

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

CHANGE NOTICE NO. 13
 to
CONTRACT NO. 071B9200003
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505	Mary Anne O'Toole	Maryanne@classicoptical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(888) 522-2020 ext 311	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Marilyn Russo	(517) 335-5263	russom@michigan.gov
BUYER	DTMB	Mary Ostrowski	(517) 284-7021	cieciwas@michigan.gov

<u>CONTRACT SUMMARY:</u>			
DESCRIPTION: Fabrication of Eyeglasses & Related Services – Department of Community Health			
<u>INITIAL EFFECTIVE DATE</u>	<u>INITIAL EXPIRATION DATE</u>	<u>INITIAL AVAILABLE OPTIONS</u>	<u>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</u>
October 1, 2008	September 30, 2011	Two One-Year Options	December 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	N/A	N/A
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

<u>DESCRIPTION OF CHANGE NOTICE:</u>				
<u>EXTEND CONTRACT EXPIRATION DATE</u>	<u>EXERCISE CONTRACT OPTION YEAR(S)</u>	<u>EXTENSION BEYOND CONTRACT OPTION YEARS</u>	<u>LENGTH OF OPTION/EXTENSION</u>	<u>EXPIRATION DATE AFTER CHANGE</u>
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		December 31, 2014
<u>VALUE/COST OF CHANGE NOTICE:</u>		<u>ESTIMATED REVISED AGGREGATE CONTRACT VALUE:</u>		
\$0.00		\$5,857,937.62		

Effective December 23, 2014, the following updated version of Appendix A1-List of Frames is hereby incorporated into the Contract. Specifically, Frame #34 L-Cable is discontinued and replaced by Frame #34 Lollipop.

Please note the DTMB Buyer has been updated to Mary Ostrowski.

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

Per vendor and agency agreement, and DTMB Procurement approval.

Appendix A1

Procedure Code: V2020

Description	Price
<u>Women's</u>	
1. Candia (Limited Edition)	6.72
2. Dazzle (Modern)	8.25
3. Electra (Zimco)	9.42
4. Monica (Modern)	7.95
5. B4154 (unisex) (Hart)*	8.95
6. Aries (unisex) (Modern)*	8.25
7. Finale (Modern)	8.25
8. Certain (Modern)	8.25
9. Beth (Modern)	8.95
10. Eileen (Modern)	8.95
11. Lisa (Modern)	8.95
12. Lilac (Modern)	8.95
13. US 56 (Capri)	8.25
<u>Men's</u>	
14. Tony (Limited Edition)	8.95
15. 314 (Limited Edition)	7.42
16. Dillon (Modern)	8.95
17. Doug (Modern)	8.25
18. Hunter (Modern)	8.25
19. Yank (Criss)	8.47
20. Tomorrow (unisex) (Modern)*	7.95
21. Exclusive 120 (COI)	8.95
21. Ivy (Capri)	8.95
22. Jazz (Modern)	8.95
23. PT 48 (Capri)	8.25
24. UM 70 (Capri)	8.25
25. James (Modern)	8.95
26. Slick (Modern)	8.95
<u>Children's</u>	
27. Downtown (unisex) (Limited Edition)	7.42
28. Dynamite (Modern)*	7.95
29. Manhattan (Limited Edition)	6.25
30. Mainstreet 415 (Hart)	8.97
31. Cheerful (Modern)	8.25
32. Pumpkin (Modern)	8.46
33. 304 (Limited Edition)	7.42
34. Lollipop (cable only)(Modern)	13.95
35. Ninja (Modern)	8.25
36. Wiggle (Modern)	8.25
<u>Safety</u>	
37. 071 (Onguard)	18.67

38. 093 (Onguard)
Appropriate Sizes for Age*

19.00

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

May 19, 2014

CHANGE NOTICE NO. 12
 to
CONTRACT NO. 071B9200003
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505	Mary Anne O'Toole	Maryanne@classicoptical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(888) 522-2020 ext 311	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Marilyn Russo	(517) 335-5263	russom@michigan.gov
BUYER	DTMB	Sue Cieciva	(517) 284-7007	ciecivas@michigan.gov

<u>CONTRACT SUMMARY:</u>			
DESCRIPTION: Fabrication of Eyeglasses & Related Services – Department of Community Health			
<u>INITIAL EFFECTIVE DATE</u>	<u>INITIAL EXPIRATION DATE</u>	<u>INITIAL AVAILABLE OPTIONS</u>	<u>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</u>
October 1, 2008	September 30, 2011	Two One-Year Options	December 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	N/A	N/A
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
<u>EXTEND CONTRACT EXPIRATION DATE</u>	<u>EXERCISE CONTRACT OPTION YEAR(S)</u>	<u>EXTENSION BEYOND CONTRACT OPTION YEARS</u>	<u>LENGTH OF OPTION/EXTENSION</u>	<u>EXPIRATION DATE AFTER CHANGE</u>
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
<u>VALUE/COST OF CHANGE NOTICE:</u>		<u>ESTIMATED REVISED AGGREGATE CONTRACT VALUE:</u>		
\$41,465.82		\$5,857,937.62		
Effective May 19, 2014, this Contract is hereby INCREASED by \$41,465.82.				
All other terms, conditions, specifications, and pricing remain unchanged.				
Per agency request dated May 5, 2014 and DTMB, Procurement approval.				

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

December 17, 2013

CHANGE NOTICE NO. 11
 to
CONTRACT NO. 071B9200003
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Classic Optical Laboratories, Inc. 3710 Belmont Ave Youngstown, OH 44505	Mary Ann O'Toole	Maryanne@classicoptical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(888) 522-2020 ext 311	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Marilyn Russo	517-335-5263	russom@michigan.gov
BUYER	DTMB	Sue Cieciva	517-373-0301	ciecivas@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Fabrication of Eyeglasses & Related Services – Department of Community Health			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2008	September 30, 2011	2, one year	March 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	9 months	December 31, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$1,382,194.00		\$5,816,471.80		

Effective December 17, 2013, this contract is extended nine months. The new contract end date is December 31, 2014. In addition, this contract is increased by \$1,382,194.00. The new contract value is \$5,816,471.80.

All other terms, conditions, pricing and specifications remain the same. Per agency request, vendor agreement (email dated 11/8/2013), State Administrative Board approval dated 12/17/2013 and DTMB Procurement approval.

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

September 13, 2013

CHANGE NOTICE NO. 10
 to
CONTRACT NO. 071B9200003
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Classic Optical Laboratories, Inc. 3710 Belmont Ave Youngstown, OH 44505	Mary Ann O'Toole	Maryanne@classicoptical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(888) 522-2020 ext 311	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DCH	Marilyn Russo	517-335-5263	russom@michigan.gov
BUYER	DTMB	Sue Cieciva	517-373-0301	ciecivas@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Fabrication of Eyeglasses & Related Services – Department of Community Health			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2008	September 30, 2011	2, one year	September 30, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	6 months	March 31, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$325,000.00		\$4,434,277.80		

Effective October 1, 2013, this contract is extended six months. The new contract end date is March 31, 2014. In addition, this contract is increased by \$325,000.00. The new contract value is \$4,434,277.80. The vendor contact is changed to:
 Mary Ann O'Toole
 Phone: 888-522-2020 ext 311
 Fax: 888-522-2022
 Email: Maryanne@classicoptical.com
 All other terms, conditions, pricing and specifications remain the same. Per agency request, vendor agreement (email dated 7/30/2013), State Administrative Board approval dated 9/13/2013 and DTMB Procurement approval.

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48913

CHANGE NOTICE NO. 9
To
CONTRACT NO. 071B9200003
Between
THE STATE OF MICHIGAN
And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505	Mary Womble	mwomble@classicoptical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(888) 522-2020 ext. 306	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DCH	Marilyn Russo	(517) 335-5263	russom@michigan.gov
BUYER:	DTMB	Sue Cieciva	(517) 373-0301	ciecivas@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: Fabrication of Eyeglasses & Related Services – Department of Community Health			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
October 1, 2008	September 30, 2011	Two One-Year Options	September 30, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:	
OPTION EXERCISED: <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES	IF YES, NEW EXPIRATION DATE:
Effective March 5, 2013, this Contract is hereby INCREASED by \$950,342.00.	
Appendix A1 is revised per attached.	
All other terms, conditions, specifications and pricing remain unchanged.	
Per agency request dated January 23, 2013, DTMB, Procurement request dated January 29, 2013, vendor agreement by email dated January 29, 2013, and State Administrative Board approval on March 5, 2013.	
VALUE/COST OF CHANGE NOTICE:	\$950,342.00
ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	\$4,109,277.80

Appendix A1

Procedure Code: V2020

Description	Price
Women's	
1. Candia (Limited Edition)	6.72
2. Dazzle (Modern)	8.25
3. Electra (Zimco)	9.42
4. Monica (Modern)	7.95
5. B4154 (unisex) (Hart)*	8.95
6. Aries (unisex) (Modern)*	8.25
7. Finale (Modern)	8.25
8. Certain (Modern)	8.25
9. Beth (Modern)	8.95
10. Eileen (Modern)	8.95
11. Lisa (Modern)	8.95
12. Lilac (Modern)	8.95
13. US 56 (Capri)	8.25
Men's	
14. Tony (Limited Edition)	8.95
15. 314 (Limited Edition)	7.42
16. Dillon (Modern)	8.95
17. Doug (Modern)	8.25
18. Hunter (Modern)	8.25
19. Yank (Criss)	8.47
20. Tomorrow (unisex) (Modern)*	7.95
21. Exclusive 120 (COI)	8.95
22. Ivy (Capri)	8.95
23. Jazz (Modern)	8.95
24. PT 48 (Capri)	8.25
25. UM 70 (Capri)	8.25
26. James (Modern)	8.95
27. Slick (Modern)	8.95
Children's	
28. Downtown (unisex) (Limited Edition)	7.42
29. Dynamite (Modern)*	7.95
30. Manhattan (Limited Edition)	6.25
31. Mainstreet 415 (Hart)	8.97
32. Cheerful (Modern)	8.25
33. Pumpkin (Modern)	8.46
34. 304 (Limited Edition)	7.42
35. L-Cable (infants) (Europa)	13.95
36. Ninja (Modern)	8.25
37. Wiggle (Modern)	8.25
Safety	
38. 071 (Onguard)	18.67
39. 069 (Onguard)	19.00
40. 093 (Onguard)	19.00
41. 043 (Onguard)	10.97
Appropriate Sizes for Age*	

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

April 17, 2012

CHANGE NOTICE NO. 8
 To
CONTRACT NO. 071B9200003
 Between
THE STATE OF MICHIGAN
 And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505	Mary Womble	mwomble@classicoptical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(888) 522-2020 ext. 306	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DCH	Marilyn Russo	(517) 335-5263	russom@michigan.gov
BUYER:	DTMB	Sue Cieciva	(517) 373-0301	ciecivas@michigan.gov

INITIAL CONTRACT SUMMARY:			
DESCRIPTION: Fabrication of Eyeglasses & Related Services – Department of Community Health			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	October 1, 2008	September 30, 2011	Two One-Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:	
OPTION EXERCISED: <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES	IF YES, NEW EXPIRATION DATE: September 30, 2013
Effective immediately, the last option year on this Contract is exercised, therefore the Contract expiration date is hereby CHANGED to September 30, 2013. In addition, this Contract is hereby INCREASED by \$650,000.00. Revised Appendix A1 is attached.	
The vendor contact is hereby changed to Mary Womble, phone: (888) 522-2020 ext. 306, email: mwomble@classicoptical.com .	
All other terms, conditions, specifications and pricing remain unchanged.	
Per agency request dated March 9, 2012, DTMB, Procurement request dated March 22, 2012, vendor agreement by email dated March 23, 2012, and State Administrative Board approval on April 17, 2012.	
VALUE/COST OF CHANGE NOTICE:	\$650,000.00

Appendix A1

Procedure Code: V2020

Description	Price
<u>Women's</u>	
1. Candia (Limited Edition)	6.72
2. Dazzle (Modern)	8.25
3. Electra (Zimco)	9.42
4. Monica (Modern)	7.95
5. B4154 (unisex) (Hart)*	8.95
6. Aries (unisex) (Modern)*	8.25
7. Finale (Modern)	8.25
8. Certain (Modern)	8.25
9. Beth (Modern)	8.95
10. Eileen (Modern)	8.95
11. Lisa (Modern)	8.95
<u>Men's</u>	
12. Tony (Limited Edition)	8.95
13. 314 (Limited Edition)	7.42
14. Dillon (Modern)	8.95
15. Doug (Modern)	8.25
16. Hunter (Modern)	8.25
17. Yank (Criss)	8.47
18. Tomorrow (unisex) (Modern)*	7.95
19. Exclusive 120 (COI)	8.95
20. Ivy (Capri)	8.95
21. Jazz (Modern)	8.95
22. PT 48 (Capri)	8.25
23. UM 70 (Capri)	8.25
<u>Children's</u>	
24. Downtown (unisex) (Limited Edition)	7.42
25. Dynamite (Modern)*	7.95
26. Manhattan (Limited Edition)	6.25
27. Mainstreet 415 (Hart)	8.97
28. Cheerful (Modern)	8.25
29. Pumpkin (Modern)	8.46
30. 304 (Limited Edition)	7.42
31. L-Cable (infants) (Europa)	13.95
32. Ninja (Modern)	8.25
33. Wiggle (Modern)	8.25
<u>Safety</u>	
34. 071 (Onguard)	18.67
35. 069 (Onguard)	19.00
36. 093 (Onguard)	19.00
37. 043 (Onguard)	10.97
Appropriate Sizes for Age*	

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET February 16, 2012
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B920003
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505 Email: bobe@classicoptical.com		TELEPHONE: Bob Elsas (888) 522-2020 / (330) 759-8245
		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-0301 Sue Cieciva
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)		
CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2012		
TERMS <p style="text-align: center;">Net 45 Days</p>	SHIPMENT <p style="text-align: center;">N/A</p>	
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE (S):

Effective February 15, 2012, the Buyer has been changed to:

Sue Cieciva
Phone: (517) 373-0301
ciecivas@michigan.gov

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

AUTHORITY/REASON:

Per DTMB Procurement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$2,508,935.80

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 30, 2011

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B920003
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE: Bob Elsas (888) 522-2020 / (330) 759-8245
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505 Email: bobe@classicoptical.com		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-7396 Kristen Robel
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov		
Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)		
CONTRACT PERIOD: From: October 1, 2008		To: September 30, 2012
TERMS	Net 45 Days	SHIPMENT N/A
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE (S):

Effective June 30, 2011, the first one-year option available on this Contract is exercised and the value is INCREASED by \$650,000.00. The new Contract end date is September 30, 2012.

In addition, the following additional vendor reporting requirements are added to this Contract:

Section 1.003, Project Control, Reports is amended to read as follows:

Reports

- A. Classic Optical Laboratories, Inc. shall develop methodologies and data systems for data transfer and reporting to the State. The State Reserves the right to change reporting structure or add to reporting structure when information is required due to administrative changes or negative findings from an onsite review. The State reserves the right to modify or add reports as needed upon thirty (30) days' notice to the Contractor.
 - i. The Contractor shall transmit to the Program Manager a daily report showing all orders of glass, plastic, polycarbonate, and high power prescriptions that surpasses the allotted delivery times specified. This report shall contain the Beneficiary name, Medicaid Identification Number, date received, number of days over required time, and the reason for delay. This report shall include a specific agreed upon identifier showing all orders for glass, plastic, polycarbonate, and high power prescriptions that exceeds the required times and the Contractor is seeking consideration for a time extension.

- ii. **A Monthly Production Report.** This report shall provide a general summary of the total number of orders received during the reporting period. This report shall include all of the following:
 - a. **The Contractor shall furnish the Program Manager, by the tenth day of the month, a report that identifies the utilization of services for the preceding month. This report shall include at a minimum the following data:**
 - a. **The number of all frames shipped by frame name.**
 - b. **The number of lenses shipped by single vision, bifocal, trifocal, high power, plastic, glass, etc. by procedure code and modifier if applicable.**
 - c. **Number of orders processed reported by initial, diopter changes and replacement for the categories of glass, plastic, polycarbonate, and high power lenses**
 - d. **The number of orders held due to the lack of inventory.**
 - e. **The number of Beneficiary and Provider complaints, this should include name of Provider or Beneficiary's and the Medicaid Identification number and the nature of the complaint, resolution and dates received and resolved.**
 - f. **The fabrication time for the number of completed orders.**
 - g. **A Monthly summary of External remakes. This report shall state the number of external remakes by type (e.g. lens chipped, off axis, etc). This report shall include the total number of orders fabricated for the reporting period and the total number of external remakes. A percentage of monthly external remakes shall be calculated from these totals.**

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

AUTHORITY/REASON:

Per agency request, vendor agreement dated June 3, 2011, State Ad Board approval dated June 30, 2011, and approval from DTMB/Purchasing Operations.

INCREASE: \$650,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,508,935.80

071B9200003
Change Notice No. 6
Signature Block

FOR THE CONTRACTOR:

Classic Optical Laboratories, Inc.

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Natalie Spaniolo, Acting Director

Name/Title

Purchasing Operations

Division

Date

**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 6, 2011

**CHANGE NOTICE NO. 5
 TO
 CONTRACT NO. 071B9200003
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE: Bob Sherman (888) 522-2020 / (330) 759-8245
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505 Email: belsas@classicoptical.com		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 373-7396 Kristen Robel
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov		
Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)		
CONTRACT PERIOD: From: October 1, 2008		To: September 30, 2011
TERMS	Net 45 Days	SHIPMENT N/A
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE (S):

Due to a decrease in coverage, the Contract value should have been decreased on Change Notice No. 3 by \$1,900,685.00. All other terms, conditions, specifications and pricing remain unchanged.

AUTHORITY/REASON:

Per the original PRF request #09-127 from Shirley Martin on 5/28/2009, email from Laura Kwiecien on 5/5/2011 and DTMB/Purchasing Operations approval.

DECREASE: \$1,900,685.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,858,935.80

**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 4, 2009

**CHANGE NOTICE NO. 4
 OF
 CONTRACT NO. 071B9200003
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE: Bob Sherman (888) 522-2020 / (330) 759-8245
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505 Email: Bob@classicoptical.com		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov		
Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)		
CONTRACT PERIOD: From: October 1, 2008		To: September 30, 2011
TERMS	Net 45 Days	SHIPMENT N/A
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE (S):

Effective immediately, this change reflects the changes in products and pricing due to beneficiary needs and manufacturer discontinuation of certain items. All change are reflected in the attached Appendix A1. All other terms and conditions remain the same.

AUTHORITY/REASON:

Per vendor and agency agreement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$3,759,620.80

Appendix A1

Procedure Code: V2020

Description	Price
<u>Women's</u>	
1. Marie (Zimco)	9.42
2. Candia (Limited Edition)	6.72
3. Elay (Limited Edition)	10.50
4. Dazzle (Modern)	8.25
5. Ontario (Zimco)	8.95
6. Regina (Limited Edition)	9.42
7. Electra (Zimco)	9.42
8. Monica (Modern)	7.95
9. Bess (Limited Edition)*	9.42
10. Dynamite (Modern)*	7.95
11. B4154 (unisex) (Hart)*	8.95
12. Downtown (unisex) (Zimco)	7.42
13. Tomorrow (unisex) (Modern)*	7.95
14. Aries (unisex) (Modern)*	8.25
<u>Men's</u>	
15. Tony (Limited Edition)	8.95
16. 314 (Limited Edition)	7.42
17. Dillon (Modern)	8.95
18. Doug (Modern)	8.25
19. Hunter (Modern)	8.25
20. Yank (Criss)	8.47
21. 314 (Limited Edition)	7.42
22. Downtown (unisex) (Zimco)	7.42
23. Tomorrow (unisex) (Modern)*	7.95
24. LG 8023 (Hart)*	8.42
25. Mainstreet 302S (Hart)	5.75
26. B4154 (Hart)*	8.95
27. Aries (unisex) (Modern)*	8.25
<u>Children's</u>	
28. Magic (Limited Edition)	9.42
29. Downtown (unisex) (Limited Edition)	7.42
30. Dynamite (Modern)*	7.95
31. Manhattan (Limited Edition)	6.25
32. LG 8023 (Hart)*	8.42
33. Mainstreet 302S (Hart)	5.75
34. Mainstreet 415 (Hart)	8.97
35. Kidco 15 (Zimco)	9.95
36. Cheerful (Modern)	8.25
37. Pumpkin (Modern)	8.46
38. 304 (Limited Edition)	7.42
39. L-Cable (infants) (Europa)	13.95
40. Kidco 14 (Zimco)	9.95
<u>Safety</u>	
41. 071 (Onguard)	18.67
42. 069 (Onguard)	19.00
43. 093 (Onguard)	19.00
44. 043 (Onguard)	10.97

Appropriate Sizes for Age*

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 29, 2009

CHANGE NOTICE NO. 3
OF
CONTRACT NO. 071B9200003
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE: Bob Sherman (888) 522-2020 / (330) 759-8245
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505		CONTRACTOR NUMBER/MAIL CODE
Email: Bob@classicoptical.com		BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)		
CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2011		
TERMS	Net 45 Days	SHIPMENT N/A
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE (S):

Effective July 1, 2009, vision services will no longer be a covered benefit for dependants age 21 and over unless given State approval. All other terms and conditions remain the same.

AUTHORITY/REASON:

Govenor's Executive Order 2009-22; Implementation of Expenditure Reductions.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$3,759,620.80



STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT & BUDGET
LANSING

JENNIFER M. GRANHOLM
GOVERNOR

LISA WEBB SHARPE
DIRECTOR

May 29, 2009

Robert Sherman L.D.O.
Classic Optical Laboratories, Inc.
3710 Belmont Avenue
PO Box 1341
Youngstown, OH 44505

Dear Mr. Sherman:

This letter is to inform you of a change to Contract #071B9200003 between Classic Optical Laboratories, Inc. and the State of Michigan. Effective July 1, 2009, vision services will no longer be a covered benefit for dependents age 21 and over unless given State approval.

This change is due to the Governor's Executive Order 2009-22; Implementation of Expenditure Reductions. All other terms and conditions of the contract will remain the same.

If you have any questions, please call me at 517-241-1650.

Sincerely,

Terry Harris, Buyer
Commodities Division
Purchasing Operations

C: Anthony DesChenes
Kristi Broessel

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

February 13, 2009

**CHANGE NOTICE NO. 2
 OF
 CONTRACT NO. 071B9200003
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE: Bob Sherman (888) 522-2020 / (330) 759-8245
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505 Email: Bob@classicoptical.com		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov		
Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)		
CONTRACT PERIOD: From: October 1, 2008		To: September 30, 2011
TERMS	Net 45 Days	SHIPMENT N/A
F.O.B.	Delivered	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

NATURE OF CHANGE (S):

Effective immediately, Children’s frames, Mainstreet 302S (Hart) is being replaced with Nick (Kenmark) at the same pricing, \$5.75.

Line #10 Dynamite (Modern) price should be \$7.95 and Line #27 Aries (unisex) (Modern) price should be \$8.25.

All other terms, conditions and specifications remain unchanged.

AUTHORITY/REASON:

Per DMB Purchasing Operations.

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$3,759,620.80

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

December 11, 2008

**CHANGE NOTICE NO. 1
 OF
 CONTRACT NO. 071B9200003
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR		TELEPHONE: Bob Sherman (888) 522-2020 / (330) 759-8245	
Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505		CONTRACTOR NUMBER/MAIL CODE	
		BUYER/CA (517) 241-1650 Terry Harris	
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)			
CONTRACT PERIOD:		From: October 1, 2008	To: September 30, 2011
TERMS	Net 45 Days	SHIPMENT	N/A
F.O.B.	Delivered	SHIPPED FROM	N/A
MINIMUM DELIVERY REQUIREMENTS N/A			
MISCELLANEOUS INFORMATION:			

NATURE OF CHANGE (S):

Effective immediately the attached REVISED Article 1, Appendix A, and Appendix A1 are incorporated into this Contract.

All other terms, conditions and specifications remain unchanged.

AUTHORITY/REASON:

Per DMB Purchasing Operations.

TOTAL REVISED ESTIMATED CONTRACT VLAUE: \$3,759,620.80

ARTICLE 1, APPENDIX A

Item Listing for Lenses
(Including Miscellaneous Items)

Codes	Description	Base	Prices Per Lens			
			Glass	Plastic	Polycarb	High Index Plastic
V2100	Sphere, single vision, plano to plus or minus 4.00D	Base	<u>5.00</u>	<u>5.00</u>	<u>9.00</u>	<u>X.XX</u>
V2101	Sphere, single vision, plus or minus 4.12D to plus or minus 7.00D	Base	<u>5.80</u>	<u>5.80</u>	<u>10.13</u>	<u>X.XX</u>
V2102	Sphere, single vision, plus or minus 7.12D to plus or minus 20.00D	Base	<u>X.XX</u>	<u>8.76</u>	<u>10.69</u>	<u>14.06</u>
V2103	Sphero-cylinder, single vision, plano to plus or minus 4.00D sphere, 0.12D to 2.00D cylinder	Base	<u>5.11</u>	<u>5.11</u>	<u>9.22</u>	<u>X.XX</u>
V2104	Sphero-cylinder, single vision, plano to plus or minus 4.00D sphere, 2.12D to 4.00D cylinder	Base	<u>7.36</u>	<u>7.36</u>	<u>10.54</u>	<u>X.XX</u>
V2105	Sphero-cylinder, single vision, plano to plus or minus 4.00D sphere, 4.25D to 6.00D cylinder	Base	<u>8.28</u>	<u>8.28</u>	<u>10.69</u>	<u>X.XX</u>
* V2106	Sphero-cylinder, single vision, plano to plus or minus 4.00D sphere, over 6.00D cylinder	Base	<u>8.45</u>	<u>8.45</u>	<u>11.26</u>	<u>X.XX</u>
V2107	Sphero-cylinder, single vision, plus or minus 4.25D to plus or minus 7.00D sphere, 0.12D to 2.00D cylinder	Base	<u>5.83</u>	<u>5.83</u>	<u>10.16</u>	<u>X.XX</u>
* V2108	Sphero-cylinder, single vision, plus or minus 4.25D to plus or minus 7.00D sphere, 2.12D to 4.00D cylinder	Base	<u>7.81</u>	<u>7.81</u>	<u>11.05</u>	<u>X.XX</u>
* V2109	Sphero-cylinder, single vision, plus or minus 4.25D to plus or minus 7.00D sphere, 4.25D to 6.00D cylinder	Base	<u>8.48</u>	<u>8.48</u>	<u>9.86</u>	<u>X.XX</u>
* V2110	Sphero-cylinder, single vision, plus or minus 4.25D to plus or minus 7.00D sphere, over 6.00D cylinder	Base	<u>8.46</u>	<u>8.46</u>	<u>11.69</u>	<u>X.XX</u>
V2111	Sphero-cylinder, single vision, plus or minus 7.25D to plus or minus 12.00D sphere, 0.12D to 2.00D cylinder	Base	<u>X.XX</u>	<u>8.43</u>	<u>11.11</u>	<u>14.39</u>
V2112	Sphero-cylinder, single vision, plus or minus 7.25D to plus or minus 12.00D sphere, 2.12D to 4.00D cylinder	Base	<u>X.XX</u>	<u>8.71</u>	<u>10.61</u>	<u>14.39</u>

Codes	Description		Prices Per Lens			
			Glass	Plastic	Polycarb	High Index Plastic
V2113	Spherocylinder, single vision, plus or minus, 7.25D to plus or minus 12.00D sphere, 4.12D to 6.00D cylinder	Base	X.XX	9.11	10.69	16.46
V2114	Spherocylinder, single vision, sphere over plus or minus 12.00D (with any cylinder)	Base	X.XX	17.76	11.43	7.30
V2115	Lenticular (myodisc), single vision	Base	X.XX	15.30	X.XX	X.XX
V2121	Lenticular, aspheric, single vision	Base	X.XX	20.77	X.XX	X.XX
V2199	Not otherwise classified, single vision		*	*	*	*
V2200	Sphere, bifocal, plano to plus or minus 4.00D	Base	7.01	7.01	12.26	X.XX
* V2201	Sphere, bifocal, plus or minus 4.12D to plus or minus 7.00D	Base	8.13	8.13	12.22	X.XX
V2202	Sphere, bifocal, plus or minus 7.12D to plus or minus 20.00D	Base	X.XX	9.56	15.14	20.37
V2203	Spherocylinder, bifocal, plano to plus or minus 4.00D sphere, 0.12D to 2.00D cylinder	Base	8.05	8.05	11.98	X.XX
V2204	Spherocylinder, bifocal, plano to plus or minus 4.00D sphere, 2.12D to 4.00D cylinder	Base	8.15	8.15	11.55	X.XX
V2205	Spherocylinder, bifocal, plano to plus or minus 4.00D sphere, 4.25D to 6.00D cylinder	Base	8.31	8.31	12.12	X.XX
* V2206	Spherocylinder, bifocal, plano to plus or minus 4.00D sphere, over 6.00D cylinder	Base	8.30	8.30	12.12	X.XX
V2207	Spherocylinder, bifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 0.12D to 2.00D cylinder	Base	8.12	8.12	12.28	X.XX
V2208	Spherocylinder, bifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 2.12D to 4.00D cylinder	Base	8.22	8.22	11.34	X.XX
* V2209	Spherocylinder, bifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 4.25D to 6.00D cylinder	Base	8.16	8.16	8.99	X.XX
* V2210	Spherocylinder, bifocal, plus or minus 4.25D to plus or minus 7.00D sphere, over 6.00D cylinder	Base	8.02	8.02	8.99	X.XX
V2211	Spherocylinder, bifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 0.12D to 2.00D cylinder	Base	X.XX	8.20	16.75	21.15

Codes	Description		Prices Per Lens			
			Glass	Plastic	Polycarb	High Index Plastic
V2212	Spherocylinder, bifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 2.12D to 4.00D cylinder	Base	X.XX	8.36	12.12	26.18
V2213	Spherocylinder, bifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 4.25D to 6.00D cylinder	Base	X.XX	8.05	13.69	33.87
* V2214	Spherocylinder, bifocal, sphere over plus or minus 12.00D (with any cylinder)	Base	X.XX	35.84	8.99	35.84
V2219	Bifocal segment width over 28mm	Add-on	3.00	3.00	3.00	3.00
V2220	Bifocal add over 3.25D	Add-on	3.00	3.00	3.00	3.00
V2221	Lenticular, aspheric, bifocal	Base	X.XX	15.63	X.XX	X.XX
V2299	Specialty bifocal (by report)		*	*	*	*
V2300	Sphere, trifocal, plano to plus or minus 4.00D	Base	9.71	9.71	X.XX	X.XX
* V2301	Sphere, trifocal, plus or minus 4.12D to plus or minus 7.00D	Base	9.34	9.34	X.XX	X.XX
V2302	Sphere, trifocal, plus or minus 7.12D to Plus or minus 20.00D	Base	X.XX	6.87	X.XX	X.XX
V2303	Spherocylinder, trifocal, plano to plus or minus 4.00D sphere, 0.12D to 2.00D cylinder	Base	9.54	9.54	X.XX	X.XX
* V2304	Spherocylinder, trifocal, plano to plus or minus 4.00D sphere, 2.12D to 4.00D cylinder	Base	9.54	9.54	X.XX	X.XX
* V2305	Spherocylinder, trifocal, plano to plus or minus 4.00D sphere, 4.25D to 6.00D cylinder	Base	9.27	9.27	X.XX	X.XX
* V2306	Spherocylinder, trifocal, plano to plus or minus 4.00D sphere, over 6.00D cylinder	Base	9.62	9.62	X.XX	X.XX
V2307	Spherocylinder, trifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 0.12D to 2.00D cylinder	Base	9.62	9.62	X.XX	X.XX
*V2308	Spherocylinder, trifocal, plus or minus 4.25D to plus or minus 7.00D sphere 2.12D to 4.00D cylinder	Base	9.94	9.94	X.XX	X.XX
* V2309	Spherocylinder, trifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 4.25D to 6.00D cylinder	Base	6.87	6.87	X.XX	X.XX

Codes	Description		Prices Per Lens			
			Glass	Plastic	Polycarb	High Index Plastic
* V2310	Spherocylinder, trifocal, plus or minus 4.25D to plus or minus 7.00D sphere over 6.00D cylinder	Base	0.01	0.01	X.XX	X.XX
V2311	Spherocylinder, trifocal, plus or minus 7.25D to plus or minus 12.00D sphere 0.12D to 2.00D cylinder	Base	X.XX	11.22	X.XX	X.XX
V2312	Spherocylinder, trifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 2.12D to 4.00D cylinder	Base	X.XX	11.47	X.XX	X.XX
V2313	Spherocylinder, trifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 4.25D to 6.00D cylinder	Base	X.XX	6.87	X.XX	X.XX
V2314	Spherocylinder, trifocal, sphere over plus or minus 12.00D (with any cylinder)	Base	X.XX	6.87	X.XX	X.XX
V2320	Trifocal add over 3.25D	Add-on	3.00	3.00	X.XX	X.XX
V2399	Specialty trifocal (by report)		*	*	*	*
V2410	Variable asphericity lens, single vision full field	Base	XXX	17.09	XXX	XXX
V2430	Variable asphericity lens, bifocal, Full	Base	X.XX	19.06	XXX	X.XX
V2499	Variable sphericity lens, other type		*	*	*	*
* V2700	Balance lens	Base	0.01	0.01	0.01	0.01
V2710	Slab-off prism	Add-on	X.XX	46.66	X.XX	X.XX
V2715	Prism	Add-on	2.66	2.66	2.66	2.66
V2718	Press-on lens, Fresnell prism	Base	2.66	2.66	2.66	2.66
V2744	Tint, photochromatic	Add-on	6.67	X.XX	X.XX	X.XX
V2745	Tint, any color, Solid, or gradient (not photochromatic)	Add-on	1.50	1.50	1.50	1.50
V2755	U-V coating	Add-on	4.00	4.00	4.00	4.00
V2756	Eyeglass case	Base	0.28	0.28	0.28	0.28
V2799	Vision service, miscellaneous		*	*	*	*
S0581	Non-standard lens (industrial thickness)	Add-on	2.00	2.00	2.00	2.00

- Notes:**
- 1) High index plastic 1.60, Modifier U2
 - 2) Code V2718 includes mounting when ordered
 - 3) Bifocals with segments 28mm and under to include Round 22 and FT28
 - 4) Bifocals with segments over 28mm to include FT-35 and Executive
 - 5) Trifocals required: FT-7x28
 - 6) Codes V2199, V2299, V2399, V2499, and V2799 Indicated by * sign will be individually priced upon review
 - 7) Polycarbonate lens modifier U1

APPENDIX A1

Procedure Code: V2020

Description	Bid Price
<u>Women's</u>	
1. Marie (Zimco)	<u>9.42</u>
2. Candia (Limited Edition)	<u>6.72</u>
3. Elay (Limited Edition)	<u>10.50</u>
4. Dazzle (Modern)	<u>8.25</u>
5. Ontario (Zimco)	<u>8.95</u>
6. Regina (Limited Edition)	<u>9.42</u>
7. Electra (Zimco)	<u>9.42</u>
8. Monica (Modern)	<u>7.95</u>
9. Bess (Limited Edition)*	<u>9.42</u>
10. Dynamite (Modern)	<u>6.33</u>
11. B4154 (unisex) (Hart)*	<u>8.95</u>
12. Downtown (unisex) (Zimco)*	<u>7.42</u>
13. Tomorrow(unisex) (Modern)*	<u>7.95</u>
14. Aries (unisex) (Modern)*	<u>8.25</u>
<u>Men's</u>	
15. Tony (Limited Editions)	<u>8.95</u>
16. 314 (Limited Edition)	<u>7.42</u>
17. Dillion (Modern)	<u>8.95</u>
18. Doug (Modern)	<u>8.25</u>
19. Hunter (modern)	<u>8.25</u>
20. Yank (Criss)	<u>8.47</u>
21. 314 (Limited Edition)	<u>7.42</u>
22. Downtown (unisex) (Zimco)*	<u>7.42</u>
23. Tomorrow (Modern)*	<u>7.95</u>
24. LG 8023 (Hart)*	<u>8.42</u>
25.. Mainstreet 302S (Hart) *	<u>5.75</u>
26. B4154 (Hart)*	<u>8.95</u>
27.. Aries (unisex) Modern)*	

Children's

28.	Magic (Limited Edition)	<u>9.42</u>
29.	Downtown (unisex) (Limited Edition)	<u>7.42</u>
30.	Dynamite (Modern)*)	<u>7.95</u>
31.	Manhattan (Limited Edition)	<u>6.25</u>
32.	G 8023 (Hart)*	<u>8.42</u>
33.	Mainstreet 302S (Hart)	<u>5.75</u>
34.	Mainstreet 415 (Hart)	<u>8.97</u>
35.	Panda (Limited Edition)	<u>11.00</u>
36.	Cheerful (Modern)	<u>8.25</u>
37.	Pumpkin (Modern)	<u>8.46</u>
38.	304 (Limited Editions)	<u>7.42</u>
39.	L-Cable (infants) (Europa)	<u>13.95</u>

Safety

		<u>18.67</u>
40.	071 (Onguard)	
41.	069 (Onguard)	<u>19.00</u>
42.	093 (Onguard)	<u>19.00</u>
43.	43 (Onguard)	<u>10.97</u>

Appropriate Sizes for Age*

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

September 15, 2008

**NOTICE
 OF
 CONTRACT NO. 071B9200003
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR Classic Optical Laboratories, Inc. 3710 Belmont Ave. Youngstown, OH 44505		TELEPHONE: Bob Sherman (888) 522-2020 / (330) 759-8245
		CONTRACTOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)		
CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2011		
TERMS Net 45 Days	SHIPMENT N/A	
F.O.B. Delivered	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		
MISCELLANEOUS INFORMATION:		

The terms and conditions of this Contract are those of ITB #07118200025, this Contract Agreement and the vendor's quote dated February 22, 2008. 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.

Estimated Contract Value: \$3,759,620.80

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

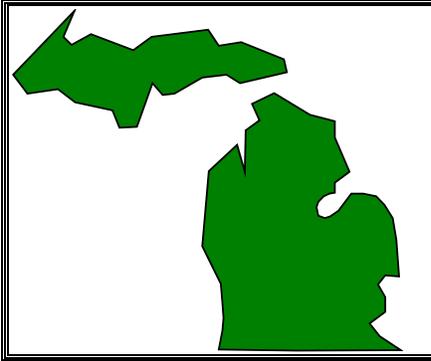
**CONTRACT NO. 071B9200003
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR <p style="text-align: center;">Classic Optical Laboratories, Inc.</p> <p style="text-align: center;">Youngstown, OH 44505</p>	TELEPHONE: Bob Sherman (888) 522-2020 / (330) 759-8245 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 Terry Harris
Contract Compliance Inspector: Marilyn Russo (517) 335-5263 russom@michigan.gov Fabrication of Eyeglasses & Related Services – Department of Community Health – (DCH)	
CONTRACT PERIOD: From: October 1, 2008 To: September 30, 2011	
TERMS <p style="text-align: center;">Net 45 Days</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">Delivered</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07118200025, this Contract Agreement and the vendor's quote dated February 22, 2008. 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.	
Estimated Contract Value: \$3,759,620.80	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 07118200025. Orders for delivery will be issued directly by the Department of Community Health through the issuance of a Purchase Order Form.

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

<p>FOR THE CONTRACTOR:</p> <p style="text-align: center;">Classic Optical Laboratories, Inc.</p> <hr/> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	<p>FOR THE STATE:</p> <hr/> <p style="text-align: center;">Signature</p> <p style="text-align: center;">Anthony Des Chenes, Director</p> <hr/> <p style="text-align: center;">Name/Title</p> <p style="text-align: center;">Commodities Division, Purchasing Operations</p> <hr/> <p style="text-align: center;">Division</p> <hr/> <p style="text-align: center;">Date</p>
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STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract No. 071B9200003
Fabrication of Eyeglasses & Related Services (DCH)

Buyer Name: Terry Harris
Telephone Number: (517) 241-1650
E-Mail Address: harrist@michigan.gov



Fabrication of Eyeglasses & Related Services (DCH)

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Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 DEFINING DOCUMENT

This is a formal Contract Agreement for Fabrication of Eyeglasses and Related Services for Department of Community Health (DCH).

1.002 PROJECT TITLE AND DESCRIPTION

The purpose of this Contract is for fabrication of eyeglasses and other related services. These Products include fabrication of ophthalmic materials (frames, lenses, and other related accessories). These Items are ordered by Michigan Medicaid Providers for Beneficiaries who are Medicaid Fee-For-Service, Beneficiaries who are dually enrolled Medicare/Medicaid, Beneficiaries that are dually enrolled Medicaid/Children's Special Health Care Services (CSHCS) Fee-For-Service, and CSHCS only when eligibility is related to a qualifying diagnosis.

BACKGROUND

In 1979, the State's Medicaid Task Force on Cost Containment recommended that substantial savings could be achieved by the volume purchase of eyeglasses for Medicaid beneficiaries. Because of this recommendation, Michigan Public Act 110 of 1979 was passed. This legislation authorized Michigan Department of Community Health (MDCH) to contract for volume purchase of eyeglasses. Since 1980, ten contracts have been awarded ranging in length from 18 months to 5 years. Contractors are required to fabricate enrolled Medicaid provider's eyeglass prescription only with approved ophthalmic frames and lenses that are then mailed/shipped back to the provider for dispensing. Over 30 to 40 ophthalmic frames, metal and plastic, have been on the contracts. These frames are reviewed at least twice a year and updated as appropriate. Contractors are required to provide sample frame kits that can be purchased at contract prices by enrolled Medicaid providers. Various lens designs are required: single vision, bifocals, and trifocals in glass, polycarbonate, and high index plastic, as well as ophthalmic cases. All lenses and frames must meet appropriate standards set forth by the American National Standards Institute Inc., (ANSI) and the FDA requirements. Contractors are required to maintain a quality assurance program, adherence to fabrication/delivery schedules, provide online ordering of prescriptions, maintain a beneficiary history file, fill only prescriptions that meet initial and subsequent diopter criteria, fill only prescriptions that do not exceed frequency limits, assure beneficiary eligibility, and provide various reports. Presently, over 90% of all orders are completed in 3 days or less, and over 90% of all orders are submitted online. The use of information technology has afforded greater efficiency and effectiveness in implementing this cost containing volume purchase program. Compliance with Health Insurance Portability and Accountability Act (HIPAA) regulations and the State's Medicaid Vision Manual and all Bulletins are required. Three State employees/agents at Contractor's expense twice a year conduct on-site audits.

There were approximately 56,000 frames and 110,000 lenses ordered in calendar year 2006. There is no guarantee by the State of Michigan of quantities of products to be provided or number of orders to be sent under this Contract. The Contractor will be required to provide all the products that may be ordered during the Contract period and all products shall be high quality.

1.003 PROJECT CONTROL

Project Control

- a. **The Contractor will carry out this project under the direction and control of Department of Management and Budget (DMB), Purchasing Operations and Department Community Health (DCH).**

The State reserves the right to inspect Contractor's laboratory facilities at any time during the Contract period for determination of compliance to procedures and standards as outlined in this Contract.



- b. **Classic Optical Laboratories, Inc. shall provide, upon the request of the Program Manager documentation that will enable the State to monitor and assure the quality of the Contractor's performance of various activities, such as the Contractor's monitoring of diopter criteria and monitoring of frequency limits. All required reports and administrative services are to be provided at no additional expense to the State.**

The State shall conduct two (2) reviews per year at the Contractor's laboratory location. If Classic Optical Laboratories, Inc. has more than one laboratory location and/or administrative location which are involved in fulfilling these Contract requirements, the State at its discretion will determine which facilities to review. These onsite reviews shall be for a length of time, not to exceed three (3) full workdays for each review. The Contractor for each review shall cover all travel, lodging and meal expenses for up to three (3) State of Michigan employees and agents. At these onsite reviews, the State will review orders to determine if they meet the requirements of this Contract and Medicaid policy. Additional site visits may be required, at the expense of the Contractor, if substantial inconsistencies or significant noncompliance requires additional review.

- c. **Prior to their use, the Program Manager must approve all forms and revisions to forms sent by the Contractor to Providers. Prior to mailing, or posting on the Contractor's website, the Program Manager must approve all general correspondence and/or information sent to Providers regarding services and products available under this Contract.**
- d. **Within five (5) working days of the award of the Contract, the Contractor will submit to MDCH Program Manager 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) **Program Manager. Contractor must identify and provide the resume of the person who will be responsible for managing this program at your location. This should be the person that will have ongoing contact with the State's Program Manager and have the responsibility to provide the reports required and be able to solve any problems that arise during this Contract. Indicate where this person will be physically located during the time they are engaged in the work. Identify other key individuals by name and title. Indicate the amount of dedicated management time for the bidder's project manager and other key individuals.**
- (3) **Qualified Personnel. The written proposal should indicate the competence of personnel whom the bidder intends to assign to the project. Qualifications will be measured by education and experience as required, with particular references to experience on projects similar to that described in this ITB. Emphasis will be placed upon the qualifications of bidder's Program Manager and the Manager's dedicated management time as well as that of other key personnel working on this project. Resumes shall include detailed, chronological work experience, including name and phone number of person or persons who may be contacted from each project or work assignment. Proposals containing false or misleading statements, or which provide reference that do not support an attribute or condition claimed by the bidder, might be rejected. If in the opinion of the State, such condition to mislead the State in its evaluation of this proposal, and the attribute, condition of capability as a requirement of this proposal shall be rejected.**
- (4) **The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.**



- (6) The time-phased plan in the form of a graphic display, showing each event, task, and decision point in your work plan.

Reports

- A. Classic Optical Laboratories, Inc. shall develop methodologies and data systems for data transfer and reporting to the State. The State Reserves the right to change reporting structure or add to reporting structure when information is required due to administrative changes or negative findings from an onsite review. The State reserves the right to modify or add reports as needed upon thirty (30) days notice to the Contractor.
- i. The Contractor shall transmit to the Program Manager a daily report showing all orders of glass, plastic, polycarbonate, and high power prescriptions that surpasses the allotted delivery times specified. This report shall contain the Beneficiary name, Medicaid Identification Number, date received, number of days over required time, and the reason for delay. This report shall include a specific agreed upon identifier showing all orders for glass, plastic, polycarbonate, and high power prescriptions that exceeds the required times and the Contractor is seeking consideration for a time extension.
 - ii. The Contractor shall transmit by electronic media to the Program Manager the following reports covering each two (2) week period. The Contractor shall transmit these reports biweekly on the Monday following the end of two-week reporting period.
 - iii. A Biweekly summary of External remakes. This report shall state the number of external remakes by type (e.g. lens chipped, off axis, etc). This report shall include the total number of orders fabricated for the reporting period and the total number of external remakes. A percentage of biweekly external remakes shall be calculated from these totals.
 - iv. A Biweekly Production Report. This report shall provide a general summary of the total number of orders received during the reporting period. This report shall include all of the following:
 - a. Number of orders processed reported by initial, diopter changes and replacement for the categories of glass, plastic, polycarbonate, and high power lenses.
 - b. Number of orders that are denied for the reporting period reported by the following reasons for denial: Criteria not met for initial prescription or exceed frequency for replacement prescription or diopter changes.
 - c. Number of orders returned for the reporting period reported by the following reasons for return: more information required, required signatures are missing, not eligible, prior authorization required, or other.
 - d. Total number of orders received, total carry over orders and total orders not completed during the reporting period. Carry over orders are orders not received in the reporting period, but received in a previous reporting period. Orders not completed are those orders that are not completed in the reporting period but received in the reporting period.
 - e. Orders shipped during the reporting period (included in the total reported in subsection "d" above) but received in a previous reporting period.
 - f. A Biweekly exception to the fabrication time report documenting orders that exceed the allowable fabrication days required in this Contract for this reporting period. These are orders received during this reporting period. The report shall be divided into plastic, glass, polycarbonate, and high power lenses and contain the following information for each order that exceeds the allowable fabrication schedule: Beneficiary's Medicaid Identification Number, the date the order was



received, the date the order was shipped, and the total number of working days to fabricate.

- g. **A Biweekly exception to fabrication report documenting orders that exceed the allowable fabrication days from the previous biweekly report. These are orders that are not received in the current reporting period, but received in a previous reporting period. The report shall be divided into plastic, glass, polycarbonate, and high power lenses and contain the following information for each order that exceeds the allowable fabrication schedule: Beneficiary's Medicaid Identification number, the date the order was received, the date the order was shipped, and the total number of days to fabricate the order.**
- h. **The Contractor shall furnish the Program Manager, by the tenth day of the month, a report that identifies the utilization of services for the preceding month. This report shall include at a minimum the following data:**
 - a. **The number of all frames shipped by frame name.**
 - b. **The number of lenses shipped by single vision, bifocal, trifocal, high power, plastic glass, etc. by procedure code and modifier if applicable.**
 - c. **The number of complete eyeglasses provided for initial, replacement, or diopter change.**
 - d. **The number of orders held due to the lack of inventory.**
 - e. **The number of Beneficiary and Provider complaints, this should include name of Provider or Beneficiary's and the Medicaid Identification number and the nature of the complaint, resolution and dates received and resolved.**
 - f. **The fabrication time for the number of completed orders.**

1.004 COMMENCEMENT OF WORK

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 MDCH has issued a contract release/purchase order to define authorization for specific requirements.

1.1 Product Quality 1.101 SPECIFICATIONS

IN SCOPE LENSES

- a. **The Contractor will furnish quality single vision, bifocal and trifocal impact resistant glass, plastic, polycarbonate, or high index plastic lenses. See Attachment A "Item Listing for Lenses."**
- b. **Lenses shall conform to American National Standard for Ophthalmic, Recommendation for Prescription Ophthalmic Lenses, ANSI Z80.1-2005, or latest edition thereof, and the Federal Drug Administration (FDA) regulations for impact resistant lenses.**
- c. **Lens shall be fabricated in minus cylinder form, unless the Vision Provider Specifies plus-cylinder form.**
- d. **There shall be no additional charge for lens insertion into frames (metal or plastic).**



- e. There shall be no separate charge for decentration.
- f. The Contractor shall not charge an additional cost for any special base curves.
- g. There shall be no additional charge for impact resistance testing.
- h. An oversize lens will not be permitted for lenses inserted into any frame specified within the Contract.
- i. No charge will be permitted for “grinding prism” to attain a specific interpupillary distance (PD).

INITIAL LENS PRESCRIPTION

For the purpose of this Program, initial lens prescriptions are the first lenses ever worn by a person regardless of how they were obtained. The following minimum diopter criteria must be met for fabrication:

<p>Age 42 years and Younger 0.50D myopia 0.50D astigmatism 0.75D anisometropia 0.75D hyperopia</p>	<p>Age 43 years and Older 0.50D myopia 0.50D astigmatism 0.75D anisometropia 0.50D presbyopia 0.50D hyperopia</p>
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SUBSEQUENT LENS PRESCRIPTION

- a. Subsequent lens prescriptions are those provided after the initial lens prescription. Subsequent lenses may be provide when there is a change in the refractive error of 0.75D or more in the meridian of greatest change, or a change in the cylinder axis of at least 10 degrees for cylinders of 1.00D or more. These lenses must also meet the minimum diopter criteria as specified under initial lens prescription. The Contractor shall return the order form DCH 0893 to the Vision Provider for submission to the Program Manager or for all orders that meet diopter criteria for subsequent lenses but have exceeded the frequency limit for replacement. (See below). If the diopter change is due to a change in lens design (i.e. bifocal to single vision), the Contractor shall return the order DCH 0893 to the Vision Provider for submission to the Program Manager for possible exception from Medicaid Vision Policy.
- b. Subsequent lens prescriptions that are more than 24 months from the most recent previous prescription are not required to meet subsequent diopter criteria but must meet the initial diopter criteria.

REPLACEMENT LENSES

- a. Replacement lenses are defined as those lenses being replaced due to loss, breakage, or stolen. The replacement lenses must be an exact duplication of those previously issued.
- b. Replacement lenses may be provided up to one (1) time in a year for a Beneficiary aged 21 and over and up to two (2) times a year for a Beneficiary under the age of 21. The Contractor shall not charge the State for lenses replaced due to product defect or fabrication error.

FRAMES

- a. The contractor shall provide quality frames both metal and plastic with standard and adjustable nose pads. See Attachment A1 “Items Listing for Frames.”
- b. Frames must meet the American National Standard for Ophthalmic, Requirements for Ophthalmic Frames, ANSI Z80.5-2004, or latest edition thereof.



- c. The Contractor shall provide a reasonable variety of size, color, and design of frames. The frame selection shall accommodate a wide range of choices that would appeal to the general population for all ages.
- d. The Contractor shall provide Providers with a list of frames available under the Contract and update this list when new frames have been approved by the Program Manager and added to the Contract.
- e. The Contractor shall furnish sample frames to providers. Providers will be responsible for purchasing such frames directly from the Contractor. The Contractor shall furnish, at the Provider's expense, at least one of each style, size, and color of frame at the State's contracted price, plus shipping and postage charges.
- f. Before a new frame is added to the Contract, the Program Manager must approve the frame and proposed pricing of the frame.
- g. Periodic frame review meetings, as determined by the Program Manager, will be held to review frame selection, utilization, and availability. The Contractor shall have new frames available, if indicated, for State review at these meetings.
- h. The Contractor shall provide the Program Manager a list of manufacturers and supplies used during the Contract period as well as a sample of each frame style at no charge to the State.
- i. The Contractor agrees to refrain from inserting lenses into frames that are not specifically available under this Contract, unless specifically authorized by the Program Manager.

FRAME REPLACEMENT AND SUBSTITUTION

- a. If, during the period of this Contract, any Contract frame(s) is/are discontinued, the Contractor shall select replacements of equal quality for consideration and approval by the Program Manager. The final selection shall be at the discretion of the Department of Community Health. If approved, Purchasing Operations will issue an amendment to the Contract.
- b. If, during this Contract, a frame or frames are not available from the manufacturer and the Contractor cannot obtain the frames which results in Contractor becoming non-compliant with the fabrication time schedules as specified in this Contract, the Contractor may substitute a frame of equal quality, if all the following are met:
 - 1. The Contractor has received written approval from the Program Manager for the frame to be used as a substitute
 - 2. The Provider has obtained approval from the Beneficiary for the substitution.
- c. If a frame is on backorder from the manufacturer, the Contractor shall notify each Provider who has ordered the frame of the delay and approximate time for delivery.
If a Provider agrees to wait for the frame, the Contractor shall document the date of contact and the Provider's approval for audit purposes. The Contractor shall notify the Program Manager of backorders as they occur.
- d. If a frame needs to be replaced because the frame has been lost, stolen, or broken, the replacement frame shall be the exact duplicate of the previous issued frame except when such frame is no longer available under this contract.
- e. The Contractor shall not charge the State of Michigan for frames replaced due to product defect.



CORRECTIVE/PROTECTIVE LENSES AND FRAMES

The Contractor shall provide corrective/protective lenses and frames when required medically. These must meet the American National Standard Occupational and Education Personal Eye and Face Protection Devices, ANSI Z87.1-2003, or latest edition thereof. See "Item Listing for Frames."

EYEGLOSS CASE PROVISION

- a. The contractor shall provide one eyeglass case for every complete pair of glasses ordered.
- b. The State will not authorize payment for eyeglass cases ordered separately.

INVENTORY MANAGEMENT

The Contractor shall maintain an adequate supply of frames and lenses to meet the fabrication times required under this Contract for State of Michigan orders.

OUT OF SCOPE

- a. The Contractor is not required to furnish any measurement or fitting services under this contract.
- b. The Contractor will not be required to provide eyeglass repairs, unless, if within ninety (90) days after delivery, an article furnished under this Contract is found to be unsatisfactory due to Contractor error, defective workmanship, and/or materials, the same shall be corrected, adjusted, or replaced by the Contractor, as necessary, at the Contractor's expense. The Program Manager must approve all ophthalmic materials not specifically covered by this Contract prior to the Contractor providing the material. All ophthalmic materials not specifically covered by the Contract shall, when authorized by the Program Manager, be supplied, if available, at the Contractor's usual and customary wholesale pricing policy.

FABRICATION SCHEDULE

- a. All orders for ophthalmic lenses shall be prepared, inserted into frames (when frames are provided), and accompanied by an eyeglass case (when a case is appropriate to the Contract), and delivered to the provider within the fabrication schedule specified below. Delivered to the provider is defined as placing the lenses or framed lenses and case in the hands of the postal service, UPS, or any other customary delivery service within the number of working days indicated below. All orders received by mail or Fax must be date-stamped within one working day of receipt of the order. All orders received online must have the date and time recorded automatically when received.
- b. All orders for plastic, glass, and polycarbonate lenses shall be delivered to the provider within four (4) working days after the contractor's receipt of the order. If an order is received with incomplete and/or inconsistent data, it shall be returned to the provider if not corrected within two (2) working days.
- c. All orders for lenses with high power prescriptions (spherical equivalent of plus/minus 7.12D and above) and/or prism shall be delivered to the provider within seven (7) working days after the Contractor's receipt of the order. If an order is received with incomplete and/or inconsistent data, it shall be returned to the provider if not corrected within two (2) working days.
- d. All orders for frames only shall be delivered to the provider within two (2) working days after the Contractor's receipt of the order. If an order is received with incomplete and/or inconsistent data, it shall be returned to the provider if not corrected within two (2) working days. The replacement of a complete frame is a benefit only when the original frame is broken beyond repair and the prescription lenses remain usable. The prescription of the lenses to be utilized with the replacement frame must be reported on the order form.



- e. The Contractor shall notify the Program Manager, by Fax or email, each working day of each order that is not completed within time frames listed above and provide the reason for the delay. The list submitted will be continuous and all inclusive. If the reason for delay of an order is approved and an extension given, liquidated damages will not be imposed on that order. If the time extension is not met, liquidated damages may be imposed.

ORDER FORM

- a. All orders for eyewear under this Contract will be furnished by the Contractor only upon receipt of a Vision Services Approval/Order Form DCH 0893.
- b. Whether or not prior authorization is required, the Contractor will be responsible for reviewing certain data fields on form DCH 0893 as follows:

- Item 7 – Date of Order
- Item 8 – Signature
- Item 10 - Birth Date
- Item 11 – ID Number
- Item 14 – Diagnosis
- Item 15 – Description of Service
- Item 16 – Procedure Code
- Item 17 – Modifier
- Item 18 – Quantity
- Item 22 – Frame Specifications
- Item 23 – Specifications of Lens(s) to be ordered
- Item 24 - Special Instructions to Laboratory

- a. During its review of these data fields, should the Contractor identify inconsistencies or errors, the Contractor is responsible for resolving these and having the corrected data inserted on the DCH 0893 form prior to fabrication.

ELIGIBILITY VERIFICATION

- a. The Contractor shall be responsible for verifying that the Beneficiary is eligible for Medical assistance on the Date of Order specified on the DCH 0893 for all orders received no more than 30 days after the Date of Order or approval by the Program Manager. The Contractor shall verify eligibility using a State approved automated system.
- b. The Contractor shall not service any order on which the Beneficiary is not eligible for Medical Assistance on the Date of Order specified on the DCH 0893. The Contractor shall return such orders to the provider and advise the provider accordingly. The Contractor shall process those orders received no more than 30 days after the Date of Order where the Beneficiary is eligible on the Date of Order. If an order is received over 30 days after the Date of Order, the Contractor will return the order to the provider who will be required to request an exception from the Program Manager explaining the reason submission was delayed.
- c. The Contractor shall verify level of care codes through a State approved automated system. If the Beneficiary is covered under a Medicaid Health Plan on the Date of Order specified on DCH 0893, the Contractor shall return such orders to the provider and advise the provider accordingly. The provider is responsible for notifying the Beneficiary of their eligibility.

MONITORING FREQUENCY

- a. The Contractor shall be responsible for history transfer from the current Contractor. The Contractor must be able to format data to State specifications for transfer to the State Data Warehouse and provide online access to the Program Manager to all data files including query and ad hoc tools.



- b. The State shall authorize payment for replacement of eyeglasses as follows:
 - 1. Adults, 21 and older: one (1) per year.
 - 2. Minors, under 21 years: two (2) per year.
- c. The contractor shall monitor the frequency of orders for each individual Beneficiary to ensure compliance with this frequency. The Contractor shall be responsible for verifying this frequency on each order prior to processing.
Upon determination that servicing an order (DCH 0893) will result in exceeding the authorized frequency, the Contractor shall return the order to the provider and advise the provider accordingly. A negative action notice will be sent to the Beneficiary by the Contractor.
- d. The Contractor shall be responsible for updating the history file within forty-eight (48) hours of completion of the order with current data prescription elements for each order. The following data must be recorded using the parameters set by the Department:

Beneficiary Medicaid Identification Number, Beneficiary Name, Date of Order, Vision Provider National Provider Identification Number (NPI), Lens procedure code, frame name, complete prescription including sphere, cylinder, axis, prism, lens material, and segment design, add, and tint if appropriate.
- e. Within thirty (30) days of completion of all pending orders following the end of the Contract period, the Contractor shall surrender all history data to the State and/or current contractor.

MONITORING DIOPTRIC CRITERIA

- a. The Contractor shall ensure that all orders received, which do not require prior authorization by the Department, shall meet the minimum diopter criteria. (See Initial Lens Prescription and Subsequent Lens Prescription). The Contractor shall be responsible for verifying these criteria, on the history file, on each order prior to processing.
- b. The Contractor shall return to the provider any order (DCH 0893), which does not meet the minimum diopter criteria, and advise the provider accordingly. A negative action shall be sent to the beneficiary by the Contractor.
- c. The Contractor shall be responsible for updating this history file within forty-eight (48) hours of completion of the order, with current data prescription elements for each order. The following data must be entered using the parameters set by the Department:

Beneficiary Medicaid Identification Number, Beneficiary name, Date of Order, Vision Provider National Provider Identification Number (NPI), Lens procedure codes, Frames procedure code, Frame name, complete prescription including sphere, cylinder, axis, prism, lens material and segment design, add, and tint if appropriate.
- d. Within thirty (30) days of completion of all pending orders following the end of the Contract period, the Contractor shall surrender all history data to the State and/or current Contractor.

NOTIFICATION TO BENEFICIARY OF ALL NEGATIVE ACTIONS

- a. Notification must be given to Beneficiary of all negative actions. The Beneficiary notification of negative action must follow MDCH's notice requirements (Department Administrative Manual, General Administration, Legal Section, Department Hearing and Procedures).
- b. The Contractor must send a negative action notice approved by the State to Medicaid and Medicaid/Children Special Health Care Services (CSHCS) dually enrolled Beneficiaries utilizing the appropriate denial statement. An appeals form (DCH 0092 Hearing Request) and addressed stamped envelope provided by the State must accompany the negative action notice. The negative action notice and appeal form must be sent to the Beneficiary at the time of the negative action. A copy of the notice will be available to the Program Manager upon request.



- c. **The Contractor must send a negative action notice approved by the State to CSHCS Beneficiaries utilizing the appropriate denial statement. A form designated by the State and addressed stamped envelope provided by the State must accompany the negative action notice. The negative action notice and a form designated by the State must be sent to the Beneficiary at the time of the negative action. A copy of the notice will be available to the Program Manager upon request.**

PRIOR AUTHORIZATION

Materials that require Prior Authorization shall not be furnished by the Contractor without the approval of MDCH via the Vision Services Approval/Order form (DCH 0893). Contractor is advised to reference the Medicaid Manual and Vision database.

QUALITY ASSURANCE

- a. **The Contractor shall provide and maintain a process that assures that the ophthalmic materials provided under this contract are of a quality that meets professionally recognized ANSI standards.**
- b. **The Contractor shall maintain an external remake percentage of one percent (1%) or less for all orders pursuant to this Contract. External remakes are those lenses or frames that are returned to the Contractor by the provider because of defects or faulty workmanship.**
- c. **The Contractor shall maintain a quality control program that assures that internal remakes will not affect the fabrication schedules required under this Contract and the quality of eyeglasses. Internal remakes are those lenses or frames where the need for a remake comes to the Contractor’s attention before the product is shipped to the provider.**

1.102 RESEARCH AND DEVELOPMENT

Classic’s commitment to continuous improvement led to significant investment in research and development and the creation of a proprietary online ordering system targeted at State Medicaid Programs. In Michigan this system is credited with bringing more than 90% of all orders online which increased efficiency by reducing the time in which the Contractor receives the order and the number of incomplete/inconsistent information received on the orders.

1.103 QUALITY ASSURANCE PROGRAM

Classic Optical Laboratories, Inc. reputation and success hinges on the quality of the goods and services it produces. Classic Optical Laboratories, Inc. has a Quality Control Team which report any problems or possible improvements.

1.104 WARRANTY FOR PRODUCTS OR SERVICES

Classic Optical Laboratories, Inc. warrants all lenses to be free from any manufacturing defects. Lab error’s will be remade to original specs only. Frames returned as broken for must be deemed as manufacture’s defect in order to be replaced. Goods must be accompanied by a copy of the original invoice.

If within ninety (90) days after delivery, an article furnished under this Contract is found to be unsatisfactory due to contractor error, defective workmanship and/or materials, the same shall be corrected, adjusted or replaced by the Contractor, as necessary, at the Contractor’s expense.

1.2 Service Capabilities

1.201 CUSTOMER SERVICE/ORDERING

- a. **Classic Optical Laboratories, Inc. shall provide a toll free telephone and fax line for use by personnel of the Department of Community Health and Vision Providers. This line is to remain**



operational for (30) days after the termination of the Contract or until completion of all pending orders, unless the State authorizes in writing a shorter time.

- b. **Classic Optical Laboratories, Inc. shall provide providers with the capability of submitting orders (prescriptions) online at no charge to the provider or the State. At present, over 90% of the orders are submitted online. This service has increased program efficiency by reducing both the time in which the Contractor receives the order and the number of incomplete and/or inconsistent information received on the orders. Classic Optical Laboratories, Inc. will ensure confidentiality in accordance with HIPPA requirements.**

Classic Optical Laboratories, Inc. shall have an accessible customer service department with an individual specifically assigned to State of Michigan accounts. This line will be open from 8:00am to 5:00pm Monday through Friday.

- 1.202 TRAINING RESERVED
- 1.203 REPORTING RESERVED
- 1.204 SPECIAL PROGRAMS RESERVED
- 1.205 SECURITY RESERVED

- 1.3 Delivery Capabilities
 - 1.301 TIME FRAMES

The time frame is addressed under section 1.101 Fabrication Schedule.

- 1.302 MINIMUM ORDER

There is no minimum order requirement under the Contract resulting from this Contract.

- 1.303 PACKAGING RESERVED
- 1.304 PALLETIZING RESERVED
- 1.305 DELIVERY TERM

Prices shall be quoted "F.O.B. Delivered".

1.306 RESERVED FOR ACCEPTANCE OF DELIVERABLES/PARE EXPLANATION

- 1.4 Project Price
 - 1.401 PROPOSAL PRICING

(See Appendix A for pricing).

- 1.402 QUICK PAYMENT TERMS RESERVED
- 1.403 PRICE TERM

The Contract awarded from this solicitation will be a Unit Price Contract. All administrative services including, but not limited to, reports, online, and telephone services are to be provided to the State and Providers at no charge.

Prices quoted are the maximum for a period of 365 days from the date Contract becomes effective. Prices may be subject to revision at the end of each 365-day period. Such changes shall be based on general industry changes and supported by adequate detail to document it. Revisions may be either increases or decreases and may be requested by either party. Purchasing Operations reserves the right to consider various pertinent information sources to evaluate price increase



request (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics). The prices quoted each 365-day period shall be firm. Requests for price change shall be received, in writing; at least sixty days prior to their effective date, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the Contract may be canceled.

1. All claims submitted to MDCH must be by electronic transfer, unless it involves an adjustment of a previous payment. The automated system to be used for this process, whether the Contractor's or that of a billing agent, must meet the State's requirements for automated systems.
2. The Contractor must be able to reconcile its billing based upon the paid, pend, or reject status of claims listed on the Remittance Advice by either:
 - a. Claim reference number, or
 - b. Prior Authorization number, Beneficiary name, and Beneficiary Medicaid identification number.
3. The Contractor will not bill for zero dollar amounts, unless the Contractor is crediting the State's account via a claim adjustment.
4. A claim must be initially submitted, received, and acknowledged by the State within twelve (12) months from the date of the Remittance Advice on which that initial claim was rejected or paid incorrectly.
5. Future resubmitted claims and claim adjustments must continue to be submitted, received and acknowledged by the State within each Consecutive twelve-month period from the date of the Remittance Advice on which the previous submission was rejected or paid incorrectly. All claims must be resolved within fifteen (15) months of the termination of this Contract.
6. The State reserves the right to modify and revise billing codes as required. The Contractor shall be notified of such changes thirty days prior to implementation.
7. The date of service for billing purposes by the Contractor shall be the Date of Order specified on the order form.

1.5 Quantity term

Vendor agrees to supply all that the State requires.



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contract is for **the fabrication of eyeglasses and certain services** for the State of Michigan (“State”). Exact quantities to be purchased are unknown, however the successful 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 are by Michigan Medicaid enrolled vision providers on a Vision Services Approval/Order.

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 Michigan **Department of Community Health**, hereinafter known as **MDCH**. Where actions are a combination of those of Purchasing Operations and MDCH, 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, and 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
Terry Harris
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 241-1650
harrist@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 any Contract resulting from this Contract will be for three (3) years and will commence with the issuance of a Contract. This will be approximately **October 1, 2008** through **September 30, 2011**.

Option. The State reserves the right to exercise 2 one-year options, at the sole option of the State with contractor agreement. 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 with contractor agreement, 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 State to an extension. If the State exercises this option, the extended contract shall be considered to include this option clause.

2.005 GOVERNING LAW

The Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing is 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 any 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 any Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term or any other term of the Contract.

2.013 PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the MDCH through the issuance of a Purchase Order Form referencing any 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 RESERVED

2.104 RESERVED

2.105 PERFORMANCE AND RELIABILITY EVALUATION (PARE) RESERVED

2.106 PREVAILING WAGE RESERVED

2.107 PAYROLL AND BASIC RECORDS RESERVED

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 the 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 may 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 RESERVED

2.203 POSSIBLE PROGRESS PAYMENTS RESERVED

2.204 POSSIBLE PERFORMANCE-BASED PAYMENTS RESERVED

2.205 ELECTRONIC PAYMENT REQUIREMENT

Public Act 533 of 2004 requires that payments under this contract be processed by electronic funds transfer (EFT). Contractor is required to receive payments by EFT at the Contract & Payment Express website (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 this 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 this 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 this 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 this 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 the bidder provided in their bid.

2.304 TAXES

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

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

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

2.305 INDEMNIFICATION

General Indemnification

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



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

Patent/Copyright Infringement Indemnification

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

Code Indemnification

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



Indemnification Obligation Not Limited

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

Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

Indemnification Procedures

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

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



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

2.306 LIMITATION OF LIABILITY

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.

The Contractor's liability for damages to the State shall be limited to two times the value of the Contract or \$200,000 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

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

2.307 CONTRACT DISTRIBUTION

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies 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.

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 **90 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 this 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:

Laura Dotson, CCI
Department of Community Health
Budget and Contracts Division
320 S. Walnut St.
Lansing, MI 48913
Dotsonl1@michigan.gov
517-241-4686
517-241-4845 FAX

Marilyn Russo, Program Manager (Day to Day)
Department of Community Health
Capital Commons Bldg. 6th Floor
400 South Pine Street
PO Box 30170
Lansing, MI 48909
russom@michigan.gov
517-335-5263
517-241-7813 FAX

2.402 PERFORMANCE REVIEWS

Purchasing Operations in conjunction with the **Department of Community Health** 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, this 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.

Performance reviews may also include an audit of past invoices. If errors are found in past invoicing, Contractor will reimburse the State for the difference within 30 days of the audit.

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

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, it 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, 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

A. Rights and Obligations Upon Termination

- (1) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other



property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of the Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

- (2) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for partially completed Deliverables, on a percentage of completion basis. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.
- (3) If any such termination by the State is for cause, the State shall have the right to set-off against any amounts due Contractor the amount of any damages for which Contractor is liable to the State under this Contract or pursuant to law or equity.
- (4) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Services under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

B. Termination Assistance

If the Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to ninety (90) calendar days 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 the Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. The State shall compensate Contractor for such termination assistance at the same rates and charges set forth in the Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractors pricing section. If the Contract is terminated by Contractor under Section 20, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under the Contract.

C. Reservation of Rights

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



D. End of Contract Transition

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

- (1) **Personnel** - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors.
- (2) **Knowledgeable Personnel**. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (3) **Information** - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under the Contract. The Contractor will also provide any licenses required to perform the Services under the Contract.
- (4) **Software** - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services under the Contract. This shall include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level.
- (5) **Payment** - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (6) **Single Point of Contact** - Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

E. Transition out of this Contract

- (1) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Cooperating with any contractors, vendors, or other entities with whom the State contracts to meet its telecommunication needs, for at least ninety (90) days after the termination of this Contract;
 - (ii) Reserved.



- (iii) Providing the State with all asset management data generated from the inception of this Contract through the date on which this Contract is terminated, in a comma-delimited format unless otherwise required by the Program Office;
 - (iv) Reconciling all accounts between the State and the Contractor;
 - (v) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
 - (vi) Freezing all non-critical software changes;
 - (vii) Notifying all of the Contractor's subcontractors of procedures to be followed during the transition out phase;
 - (viii) Assisting with the communications network turnover, if applicable;
 - (ix) Assisting in the execution of a parallel operation until the effective date of termination of this Contract
 - (x) Answering questions regarding post-migration services;
 - (xi) Delivering to the State any remaining owed reports and documentation still in the Contractor's possession.
- (2) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
- (i) Reconciling all accounts between the State and the Contractor;
 - (ii) Completing any pending post-project reviews.

2.703 LIQUIDATED DAMAGES

1. The State and the Contractor hereby agree to the specific standards set forth in this Contract. It is agreed between the Contractor and the State that liquidated shall be charged to the Contractor for failure to meet the requirements set in the Contract for: Fabrication Schedules, Replacement Policy, Quality of Frames and Lenses, and Non-compliance with all policies and Bulletins or failure to meet any other State or Federal mandate in regards to the Contract. Charges shall be, at a minimum, the exact amount of any and all payment made by the State in regards to failure to meet the requirements stated in this Contract. 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. For Audits, liquidated damages will be assessed and subject to Extrapolation on all orders within the Audit Sample which are non-complaint with requirements specified in this Contract without accepted documentation for delay or reason. Liquidated damages will be set at 100% for orders in non-compliance with State requirements.
2. The State will notify the Contractor in writing of any claim for liquidated damages 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.
3. 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 not restricted to, acts of God, fires, floods, epidemics, and labor unrest; but in every case, the delays must be beyond the control and without the fault or negligence of the Contractor.

2.704 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

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

2.802 TIME EXTENTIONS

Time extensions for this 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 include 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.
- (b) 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.
- (c) 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.

News releases

News releases (including promotional literature and commercial advertisements) pertaining to the ITB and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the ITB and Contract are to be released without prior written approval of the State and then only to persons designated.

2.806 FREEDOM OF INFORMATION ACT

All information in a Contractor's proposal and the Contract is subject to the provisions of the Freedom of Information Act. 1976 Public Act No. 442, as amended, MCL 15.231, et seq

2.807 LIABILITY INSURANCE**A. Insurance**

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

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

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

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



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

See www.michigan.gov/cis

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

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

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

- 1. **Commercial General Liability with the following minimum coverage:**

\$2,000,000	General Aggregate Limit other than Products/Completed Operations
\$2,000,000	Products/Completed Operations Aggregate Limit
\$1,000,000	Personal & Advertising Injury Limit
\$1,000,000	Each Occurrence Limit
\$500,000	Fire Damage Limit (any one fire)

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

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

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

- 3. **Workers’ compensation coverage must be provided in accordance with applicable laws governing the employees and employers work activities in the state of the Contractor’s domicile. If a self-insurer provides the applicable coverage, proof must be provided of approved self-insured authority by the jurisdiction of domicile.**

For employees working outside of the state of qualification, Contractor must provide appropriate certificates of insurance proving mandated coverage levels for the jurisdictions where the employees’ activities occur.



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

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

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

B. Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor’s insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor’s liability or responsibility.

C. Certificates of Insurance and Other Requirements

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



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



ARTICLE 1, APPENDIX A

Item Listing for Lenses
(Including Miscellaneous Items)

Codes	Description	Base	Prices Per Lens			
			Glass	Plastic	Polycarb	High Index Plastic
V2100	Sphere, single vision, plano to plus or minus 4.00D		<u>5.00</u>	<u>5.00</u>	<u>9.00</u>	<u>X.XX</u>
V2101	Sphere, single vision, plus or minus 4.12D to plus or minus 7.00D		<u>5.80</u>	<u>5.80</u>	<u>10.13</u>	<u>X.XX</u>
V2102	Sphere, single vision, plus or minus 7.12D to plus or minus 20.00D		<u>X.XX</u>	<u>8.76</u>	<u>10.69</u>	<u>14.06</u>
V2103	Spherocylinder, single vision, plano to plus or minus 4.00D sphere, 0.12D to 2.00D cylinder		<u>5.11</u>	<u>5.11</u>	<u>9.22</u>	<u>X.XX</u>
V2104	Spherocylinder, single vision, plano to plus or minus 4.00D sphere, 2.12D to 4.00D cylinder		<u>7.36</u>	<u>7.36</u>	<u>10.54</u>	<u>X.XX</u>
V2105	Spherocylinder, single vision, plano to plus or minus 4.00D sphere, 4.25D to 6.00D cylinder		<u>8.28</u>	<u>8.28</u>	<u>10.69</u>	<u>X.XX</u>
V2106	Spherocylinder, single vision, plano to plus or minus 4.00D sphere, over 6.00D cylinder		<u>0.00</u>	<u>8.45</u>	<u>11.26</u>	<u>X.XX</u>
V2107	Spherocylinder, single vision, plus or minus 4.25D to plus or minus 7.00D sphere, 0.12D to 2.00D cylinder		<u>5.83</u>	<u>5.83</u>	<u>10.16</u>	<u>X.XX</u>
V2108	Spherocylinder, single vision, plus or minus 4.25D to plus or minus 7.00D sphere, 2.12D to 4.00D cylinder		<u>0.00</u>	<u>7.81</u>	<u>11.05</u>	<u>X.XX</u>
V2109	Spherocylinder, single vision, plus or minus 4.25D to plus or minus 7.00D sphere, 4.25D to 6.00D cylinder		<u>0.00</u>	<u>8.48</u>	<u>9.86</u>	<u>X.XX</u>
V2110	Spherocylinder, single vision, plus or minus 4.25D to plus or minus 7.00D sphere, over 6.00D cylinder		<u>0.00</u>	<u>8.46</u>	<u>11.69</u>	<u>X.XX</u>
V2111	Spherocylinder, single vision, plus or minus 7.25D to plus or minus 12.00D sphere, 0.12D to 2.00D cylinder		<u>X.XX</u>	<u>8.43</u>	<u>11.11</u>	<u>14.39</u>
V2112	Spherocylinder, single vision, plus or minus 7.25D to plus or minus 12.00D sphere, 2.12D to 4.00D cylinder		<u>X.XX</u>	<u>8.71</u>	<u>10.61</u>	<u>14.39</u>



Codes	Description	Base	Prices Per Lens			
			Glass	Plastic	Polycarb	High Index Plastic
V2113	Spherocylinder, single vision, plus or minus, 7.25D to plus or minus 12.00D sphere, 4.12D to 6.00D cylinder		X.XX	9.11	10.69	16.46
V2114	Spherocylinder, single vision, sphere over plus or minus 12.00D (with any cylinder)		X.XX	17.76	11.43	7.30
V2115	Lenticular (myodisc), single vision	Base	X.XX	15.30	X.XX	X.XX
V2121	Lenticular, aspheric, single vision	Base	X.XX	20.77	X.XX	X.XX
V2199	Not otherwise classified, single vision		*	*	*	*
V2200	Sphere, bifocal, plano to plus or minus 4.00D	Base	7.01	7.01	12.26	X.XX
V2201	Sphere, bifocal, plus or minus 4.12D to plus or minus 7.00D	Base	0.00	8.13	12.22	X.XX
V2202	Sphere, bifocal, plus or minus 7.12D to plus or minus 20.00D	Base	X.XX	9.56	15.14	20.37
V2203	Spherocylinder, bifocal, plano to plus or minus 4.00D sphere, 0.12D to 2.00D cylinder	Base	8.05	8.05	11.98	X.XX
V2204	Spherocylinder, bifocal, plano to plus or minus 4.00D sphere, 2.12D to 4.00D cylinder	Base	8.15	8.15	11.55	X.XX
V2205	Spherocylinder, bifocal, plano to plus or minus 4.00D sphere, 4.25D to 6.00D cylinder	Base	8.31	8.31	12.12	X.XX
V2206	Spherocylinder, bifocal, plano to plus or minus 4.00D sphere, over 6.00D cylinder	Base	0.00	8.30	0.00	X.XX
V2207	Spherocylinder, bifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 0.12D to 2.00D cylinder	Base	8.12	8.12	12.28	X.XX
V2208	Spherocylinder, bifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 2.12D to 4.00D cylinder	Base	8.22	8.22	11.34	X.XX
V2209	Spherocylinder, bifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 4.25D to 6.00D cylinder	Base	0.00	8.16	8.99	X.XX
V2210	Spherocylinder, bifocal, plus or minus 4.25D to plus or minus 7.00D sphere, over 6.00D cylinder	Base	0.00	8.02	0.00	X.XX
V2211	Spherocylinder, bifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 0.12D to 2.00D cylinder	Base	X.XX	8.20	16.75	21.15



Codes	Description		Prices Per Lens			
			Glass	Plastic	Polycarb	High Index Plastic
V2212	Spherocylinder, bifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 2.12D to 4.00D cylinder	Base	<u>X.XX</u>	<u>8.36</u>	<u>12.12</u>	<u>26.18</u>
V2213	Spherocylinder, bifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 4.25D to 6.00D cylinder	Base	<u>X.XX</u>	<u>8.05</u>	<u>13.69</u>	<u>33.87</u>
V2214	Spherocylinder, bifocal, sphere over plus or minus 12.00D (with any cylinder)	Base	<u>X.XX</u>	<u>35.84</u>	<u>8.99</u>	<u>0.00</u>
V2219	Bifocal segment width over 28mm	Add-on	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
V2220	Bifocal add over 3.25D	Add-on	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>
V2221	Lenticular, aspheric, bifocal	Base	<u>X.XX</u>	<u>15.63</u>	<u>X.XX</u>	<u>X.XX</u>
V2299	Specialty bifocal (by report)		*	*	*	*
V2300	Sphere, trifocal, plano to plus or minus 4.00D	Base	<u>9.71</u>	<u>9.71</u>	<u>X.XX</u>	<u>X.XX</u>
V2301	Sphere, trifocal, plus or minus 4.12D to plus or minus 7.00D	Base	<u>0.00</u>	<u>9.34</u>	<u>X.XX</u>	<u>X.XX</u>
V2302	Sphere, trifocal, plus or minus 7.12D to Plus or minus 20.00D	Base	<u>X.XX</u>	<u>6.87</u>	<u>X.XX</u>	<u>X.XX</u>
V2303	Spherocylinder, trifocal, plano to plus or minus 4.00D sphere, 0.12D to 2.00D cylinder	Base	<u>9.54</u>	<u>9.54</u>	<u>X.XX</u>	<u>X.XX</u>
V2304	Spherocylinder, trifocal, plano to plus or minus 4.00D sphere, 2.12D to 4.00D cylinder	Base	<u>0.00</u>	<u>9.54</u>	<u>X.XX</u>	<u>X.XX</u>
V2305	Spherocylinder, trifocal, plano to plus or minus 4.00D sphere, 4.25D to 6.00D cylinder	Base	<u>0.00</u>	<u>9.27</u>	<u>X.XX</u>	<u>X.XX</u>
V2306	Spherocylinder, trifocal, plano to plus or minus 4.00D sphere, over 6.00D cylinder	Base	<u>0.00</u>	<u>9.62</u>	<u>X.XX</u>	<u>X.XX</u>
V2307	Spherocylinder, trifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 0.12D to 2.00D cylinder	Base	<u>9.62</u>	<u>9.62</u>	<u>X.XX</u>	<u>X.XX</u>
V2308	Spherocylinder, trifocal, plus or minus 4.25D to plus or minus 7.00D sphere 2.12D to 4.00D cylinder	Base	<u>0.00</u>	<u>9.94</u>	<u>X.XX</u>	<u>X.XX</u>
V2309	Spherocylinder, trifocal, plus or minus 4.25D to plus or minus 7.00D sphere, 4.25D to 6.00D cylinder	Base	<u>0.00</u>	<u>6.87</u>	<u>X.XX</u>	<u>X.XX</u>



Codes	Description		Prices Per Lens			
			Glass	Plastic	Polycarb	High Index Plastic
V2310	Spherocylinder, trifocal, plus or minus 4.25D to plus or minus 7.00D sphere over 6.00D cylinder	Base	0.00	0.00	X.XX	X.XX
V2311	Spherocylinder, trifocal, plus or minus 7.25D to plus or minus 12.00D sphere 0.12D to 2.00D cylinder	Base	X.XX	11.22	X.XX	X.XX
V2312	Spherocylinder, trifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 2.12D to 4.00D cylinder	Base	X.XX	11.47	X.XX	X.XX
V2313	Spherocylinder, trifocal, plus or minus 7.25D to plus or minus 12.00D sphere, 4.25D to 6.00D cylinder	Base	X.XX	6.87	X.XX	X.XX
V2314	Spherocylinder, trifocal, sphere over plus or minus 12.00D (with any cylinder)	Base	X.XX	6.87	X.XX	X.XX
V2320	Trifocal add over 3.25D	Add-on	3.00	3.00	X.XX	X.XX
V2399	Specialty trifocal (by report)		*	*	*	*
V2410	Variable asphericity lens, single vision full field	Base	XXX	17.09	XXX	XXX
V2430	Variable asphericity lens, bifocal, Full	Base	X.XX	19.06	XXX	X.XX
V2499	Variable sphericity lens, other type		*	*	*	*
V2700	Balance lens	Base	0.00	0.00	0.00	0.0.0
V2710	Slab-off prism	Add-on	X.XX	46.66	X.XX	X.XX
V2715	Prism	Add-on	2.66	2.66	2.66	2.66
V2718	Press-on lens, Fresnell prism	Base	2.66	2.66	2.66	2.66
V2744	Tint, photochromatic	Add-on	6.67	X.XX	X.XX	X.XX
V2745	Tint, any color, Solid, or gradient (not photocromatic)	Add-on	1.50	1.50	1.50	1.50
V2755	U-V coating	Add-on	4.00	4.00	4.00	4.00
V2756	Eyeglass case	Base	0.28	0.28	0.28	0.28
V2799	Vision service, miscellaneous		*	*	*	*
S0581	Non-standard lens (industrial thickness)	Add-on	2.00	2.00	2.00	2.00



- Notes:**
- 1) High index plastic 1.60, Modifier U2**
 - 2) Code V2718 includes mounting when ordered**
 - 3) Bifocals with segments 28mm and under to include Round 22 and FT28**
 - 4) Bifocals with segments over 28mm to include FT-35 and Executive**
 - 5) Trifocals required: FT-7x28**
 - 6) Codes V2199, V2299, V2399, V2499, and V2799 indicated by * sign will be individually priced upon review**
 - 7) Polycarbonate lens modifier U1**



APPENDIX A1

Procedure Code: V2020

Description	Bid Price
<u>Women's</u>	
1. Marie (Zimco)	<u>9.42</u>
2. Candia (Limited Edition)	<u>6.72</u>
3. Elay (Limited Edition)	<u>10.50</u>
4. Blvd 4017 (unisex) (Hart)*	<u>9.22</u>
5. Ontario (Zimco)	<u>8.95</u>
6. Regina (Limited Edition)	<u>9.42</u>
7. Electra (Zimco)	<u>9.42</u>
8. Blvd 2111 (Hart)	<u>6.72</u>
9. Bess (Limited Edition)*	<u>9.42</u>
10. Smitty (unisex) (Limited Edition)*	<u>6.33</u>
11. B4154 (unisex) (Hart)*	<u>8.95</u>
12. Downtown (unisex) (Zimco)*	<u>7.42</u>
<u>Men's</u>	
13. Tony (Limited Editions)	<u>8.95</u>
14. 314 (Limited Edition)	<u>7.42</u>
15. B 1201 (Hart)	<u>7.97</u>
16. Blvd 4017 (unisex) (Hart)*	<u>9.22</u>
17. J5861 (Hart)	<u>8.42</u>
18. Yank (Criss)	<u>8.47</u>
19. 314 (Limited Edition)	<u>7.42</u>
20. Downtown (unisex) (Zimco)*	<u>7.42</u>
21. Smitty (unisex) (Hart)*	<u>6.33</u>
22. LG 8023 (Hart)*	<u>8.42</u>
23. Mainstreet 302S (Hart) *	<u>5.75</u>
24. B4154 (Hart)*	<u>8.95</u>



Children's

24.	Magic (Limited Edition)	<u>9.42</u>
25.	Downtown (unisex) (Limited Edition)	<u>7.42</u>
26.	Chuckles (unisex) (Zimco)	<u>11.42</u>
27.	Manhattan (Limited Edition)	<u>6.25</u>
28.	LG 8023 (Hart)*	<u>8.42</u>
29.	Mainstreet 302S (Hart)	<u>5.75</u>
23.	Mainstreet 415 (Hart)	<u>8.97</u>
31.	Panda (Limited Edition)	<u>11.00</u>
32.	G514 (Kenmark)	<u>8.95</u>
33.	Pumpkin (Modern)	<u>8.46</u>
34.	304 (Limited Editions)	<u>7.42</u>

Safety

		<u>18.67</u>
35.	071 (Onguard)	
36.	069 (Onguard)	<u>19.00</u>
37.	093 (Onguard)	<u>19.00</u>
38.	43 (Onguard)	<u>10.97</u>

Appropriate Sizes for Age*