.025 Form, Function and Utility**

If this Contract is for use of more than one (1) State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.03 Legal Effect and Term**2.031 Legal Effect**

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against this Contract has been issued.

2.032 Contract Term

The term of this Contract will be for approximately 53 months and will commence May 1, 2007 through September 30, 2011.

All outstanding Purchase Orders shall also expire upon the termination (cancellation for any of the reasons listed in 2.210) of this Contract, unless otherwise extended pursuant to this Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of this Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.033 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration.



2.04 Contractor Personnel

2.041 Contractor Personnel

Personnel Qualifications: All persons assigned by the Contractor to the performance of Services under this Contract shall be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and shall be fully qualified to perform the work assigned to them. Contractor shall include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent Contractors engaged by Contractor solely in a staff augmentation role shall be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.042 Contractor Identification

Contractor employees shall be clearly identifiable while on State property by wearing an issued badge, and/or uniforms as required by the CCI. Contractor employees are required to clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.043 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other Contractors including the State's Quality Assurance personnel, and, as reasonably requested by the State, to provide to the State's agents and other Contractors with reasonable access to Contractor's Project personnel, systems and facilities to the extent they relate to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities and provided Contractor receives reasonable prior written notice of such request. The State acknowledges that Contractor's time schedule for this Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with such requests for access.

2.044 Subcontracting by Contractor

- (a) Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.
- (b) Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Office of Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State's request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request shall be based on legitimate, good faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.076** for a time agreed upon by the parties.



- (c) In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract.
- (d) Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.040, 2.110, 2.150, 2.160, 2.171(c), 2.172(b), 2.180, 2.260, 2.276, 2.297** in all of its agreements with any Subcontractors.
- (e) The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Contract.

2.045 Contractor Responsibility for Personnel

Contractor shall be responsible for all acts and omissions of its employees, as well as the acts and omissions of any other personnel furnished by Contractor to perform the Services.

2.05 State Standards

2.051 Existing Technology Standards - RESERVED

2.052 PM Methodology Standards – RESERVED

2.053 Adherence to Portal Technology Tools - RESERVED

2.054 Acceptable Use Policy - RESERVED

2.06 Deliverables

2.061 Ordering

Any Services/Deliverables to be furnished under this Contract shall be ordered by issuance of written Purchase Orders/Blanket Purchase Order by the State after approval by the Contract Administrator or his/her designee. All orders are subject to the terms and conditions of this Contract. In the event of conflict between an order and this Contract, this Contract shall take precedence as stated in **Section 2.293**. In no event shall any additional terms and conditions contained on a Purchase Order/Blanket Purchase Order be applicable, unless specifically contained in that Purchase Order/Blanket Purchase Order's accompanying Statement of Work.

2.062 Software - RESERVED

2.063 Hardware - RESERVED

2.064 Equipment to be New and Prohibited Products - RESERVED



2.07 Performance

2.071 Performance, In General

The State engages the Contractor to execute this Contract and perform the Services/provide the Deliverables, and the Contractor undertakes to execute and complete this Contract in its entirety in accordance with the terms and conditions of this Contract and with the participation of State representatives as specified in this Contract.

2.072 Time of Performance

- (a) Contractor shall use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables in accordance with the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.072(a)**, Contractor shall notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and, in such event, shall inform the State of the projected actual delivery date.
- (c) If Contractor believes that a delay in performance by the State has caused or will cause Contractor to be unable to perform its obligations in accordance with specified Contract time periods, Contractor shall notify the State in a timely manner and shall use commercially reasonable efforts to perform its obligations in accordance with such Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent such delay is caused by the State.

2.073 Liquidated Damages - RESERVED

2.074 Bankruptcy

If Contractor shall file for protection under the bankruptcy laws, or if an involuntary petition shall be filed against Contractor and not removed within thirty 30 days, or if the Contractor becomes insolvent, be adjudicated bankrupt, or if it should make a general assignment for the benefit of creditors, or if a receiver shall be appointed due to its insolvency, and Contractor and/or its affiliates are unable to provide reasonable assurances that Contractor and/or its affiliates can deliver the services provided herein, the State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish such Works in Process by whatever appropriate method the State may deem expedient. Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process shall be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

To secure the State's progress payments before the delivery of any services or materials required for the execution of Contractor's obligations hereunder, and any work which Contractor may subcontract in the support of the performance of its obligations hereunder, title shall vest in the State to the extent the State has made progress payments hereunder.

2.075 Time is of the Essence

The Contractor agrees that time is of the essence in the performance of the Contractor's obligations under this Contract.

Failure of Contractor employees to report to job site on time and/or satisfactorily provide specified services as needed may result in an assessment of fines defined in the Deductions portion in Article 1.

2.076 Service Level Agreements (SLAs) - RESERVED

**2.08 Delivery and Acceptance of Deliverables****2.081 Delivery Responsibilities - RESERVED****2.082 Delivery of Deliverables - RESERVED****2.083 Testing - RESERVED****2.084 Approval of Deliverables, In General - RESERVED****2.085 Process For Approval of Written Deliverables - RESERVED****2.086 Process for Approval of Services - RESERVED****2.087 Process for Approval of Physical Deliverables - RESERVED****2.088 Final Acceptance - RESERVED****2.09 Financial****2.091 Pricing - RESERVED**

See Article 1.502.

2.092 Invoicing and Payment Procedures and Terms**(a) Invoicing and Payment – In General**

- (i) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services, equipment and commodities to be provided, and the associated payment milestones and payment amounts.
- (ii) Each Contractor invoice will show details as to charges by Service component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. The charges for Services billed on a time and materials basis shall be determined based on the actual number of hours of Services performed, at the applicable Labor Rates specified in Article 1 and the Location Specification Sheet (LSS). Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 2.094**.
- (iii) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within forty-five (45) days after receipt, provided the State determines that the invoice was properly rendered.

(b) Taxes (See Section 2.305 and Article 3, Section 3.022-3.024 for additional)

The State is exempt from Federal Excise Tax, State and Local Sales Taxes, and Use Tax with respect to the sale to and use by it of tangible personal property. Such taxes shall not be included in these Contract prices as long as the State maintains such exemptions. Copies of all tax exemption certificates shall be supplied to Contractor, if requested.

(c) Out-of-Pocket Expenses - RESERVED**(d) Pro-ration - RESERVED****(e) Antitrust Assignment**

The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.



- (f) **Final Payment**
The making of final payment by the State to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party's continuing obligations under this Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor's acceptance of final payment by the State under this Contract shall constitute a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.093 State Funding Obligation

The State's obligation under this Contract is payable only and solely from funds appropriated for the purpose of this Contract. Contractor acknowledges and agrees that all funds for payments after the end of the current fiscal year are subject to the availability of a legislative appropriation for the purpose of this Contract. Events of non-appropriation are addressed further in **Section 2.210** of this Contract.

2.094 Holdback - RESERVED

2.095 Electronic Payment Availability

Public Act 533 of 2004 **requires** that payments under this Contract be processed by electronic funds transfer (EFT). Contractor is required to register to receive payments by EFT at the Contract & Payment Express website (www.cpexpress.state.mi.us).

2.10 Contract Management

2.101 Contract Management Responsibility

- (a) Contractor shall have overall responsibility for managing and successfully performing and completing the Services/Deliverables, subject to the overall direction and supervision of the State and with the participation and support of the State as specified in this Contract. Contractor's duties will include monitoring and reporting the State's performance of its participation and support responsibilities (as well as Contractor's own responsibilities) and providing timely notice to the State in Contractor's reasonable opinion if the State's failure to perform its responsibilities in accordance with Article 1 (Project Plan) is likely to delay the timely achievement of any Contract tasks.
- (b) The Services/Deliverables will be provided by the Contractor either directly or through its affiliates, subsidiaries, subcontractors or resellers. Regardless of the entity providing the Service/Deliverable, the Contractor will act as a single point of contact coordinating these entities to meet the State's need for Services/Deliverables. Nothing in this Contract, however, shall be construed to authorize or require any party to violate any applicable law or regulation in its performance of this Contract.

2.102 Problem and Contract Management Procedures

The Contract and the applicable Statements of Work will govern problem Management and Contract Management procedures.

2.103 Reports and Meetings - RESERVED

2.104 System Changes - RESERVED

2.105 RESERVED

2.106 Change Requests

The State reserves the right to request, from time to time, any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under this Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables.



At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the State requests or directs the Contractor to perform any Services/Deliverables that are outside the scope of the Contractor's responsibilities under this Contract ("New Work"), the Contractor must notify the State promptly, and before commencing performance of the requested activities, that it believes the requested activities are New Work. If the Contractor fails to notify the State before commencing performance of the requested activities, any such activities performed before the Contractor gives notice shall be conclusively considered to be in-scope Services/Deliverables, not New Work.

If the State requests or directs the Contractor to perform any services or provide deliverables that are consistent with and similar to the Services/Deliverables being provided by the Contractor under this Contract, but which the Contractor reasonably and in good faith believes are not included within the Statements of Work, then before performing such services or providing such deliverables, the Contractor shall notify the State in writing that it considers the services or deliverables to be an Additional Service/Deliverable for which the Contractor should receive additional compensation. If the Contractor does not so notify the State, the Contractor shall have no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable. If the Contractor does so notify the State, then such a service or deliverable shall be governed by the Change Request procedure in this Section.

In the event prices or service levels are not acceptable to the State, the Additional Services or New Work shall be subject to competitive bidding based upon the specifications.

(a) State Requests:

If the State should require Contractor to perform New Work, Additional Services or make changes to the Services that would affect this Contract completion schedule or the amount of compensation due Contractor (a "Change"), the State shall submit a written request for Contractor to furnish a proposal for carrying out the requested Change (a "Change Request").

(b) Contractor Recommendations:

Contractor shall be entitled to propose a Change to the State, on its own initiative, should it be of the opinion that this would benefit this Contract.

(c) Upon receipt of a Change Request or on its own initiative, Contractor shall examine the implications of the requested Change on the technical specifications, Contract schedule and price of the Deliverables and Services and shall submit to the State without undue delay a written proposal for carrying out the Change. Contractor's proposal will include any associated changes in the technical specifications, Contract schedule and price and method of pricing of the Services. If the Change is to be performed on a time and materials basis, the Amendment Labor Rates shall apply to the provision of such Services. If Contractor provides a written proposal and should Contractor be of the opinion that a requested Change is not to be recommended, it shall communicate its opinion to the State but shall nevertheless carry out the Change as specified in the written proposal if the State directs it to do so.

(e) By giving Contractor written notice within a reasonable time, the State shall be entitled to accept a Contractor proposal for Change, to reject it or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice shall be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").

(f) No proposed Change shall be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management – Purchasing Operations.

(g) If the State requests or directs Contractor to perform any activities that Contractor believes constitute a Change, Contractor must notify the State that it believes the requested activities are a Change prior to commencing the performance of the requested activities. If Contractor fails to so notify the State prior to commencing performance of the requested activities, such activities shall be considered to be performed gratuitously by Contractor, and Contractor shall not have any right thereafter to assert any claim for additional compensation or time for the performance of such activities. If Contractor commences performance of gratuitous services outside the scope of this Contract and subsequently elects to stop performing such out-of-scope services, Contractor must, at the request of the State, back out or reverse any changes resulting from such performance that would adversely affect this Contract.



2.107 Management Tools - RESERVED

2.111 Records and Inspections

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

2.112 Errors

- (a) If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly statement that the balance appeared on or termination of this contract, whichever is earlier.
- (b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor shall pay all of the reasonable costs of the audit.

2.12 State Responsibilities

2.121 State Performance Obligations

- (a) Equipment and Other Resources. To facilitate Contractor's performance of the Services/Deliverables, the State shall provide to Contractor such equipment and resources as identified in the Statements of Work or other Contract Exhibits as items to be provided by the State.
- (b) Facilities. The State shall designate space as determined by the CCI as long as it is available and as provided in the Statement of Work, to house Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Contractor shall have reasonable access to, and unless agreed otherwise by the parties in writing shall observe and comply with all rules and regulations relating to, each of the State Facilities (including hours of operation) used by Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for Contractor's use, or to which Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.
- (c) Return. Contractor shall be responsible for returning to the State any State-furnished equipment, facilities and other resources when no longer required for this Contract in the same condition as when provided by the State, reasonable wear and tear excepted.
- (d) Except as otherwise provided in **Section 2.220**, the State's failure to perform its responsibilities, as set forth in this Contract shall not be deemed to be grounds for termination by Contractor. However, Contractor will not be liable for any default or delay in the performance of its obligations under this Contract to the extent such default or delay is caused by nonperformance of the State's obligations under this Contract, provided Contractor provides the State with reasonable written notice of such nonperformance and Contractor uses commercially reasonable efforts to perform notwithstanding the State's failure to perform. In addition, if the State's nonperformance of its responsibilities under this Contract materially increases the time required for Contractor's performance or Contractor's cost of performance, Contractor shall be entitled to seek an equitable extension via the Change Request process described in **Section 2.106**.

2.13 Security

2.131 Background Checks

The Contractor shall authorize the investigation of its personnel proposed to have access to State facilities and systems on a case-by-case basis.



The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. Such investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints.

Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/ditservice/0,1607,7-179-25781-73760--,00.html>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State.

It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.140 Reserved

2.15 Confidentiality

2.151 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.152 Confidentiality

Contractor and the State each acknowledge that the other possesses, and will continue to possess, confidential information that has been developed or received by it. As used in this Section, "Confidential Information" of Contractor shall mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below), which is marked confidential, restricted, and proprietary, or with a similar designation. "Confidential Information" of the State shall mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State pursuant to applicable federal, state and local laws and regulations) or which, in the case of tangible materials provided to Contractor by the State pursuant to its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. In the case of information of either Contractor or the State "Confidential Information" shall exclude any information (including this Contract) that is publicly available pursuant to the Michigan FOIA.

2.153 Protection of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access in order to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) such disclosure is necessary or otherwise naturally occurs in connection with work that is within such Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence.



At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect such Confidential Information from unauthorized use or disclosure.

2.154 Exclusions

Notwithstanding the foregoing, the provisions of this Section will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose such information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of this Section will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose such Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of such disclosure as reasonably requested by the furnishing party.

2.155 No Implied Rights

Nothing contained in this Section shall be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.156 Remedies

Each party acknowledges that, if it breaches (or attempts or threatens to breach) its obligations under this Section, the other party may be irreparably harmed. Accordingly, if a court of competent jurisdiction should find that a party has breached (or attempted or threatened to breach) any such obligations, the non-breaching party shall be entitled to seek an injunction preventing such breach (or attempted or threatened breach).

2.157 Security Breach Notification

In the event of a breach of this Section, Contractor shall take (i) prompt corrective action to cure any such deficiencies and (ii) any action pertaining to such unauthorized disclosure required by applicable federal and state laws and regulations. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor shall report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within ten (10) days of becoming aware of such use or disclosure or such shorter time period as is reasonable under the circumstances.

2.158 Survival

The parties' respective obligations under this Section shall survive the termination or expiration of this Contract for any reason.

2.159 Destruction of Confidential Information

Promptly upon termination or cancellation of this Contract for any reason, Contractor shall certify to the State that Contractor has destroyed all State Confidential Information.

2.160 Proprietary Rights - RESERVED

**2.170 Warranties and Representations**

The foregoing express warranties are in lieu of all other warranties and each party expressly disclaims all other warranties, express or implied, by operation of law or otherwise including but not limited to, the implied warranties of merchantability and fitness for a particular purpose.

2.171 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable in all respects of fulfilling and shall fulfill all of its obligations under this Contract. The performance of all obligations under this Contract shall be provided in a timely, professional, and workman-like manner and shall meet the performance and operational standards required under this Contract.
- (b) The Location Specification Sheet(s), Attachments and Exhibits identify the services necessary to operate in compliance with this Contract's requirements and other standards of performance.
- (c) The Contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (d) It is qualified and registered to transact business in all locations where required.
- (e) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other Bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other Bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (f) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP 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 has been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.
- (g) All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.
- (h) It is not in material default or breach of any other Contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any Contract with the State or any of its departments that was terminated by the State or such department within the previous five (5) years for the reason that Contractor failed to perform or otherwise breached an obligation of such Contract.

2.172 Consequences for Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, such breach may be considered as a default in the performance of a material obligation of this Contract.



2.18 Insurance

2.181 Liability Insurance

(a) Liability 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's provided relative to this Contract/Purchase Order are 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 http://www.mi.gov/cis/0,1607,7-154-10555_22535---,00.html.

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 this 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's afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 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 INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.



2. If a motor vehicle is used to provide services or products under this Contract, the Contractor must have vehicle liability insurance on any auto including owned, hired and non-owned vehicles used in Contractor's business for bodily injury and property damage as required by law.

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

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

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

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

4. Employers liability insurance with the following minimum limits:

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

(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 this Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insured's under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of this Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance.



If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least 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.

2.19 Indemnification

2.191 Indemnification

- (a) **General Indemnification:**
To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortuous acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.
- (b) **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.
- (c) **Employee Indemnification:**
In any and all claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under this 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 benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, 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 provisions.
- (d) **Patent/Copyright Infringement Indemnification:**
To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees 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 patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or 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 to the State's satisfaction 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.



Notwithstanding the foregoing, the Contractor shall have no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any claim based upon (i) equipment developed based on written specifications of the State; or (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.192 Continuation of Indemnification Obligations

The Contractor's duty to indemnify pursuant to this Section continues in full force and effect, notwithstanding the expiration or early cancellation of this Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

2.193 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 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 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.



2.20 Limits of Liability and Excusable Failure

2.201 Limits of Liability

The Contractor's liability for damages to the State shall be limited to two (2) times the value of this 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; 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 this Contract.

Neither the Contractor nor the State shall be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademark 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; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

2.202 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under this Contract to the extent such default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; 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 commercially reasonable efforts to recommence performance or observance whenever and to whatever extent possible without delay and provided further that such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay Contractor's performance of the Services/provision of Deliverables for more than 10 Business 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/Deliverables from an alternate source, and the State shall not be liable for payment for the unperformed Services/ Deliverables not provided under this Contract for so long as the delay in performance shall continue; (b) the State may terminate any portion of this Contract so affected and the charges payable there under shall be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to Contractor, except to the extent that the State shall pay for Services/Deliverables provided through the date of termination.

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/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under this Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and 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.



2.203 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or manmade disaster.

2.21 Termination/Cancellation by the State

The State may terminate 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:

2.211 Termination for Cause

- (a) In the event that Contractor breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA as defined in **Section 2.076**), 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 (such time period not to be less than thirty 30 days, 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 termination to Contractor, terminate this Contract in whole or in part, for cause, as of the date specified in the notice of termination.
- (b) In the event that this Contract is terminated for cause, in addition to any legal remedies otherwise available to the State by law or equity, Contractor shall be responsible for all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs shall not be considered by the parties to be consequential, indirect or incidental damages, and shall not be excluded by any other terms otherwise included in this Contract, provided such costs are not in excess of 50% more than the prices for such Service/Deliverables provided under this Contract.
- (c) In the event the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State shall pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.
- (d) In the event this Contract is terminated for cause pursuant to this Section, and it is determined, for any reason, that Contractor was not in breach of contract pursuant to the provisions of this section, that termination for cause shall be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a termination for convenience.

2.212 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in this Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any ITB issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.



2.213 Non-Appropriation

- (a) 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 Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State shall have the right to terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State shall give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or such time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).
- (b) If funding for this Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise made available, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in such manner and for such periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of such reduction.
- (c) In the event the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor pursuant to this Section, the State shall pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. For the avoidance of doubt, this Section will not preclude Contractor from reducing or stopping Services/Deliverables and/or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.214 Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense incident to the application for, or performance of, a State, public or private Contract or subcontract; convicted of a criminal offense, including 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 Contractor's business integrity.

2.215 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, § 5, and Civil Service Rule 7-1. 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.

2.216 Rights and Obligations upon Termination

- (a) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in Deliverables that is intended to be transferred to the State at the termination of this Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of this Contract and which are resulting from this Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials),



- and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from this terminated Contract.
- (b) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
 - (c) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.217 Reservation of Rights

Any termination of this Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

2.218 Contractor Transition Responsibilities

In the event this contract is terminated, for convenience or cause, dissolved, voided, rescinded, nullified, expires or is otherwise rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed ninety (90) days. These efforts shall include, but are not limited to, the following:

- (a) Personnel - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.
- (b) Information - The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.
- (c) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This shall include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of this Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.



- (d) Payment - If the termination provisions of this Contract shall govern the transition results from a termination for any reason, reimbursement. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates specified by **Article 1, Attachment C**. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.219 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.22 Termination by Contractor

2.221 Termination by Contractor

If the State materially breaches its obligation to pay Contractor undisputed amounts due and owing under this Contract in accordance with **Section 2.090**, or if the State breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for Contractor to perform the Services, and if the State does not cure the breach within the time period specified in a written notice of breach provided to the State by Contractor (such time period not to be less than 30 days), then Contractor may terminate this Contract, in whole or in part based on Statement of Work for cause, as of the date specified in the notice of termination; provided, however, that Contractor must discharge its obligations under **Section 2.250** before any such termination.

2.23 Stop Work

2.231 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by this Contract for a period of up to ninety (90) calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this **Section 2.230**. Upon receipt of the stop work order, Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.210**.

2.232 Cancellation or Expiration of Stop Work Order

If a stop work order issued under this **Section 2.230** is canceled or the period of the stop work order or any extension thereof expires, Contractor shall resume work. The parties shall agree upon an equitable adjustment in the delivery schedule, this Contract price, or both, and this Contract shall be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of this Contract; and (b) Contractor asserts its right to an equitable adjustment within thirty (30) calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under this Contract. Any adjustment will conform to the requirements of **Section 2.106**.

**2.233 Allowance of Contractor Costs**

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, such termination shall be deemed to be a termination for convenience under **Section 2.212**, and the State shall allow reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State shall not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.230**.

2.240 Reserved



2.25 Dispute Resolution

2.251 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to this Contract or any Statement of Work shall be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under this Contract, or the time for Contractor's performance, Contractor shall submit a letter executed by Contractor's Contract Administrator or his designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor's performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the supporting data provided with such an affidavit are current and complete to Contractor's best knowledge and belief.

2.252 Informal Dispute Resolution

- (a) All operational disputes between the parties shall be resolved under the Contract Management procedures developed pursuant to **Section 2.100**. If the parties are unable to resolve any disputes after compliance with such processes, the parties shall meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve such dispute without the need for formal legal proceedings, as follows:
 - (i) The representatives of Contractor and the State shall meet as often as the parties reasonably deem necessary in order to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives shall discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to this Contract will be honored in order that each of the parties may be fully advised of the other's position.
 - (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, shall issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute shall be considered the State's final action and the exhaustion of administrative remedies.
- (b) This **Section 2.250** will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or pursuant to **Section 2.253**.
- (c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work pursuant to this Contract.

2.253 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.252** is where a party makes a good faith determination that a breach of the terms of this Contract by the other party is such that the damages to such party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.254 Continued Performance

Each party agrees to continue performing its obligations under this Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment shall not be deemed to preclude performance) and without limiting either party's right to terminate this Contract as provided in **Section 2.210** and **2.220**, as the case may be.



2.26 Federal and State Contract Requirements

2.261 Nondiscrimination

In the performance of this Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her 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 disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and any breach of this provision may be regarded as a material breach of this Contract.

2.262 Unfair Labor Practices

Pursuant to 1980 PA 278, MCL 423.231, *et seq.*, the State shall not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to section 2 of the Act. The United States National Labor Relations Board compiles this information. A Contractor of the State, in relation to the Contract, shall not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, subsequent to award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.263 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor shall comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor shall comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.27 Litigation

2.271 Disclosure of Litigation

- (a) Disclosure:
Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of this Contract and extensions thereto, to which Contractor (or, to the extent Contractor is aware, any Subcontractor hereunder) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor hereunder; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor hereunder by a governmental or public entity arising out of their business dealings with governmental or public entities. Any such litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") must be disclosed in a written statement to the Contract Administrator within 30 days of its occurrence. Details of settlements, which are prevented from disclosure by the terms of the settlement, may be annotated as such. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.
- (b) Assurances:
In the event that any such Proceeding disclosed to the State pursuant to this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:



- (i) the ability of Contractor (or a Subcontractor hereunder) to continue to perform this Contract in accordance with its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor hereunder) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in such Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then Contractor shall be required to provide the State all reasonable assurances requested by the State to demonstrate that:
 - (A) Contractor and/or its Subcontractors hereunder will be able to continue to perform this Contract and any Statements of Work in accordance with its terms and conditions, and
 - (B) Contractor and/or its Subcontractors hereunder have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in such Proceeding.
- (c) Contractor shall make the following notifications in writing:
 - (i) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor shall notify the Office of Purchasing Operations.
 - (ii) Contractor shall also notify the Office of 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.
 - (iii) Contractor shall also notify Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.272 Governing Law

This Contract shall in all respects be governed by, and construed in accordance with, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.273 Compliance with Laws

Contractor shall comply with all applicable state, federal, and local laws and ordinances ("Applicable Laws") in providing the Services/Deliverables.

2.274 Jurisdiction

Any dispute arising from this Contract shall be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to such jurisdiction on the grounds of lack of personal jurisdiction of such court or the laying of venue of such court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.

2.28 Environmental Provision

2.281 Environmental Provision - RESERVED

2.29 General Contract Information

2.291 Amendments

This Contract may not be modified, amended, extended, or augmented, except by in writing executed by the parties involved.

**2.292 Assignment**

- (a) Neither party shall have the right to assign this Contract, or to assign or delegate any of its duties or obligations under this Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign this Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign this Contract to an affiliate so long as such affiliate is adequately capitalized and can provide adequate assurances that such affiliate can perform this Contract. Any purported assignment in violation of this Section shall be null and void. It is the policy of the State of Michigan to withhold consent from proposed assignments, subcontracts, or notations when such transfer of responsibility would operate to decrease the State's likelihood of receiving performance on this Contract or the State's ability to recover damages.
- (b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under this Contract. In the event of any such permitted assignment, Contractor shall not be relieved of its responsibility to perform any duty imposed upon it herein, and the requirement under this Contract that all payments shall be made to one entity shall continue.

2.293 Entire Contract; Order of Precedence

- (a) This Contract, including any Statements of Work and Exhibits, to the extent not contrary to this Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to such subject matter and as additional terms and conditions on the purchase order shall apply as limited by **Section 2.061**.
- (b) In the event of any inconsistency between the terms of this Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of **Sections 2.110 through 2.220** of this Contract, which may be modified or amended only by a formal Contract amendment.

2.294 Headings

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

2.295 Relationship of the Parties (Independent Contractor Relationship)

The relationship between the State and Contractor is that of client and independent Contractor. No agent, employee, or servant of 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. 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.

2.296 Notices

- (a) Any notice given to a party under this Contract 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.

Lance Kingsbury, Buyer
530 W. Allegan, 2nd Floor
PO Box 30026
Lansing, MI 48909

Either party may change its address where notices are to be sent by giving notice in accordance with this Section.



- (b) **Binding Commitments**
Representatives of Contractor identified in the Contract signature page shall have the authority to make binding commitments on Contractor's behalf within the bounds set forth in such table. Contractor may change such representatives from time to time upon written notice.

2.297 Media Releases and Contract Distribution

- (a) **Media Releases:**
Neither Contractor nor the State will make any news releases, public announcements or public disclosures, nor will they have any conversations with representatives of the news media, pertaining to this Contract, the Services or this Contract without the prior written approval of the other party, and then only in accordance with explicit written instructions provided by that party. In addition, neither Contractor nor the State will use the name, trademarks or other proprietary identifying symbol of the other party or its affiliates without such party's prior written consent. Prior written consent of the Contractor must be obtained from authorized representatives.
- (b) **Contract Distribution:**
Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.298 Reformation and Severability

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

2.299 Consents and Approvals

Except as expressly provided otherwise in this Contract, if either party requires the consent or approval of the other party for the taking of any action under this Contract, such consent or approval shall be in writing and shall not be unreasonably withheld or delayed.

2.300 No Waiver of Default

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

2.301 Survival

Any provisions of this Contract that impose continuing obligations on the parties including the parties' respective warranty, indemnity and confidentiality obligations, shall survive the expiration or termination of this Contract for any reason. Specific references to survival in this Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.302 Covenant of Good Faith

Each party agrees that, in its dealings with the other party or in connection with this Contract, it shall act reasonably and in good faith. Unless stated otherwise in this Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under this Contract.

2.303 Permits

Contractor shall obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State shall pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

**2.304 Website Incorporation**

The 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.

2.305 Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes defined in Section 3.022 for all persons involved in this Contract.

The State may refuse to award this Contract to any Contractor who has failed to pay any applicable State taxes.

2.306 Prevailing Wage - RESERVED**2.307 Call Center Disclosure**

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

2.308 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future ITB, it may be precluded from bidding on the subsequent ITB. The State reserves the right to disqualify any bidder if the State determines that the Bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the ITB development, or as a Vendor offering free assistance) to gain a leading edge on the competitive ITB.

2.310 Reserved**2.32 Extended Purchasing****2.321 MIDEAL - RESERVED****2.322 State Employee Purchases - RESERVED****2.33 Federal Grant Requirements****2.331 Federal Grant Requirements**

The following links contain certifications and terms, which may be required for some purchases paid via Federal funds. They are included here to be utilized as required.

Lobbying Certifications are usually for agreements over \$100,000. The debarment certification is required for all agreements. The last link is where you can go and search for debarred or suspended contractors.

http://straylight.law.cornell.edu/uscode/html/uscode31/usc_sec_31_00001352----000-.html

http://www.archives.gov/federal_register/codification/executive_order/12549.html

http://www.archives.gov/federal_register/executive_orders/pdf/12869.pdf

<http://www.epls.gov/epl/servlet/EPLSSearchMain/1>



APPENDIX A
CERTIFICATION OF COMPLIANCE TO SPECIFICATIONS
ARMED SECURITY GUARD SERVICE
STATE OF MICHIGAN

MICHIGAN DEPARTMENT OF MILITARY AND VETERANS AFFAIRS
ALPENA COMBAT READINESS TRAINING CENTER - ALPENA, MI 49707

THE UNDERSIGNED DOES HEREBY CERTIFY THAT ALL SERVICES PROVIDED TO THE STATE OF MICHIGAN SHALL BE IN FULL COMPLIANCE WITH THE PUBLISHED SPECIFICATIONS OF THIS CONTRACT AND THAT ALL ARMED SECURITY GUARDS ASSIGNED TO ANY DMVA INSTALLATION FULLY MEET THE TRAINING REQUIREMENTS OF THIS CONTRACT.

CONTRACTOR ACKNOWLEDGES THAT ALL INFORMATION PROVIDED HEREIN SHALL BE AVAILABLE FOR REVIEW BY THE DMVA AND THE MICHIGAN DEPARTMENT OF STATE POLICE, PRIVATE SECURITY AND INVESTIGATIVE SECTION. ANY FALSIFICATION OF TRAINING RECORDS OR FAILURE TO PERFORM SERVICES IN ACCORDANCE WITH THE SPECIFICATIONS OF THE CONTRACT AGREEMENT MAY RESULT IN ENFORCEMENT ACTION BY THE DEPARTMENT OF LABOR AND ECONOMIC GROWTH AGAINST THE CONTRACTOR AND LICENSED HOLDER IN ACCORDANCE WITH PUBLIC ACT 330 OF 1968, AS AMENDED.

NAME OF DEPUTY	BIRTH DATE	TRNG. COMPL. DATE	INSTRUCTOR'S NAME*
1) _____			
2) _____			
3) _____			
4) _____			
5) _____			
6) _____			
7) _____			
8) _____			
9) _____			
10) _____			

LICENSE NUMBER _____

COMPANY NAME _____

LICENSE HOLDER SIGNATURE _____ DATE _____

Upon award of Contract, a copy of this certification must be sent to the agency Contract Administrator or designee and to the DMB Buyer listed below:

Lance Kingsbury Buyer - DMB, Purchasing Operations	MSGT Robert Mills DMVA – Alpena Combat Readiness Center 5884 A Street, Bldg 645 Alpena, MI 49707-8125
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*A current resume of qualification and background must be attached for each named deputy.

**APPENDIX B****UNIFORM SPECIFICATIONS SPECIFIC TO ALPENA COMBAT READINES CENTER**

- 1) BDU 2 Pocket shirts, either long or short sleeve, with one company officer patch on each sleeve
- 2) BDU 6 Pocket trousers
- 3) Black pants belt with subdued color buckle to match uniform
- 4) BDU or baseball cap with silver or gold company logo
- 5) Embroidered nametag worn over the right breast pocket
- 6) Silver or Gold Embroidered company badge worn over the left breast pocket
- 7) 8" Black boots

Inclement weather uniform:

- 1) Jacket with company officer patch on each sleeve, embroidered nametag, and embroidered badge
- 2) Watch cap or balaclava
- 3) Gortex Parka and Pants

- Any and all variations to this list must be reviewed by Chief, Security Forces or designee prior to any change.

DUTIES SPECIFIC TO ALPENA ANGB

Site Manager/Visitor Control: One (1) employee, eight (8) hour shift, five (5) days a week (Monday - Friday), 52 weeks a year. Off on weekends and Holidays. This position performs within a dual role as visitor control. Will perform duties as a Shift Supervisor as needed.

Shift Supervisors/Security Response Team: Three (3) employees, one (1) each eight (8) hour shift, five (5) days a week, 52 weeks a year. Will perform duties as day, afternoon and midnight Supervisors. The shift supervisor will work five (5) days and their off days will be appointed by the site manager. This position is a dual role with the SRT Leader 1. SRT will patrol the installation.

Installation Entry Control / Vehicle Inspection Gate: Three (3) employees; one (1) each eight (8) hour shift, 24 hours per day, seven (7) days a week, 52 weeks a year.

Security Control: Three (3) employees, one (1) each eight (8) hour shift, 24 hrs per day, seven (7) days a week, 52 weeks a year

Visitor Control / Secondary Central Security & Installation Entry Controller: One (1) employee, eight (8) hour shift, five (5) days a week (Monday – Friday), Saturday-Sunday as needed, 52 weeks a year. Off Holidays.

A total of 17 Contract security personnel will be provided by the Contractor to include one (1) dedicated site manager who works the day shift, three (3) shift supervisors who will work the midnight, afternoon, and day shift, one (1) visitor control/secondary central security & installation entry controller, and 11 armed security guards. At no time will a shift be staffed without an appointed Contract security supervisor.

The Contractor shall support the CRTC Security Forces at the Alpena Combat Readiness Training Center addressed in this Task Order. The shift start/stop times will be determined by the Chief, Security Forces, or designee. Recommend Contract security personnel not to exceed 40 hours per week to include related Post-Associated Time (PAT). PAT is defined as time required for weapons/equipment issue and turn-in, pre- and post-shift briefings (Guard mount) and transit time to and from post. PAT for the Alpena CRTC is *estimated* to be 20 minutes prior to and 10 minutes after each shift. **PAT does not include 30 minutes for lunch. All Contract employees will be required to respond as directed when taking lunch. This time will be considered returned to the employee during down time throughout each tour of duty. Contractors will not disarm or leave base as this will affect manning and response capability. Lunches will be consumed on base.** All Contractor employees will receive all Guard mount information pre- and post-shift from Security Forces shift supervisor prior to posting. The Contractor's Guard shifts will coincide with the installation's SF unit shift start and stop times. The Contractor will stand Guard mount pre- and post-shift briefings along with the local SF personnel.



APPENDIX C – PRICING SUMMARY

Item	Unit	Description	Bill Rate per hour	Total # of Hrs for 1 Yr	Rate x # of Hrs = Est. Total
1	HR	Site Manager	\$ 24.60	1560	\$ 38,376.00
2	HR	Shift Supervisor(s) - (SRT)	\$ 24.60	6571	\$ 161,646.60
3	HR	Central Security Control/Desk Sgt.	\$ 24.60	6571	\$ 161,646.60
4	HR	Installation Entry Control (IEC)	\$ 24.60	6571	\$ 161,646.60
5	HR	Visitor Control(VC)/Secondary CSC & IEC	\$ 24.60	1560	\$ 38,376.00
2007 9 Month Total:					\$ 561,691.80

Item	Unit	Description	Bill Rate per hour	Total # of Hrs for 1 Yr	Rate x # of Hrs = Est. Total
1	HR	Site Manager	\$ 25.60	2080	\$ 53,248.00
2	HR	Shift Supervisor(s) - (SRT)	\$ 25.60	8760	\$ 224,256.00
3	HR	Central Security Control/Desk Sgt.	\$ 25.60	8760	\$ 224,256.00
4	HR	Installation Entry Control (IEC)	\$ 25.60	8760	\$ 224,256.00
5	HR	Visitor Control(VC)/Secondary CSC & IEC	\$ 25.60	2080	\$ 53,248.00
2008 Total:					\$ 779,264.00

Item	Unit	Description	Bill Rate per hour	Total # of Hrs for 1 Yr	Rate x # of Hrs = Est. Total
1	HR	Site Manager	\$ 26.60	2080	\$ 55,328.00
2	HR	Shift Supervisor(s) - (SRT)	\$ 26.60	8760	\$ 233,016.00
3	HR	Central Security Control/Desk Sgt.	\$ 26.60	8760	\$ 233,016.00
4	HR	Installation Entry Control (IEC)	\$ 26.60	8760	\$ 233,016.00
5	HR	Visitor Control(VC)/Secondary CSC & IEC	\$ 26.60	2080	\$ 55,328.00
2009 Total:					\$ 809,704.00

Item	Unit	Description	Bill Rate per hour	Total # of Hrs for 1 Yr	Rate x # of Hrs = Est. Total
1	HR	Site Manager	\$ 27.60	2080	\$ 57,408.00
2	HR	Shift Supervisor(s) - (SRT)	\$ 27.60	8760	\$ 241,776.00
3	HR	Central Security Control/Desk Sgt.	\$ 27.60	8760	\$ 241,776.00
4	HR	Installation Entry Control (IEC)	\$ 27.60	8760	\$ 241,776.00
5	HR	Visitor Control(VC)/Secondary CSC & IEC	\$ 27.60	2080	\$ 57,408.00
2010 Total:					\$ 840,144.00

Item	Unit	Description	Bill Rate per hour	Total # of Hrs for 1 Yr	Rate x # of Hrs = Est. Total
1	HR	Site Manager	\$ 28.60	1560	\$ 44,616.00
2	HR	Shift Supervisor(s) - (SRT)	\$ 28.60	6571	\$ 187,930.60
3	HR	Central Security Control/Desk Sgt.	\$ 28.60	6571	\$ 187,930.60
4	HR	Installation Entry Control (IEC)	\$ 28.60	6571	\$ 187,930.60
5	HR	Visitor Control(VC)/Secondary CSC & IEC	\$ 28.60	1560	\$ 44,616.00
2011 Total:					\$ 653,023.80

4.5 Years: \$3,643,827.60