

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET February 10, 2012
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B8200120
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Rydin Decal 700 Phoenix Lake Ave Streamwood, IL 60107 Email: Jligammari@rydindecal.com	TELEPHONE: Jennifer Legammari (800) 448-1991
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-7233 Don Mandernach
Contract Compliance Inspector: Darron Birchmeier Motor Vehicle Decal Printing – Department of Treasury	
CONTRACT PERIOD: From: April 16, 2008 To: April 15, 2013	
TERMS 5% - 45 Days	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective February 10, 2012 the Buyer has been changed to:

Donald Mandernach
(517) 241-7233
mandernachd@michigan.gov

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

AUTHORITY/REASON:

Per DTMB-Procurement's approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$67,564.04

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

June 7, 2010

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B8200120
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Rydin Decal 700 Phoenix Lake Ave Streamwood, IL 60107 Email: Jligammari@rydindecal.com	TELEPHONE: Jennifer Legammari (800) 448-1991
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1647 Irene Pena
Contract Compliance Inspector: Darron Birchmeier Motor Vehicle Decal Printing – Department of Treasury	
CONTRACT PERIOD: From: April 16, 2008 To: April 15, 2013	
TERMS 5% - 45 Days	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately the State of Michigan is utilizing the remaining two Contract Option years. The new Contract Expiration Date is now April 15, 2013. Funds in the amount of \$24,664.64 are hereby added to this Contract.

In addition effective June 1, 2010 there is a prompt payment discount of 5% on invoices paid within 45 days of receipt of invoice. Vendor has agreed to hold pricing through the term of the Contract.

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

AUTHORITY/REASON:

Per vendor email (Joan Fine) dated April 22, 2010, Administrative Board approval on June 1, 2010 and DTMB purchasing operations agreement.

INCREASE: \$24,664.64

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$67,564.04

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

November 12, 2009

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B8200120
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Rydin Decal 700 Phoenix Lake Ave Streamwood, IL 60107 Email: Jligammari@rydindecal.com	TELEPHONE: Jennifer Legammari (800) 448-1991
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1647 Irene Pena
Contract Compliance Inspector: Darron Birchmeier Motor Vehicle Decal Printing – Department of Treasury	
CONTRACT PERIOD: From: April 16, 2008 To: April 15, 2011	
TERMS 2% - 20 DAYS	SHIPMENT N/A
F.O.B. N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective immediately prompt payment discount is incorporated into this Contract.

2% discount for payments made within 20 days of receipt of invoice.

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

AUTHORITY/REASON:

DMB Purchasing Operations.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$42,900.00

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

May 14, 2008

NOTICE
OF
CONTRACT NO. 071B8200120
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Rydin Decal 700 Phoenix Lake Ave Streamwood, IL 60107 Email: Jligammari@rydindecal.com		TELEPHONE: Jennifer Legammari (800) 448-1991
		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-1647 Irene Pena
Contract Compliance Inspector: Darron Birchmeier Motor Vehicle Decal Printing – Department of Treasury		
CONTRACT PERIOD: From: April 16, 2008 To: April 15, 2011		
TERMS N/A	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

The terms and conditions of this Contract are those of ITB #07117200283, this Contract Agreement and the vendor's quote dated September 30, 2007. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

Total Estimated Contract Value: \$42,900.00

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

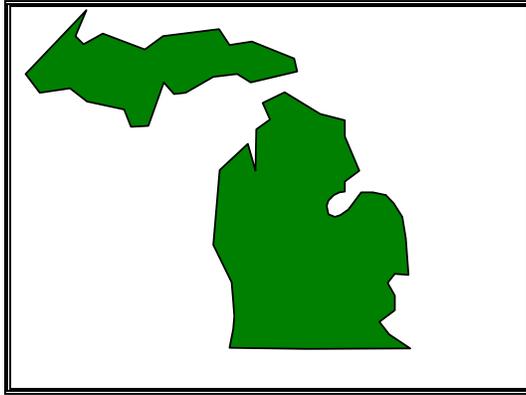
**CONTRACT NO. 071B8200120
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Rydin Decal 700 Phoenix Lake Ave Streamwood, IL 60107 Email: Jligammari@rydindecal.com	TELEPHONE: Jennifer Legammari (800) 448-1991 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1647 Irene Pena
Contract Compliance Inspector: Darron Birchmeier Motor Vehicle Decal Printing – Department of Treasury	
CONTRACT PERIOD: From: April 16, 2008 To: April 15, 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: The terms and conditions of this Contract are those of ITB #07117200283, this Contract Agreement and the vendor's quote dated September 30, 2007. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.	
Total Estimated Contract Value: \$42,900.00	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07117200283. Orders for delivery will be issued directly by the Department of Treasury through the issuance of a Purchase Order Form.

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

FOR THE CONTRACTOR: _____ <p style="text-align: center;">Rydin Decal 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>	FOR THE STATE: _____ <p style="text-align: center;">Signature Irene Pena, Buyer Specialist</p> _____ <p style="text-align: center;">Name/Title Commodities Division, Purchasing Operations</p> _____ <p style="text-align: center;">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. 071B8200120
Utilities Consultant

Buyer Name: Irene Pena. Buyer Specialist
Telephone Number: (517) 241-1647
E-Mail Address: penai@michigan.gov



Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 DEFINING DOCUMENT

This is a Contract. The State and vendor understand that negotiations may be required with respect to any aspect of the requirements, specifications, and scope of work.

1.002 PROJECT TITLE AND DESCRIPTION

The purpose of this Contract is to provide for the production of International Fuel Tax Agreement (IFTA) and Michigan Public Service Commission (MPSC) Decals. These decals are required by law (per the IFTA Agreement and the enabling legislation in the Motor Carrier Fuel Tax Act - PA 119 of 1980).

Item 1: The IFTA motor carrier decal is an adhesive permit to be mounted on the outside of both cab doors of trucks authorized to use roadways in all IFTA jurisdictions.

Item 2: The MPSC motor carrier decal is an adhesive permit to be mounted on the outside of the passenger cab door of trucks authorized to transport property for hire in Michigan.

1.003 PROJECT CONTROL

Project Control

- a. The Contractor will carry out this project under the direction and control of the [Department of Treasury \(Treasury\)](#).
- b. Although there will be continuous liaison with the Contractor team, the Contract Compliance Inspector will meet monthly as a minimum, with the Contractor’s project manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems that arise.
- c. The Contractor will submit brief written biweekly summaries of progress during the production period (sections 1.104-C.6 and 1.104-D.6) which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the client agency’s project director; and notification of any significant deviation from previously agreed-upon work plans. A copy of this report will be forwarded to the named buyer in Purchasing Operations.
- d. Within five (5) working days of the award of the Contract, the Contractor will submit to the [Contract Compliance Inspector](#) for final approval a work plan, which must include the following:

The Contractor’s project organizational structure.

- (1) The Contractor’s staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
- (2) The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.
- (3) The time-phased plan in the form of a graphic display, showing each event, task, and decision point.



1.004 COMMENCEMENT OF WORK

Contractor shall show acceptance of this agreement by signing a copy of this contract and returning it to the contract administrator. Contractor shall not proceed with performance of the work to be done under this agreement, including the purchase of necessary materials, until both parties have signed this agreement to show acceptance of its terms and Treasury has issued a purchase order release.

1.1 Product Quality

1.101 SPECIFICATIONS

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

A. GENERAL SPECIFICATIONS (Applies to both IFTA and MPSC Decals)

1. **RIGHT OF PLANT INSPECTION**
The State reserves the right to inspect the plant in which the work will be produced, to examine the equipment and facilities, and to determine the ability of the Contractor to perform the work in accordance with the requirements.
2. **CALENDAR DAYS**
All deliveries are specified in calendar days. This includes Saturdays and Sundays.
3. **OVERTIME**
Requests for overtime payment for any item on this contract will not be paid unless the Contract Compliance Inspector specifically requests and authorizes overtime in writing before production begins.
4. **LACK OF NEED FOR SERVICE**
At any time, Treasury may determine that it no longer needs an item. Treasury is not obligated to pay for any services which it does not authorize via a purchase order.
5. **CONTINGENCY**
Contractor must have at least two currently operational presses capable of producing this job. Contractor must guarantee that in the event of equipment failure, production will resume on the backup press within 24 hours.
6. **EQUIPMENT MAINTENANCE:**
The Contractor shall include proof of current maintenance contract or schedule of maintenance.
7. **EMERGENCY PLAN**
The bid response shall include an emergency disaster plan to continue providing service without interruption to Treasury. The plan must include the name of vendor to be used in case of an emergency, backup vendor location, and a letter of understanding from the backup vendor confirming its ability to provide assistance.
8. **PAST PERFORMANCE**
List prior experience printing IFTA and/or motor fuel tax decals (if applicable). List the state(s) in which the decals have been printed and the year(s) they were printed. Also include personal references for prior decal work completed.

**B. OVERALL DECAL SPECIFICATIONS**

No changes to adhesive and materials will be allowed during the contract period without prior approval of Contract Compliance Inspector. Proposed changes to adhesive and materials will require retesting at Contractor's expense and must follow the change order process (section 1.601).

1. STOCK

Quality of vinyl used must be approximately 3.5 mils in thickness, permanent adhesive of 1.0 - 1.1 mils in thickness and a carrier of 6.7 mils in thickness.

2. ADHESIVE

Permanent transfer adhesive must be used to ensure that, once the decal is affixed to a truck, any effort to remove the decal must deface it. Perforations or cuts on the face of the decal are not acceptable to ensure defacing. Adhesive must be adequate to hold the decal to the truck cab for a minimum of eighteen (18) months. Adhesive must begin to bond immediately upon application at 30 degrees F or above; and after 72 hours, must maintain adherence to truck through temperature range of -40 degrees F. to 150 degrees F. *The adhesive shall not exude from edges of the sheeting when processed into finished decals so as to cause stacked pieces to stick together during shearing, cutting, printing, handling, or packaged in shipment and distribution.*

3. LAMINATE/CLEAR COATING

Contractor must use a laminate overlay, or overprint with clear ink in place of the laminate overlay. All decals must be clear coated with a Coating Clear U10V or R101 or equivalent. A minimum dry thickness of .0004 inches (.4 mil) shall be obtained.

4. DURABILITY

Decal stock, inks and adhesive must be of sufficient quality to withstand all types of weather, repeated washings at high pressure, solvents, dirt and grease. The surface shall be sufficiently solvent resistant to permit cleaning with solvents such as VM & P naphtha, mineral spirits, turpentine or other solvents commonly used on vehicle finishes. Inks must be fade resistant so the decal will remain legible to enforcement personnel and fuel vendors for eighteen (18) months after placement on a truck. Decals must be flexible enough to allow application to the slightly curved surface of a truck cab.

Contractor must submit any special instructions for affixing the decals to the trucks. Application restrictions that place an undue burden on licensees are not acceptable.

5. INK QUALITY

Quality of ink must be Nazdar 3600 series or equivalent.

6. COMPOSITION

Contractor must do composition (layout, design, artwork) as directed by Contract Compliance Inspector. All dies, plates, negatives and other artwork will become the property of Treasury.

7. PROOF

Contractor must provide a proof showing all type and clearly identifying all areas of color. Production test decals may not be produced without Treasury's written acceptance of proofs.

**8. PRINTING/COLOR**

Ink to bleed off four sides. Colors are identified in sections 1.104-C.7 and 1.104-D.7. The color of the background will be as specified to match sunfast inks.

9. NUMBERING

The numbers will be specified when an order is placed. These numbers are used for auditing purposes and must meet the durability requirements (1.104-B.4).

10. CARRIER

Decals are to be attached to a carrier material that peels away to leave adhesive exposed on the back of the decal. Contract Compliance Inspect reserves the right to change the application instructions on the back of the carrier after the award is made. See Appendix B for both IFTA and MPSC decal instruction language.

11 SAMPLES & TESTING

After the contract is awarded, the Contractor must supply 50 numbered production test samples of each decal for testing (testing is scheduled to occur only in 1st year of contract). Samples are due 14 days after proof is approved by the Contract Compliance Inspector. The samples will be forwarded to an independent testing lab where they will be tested.

If the samples fail to pass the testing, the contract will be canceled and samples from the next highest rated bidders will be tested until adequate test samples are found. The State will have no financial obligation to the Contractor if test samples fail to pass testing.

The independent lab will test for the following features:

a. DEFACING

Attempts to remove decal must cause the sample decals to deface.

b. WEATHER PROCEDURE

Labels will be tested in accordance with ASTM (American Society for Testing and Materials) G-53 using a 313 bulb and moisture; 500 hours of exposure.

c. THICKNESS

The samples will be measured for thickness. They are to be 3.5 mil vinyl, or equivalent, which does not include backing material or laminate material.

d. LAMINATE

Testing facility must verify that the laminate overlay (or overprint of clear ink) is present and that the color does not scrape off easily.

e. HIGH PRESSURE WASHING

Test samples will be applied to painted metal cooled to -15 degrees centigrade for four hours and remain at that temperature for 24 hours. After waiting another 48 hours the test panel will be sprayed with a high pressure steam hose similar to those used in commercial truck washes. The decal must remain attached to the test panel over at least 90% of its bonded surface through at least 60 seconds of high pressure spray directed from angles of approach ranging from 45 to 90 degrees.

TREASURY OPTION: Treasury may elect to waive testing

f. SAMPLE DECALS

Sample decals are available from the Contractor Administrator upon request.

**C. IFTA DECALS****1. SIZE, CONSTRUCTION AND NUMBERING****a. SIZE**

6" wide x 3" high with square corners.

b. CONSTRUCTION

There must be a vertical score 3" from the left edge dividing this into two decals that are 3" wide x 3" high. The score should separate the vinyl and adhesive only and not the carrier. No slit is to be in the carrier.

c. NUMBERING

Number decals consecutively in black ink. Duplicate numbers will appear on each set of two decals. Contractor must guarantee that there will be no missing or duplicate numbers on sets of decals. Serial number on each decal shall be no less than 3/16" high.

2. COPY LAYOUT

Any special application instructions and restrictions the Contractor defines must be provided to the Contract Compliance Inspector.

Front of Decal:

National standards require that the letters I F T A are to be printed in a minimum height of 3/4" (1.88 centimeters) with the letter I located in the upper left hand corner, the letter A to be located in the lower right corner, with the letters F, and T evenly spaced between to form a diagonal design from the upper left to lower right corner. The letters I F T A are to be printed in Arial Black 72 font in the color white. The two letter jurisdiction designation shall be displayed in the lower left-hand corner, and the last two numbers of the appropriate year are to be displayed in the upper right-hand corner. The two letter jurisdiction designation and the last two numbers of the appropriate year are to be printed in Arial Black 36 font in the color white. The geographical outline of the jurisdiction shall be centered behind the letters I F T A and the outline shall be white. Consecutive numbering shall be located on the bottom of the decal between the two-letter jurisdiction designation and the letter A

A 1/8" white border is required on both decals. The white border shall be 1/8" from the outside edge of the decal.

See sample design in Appendix B, Item 1.

3. ESTIMATED QUANTITIES

100,000 decal sets are needed for each year of contract (300,000 over three-year contract).

Quantities ordered are exact. No over or under runs will be allowed. Quantities may be amended before production at the price submitted in Contractor's bid. Additional quantities may be ordered after production is complete. Include a separate price for additional quantities in increments of 1,000 up to 10,000 (Appendix A).

4. CARTON LABELING

Each carton is to be labeled as follows: "IFTA Commercial Motor Carrier Decal," along with the appropriate purchase order number and beginning and ending decal numbers each carton contains. Any special storage requirements must also be printed on the cartons and identified.



5. **DELIVERY**

Due to security concerns, decals cannot be in transit for more than 48 hours.
The full order must be delivered to the Motor Fuel Division, 7285 Parsons Drive, Dimondale, MI. Receipt of decals by the Motor Fuel Division must occur within 30 business days, but not before October 1st, after final approval to begin production is given by the Contract Compliance Inspector. The Contract Compliance Inspector must be notified of a delivery date prior to delivery.

6. **TENTATIVE PRODUCTION SCHEDULE**

- July 1 Copy and color selection to Contractor.
- July 8 Contractor delivers proofs to the Contract Compliance Inspector.
- July 15 Treasury reviews and approves proofs.
- July 29 Contractor submits 50 numbered production test samples to Contract Administrator for Treasury review and approval (samples are due 10 business days after proof approval).
- July 29 – Aug. 29 Testing Period (Treasury may elect to waive testing).
- Sept. 3 Contract Compliance Inspector authorizes Contractor to begin IFTA decal production.
- Oct. 3 Decal delivery to Treasury

If Treasury approval or testing delays Treasury's ability to authorize test samples or production the Contractor is not relieved of the obligation to provide service in the number of days originally estimated (see section 2.703)

7. **IFTA DECAL COLOR ROTATION:**

- 2009 – Red – Pantone #485C
- 2010 – Blue – Pantone #299C
- 2011 – Green – Pantone #354C

D. MPSC DECALS

1. **SIZE, CONSTRUCTION AND NUMBERING**

a. **SIZE**

8" wide x 2" high decal with square corners.

b. **CONSTRUCTION**

There must be a vertical score 4" from the left edge dividing the decals into two decals that are 4" wide x 2" high. The score should separate the vinyl and adhesive only and not the carrier. No slit is to be in the carrier.

c. **NUMBERING**

Number decals consecutively in black ink. Duplicate numbers will appear on each set of two decals. Contractor must guarantee that there will be no missing or duplicate numbers on sets of decals.

2. **COPY LAYOUT**

See sample design in Appendix B, Item 2.

3. **ESTIMATED QUANTITIES**

20,000 decals are needed for each year of contract. Total of 60,000 over three-year contract.



Quantities ordered are exact. No over or under runs will be allowed. Quantities may be amended before production at the price submitted in Contractor’s bid. Additional quantities may be ordered after production is complete. Include a separate price for additional quantities in increments of 1,000 up to 10,000 (Appendix A).

4. **CARTON LABELING**

Each carton is to be labeled as follows: “MPSC Motor Carrier Decal,” along with the appropriate purchase order number and beginning and ending decal numbers each carton contains. Any special storage requirements must also be printed on the cartons and identified with the bid.

5. **DELIVERY**

Due to security concerns, decals cannot be in transit for more than 48 hours. The full order must be received by the Motor Carrier Regulation, Public Service Commission, Michigan Department of Labor and Economic Growth, 6545 Mercantile Way, Lansing, MI 48909, within 30 business days after final approval to begin production is given by the Compliance Inspector. The Contract Compliance Inspector must be notified of a delivery date prior to delivery.

6. **TENTATIVE PRODUCTION SCHEDULE**

- July 1 Copy and color selection to Contractor.
- July 8 Contractor delivers proofs and color swatch choices to Contract Compliance Inspector.
- July 15 MPSC reviews and approves proofs and advises Contract Compliance Inspector of color selection. Contract Administrator forwards information to Contractor.
- July 29 Contractor submits 50 numbered MPSC production test samples to Contract Administrator for MPSC review and approval (samples are due 10 business days after proof approval).
- July 29 – Aug. 29 Testing Period (Treasury may elect to waive testing).
- Sept. 1 Contract Administrator authorizes Contractor to begin production.
- Oct. 1 MPSC decal delivery to Treasury.

If MPSC approval or testing delays Treasury’s ability to authorize test samples or production the Contractor is not relieved of the obligation to provide service in the number of days originally estimated (see section 2.703)

7. **MPSC DECAL COLOR ROTATION:**

- 2009 – Blue – Pantone #299C – text in white ink
- 2010 – Red – Pantone #485C - text in white ink
- 2011 – White – text in black ink

1.102 RESEARCH AND DEVELOPMENT - RESERVED

1.103 QUALITY ASSURANCE PROGRAM

Any damaged or mutilated decals due to Contractor error MUST be corrected and reproduced at Contractor’s expense.



1.104 WARRANTY FOR PRODUCTS OR SERVICES - RESERVED

1.2 Service Capabilities

1.201 CUSTOMER SERVICE/ORDERING

Contractor shall provide a project manager to act as a central point of contact for all contractual activities.

Printing shall be authorized upon receipt of a purchase order and written authorization from the Contract Compliance Inspector (see sections 1.104-C.6 and 1.104-D.6).

Project manager must respond to numerous phone calls and email requests within one business day.

1.202 TRAINING - RESERVED

1.203 REPORTING - RESERVED

1.204 SPECIAL PROGRAMS - RESERVED

1.205 SECURITY

All work in process and finished decals awaiting shipment must be stored in a locked, secured area. All artwork (keylines, negatives, plates, etc.) must be kept in a separate, locked area when not being used to produce this job.

All waste and spoilage created during production of this job must be shredded or otherwise made unusable before disposal.

Entrances to the production and storage facilities shall be guarded against unauthorized entry by security guards and/or electronic surveillance (alarm or camera or electronic entry password or card) systems.

All production and storage must be done on Contractor's premises. Because of security considerations, subcontracting will not be allowed.

The State reserves the right to inspect the Contractor's plant without notice to ensure that security is maintained.

1.3 Delivery Capabilities

1.301 TIME FRAMES

Receipt by Treasury of both IFTA and MPSC decals is required within 30 days of authorization to begin production (see sections 1.104-C.6 and 1.104-D.6).

1.302 MINIMUM ORDER - RESERVED

1.303 PACKAGING

Sets of two decals (with identical consecutive numbers) are to be separated from adjoining decal sets and stacked individually, front-to-back, for packing.



Decals are to be grouped in lots of 500. The lowest consecutive numbered decal must be at the front of each lot. Contractor must take precautions to prevent the decals from sticking together.

Each 500 decal lot is to be packaged in a separate box. Place a cardboard separator between every 100 decals in each box of 500 (do not use rubber bands). Decals may be shrink-wrapped in groups of 100 as an alternative packing method to using boxes. Each box must be sealed with security tape imprinted with the name of the Contractor. Beginning and ending decal numbers are to be indicated on each box. Boxes must be sturdy enough to hold up under shipping. Internal dimensions of box must be approximately 1/4" greater than the width and 1/2" greater than the length of decal lot packaged.

Boxes of decals must be packed as follows:
 Pack 3,000 decals in each carton (6 boxes).
 Cartons must be 9 3/4" W x 7 1/2" H x 13-3/4" D

Cartons are to be taped securely shut and must be able to withstand considerable handling. See sections 1.104-C.4 and 1.104-D.4 for carton labeling requirements.

1.304 PALLETIZING

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

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

1.305 DELIVERY TERM

Prices shall be quoted "F.O.B. Delivered" with transportation charges prepaid on all orders to the State. Other F.O.B. terms will not be accepted and shall disqualify a bidder from further consideration. This supersedes Instruction #8 on the reverse side of the Invitation To Bid cover page. Delivery locations are specified in sections 1.104-C.5 and 1.104-D.5.

1.306 RESERVED FOR ACCEPTANCE OF DELIVERABLES/PARE EXPLANATION

1.4 Project Price

1.401 PROPOSAL PRICING

ALL decal production costs shall be included in the price quoted.

These costs shall include, **but are not limited to:**

- shipping (terms F.O.B. delivered)
- all material costs
- all production costs
- all administrative costs
- all overhead - direct and indirect
- all labor costs
- all maintenance costs
- all dies, plates, negatives, etc. (these will become the property of Treasury)



1.402 QUICK PAYMENT TERMS

The State of Michigan is interested in payment terms that reflect cost savings to the State based on an accelerated payment process.

1.403 PRICE TERM

Prices quoted are firm for the entire length of the Contract.

1.5 Quantity term - Reserved

1.6 Other Terms and Conditions Needed for this Contract

1.601 CONTRACT CHANGE PROCESS

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



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

This Contract is for **decal printing** for the State of Michigan. Exact quantities to be purchased are unknown, however the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by Treasury via a Purchase Order Release.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Purchasing Operations, State of Michigan, Department of Management and Budget, hereinafter known as Purchasing Operations, for the **Department of Treasury**, hereinafter known as **Treasury**. Where actions are a combination of those of Purchasing Operations and the State agencies, the authority will be known as the State.

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

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

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

Department of Management and Budget
Purchasing Operations
Attn: Irene Pena, CPPB
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 241-1647
Penai1@michigan.gov

2.003 NOTICE

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

2.004 CONTRACT TERM

The term of this Contract will be for three (3) years and will commence with the issuance of a Contract. This will be approximately **June 30, 2008** through **June 30, 2011**.

Option. The State reserves the right to exercise two (2) one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the Contractor’s ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing Operations to exercise an option year.



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

Written notice will be provided to the Contractor within 30 days, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension. If the Government exercises this option, the extended contract shall be considered to include this option clause.

2.005 GOVERNING LAW

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

2.006 APPLICABLE STATUTES

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

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

2.007 RELATIONSHIP OF THE PARTIES

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



2.008 HEADINGS

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

2.009 MERGER

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

2.010 SEVERABILITY

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

2.011 SURVIVORSHIP

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

2.012 NO WAIVER OF DEFAULT

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

2.013 PURCHASE ORDERS

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

2.1 Vendor/Contractor Obligations

2.101 ACCOUNTING RECORDS

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

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

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



The Contractor shall:

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

2.103 SOFTWARE COMPLIANCE

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

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

2.104 RESERVED

2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE) - RESERVED

2.106 PREVAILING WAGE

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

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



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

2.107 PAYROLL AND BASIC RECORDS

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

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

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

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

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

2.108 COMPETITION IN SUB-CONTRACTING

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

2.109 CALL CENTER DISCLOSURE

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

2.2 Contract Performance

2.201 TIME IS OF THE ESSENCE

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

2.202 CONTRACT PAYMENT SCHEDULE

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon the result of this Contract. Payment will be made on a Net 45 day plan. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.



2.203 POSSIBLE PROGRESS PAYMENTS

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

2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS (Actual performance rendered) - RESERVED

2.205 ELECTRONIC PAYMENT AVAILABILITY

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

2.206 PERFORMANCE OF WORK BY CONTRACTOR - RESERVED

2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

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

2.302 CONTRACTOR RESPONSIBILITIES

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

2.303 ASSIGNMENT AND DELEGATION

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

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

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



2.304 TAXES

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

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

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

2.305 INDEMNIFICATION

General Indemnification

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

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

Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of



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

Code Indemnification

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

Indemnification Obligation Not Limited

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

Continuation of Indemnification Obligation

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

Indemnification Procedures

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

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State



about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

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

2.306 LIMITATION OF LIABILITY

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

2.307 CONTRACT DISTRIBUTION

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.

2.308 FORM, FUNCTION, AND UTILITY

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

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

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



2.310 PURCHASING FROM OTHER STATE AGENCIES

State agencies are exempt from utilizing the resulting Contract if they would instead prefer to purchase similar items from the following State agencies:

- Michigan State Industries (MSI), which provides valuable training opportunities for inmates at State correctional facilities.
- Department of Management and Budget, Print and Graphics Services

2.311 TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to **60 days** after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance.

2.312 RESERVED

2.313 RESERVED

2.314 WEBSITE INCORPORATION

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

2.4 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Purchasing Operations of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Purchasing Operations. The Contract Compliance Inspector for this project is:

Darron Birchmeier
Department of Treasury
Forms and Document Services
430 W. Allegan St. Lansing, MI 48922

2.402 PERFORMANCE REVIEWS

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



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

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

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

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS

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

2.502 QUALITY ASSURANCE

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

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

2.503 INSPECTION

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

2.504 GENERAL WARRANTIES (goods)

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

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



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

2.505 CONTRACTOR WARRANTIES

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

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.
9. The contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. The Contractor is the lawful owner or licensee of any Deliverable licensed or sold to the state by Contractor or developed by Contractor under this contract, and Contractor has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.
11. If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
12. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.
13. The Contractor is qualified and registered to transact business in all locations where required.



- 14. Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor’s performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
- 15. All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

2.506 STAFF

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

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

2.507 RESERVED

2.508 EQUIPMENT WARRANTY - RESERVED

2.509 RESERVED

2.6 Breach of Contract

2.601 BREACH DEFINED

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

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

2.602 NOTICE AND THE RIGHT TO CURE

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



2.603 EXCUSABLE FAILURE

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

2.7 Remedies

2.701 CANCELLATION

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

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



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

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

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

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



2.702 RIGHTS UPON CANCELLATION

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

2.703 LIQUIDATED DAMAGES

- A. The State and the Contractor hereby agree to the specific standards set forth in this Contract. It is agreed between the Contractor and the State that the actual damages to the State as a result of Contractor's failure to provide promised services would be difficult or impossible to determine with accuracy. The State and the Contractor therefore agree that liquidated damages as set out herein shall be a reasonable approximation of the damages that shall be suffered by the State as a result thereof. Accordingly, in the event of such damages, at the written direction of the State, the Contractor shall pay the State the indicated amount as liquidated damages, and not as a penalty. Amounts due the State as liquidated damages, if not paid by the Contractor within fifteen (15) days of notification of assessment, may be deducted by the State from any money payable to the Contractor pursuant to this Contract. The State will notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date the State deducts such sums from money payable to the Contractor. No delay by the State in assessing or collecting liquidated damages shall be construed as a waiver of such rights.
- B. The Contractor shall not be liable for liquidated damages when, in the opinion of the State, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God, fires, floods, epidemics, and labor unrest; but in every case the delays must be beyond the control and without the fault or negligence of the Contractor.
- C. Liquidated damages will be assessed as follows:
1. Contractor shall be charged \$1,000 per day for each day late that decals have not been received by Treasury per schedule in sections 1.104-C.6 and 1.104-D.6.

2.704 STOP WORK

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



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

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

2.705 SUSPENSION OF WORK

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

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

A claim under this clause shall not be allowed:

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

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

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



2.802 TIME EXTENTIONS

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

2.803 MODIFICATION

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

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

2.804 AUDIT AND RECORDS UPON MODIFICATION

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

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

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

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

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

2.805 CHANGES

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

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



- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
 - (1) The date, circumstances, and source of the order; and
 - (2) That the Contractor regards the order as a change order.

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



PRICING SHEET

Item	Unit	Description	Annual Quantity	Unit Cost	Total Cost
1	TH	Printing of Michigan IFTA Commercial Motor Carrier Decal	80,000	0.143	\$11,440.00
2	TH	Printing of MPSC Motor Carrier Decal	20,000	0.143	\$2,860.00

Indicate below the pricing for the printing of additional thousands of decals if needed.

Additional Quantity	Cost/M
1,000 – 2,000	0.31
2,000 – 5,000	0.22
5,000 – 7,000	0.17
7,000 – 10,000	0.143

- Proofs available 7 – 10 business days ARO
- Order will deliver 6 -8 weeks after final approval of proofs