

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. 16
 to
CONTRACT NO. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
PTS Of America, LLC 1854 Air Lane Drive, Suite 20 Nashville TN, 37210	Tanisha Cheek	Tcheek@prisonertransport.net
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(866) 388-8488	*****3449

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	AG	O'Brien, Patrick	(517) 373-1111	OBrienP@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	William Camp	(517) 284-7022	CampW@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Transport Services For Prisoners And Detainees			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2008	December 11, 2009	5 - 1 Year	November 30, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
1 % 10 Days/NET 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<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				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	3 Months	March 1, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$3,795,900.00		\$ 0.00	\$3,795,900.00	

DESCRIPTION: Effective December 1, 2015, this Contract is hereby extended 3 Months per section 2.170. The revised Contract expiration date is March 1, 2016.

All other terms, conditions, specifications and pricing remain the same per Contractor and Agency agreement, and DTMB Procurement approval.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 4890
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 15
 to
CONTRACT NO. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
PTS OF AMERICA, LLC 1854 Air Lane Drive, Suite 20 PO BOX 121591 Nashville, TN 37212	Tanisha Cheek	Tcheek@prisonertransport.net
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	(866) 388-8488	3449

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	AG	Patrick O'Brien	517-373-1111	OBrienP@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Will Camp	(517) 284-7022	campw@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Transport Services for Prisoners and Detainees			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 05, 2008	December 11, 2009	5, 1 year	September 30, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
1 % 10 Days/NET 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<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				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXPIRATION DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	2 Months	November 30, 2015
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$3,755,900.00		\$40,000.00	\$3,795,900.00	

DESCRIPTION:
 Effective September 30, 2015, this contract is extended two months; and is increased by \$40,000. The revised contract expiration date is November 30, 2015.

All other terms, conditions, specifications and pricing remain the same. Per agency request, contractor agreement, and DTMB Procurement approval.

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. 14
 to
CONTRACT NO. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
PTS of America, LLC 1854 Air Lane Drive, Suite 20 PO Box 121591 Nashville, TN 37210	Tanisha Cheek	TCheek@prisonertransport.net
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(866) 388-8488	3449

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	AG	Patrick O'Brien	517-373-1111	ObrienP@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	William Camp	517-7022	CampW@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Transport Services for Prisoners and Detainees – for Multiple State Departments			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2008	December 11, 2009	5, 1 Year Options	September 30, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
1% 10 Days/Net 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<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 EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	N/A	September 30, 2015
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$3,625,900.00		\$130,000.00	\$3,755,900.00	

DESCRIPTION:
 Effective May 10, 2015, this Contract is hereby increased by \$130,000.00. Please note the Contract Administrator has been changed to William Camp. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB procurement approval and State Administrative Board approval on May 12, 2015.

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. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
PTS of America, LLC 1854 Air Lane Drive, Suite 20 PO Box 121591 Nashville, TN 37210	Tanisha Cheek	TCheek@prisonertransport.net
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(866) 388-8488	3449

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	AG	Patrick O'Brien	517-373-1111	obrienP@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Mary Ostrowski	517-373-6327	ostrowskim@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Transport Services for Prisoners and Detainees – for Multiple State Departments			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2008	December 11, 2009	5, 1 Year Options	March 31, 2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
1% 10 Days/Net 45	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<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 EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input type="checkbox"/>	<input checked="" type="checkbox"/>	6 Months	September 30, 2015
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$3,455,900.00		\$170,000.00	\$3,625,900.00	

DESCRIPTION:
 Effective March 31, 2015, this contract is EXTENDED 6 months and is INCREASED by \$170,000.00. The revised contract expiration date is September 30, 2015. All other terms, conditions, specifications, and pricing remain the same per vendor, Department of Corrections, and Attorney General Agreement 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

CHANGE NOTICE NO. 12
 to
CONTRACT NO. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
PTS of America, LLC 1854 Air Lane Drive, Suite 20 PO Box 121591 Nashville, TN 37210	Tanisha Cheek	TCheek@prisonertransport.net
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 388-8488	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	AG	Patrick O'Brien	517-373-1111	obrienP@michigan.gov
BUYER	DTMB	Mary Ostrowski	517-373-6327	ostrowskim@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Transport Services for Prisoners and Detainees – for Multiple State Departments			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2008	December 11, 2009	5, 1 Year Options	December 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
1% 10 Days/Net 45	N/A	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"/>	3 months	March 31, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$135,000.00		\$3,455,900.00		

Effective January 1, 2015, this contract is EXTENDED 3 months; and is INCREASED by \$135,000.00. The revised Contract expiration date is March 31, 2015.

All other terms, conditions, specifications and pricing remain the same. Per vendor, Department of Corrections and Attorney General agreement, DTMB Procurement approval, and State Administrative Board approval on December 16, 2015.

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

CHANGE NOTICE NO. 11
 to
CONTRACT NO. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
PTS of America, LLC 1854 Air Lane Drive, Suite 20 PO Box 121591 Nashville, TN 37210	Tanisha Cheek	TCheek@prisonertransport.net
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 388-8488	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	AG	Patrick O'Brien	517-373-1111	obrienP@michigan.gov
BUYER	DTMB	Mary Ostrowski	517-373-6327	ostrowskim@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Transport Services for Prisoners and Detainees – for Multiple State Departments			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2008	December 11, 2009	5, 1 Year Options	December 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
1% 10 Days/Net 45	N/A	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 checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$95,000.00		\$3,320,900.00		

Effective December 10, 2014, this contract is hereby increased by \$95,000.00.

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

Per vendor and Attorney General agreement 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

CHANGE NOTICE NO. 10
 to
CONTRACT NO. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
PTS of America, LLC 1854 Air Lane Drive, Suite 20 PO Box 121591 Nashville, TN 37210	Tanisha Cheek	TCheek@prisonertransport.net
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 388-8488	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	AG	Patrick O'Brien	517-373-1111	obrienP@michigan.gov
BUYER	DTMB	Mary Ostrowski	517-373-6327	ostrowskim@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Transport Services for Prisoners and Detainees – for Multiple State Departments			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2008	December 11, 2009	5, 1 Year Options	December 31, 2014
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
1% 10 Days/Net 45	N/A	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 checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>	1 year	December 31, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$90,000.00		\$3,225,900.00		

Effective August 20, 2014, this contract is hereby increased by \$90,000.00.

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

Per vendor and Attorney General agreement 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

May 31, 2013

CHANGE NOTICE NO. 9
 to
CONTRACT NO. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
PTS of America, LLC 1854 Air Lane Drive, Suite 20 PO Box 121591 Nashville, TN 37210	Tanisha Cheek	TCheek@prisonertransport.net
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 388-8488	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	AG	Patrick O'Brien	517-373-1111	obrienP@michigan.gov
BUYER	DTMB	Mary Ostrowski	517-373-6327	ostrowskim@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Transport Services for Prisoners and Detainees – for Multiple State Departments			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 5, 2008	December 11, 2009	5, 1 Year Options	December 31, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
1% 10 Days/Net 45	N/A	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 checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	December 31, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$0.00		\$3,135,900.00		

Effective immediately, this contract is hereby utilizing the final option year. The new end date is December 31, 2014.

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

Per vendor and agency agreement 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

CHANGE NOTICE NO. 8
 to
CONTRACT NO. 071B9200050
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
PTS of America, LLC 1854 Air Lane Drive, Suite 20 PO Box 121591 Nashville, TN 37210	Tanisha Cheek	TCheek@prisonertransport.net
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(866) 388-8488	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	AG	Patrick O'Brien	517-373-1111	
BUYER	DTMB	Mary Ostrowski	517-373-6327	ostrowskim@michigan.gov

CONTRACT SUMMARY:				
DESCRIPTION: Transport Services for Prisoners and Detainees – for Multiple State Departments				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
December 5, 2008	December 11, 2009		December 31, 2012	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM	
1% 10 Days/Net 45	N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MI/DEAL 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 checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	Dec. 31, 2013
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$500,000.00		\$3,135,900.00		

Effective October 16, 2012, this contract is hereby INCREASED by \$500,000.00 and EXTENDED to December 31, 2013. Please also note that the vendor contact person and information has been updated. Pricing updates are as follows:

Males: \$0.85 per mile
 Females: \$0.85 per mile
 ND, SD, MT: \$1.35 per mile
 WY, UT, ID: \$1.22 per mile
 WA, OR, NE: \$1.13 per mile

 ME, NH, VT, RI, MA: \$0.85 per mile
 New Minimum Price: \$350.00

All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on October 16, 2012.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY MANAGEMENT AND BUDGET January 19, 2012
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 7
TO
CONTRACT NO. 071B9200050
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR PTS of America, LLC 1854 Air Lane D0.rive, Suite 20 P.O. Box 121591 Nashville, TN 37210 MPerkins@prisonertransport.net		TELEPHONE (866) 388-8488 Michelle Perkins
		BUYER/CA (517) 373-6327 Mary Ostrowski
Contract Compliance Inspector: AG: Patrick O'Brien (517) 373-1111 DOC: Yolanda Thomas (517) 335-1385 Transport Services for Prisoners and Detainees – for Multiple State Departments		
CONTRACT PERIOD: From: December 5, 2008 To: December 31, 2012		
TERMS 1% 10 Days / Net 45	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE:

Effective immediately, this contract is hereby **EXTENDED** one year to December 31, 2012 and **INCREASED** by \$450,000.00 for Department of Corrections.

All other terms, conditions and specifications remain unchanged.

AUTHORITY/REASON:

Per Dept. of Corrections request, and State Administrative Board approval on 01/17/2012.

INCREASE: \$450,000.00

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,635,900.00

STATE OF MICHIGAN
DEPARTMENT OF MANAGEMENT AND BUDGET
PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

January 19, 2011

CHANGE NOTICE NO. 6
TO
CONTRACT NO. 071B9200050
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (866) 388-8488 Michelle Perkins
PTS of America, LLC 1854 Air Lane Drive, Suite 20 P.O. Box 121591 Nashville, TN 37210		
MPerkins@prisonertransport.net		BUYER/CA (517) 373-6327 Mary Ostrowski
Contract Compliance Inspector: AG: Patrick O'Brien (517) 373-1111 DOC: Yolanda Thomas (517) 335-1385 Transport Services for Prisoners and Detainees – for Multiple State Departments		
CONTRACT PERIOD: From: December 5, 2008 To: December 31, 2011		
TERMS	SHIPMENT	
1% 10 Days / Net 45		N/A
F.O.B.	SHIPPED FROM	
N/A		N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE:

Effective immediately, this contract is hereby **EXTENDED** 11 months and **INCREASED** by **\$1,050,000.00**:
\$750,000.00 for the Department of Corrections
\$300,000.00 for Attorney General

All other terms, conditions and specifications remain unchanged.

AUTHORITY/REASON:

Per Dept. of Correction and Attorney General requests, Contractor agreement dated December 3, 2010 and DTMB/Procurement & Real Estate Services Administration approval.

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$2,185,900.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

December 7, 2010

**CHANGE NOTICE NO. 5
 TO
 CONTRACT NO. 071B9200050
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR PTS of America, LLC 1854 Air Lane Drive, Suite 20 P.O. Box 121591 Nashville, TN 37210		TELEPHONE (866) 388-8488 Michelle Perkins
		BUYER/CA (517) 373-6327 Mary Ostrowski
Contract Compliance Inspector: AG: Patrick O'Brien (517) 373-1111 DOC: Yolanda Thomas (517) 335-1385 Transport Services for Prisoners and Detainees – for Multiple State Departments		
CONTRACT PERIOD: From: December 5, 2008 To: January 31, 2011		
TERMS 1% 10 Days / Net 45	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE:

Effective immediately, this contract is hereby **EXTENDED** one month.

The Buyer has been changed to **Mary Ostrowski**.

All other terms, conditions and specifications remain unchanged.

AUTHORITY/REASON:

Per Dept. of Corrections request, Contractor agreement dated December 3, 2010 and DTMB Purchasing Operations approval.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: \$1,135,900.00

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PROCUREMENT & REAL ESTATE SERVICES ADMINISTRATION
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

October 29, 2010

**CHANGE NOTICE NO. 4
 TO
 CONTRACT NO. 071B9200050
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR PTS of America, LLC 1854 Air Lane Drive, Suite 20 P.O. Box 121591 Nashville, TN 37210		TELEPHONE (866) 388-8488 Michelle Perkins
		BUYER/CA (517) 241-3768 Lance Kingsbury
Contract Compliance Inspector: AG: Patrick O'Brien (517) 373-1111 DOC: Yolanda Thomas (517) 335-1385 Transport Services for Prisoners and Detainees – for Multiple State Departments		
CONTRACT PERIOD: From: December 5, 2008 To: December 31, 2010		
TERMS 1% 10 Days / Net 45	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE:

Effective immediately, this contract is hereby **INCREASED** by \$24,900.00.
 All other terms, conditions and specifications remain unchanged.

AUTHORITY/REASON:

Per Attorney General, Dept. of Correction & DTMB/Procurement & Real Estate Services Administration approval.

TOTAL REVISED ESTIMATED CONTRACT VALUE: \$1,135,900.00

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

December 30, 2009

CHANGE NOTICE NO. 3
TO
CONTRACT NO. 071B9200050
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (866) 388-8488 Michelle Perkins
PTS of America, LLC 1854 Air Lane Drive, Suite 20 P.O. Box 121591 Nashville, TN 37210		
MPerkins@prisonertransport.net		BUYER/CA (517) 241-3768 Lance Kingsbury
Contract Compliance Inspector: AG: Patrick O'Brien (517) 373-1111 DOC: Yolanda Thomas (517) 335-1385 Transport Services for Prisoners and Detainees – for Multiple State Departments		
CONTRACT PERIOD: From: December 5, 2008		To: December 31, 2010
TERMS	SHIPMENT	
1% 10 Days / Net 45		N/A
F.O.B.	SHIPPED FROM	
N/A		N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGES:

Effective December 18, 2009, this Contract is hereby EXTENDED to December 31, 2010, per Article 2.002 which states:

“2.002 Renewal(s):

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to five additional one-year periods.”

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

AUTHORITY/REASON:

Per request of Department of Corrections (PRF dated 10/28/09), Contractor agreement (fax dated 12/18/09), and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$1,111,000.00

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

December 4, 2009

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B9200050
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (866) 388-8488 Michelle Perkins
PTS of America, LLC 1854 Air Lane Drive, Suite 20 P.O. Box 121591 Nashville, TN 37210		
MPerkins@prisonertransport.net		BUYER/CA (517) 241-3768 Lance Kingsbury
Contract Compliance Inspector: AG: Patrick O'Brien (517) 373-1111 DOC: Yolanda Thomas (517) 335-1385 Transport Services for Prisoners and Detainees – for Multiple State Departments		
CONTRACT PERIOD: From: December 5, 2008 To: February 5, 2010		
TERMS	SHIPMENT	
1% 10 Days / Net 45		N/A
F.O.B.	SHIPPED FROM	
N/A		N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGES:

The State hereby exercises one month of an option year, making the new contract expiration date February 5, 2010.

Effective December 4, 2009, the following revisions are hereby made to Attachment A – Pricing Sheet:

- **Males: \$0.90 per mile (no fuel surcharge)**
- **Females: \$0.99 per mile (no fuel surcharge)**
- **ND, SD, MT: \$1.35 per mile**
- **WY, UT, ID: \$1.22 per mile**
- **WA, OR, NE: \$1.13 per mile**
- **ME, NH, VT, RI, MA: \$0.99 per mile**

Also effective December 4, 2009, a prompt payment term of 1% discount on all invoices paid within 10 days is hereby added to this Contract.

**Contract #071B9200050
Change Notice #2
Page Two**

Additionally, effective December 4, 2009, the following changes are hereby made to Section 2.022 – Contract Compliance Inspector for the Attorney General’s Office:

**Patrick J. O’Brien
Child Support Division Chief
Department of Attorney General
525 West Ottawa
P.O. Box 30758
Lansing, Michigan 48909
Phone 571-373-1111
Email: obrienp@michigan.gov**

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

AUTHORITY / REASON:

Per vendor concurrence (letter dated 11-13-09), agency concurrence (DOC email dated 11-18-09, AG email dated 11-13-09), and DMB-Purchasing Operations’ approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$1,111,000.00

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

November 24, 2008

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B9200050
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR		TELEPHONE (866) 388-8488 Michelle Perkins
PTS of America, LLC 1854 Air Lane Drive, Suite 20 P.O. Box 121591 Nashville, TN 37210		
MPerkins@prisonertransport.net		BUYER/CA (517) 373-8530 Rebecca Nevai
Contract Compliance Inspector: AG: James Long (517) 373-1111 DOC: Sean Lockhart (517) 373-0287 Transport Services for Prisoners and Detainees – for Multiple State Departments		
CONTRACT PERIOD: From: December 5, 2008 To: December 11, 2009		
TERMS	Net 45	SHIPMENT N/A
F.O.B.	N/A	SHIPPED FROM N/A
MINIMUM DELIVERY REQUIREMENTS N/A		

NATURE OF CHANGE(S):

Effective November 24, 2008, the following changes are made to the MDOC Contract Compliance Inspector and Project Manager sections:

Section 2.022 - Contract Compliance Inspector:

Yolanda Thomas
Grandview Plaza
206 E. Michigan Avenue
Lansing, MI 48909
Phone: (517) 335-1385
Email: Thomasy@michigan.gov

Section 2.023 – Project Manager:

The following individual will oversee the project:

Dave Fenby, Transportation Manager
Correctional Facilities Administration
Grandview Plaza
206 E. Michigan Avenue
Lansing, MI 48909
Phone: (517) 335-1429
Email: fenbyd@michigan.gov

AUTHORITY/REASON:

Per agency request and DMB/Purchasing Operations' approval.

CURRENT AUTHORIZED SPEND LIMIT REMAINS: \$1,111,000.00

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

November 12, 2008

**NOTICE
 TO
 CONTRACT NO. 071B9200050
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF CONTRACTOR PTS of America, LLC 1854 Air Lane Drive, Suite 20 P.O. Box 121591 Nashville, TN 37210		TELEPHONE (866) 388-8488 Michelle Perkins
		BUYER/CA (517) 373-8530 Rebecca Nevai
Contract Compliance Inspector: AG: James Long (517) 373-1111 DOC: Sean Lockhart (517) 373-0287 Transport Services for Prisoners and Detainees – for Multiple State Departments		
CONTRACT PERIOD: From: December 5, 2008 To: December 11, 2009		
TERMS Net 45	SHIPMENT N/A	
F.O.B. N/A	SHIPPED FROM N/A	
MINIMUM DELIVERY REQUIREMENTS N/A		

Current Authorized Spend Limit: \$1,111,000.00



STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract Number 071B9200050
Transport Services for Prisoners and Detainees – for Multiple State Departments

Buyer Name: Rebecca Nevai
Telephone Number: 517-373-8530
E-Mail Address: nevair@michigan.gov



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ATTACHMENTS:

Attachment A, Pricing Sheet



DEFINITIONS

“Days” means calendar days unless otherwise specified.

“24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

“Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Audit Period” has the meaning given in **Section 2.093**.

“Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.

“Blanket Purchase Order” is an alternate term for Contract and is used in the States computer system.

“Business Critical” means any function identified in any Statement of Work as Business Critical.

“Chronic Failure” is defined in any applicable Service Level Agreements.

“Contiguous United States” is defined as the 48 connected states, including the District of Columbia, and excluding Alaska, Hawaii, Guam, and Puerto Rico.

“Deleted – Not Applicable” means that section is not applicable or included in this Contract. This is used as a placeholder to maintain consistent numbering.

“Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work

“DMB” means the Michigan Department of Management and Budget

“Environmentally preferable products” means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

“Excusable Failure” has the meaning given in **Section 2.214**.

“Hazardous material” means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

“Incident” means any interruption in Services.

“ITB” is a generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders

“Key Personnel” means any Personnel designated in **Section 1.031** as Key Personnel.

“New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Ozone-depleting substance” means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

“Post-Consumer Waste” means any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.



“Post-Industrial Waste” means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

“Recycling” means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

“Reuse” means using a product or component of municipal solid waste in its original form more than once.

“RFP” means a Request for Proposal designed to solicit proposals for services.

“Security Level” means the designation of a Michigan Department of Corrections offender using a scoring system and professional assessment that reflects the degree of appropriate supervision. Factors for consideration include, but are not limited to severity of offense, length of sentence, characteristics of sentence, criminal history, age and behavior.

- “Security Level I” - minimum security
- “Security Level II” - medium security
- “Security Level III” - medium security
- “Security Level IV” - maximum security
- “Security Level V” - maximum security

“Services” means any function performed for the benefit of the State.

“Source reduction” means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

“State Location” means any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

“Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

“Unauthorized Removal” means the Contractor’s removal of Key Personnel without the prior written consent of the State.

“Waste prevention” means source reduction and reuse, but not recycling.

“Waste reduction”, or “pollution prevention” means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

“Work in Progress” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

“Work Product” refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

- A. This is a Contract for transport of male and female prisoners, escapees, parole violators, parole absconders, and detainees from out-of-state locations back to Michigan, and if requested in-state transports in Michigan, by law enforcement-trained, professional and custodial personnel, serving multiple state departments. Transport Services are required to all of Michigan's 83 counties, as well as locations across the contiguous United States, as well as Alaska, Hawaii, Guam and Puerto Rico.
- B. Currently, the Michigan Attorney General's Office and Michigan Department of Corrections use these services. However, the State reserves the right to request the Contractor to provide these services for additional state agencies and / or departments, as needed.

1.012 Background

- A. The Michigan Attorney General's Office (AG), Child Support Division (CSD) transports male and female adult prisoners, escapees, parole violators and parole absconders, as well as individuals charged with violating Michigan law who have not yet been convicted. The CSD requires the Contractor to transport male and female prisoners back to Michigan to the local county jail in the county where they have been charged as a defendant. Thus, transportation back to Michigan may be to any of Michigan's 83 counties. CSD does not currently require transport from county to county when a prisoner or detainee is moved within Michigan.

CSD estimates that they will request approximately 180 - 200 transports a year. These quantities are estimates only, based on current figures. The CSD is not obligated to purchase in these or any other quantities.

- B. The Michigan Department of Corrections (MDOC) requires services for the transportation of male and female prison escapees, parole violators and parole absconders from out-of-state locations back to Michigan by law enforcement-trained, professional and custodial personnel. This law enforcement training must be documented by the Contractor and proof must be submitted to the MDOC Contract Compliance Inspector (CCI). The primary responsibility of the MDOC is to protect society from those individuals who are sentenced to its care. Security must never be compromised. It must remain constant and become a primary duty of the Contractor providing services required by the Contract. It is essential to realize that every confined prisoner may consider escape at one time or another and the greatest opportunity may occur during the transportation process. To lessen the probability of escape attempts, the transportation of prisoners must be viewed as a serious undertaking, demanding the highest level of professionalism, competence, and diligence.

The MDOC estimates that they will request approximately 525 transports a year. These quantities are estimates only, based on current figures. The MDOC is not obligated to purchase in these or any other quantities.

1.020 Scope of Work and Deliverables

1.021 In Scope

- A. The following is a description of the minimum requirements of the required scope of work. The State reserves the right to customize the scope to each state agency or department using these services.
- B. The scope of work includes, but is not limited to:
1. The objective is to ensure that the Contractor utilizes the most economical means for returning escapees, parole violators and absconders to Michigan, while not compromising the personal rights for safety and security of the prisoner being returned, nor enhancing the risk of escape while in transit.
 2. The State has determined that ground transport of prisoners is acceptable and the preferred method of transport. The use of air transport is to be used only in extreme circumstances to be determined as outlined in Section 1.022 Work and Deliverable.



3. Any medical costs, including pharmaceuticals, incurred during transport due to a physical examination or hospital stay are not included in this Contract. Invoices for medical costs are to be sent to requesting department's CCI from the hospital or provider that rendered the service to the offender. The Contractor may be reimbursed for pharmaceuticals purchased during transport when a copy of the prescription and purchase receipt is presented as proof that the prisoner required and received the pharmaceutical.
4. The process for the Contractor to seek and obtain State permission to subcontract these services is as stated in Section 2.070, including 2.071 through 2.075. The State must approve all subcontractors in writing prior to beginning of any services by the subcontractor.
5. High Notoriety Cases: In the event the transport of a prisoner is required involving a high notoriety case, it will be determined by the State as to whether the State will pickup the prisoner, or have the Contractor carry out the transport. Such cases must have prior approval of the individual State department or agency. For the MDOC the CFA Deputy Director, or designee would provide the approval. The State reserves the right to make alternative transport arrangements to this Contract.

1.022 Work and Deliverable

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

- A. The following is a description of the minimum requirements of the required scope of work. The State reserves the right to customize the scope to each state agency or department using these services.
- B. The scope of work includes, but is not limited to:
 1. The Contractor shall provide pick up within no later than ten days from submission of order.
 2. The Contractor must be flexible to pickup prisoners with short notice due to court orders, accommodating holding facilities, etc.
 3. The Contractor is responsible for making requests for extensions, and making any related holding arrangements.
 4. Contractor shall provide means to place transport requests via email, fax and toll-free telephone. On-line transport requests are also preferred.
 - a) To place a telephone transfer request, call in an order to PTS customer service department between the hours of 7:00 AM to 5:00 PM CST at 866-388-8488
 - b) To place a transfer request by fax, contact PTS customer service at 615-352-9737
 - c) To place a transfer request via PTS' online ordering system, go to www.prisonertransport.net to place the order.
 5. Contractor shall provide confirmation of transfer requests.
 - a) Once an order is placed via telephone or fax, PTS customer service will fax an order confirmation to the requestor.
 - b) If an order is place through the website an confirmation will be sent via email to the requestor.
 6. Contractor shall have the ability to query orders, review confirmations and track status of transport requests.
 - a) The Contractor's toll fee number for tracking purposes is 866-388-8488, and Trip Managers shall be available at this number 24 hours a day, 7 days per week, 365 days per year.
 - c) The Contractor shall provided continuous real-time tracking information through this toll free number.
 7. If a transport request for a release date cannot be accomplished on a specific date, the Contractor is responsible for making other arrangements with the holding facility. This includes any extension.
 8. Inmate medical information is to be obtained by the Contractor prior to transport. The Contractor shall require the holding facility to supply medical information on a standardized Contractor form.
 - a) The requesting department's CCI shall be notified prior to transport of any type of illness requiring special accommodations that would increase transportation costs.
 - b) The Contractor shall ensure all department CCIs using the Contractor's services shall have the Contractor's current documented process in place to obtain the medical information of offenders for transport. Once an order is placed PTS will contact the holding facility to verify inmate status. A medical form is faxed to the medical staff to complete and return.



9. WHEN TRANSPORTING FEMALE PRISONERS, THE MDOC REQUIRES THAT FEMALE STAFF PERSONNEL ACCOMPANY THE TRIP AND BE PRESENT THROUGHOUT THE TRANSPORT. This means the Contractor must retain a sufficient number of trained female agents to cover the entire transport of female escapees, parole violators and absconders.
10. Transport services are required for the transportation of male and female prisoners, escapees, parole violators, parole absconders, and detainees from out-of-state locations back to Michigan, and if requested, in-state transports in Michigan. This is to be accomplished by law enforcement-trained, professional, custodial personnel so as to minimize the risk of escape during transportation. Such transportation is to be performed in keeping with the policies, procedures, rules, regulations and guidelines set forth by the MDOC. The MDOC Transportation Manual is to be the standard used for guidelines concerning the Contract, and will be issued to the Contractor. The MDOC CCI will ensure the Contractor has the current version. Contractor staff's law enforcement training must be documented by the Contractor and proof must be submitted to the MDOC CCI. Law enforcement training includes but is not limited to the items in Section 1.022 Work and Deliverables 12 Contractor Personnel. Documentation is required for the items listed in Section 1.022 Work and Deliverables 12 Contractor Personnel.
11. Transport Destinations:
- a) The MDOC requires male prisoners to be returned to the Reception and Guidance Center in Jackson, Michigan during Reception Center's normal hours of operation. Female prisoners are to be returned to the Scott Correctional Facility in Plymouth, Michigan (effective May 2009, females will be returned to the Huron Valley Complex in Ypsilanti, Michigan) during the Reception Center's normal hours of operation. If the Contractor is unable to deliver a prisoner during the normal hours, they must provide 24 hour advance notice to the facility contacts listed below both by phone and email. It is the State's expectation that drop offs will occur during normal business hours, and Contractor requests for special drop off times shall not be a standard practice.
 - i) Men's Reception Center
Charles E. Egeler Correctional Facility
Contact Dale Holben during business days and hours of M – F 8am – 2 pm
Phone 517-780-5889
Email: holbend1@michigan.gov
After business hours, call the Control Center/count office at 517-780-5848
 - ii) Women's Reception Center
Robert Scott Correctional Facility (SCF) (will change to Huron Valley Correctional Facility in 2009)
Contact Teresa N. Williams during business days and hours
M–F 8 am – 4 pm
Phone 734-459-7400 Ext. 214
Email: williatn@michigan.gov
Fax: 734-459-7406
After business hours, call the Control Center at 734-459-7400 Ext. 370
 - NOTE - This is likely to change in May 2009 as SCF is scheduled to close. When this contact information changes, the Contractor will be notified via contract change notice.
 - b) The CSD requires the Contractor to transport male and female prisoners back to Michigan to the local county jail in the county where they have been charged as a defendant. Thus, transportation back to Michigan may be to any of Michigan's 83 counties.
12. Any medical costs, including pharmaceuticals, incurred during transport due to a physical examination or hospital stay are not included in this Contract. Invoices for medical costs are to be sent to the requesting department's CCI from the hospital or provider that rendered the service to the offender. The Contractor may be reimbursed for pharmaceuticals purchased during transport when a copy of the prescription and purchase receipt is presented as proof that the prisoner required and received the pharmaceutical.



13. The Contractor shall provide prisoner transport services under the circumstances outlined in the Contract, with clear standards for appropriate action in all cases. This includes, but is not limited to: proper notification, arrangements of pickups, uncontrolled circumstances such as inclement weather or breakdown of vehicles and misconduct on the part of escapees. Other specific objectives are to provide specifications for the proper food, lodging, security (vehicle requirements, use of force, restraints, etc.), humane treatment, and medical transfer of prisoners.
14. Contractor Personnel
To ensure that all personnel employed by the Contractor engaged in transporting prisoners are:
- At least 21 years of age;
 - Successfully passed a background check of driving record, criminal history, former and present employers and personal references;
 - Successfully passed CPR;
 - Successfully passed weapons qualifications;
 - Successfully passed transportation training;
 - Successfully passed a drug screen test.
 - Signed a conflict of interest form regarding knowing or being related to any Michigan offender.
15. Prior Notification of Arrival
The Contractor shall provide the requesting department's CCI with prior notice of their arrival at the return location to allow the CCI a reasonable time to meet with the Contractor at the return location and prepare to take custody of the prisoner. The Contractor shall notify the requesting department's CCI at least 24 hours in advance of the time they will be returning the prisoner to the return location.
16. Proper Surrender of Custody
- The Contractor shall not surrender custody of prisoner(s) without first verifying the official identification of the person(s) to whom custody of the prisoner(s) is to be transferred as being an employee of, or duly authorized agent of, the MDOC; or, in the case of a CSD transport, the local county sheriff's department. Duly authorized agents are defined as those whom the MDOC has given authority to act on its behalf.
 - The MDOC or its duly authorized agent shall present official articles of identification upon request by the Contractor at the return destination.
 - If the MDOC employee or its duly authorized agent, in the opinion of the Contractor, fails to provide official articles of identification upon request by the Contractor, the Contractor shall make appropriate inquiry with the MDOC CCI to verify identification of the apparent agent prior to surrendering custody.
17. Transportation Upon Request
The Contractor shall furnish transportation for prisoners and official passengers of the requesting department within, or out of, the State of Michigan upon request. However, the requesting department shall notify the Contractor within ten days in advance of desired departure time, unless emergency or special circumstances require transport arrangements sooner.
18. Delays in Departure or Arrival
The Contractor shall immediately notify the requesting department's CCI of actual delay in departure or arrival of a transport. In addition:
- Delay in Departure: The Contractor shall notify the law enforcement agency currently holding the prisoner of such delay in departure for the destination location. Such notice shall be given within 24 hours so as to give the holding law enforcement agency a reasonable time to reschedule prisoner out-processing and avoid delay to the holding law enforcement agency in delivery and transfer of custody to the Contractor at the destination location.
 - Delay in Arrival: The Contractor shall notify the MDOC's CCI; or in the case of CSD transports, the local sheriff's department, of such delay in arrival at the return location. Such notice shall be given within 24 hours so as to give the MDOC a reasonable time to reschedule departmental personnel so as to avoid delay in receiving transfer of custody to the MDOC at the home location; or, in the case of CSD transports, the local sheriff's department.



- c) In the event of delays such as inclement weather conditions or mechanical failure of the Contractor's vehicle(s), the Contractor shall bear all costs related to such layover. Such costs shall include food and lodging costs of the Contractor's personnel and prisoners in their custody.
- d) In the event of delays necessitating lodging of prisoners for one or more nights, the Contractor shall arrange for safe and healthful lodging in an appropriate local detention facility. Such lodging shall be in accordance with the standards set forth in the MDOC Transportation Manual.
- e) Only under circumstances where different efforts have been made to lodge prisoners in an appropriate local detention facility and such efforts have failed, shall the Contractor lodge prisoners in a private/public motel or hotel. In such cases, no more than two prisoners may be lodged in a room together, and a Contractor employee shall at all times be present and alert. Security arrangements shall be in keeping with the standards set forth in the MDOC Transportation Manual.
- f) In the event the Contractor, for reasons other than inclement weather conditions or mechanical failure, lodges the prisoners for one or more nights in a detention facility other than the original detention facility, the Contractor shall notify the requesting department's CCI immediately of the new holding location and the length of time the prisoner will be held there.
- g) The new detention facility shall provide safe and healthful lodging in accordance with standards set forth in the MDOC Transportation Manual. The Contractor shall bear all costs related to such layover.

19. Refusal to Transport Prisoner by Agent When Requested by a State department or agency

- a) The Contractor reserves the right to refuse any prisoner transport for good cause. In the event of such refusal, the Contractor shall notify the requesting department's CCI within four hours of receiving such transport request.
- b) Profit margin or purely economic consideration regarding a particular transport shall not constitute good cause for refusal to accept a transportation request.
- c) The person-in-command of Contractor's vehicle shall have the right to refuse to transport any individual whose condition or behavior, in the opinion of the person-in-command, would be detrimental or dangerous to the safety of any such individual. The requesting department's CCI shall be notified immediately of such refusal and there shall be no charge to the requesting State department.

20. Transportation Vehicles

Contractor's transportation must meet standards, included but not limited to the following:

- a) For emergency purposes, each vehicle used to transport prisoners must carry a first-aid kit and approved fire extinguisher.
 - i) A log book shall be maintained to record all emergency contacts with law enforcement agencies and/or any unusual occurrences.
 - ii) After each stop, a count will be made and recorded. Each person occupying a vehicle must wear the safety belt, if provided, while the vehicle is in motion. The number of occupants shall not exceed the vehicle's designated seating capacity. A prisoner will not be handcuffed, chained or secured, other than by a seatbelt to a stationary object inside a moving vehicle, unless in an emergency. Deviation from this provision shall require that the agent-in-command submit a written statement to the requesting department's CCI within 48 hours of the completion of the transfer.
 - iii) When a prisoner transportation trip is scheduled and the expected distance traveled during one day will be greater than 200 miles, a relief driver shall be available.
- b) Passenger Sedan and Van
 - i) The standard passenger sedan, station wagon or van, with a screened cage separating the front and rear passenger area, shall be used for the transportation of prisoners whose custody level is Secure Level I or higher. Any additional Contractor employees (other than the driver) will ride in the front seat or appropriate caged area facing at an angle that allows visual contact with the prisoner(s). The rear passenger door and window controls are to be removed, thus leaving the responsibility of exiting the prisoner(s) to the officer in case of emergency.
 - ii) All drivers of vans must have a valid operator or chauffeur license. Vans are not to be loaded beyond their rated capacity. Contractor staff shall not ride in the prisoner compartment. Under no circumstances shall a weapon or chemical agent be placed in the same compartment as the prisoner. When a prisoner's personal property is carried on the van, transportation staff must be diligent to ensure that property is not within the prisoner's reach.



- c) Transportation Bus
- i) When transporting 21 or more Level IV and V custody prisoners, specially constructed buses shall be used. The driver's compartment shall be protected by a heavy screen partition. Another screened cage shall be located at the rear of the bus to protect other transportation staff. These areas shall not be left unattended when prisoners are on board. A female agent must accompany female prisoners throughout the transport. Any time an agent enters the area of the prisoners, the agent shall be unarmed and without keys. The security gates to the area where the prisoners are riding shall be locked. When relief of the armed officer in the cage is in effect, the armed officer shall step out the rear door. The relief officer shall step in the rear, both officers keeping possession of their own weapons.
 - ii) The front cage Contractor agent shall observe the prisoners during this exchange. Keys to the caged area shall always remain with the agent in the cage that shall remain locked. When the Contractor's front officers are exchanged, the back cage officer will observe the prisoner compartment. At the completion of the exchange, an accurate prisoner count shall be made.
 - iii) Lighting is to be provided inside the bus at night to allow constant observation of the prisoners. All prisoners shall be attached to the "long chain" which will prevent any prisoner movement while the bus is in motion.
 - iv) Contractor staff operating the transportation bus shall possess a valid Commercial Driver's License with appropriate endorsement in accordance with the MDOC Policy Directive 01.03.120, Vehicle Use.
 - v) A Contractor bus shall be operated in accordance with all federal, state and local motor vehicle laws governing bus operations. A bus transporting prisoners shall stop before proceeding at each railroad crossing and shall clearly display a cautionary sign on the back of the bus which reads, "This vehicle will stop at all railroad crossings."
- d) Air Transportation
- i) Air transport is to be used only in extreme circumstances to be determined by the requesting department due to high cost. Such extreme circumstances would include, but not be limited to: pregnancy, AIDS/HIV infected prisoners, or special requirements on medications, such as temperature and administration of the drug, or certain high profile prisoners with specific needs.
 - ii) Commercial air transportation will be used when one or more of the following criteria are met: 1) When the movement of a prisoner by air is requested by a State department; or 2) When a prisoner is medically unfit to travel on the ground; or 3) When short notice is given with a deadline and ground travel is impractical; or 4) A special move is required by a State departmental head.
 - iii) If the Contractor determines that air transportation is required, and it does not meet one of the four criteria shown above, then the Contractor must provide supporting documentation as to why they feel the prisoner should be transported by air rather than regular ground transport. The final decision as to whether air transportation will be used or not will be at the sole discretion of the requesting State department.

21. Preparing for the Transportation Assignment

- a) Equipment Checklist – The following equipment must be obtained and ready to go:
- i) Driver's License
 - ii) ID Card
 - iii) Duty Belt with Keepers
 - iv) Seatbelt Cutter
 - v) Chemical Agent with Case
 - vi) Handcuffs with Case
 - vii) Approved Chemical Agent Mask (if applicable)
 - viii) CCW Permit
 - ix) CPR Mask and Gloves
- b) Vehicle Checklist – The following is a checklist of things to do and items needed:
- i) Make sure fuel and oil levels are full
 - ii) Make sure all emergency breakdown reflectors are in good condition
 - iii) Radios must be in proper working order
 - iv) First aid kit is full and in good condition
 - v) Up-to-date road maps
 - vi) Extra restraints available and in good working condition



- vii) A box of latex gloves for spills, especially body fluids
- viii) Blood spill kit
- ix) Trip sheet
- x) Vehicle log
- xi) Fire extinguisher
- xii) SCBA with mount, plus backup units in the trail vehicles (when transportation bus is used)

22. Security Level and Restraints Used

The importance of the proper use of restraints cannot be overemphasized. The application of restraints is a necessary skill and a vital part of the transportation agent's duty. Restraint equipment, although useful in securing the prisoner, is not a substitute for employee vigilance and performance. **It is the responsibility of the Contractor to provide the appropriate restraint equipment and to ensure it is applied in the required manner.** Faulty application of restraints can result in an escape or injury to staff or the prisoner. Restraint equipment is not to be applied as punishment or in a manner that causes physical pain, reduces blood circulation or restricts breathing.

Restraints **shall not** be removed during the transfer except in an extreme emergency. Caution must be taken when restraints are applied and removed. When possible, at least two officers should be present when this task is performed.

The following specifications are those used for in-State MDOC transports; as well as CSD transports in-state or from out of state. The Contractor should employ comparable methods using highest security deemed appropriate, while maintaining humane treatment and refraining from unnecessary force.

a) Handcuffs

The basic principle of handcuffs is that hands are secured together to be rendered harmless. This is usually true if the cuffs are applied correctly and the following precautions are taken:

- i) Install the cuffs between the hand and the wrist bone, ensuring that the cuff will barely slide over the wrist bone. This will prevent the normal movement of the hand without restricting circulation.
- ii) Cuffing the backs of the hands together behind the back can further restrict motion.
- iii) When applying cuffs, never allow the free end to leave your hand. It can be used as a very dangerous weapon.
- iv) Cuffs should be applied with the double bar "up" and the keyhole "in" to prevent picking of the lock. Cuffs will always be double locked.
- v) If the prisoner has extremely small hands that may slip through the cuffs, firmly compress the hands and adjust the cuffs to a point at which they cannot slide over the hand.
- vi) Never let the prisoner know the location of the handcuff key.

b) Handcuff Cover

The handcuff cover (black box) covers the keyhole and is used to prevent picking or tampering with the lock. The closed plastic cover has space for a metal clop that the security link passes through. This allows the officer to use the security link chain to restrict movement of the prisoner's hands. A small padlock closes to the snap, placed through the chain links, completes the assembly procedure. Handcuff covers may be placed in the position desired depending on the degree of risk and security presented by the prisoner.

c) Belly Chains

These are strong, welded link chains with two handcuffs attached. The proper procedure for application is to have the prisoner face away from the employee applying the belly chains. Make certain the chain is secure on the prisoner's hip bond prior to placing the padlock through the ends of the chain to finish securing the chain. After applying handcuffs to wrist, the employee shall make a double check to ensure there is not extra slack in the belly chain. The second employee should conduct this check.

d) Leg Irons

Leg irons are large cuffs at the end of an 18-inch welded link chain. After the belly chain or handcuff cover and linked chain have been applied and while standing at one side of the prisoner, apply one cuff to the nearest leg. **Leg irons are not to be applied from the front while facing the prisoner.** This places the officer in a dangerous position. Be careful not to lose control of the opposite end of the chain while placing the first cuff. Remove the leg irons in reverse order.



e) Chemical Agents

Transportation officers may use chemical agents during the transport of prisoners, at the discretion of the supervising agent. Chemical agents may be used in the following situations:

- i) Controlling disruptive prisoners
- ii) Protecting staff from serious injury
- iii) Preventing the taking of hostages
- iv) Preventing escapes
- v) Preventing major destruction to transportation vehicle

Before using chemical agents, and if time and circumstances permit, the prisoner should be heard and informed of alternatives which will occur if s/he does not comply. **Use of a chemical agent in a moving vehicle is not permitted.**

23. Meals, Lodging and Miscellaneous Costs

- a) The Contractor shall be responsible for all costs that may occur for its employees, offenders and prisoners (inmates), excluding medical costs for the offenders and prisoners, during the term of the Contract.
- b) Three hot meals per 24 hours shall be required for the offenders and prisoners during transport. Meals from fast food-type restaurants shall be acceptable. These meals shall be included in the cost of the transport.
- c) Any delay during transport that results in lodging requirements for offenders and prisoners shall be arranged with the appropriate local detention facility.
- d) All medical costs, including pharmaceuticals, of offenders and prisoners, including cost of transportation to or from any medical facility, shall be paid by the requesting State department. The Contractor shall be authorized to obtain emergency and routine medical treatment for offenders and prisoners.

24. Medical Transports

- a) For MDOC transports, the Correctional Facilities Administration (CFA) Deputy Director or designee, determines medical and custody coverage for special circumstances during transport. For any special circumstance, use of local jails for drop-offs shall be subject to the approval of the CFA Deputy Director or designee, and will also determine the chain-of-custody.
- b) For CSD transports, the Child Support Division Chief or designee determines the medical and custody coverage for special circumstances of CDS prisoners or detainees during transport.
- c) For MDOC transports, the Contractor's agents must notify the MDOC, CFA Deputy Director or designee when an inmate is out of their custody. This must be person-to-person contact, and not a message left by voice mail, email, or other electronic methods.
- d) For CSD transports, the Contractor's agents must contact the Child Support Division Chief when a prisoner or detainee is out of their custody. This must be a person-to-person contact, and not a message left by voice mail, email, or other electronic methods.
- e) In the case of medical emergency, the requesting department's CCI shall be notified for appropriate arrangements including chain-of-custody, transfer of custody, and responsibility for custody responsibilities at the hospital or medical facility. The requesting department will be financially responsible for medical or emergency health care treatment, and shall be invoiced directly by the hospital or urgent care center that provided the care. These charges shall be quoted in advance, unless emergency nature prohibits advance pricing. In the case of a medical transport known at the onset, any special pricing shall be quoted by the Contractor and approved by the requesting department's CCI prior to transport.

1.030 Roles and Responsibilities**1.031 Contractor Staff, Roles, and Responsibilities**

A. Contractor staff who are assigned to the State of Michigan account include:

1. Outside Sales Representative:

Alan Proctor is the sales representative for Michigan, and is located in Nashville, TN.

Phone: 615-579-5899

Email: aproctor@prisonertransport.net



2. Inside Sales Representatives:

The two main customer service representatives for the State of Michigan account are:

- a) Tanisha Cheek
Phone: 866-388-8488
Email: tcheek@prisonertransport.net
- b) Jamie Batson
Phone: 866-388-8488
Email: jbatson@prisonertransport.net

3. Special Requests or Escalation of Concerns contact person:

Michelle Perkins, Marketing Director
Phone: 866-388-8488
Email: mperkins@prisonertransport.net

- B. The Contractor shall identify the city and state of any applicable call centers. PTS' call center is located in Nashville, TN.

1.040 Project Plan

1.041 Project Plan Management

The Contractor will develop and maintain a Project Plan. The Project Management Plan will identify methods, tools and processes proposed to oversee the project, address issues/changes as they may arise, and keep the appropriate parties apprised of progress.

- A. The Contractor's Project Plan shall include an initial Implementation Plan describing how they will train State staff in the use of their services and prepare to deliver services under this Contract. The Implementation Plan should also include a high level timeline and the steps involved.
- B. Within 10 days of contract award, the Contractor shall have a kick off meeting with using state agencies, including a detailed review of the Project Plan and timeline. The Contractor will provide a revised Project Plan, including the detailed Implementation Plan, with any State requested revisions within 5 days of the kick off meeting.
- C. Within 15 days of contract award, the Contractor shall work with the State to finalize invoicing details, which may vary by state agency or department.
- D. A Contractor sales representative should be available to meet with using state agencies in person no less than once per contract year.

1.042 Reports

- A. Upon request, the Contractor shall provide summary reports of transport services, including but not limited to: usage by department, usage by type of transport, usage by geographical area, accidents, or number of extension requests by Contractor. The Contractor shall supply requested reports within five business days.
- B. The Contractor may submit reports in a non-pdf electronic format, such as Word or Excel, via email to the State.
- C. Reports shall be provided at no cost to the State.

1.050 Acceptance

1.051 Criteria

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



A. For the Attorney General's Office:

1. Invoices shall be reviewed, reconciled, approved by signature and date by authorized staff of requesting AG Division, then forwarded by the approving division to the AG Office of Fiscal Management promptly.
2. Payment will be withheld, without penalty from the contractor, on individual invoices where a billing conflict exists and the customer/department has initiated a request for clarification from the contractor. Individual invoice conflicts will not hold up any other approved payment to vendor. Resolved conflicts and requests for clarification shall be paid promptly upon mutual agreement of resolution, and according to the applicable terms of the contract.

B. For the Department of Corrections:

1. A memorandum is written to MDOC Finance from the MDOC CCI which is reconciled prior to payment to the Contractor.
2. Invoices submitted to the MDOC will be verified against the request. If approved it will be submitted for payment. If not approved the MDOC CCI or the MDOC Finance will contact the Contractor. Payment will be withheld without penalties until the problem with the invoice is corrected.

1.052 Final Acceptance – Deleted – Not Applicable**1.060 Proposal Pricing****1.061 Proposal Pricing**

- A. This will be a fixed unit price contract, and will be based on the cost per mile of a prisoner transport.
- B. For authorized Services and Price List, see Attachment A.
- C. Invoice details
 1. Invoices shall include itemization of all charges, and shall not co-mingle charges for more than one department on one invoice. Individual invoices shall be sent to each department.
 2. The Contractor shall submit an invoice upon the completion of each transport, rather than a monthly invoice of all transports. The Contractor and MDOC may finalize invoice details after contract award. Invoices may be mailed, faxed or emailed to the MDOC.
 - a) Individual and unique invoice number
 - b) Invoice date
 - c) Invoice total
 - d) Requesting department
 - e) Name of the department's requestor
 - f) Transport reference number
 - g) Prisoner or detainee name
 - h) Prisoner's Michigan prison number, if applicable
 - i) Male or Female
 - j) Departure point, including address, and date of departure
 - k) Drop off destination, including address, and drop off date;
 - l) Total miles for transport, and rate per mile;
- D. Compensation to the Contractor
 1. Ground Transportation: The Contractor shall be compensated for transportation of prisoners or passengers authorized by the requesting department. . (Compensation shall be based on a per mileage rate in accordance with Attachment A, Pricing Sheet.) PC* Miler/Streets 2000/Beta will be used to compute transport mileage, and to confirm any invoice discrepancies in mileage charged.
 2. Air Transportation: In the case where air transport is the most viable means of returning a prisoner, the Contractor shall use the lowest airfare available at time of transport and bill accordingly, submitting appropriate documentation to support the ticket cost. All air transports must be pre-approved in writing by the state department requesting transport.



3. A charge of 50% of the regular rate may be billed to the MDOC for any passenger cancellation by the MDOC not reported to the Contractor prior to four hours before scheduled departure time for intrastate transportation and eight hours before scheduled departure time for interstate transportation.

1.062 Price Term

Firm Fixed Price with request for Economic Price Adjustment

The Contractor may submit an economic price adjustment to Purchasing Operations, with supporting documentation. Purchasing Operations reserves the right to consider various pertinent information sources to evaluate price increase requests (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics). Purchasing Operations also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Requests for price changes shall be RECEIVED IN WRITING AT LEAST TEN DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the CONTRACT may be cancelled. **The Contractor remains responsible for performing according to the Contract terms at the Contract price for all orders received before price revisions are approved or before the Contract is cancelled.**

1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.064 Holdback - Deleted – Not Applicable

1.070 Additional Requirements**1.071 Additional Terms and Conditions specific to this Contract**

- A. The Contractor's inability to comply with specifications for reason of weather, acts of God, or other causes beyond their control shall not be considered a breach of Contract.



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of one year beginning, December 5, 2008 through December 11, 2009. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.130**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to five additional one-year periods.

2.003 Legal Effect

Contractor shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor shall not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

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

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

2.005 Ordering

The State will issue a written Purchase Order, Blanket Purchase Order, Direct Voucher or Procurement Card Order, which must be approved by the Contract Administrator or the Contract Administrator's designee, to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order or Blanket Purchase Order apply unless they are also specifically contained in that Purchase Order's or Blanket Purchase Order's accompanying Statement of Work.

2.006 Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.

2.007 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 the Contract.

2.008 Form, Function & Utility

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

**2.009 Reformation and Severability**

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

2.010 Consents and Approvals

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

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration**2.021 Issuing Office**

This Contract is issued by the Department of Management and Budget, Purchasing Operations and various other state departments or agencies (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within Purchasing Operations for this Contract is:

Rebecca Nevai, Buyer Specialist
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: nevair@michigan.gov
Phone: 517-373-8530

2.022 Contract Compliance Inspector (CCI)

After DMB-Purchasing Operations receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with various other state agencies, will direct the persons named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DMB Purchasing Operations.** The Contract Compliance Inspectors for this Contract are:

Attorney General's Office

James E. Long, Division Chief, Email: longj@michigan.gov
or Designee Michelle Doerr, Email: doerrm@michigan.gov
or Designee James Clickner, Email: clicknerj@michigan.gov
Michigan Department of Attorney General
Child Support Division
3rd floor G. Mennen Williams Building
525 West Ottawa Street
P O Box 30758
Lansing, MI 48909
Tel 517 373-1111
Fax 517 335-5328

**Michigan Department of Corrections**

Yolanda Thomas
Grandview Plaza
206 E. Michigan Ave.
Lansing, MI 48909
Phone: 517-335-1385
Email: thomasy@michigan.gov

2.023 Project Manager

The following individual will oversee the project:

Michigan Department of Corrections

Dave Fenby, Transportation Manager
Correctional Facilities Administration
Grandview Plaza
206 E. Michigan Avenue
Lansing, MI 48909
Phone: (517) 335-1429
Email: fenbyd@michigan.gov

2.024 Change Requests

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a "Contract Change Notice").
- (b) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

**2.025 Notices**

Any notice given to a party under the Contract must be deemed effective, if addressed to the 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 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.

State:

State of Michigan
Purchasing Operations
Attention: Rebecca Nevai
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Contractor:

Michelle Perkins
P.O. Box 121591
Nashville, TN 37212.
Phone 866-388-8488
Email: mperkins@prisonertransport.net

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

**2.026 Binding Commitments**

Representatives of Contractor must have the authority to make binding commitments on Contractor's behalf within the bounds set forth in this Contract. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

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

2.028 Covenant of Good Faith

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

2.029 Assignments

(a) Neither party may assign the Contract, or assign 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 other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.

(c) If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions**2.031 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP 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 RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

Purchasing Operations retains the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.033 Permits

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

2.034 Website Incorporation

The State is not 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 the content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representative of the State.

**2.035 Future Bidding Preclusion**

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

2.036 Freedom of Information

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

2.037 Disaster Recovery

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

2.040 Financial Provisions**2.041 Fixed Prices for Services/Deliverables**

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment milestones and payment amounts.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor's charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

2.044 Invoicing and Payment – In General

(a) Each Statement of Work issued under this Contract shall list (or indicate by reference to the appropriate Contract Exhibit) the prices for all Services/Deliverables, equipment and commodities to be provided, and the associated payment milestones and payment amounts.

(b) Each Contractor invoice will show details as to charges by Service/Deliverable component and location at a level of detail reasonably necessary to satisfy the State's accounting and charge-back requirements. Invoices for Services performed on a time and materials basis will show, for each individual, the number of hours of Services performed during the billing period, the billable skill/labor category for such person and the applicable hourly billing rate. Prompt payment by the State is contingent on the Contractor's invoices showing the amount owed by the State minus any holdback amount to be retained by the State in accordance with **Section 1.064**.

(c) Correct invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 Public Act No. 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

(d) All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Compliance Inspector and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

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

**2.045 Pro-ration**

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

2.046 Antitrust Assignment

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

2.047 Final Payment

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

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment will be made by electronic fund transfer (EFT).

2.050 Taxes**2.051 Employment Taxes**

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.

2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining "two or more trades or businesses under common control" the term "organization" means sole proprietorship, a partnership (as defined in § 701(a) (2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management**2.061 Contractor Personnel Qualifications**

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

2.062 Contractor Key Personnel

- (a) Deleted – Not Applicable
- (b) Deleted – Not Applicable
- (c) Deleted – Not Applicable



(d) Deleted – Not Applicable

(e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.

2.063 Re-assignment of Personnel at the State's Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State's request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State's request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State's Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State's agents and other contractors reasonable access to Contractor's Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor's time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor's performance under this Contract with the requests for access.

2.067 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.068 Contract Management Responsibilities

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

2.070 Subcontracting by Contractor

2.071 Contractor Full Responsibility

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

**2.072 State Consent to Delegation**

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

2.073 Subcontractor Bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State's written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 1.071, 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

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.

2.080 State Responsibilities**2.081 Equipment**

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). The Contractor must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor's use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.



2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT), Law Enforcement Information Network (LEIN) checks, and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State's security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Requirements – Deleted – Not Applicable

2.100 Confidentiality

2.101 Confidentiality

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

2.102 Protection and Destruction of Confidential Information

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



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

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.080** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.080** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

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

2.105 Respective Obligations

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

2.110 Records and Inspections

2.111 Inspection of Work Performed

The State's authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State's representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives.

2.112 Examination of Records

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

If necessary, the Contractor and the State will meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within 30 days from receipt of the report, unless a shorter response time is specified in the report. The Contractor and the State must develop, agree upon and monitor an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in the audit report.

**2.115 Errors**

(a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.

(b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties**2.121 Warranties and Representations**

The Contractor represents and warrants:

(a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.

(b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.

(c) Deleted – Not Applicable

(d) Deleted – Not Applicable

(e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must 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 must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.

(h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.



(l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.

(m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.

(n) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability – Deleted – Not Applicable

2.123 Warranty of Fitness for a Particular Purpose – Deleted – Not Applicable

2.124 Warranty of Title – Deleted – Not Applicable

2.125 Equipment Warranty - Deleted – Not Applicable

2.126 Equipment to be New – Deleted – Not Applicable

2.127 Prohibited Products – Deleted – Not Applicable

2.128 Consequences For Breach

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

2.130 Insurance

2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must 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 the 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 under this Contract.

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

The insurance must 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 must have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if the ratings are no longer available, with a comparable rating from a recognized insurance rating agency. All policies of insurance required in this Contract must be issued by companies that have been approved to do business in the State.

See www.michigan.gov/dleg.

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



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

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

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

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

3. Workers' compensation coverage must be provided according to applicable laws governing the employees and employers work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, 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 must 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. Privacy Protection Liability (Identity Theft Prevention) Insurance – Deleted – Not Applicable

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must 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) must 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.

2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DMB-Purchasing Operations, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "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) must contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 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.



Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds 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.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and must not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the 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, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.142 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.

2.143 Employee Indemnification

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

2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the 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 the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State's or Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.



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

2.145 Continuation of Indemnification Obligations

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

2.146 Indemnification Procedures

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

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must 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 before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State's receipt of Contractor's information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under 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 may defend the claim in the 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 must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches 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.

**2.152 Termination for Cause**

- (a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State.
- (b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys' fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.
- (c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.
- (d) If the State terminates this Contract for cause under this Section, and it is determined, for any reason, that Contractor was not in breach of contract under the provisions of this section, that termination for cause must be deemed to have been a termination for convenience, effective as of the same date, and the rights and obligations of the parties must be limited to that otherwise provided in this Contract for a termination for convenience.

2.153 Termination for Convenience

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

2.154 Termination for Non-Appropriation

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

**2.135 Termination for Criminal Conviction**

The State may terminate this Contract immediately and without further liability or penalty in the event Contractor, an officer of Contractor, or an owner of a 25% or greater share of Contractor is convicted of a criminal offense related to a State, public or private Contract or subcontract.

2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. 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 the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, the Contractor must (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) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the 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.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State's property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

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

2.160 Termination by Contractor**2.161 Termination by Contractor**

If the State breaches the Contract, and the Contractor in its sole discretion determines that the breach is curable, then the Contractor will provide the State with written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate this Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under this Contract, (ii) breaches its other obligations under this Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.170** before it terminates the Contract.



2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, 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 180 days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145.**

2.172 Contractor Personnel Transition

The Contractor must 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 must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors or vendors. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor's possession subject to appropriate payment by the State.

2.174 Contractor Software Transition – Deleted – Not Applicable

2.175 Transition Payments

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of this 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) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

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

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

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring 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 must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.130**.

**2.182 Cancellation or Expiration of Stop Work Order**

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.

2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.130**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.150**.

2.190 Dispute Resolution**2.191 In General**

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

2.192 Informal Dispute Resolution

(a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:

- (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
- (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other's position.
- (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
- (iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State's final action and the exhaustion of administrative remedies.

(b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.163**.

(c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

**2.193 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.162** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.

2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party's right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements**2.201 Nondiscrimination**

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

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

2.210 Governing Law**2.211 Governing Law**

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

2.212 Compliance with Laws

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

2.213 Jurisdiction

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



2.220 Limitation of Liability

2.221 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

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

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (a) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purchasing Operations.
- (2) Contractor must also notify DMB 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.
- (3) Contractor must also notify DMB Purchasing Operations within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

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

**2.233 Bankruptcy**

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

Contractor will fix appropriate notices or labels on the Work in Process to indicate ownership by the State. To the extent reasonably possible, materials and Work in Process must be stored separately from other stock and marked conspicuously with labels indicating ownership by the State.

2.240 Performance**2.241 Time of Performance**

(a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.

(b) Without limiting the generality of **Section 2.211 (a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs) – Deleted – Not Applicable

2.243 Liquidated Damages - Deleted – Not Applicable

2.244 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the 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.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.



If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected Services/Deliverables from an alternate source, and the State is not be liable for payment for the unperformed Services/ Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

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/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 Delivery Responsibilities

Unless otherwise specified by the State within an individual order, the following must be applicable to all orders issued under this Contract.

- (a) Shipment responsibilities - Services performed/Deliverables provided under this Contract must be delivered "F.O.B. Destination, within Government Premises." The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.
- (b) Delivery locations - Services will be performed/Deliverables will be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.
- (c) Damage Disputes - At the time of delivery to State Locations, the State must examine all packages. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage. Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five days of inspection

2.252 Delivery of Deliverables

Where applicable, the Statements of Work/POs contain lists of the Deliverables to be prepared and delivered by Contractor including, for each Deliverable, the scheduled delivery date and a designation of whether the Deliverable is a document ("Written Deliverable"), a good ("Physical Deliverable") or a Service. All Deliverables must be completed and delivered for State review and written approval and, where applicable, installed according to the State-approved delivery schedule and any other applicable terms and conditions of the Contract.

2.253 Testing – Deleted – Not Applicable

2.254 Approval of Deliverables, In General – Deleted – Not Applicable

2.255 Process For Approval of Written Deliverables – Deleted – Not Applicable

**2.256 Process for Approval of Services**

The State Review Period for approval of Services is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 Business Days for Services). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Services (or at the State's election, after approval of the Service). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Service in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon implementation of a corrected Service from Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Service for conformity and that the identified deficiencies have been corrected.

2.257 Process for Approval of Physical Deliverables

The State Review Period for approval of Physical Deliverables is governed by the applicable Statement of Work (and if the Statement of Work does not state the State Review Period, it is by default 30 continuous Business Days for a Physical Deliverable). The State agrees to notify the Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by the Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

2.258 Final Acceptance – Deleted – Not Applicable**2.260 Ownership****2.261 Ownership of Work Product by State – Deleted – Not Applicable****2.262 Vesting of Rights – Deleted – Not Applicable****2.263 Rights in Data**

(a) The State is the owner of all data made available by the State to the Contractor or its agents, Subcontractors or representatives under the Contract. The Contractor will not use the State's data for any purpose other than providing the Services, nor will any part of the State's data be disclosed, sold, assigned, leased or otherwise disposed of to the general public or to specific third parties or commercially exploited by or on behalf of the Contractor. No employees of the Contractor, other than those on a strictly need-to-know basis, have access to the State's data. Contractor will not possess or assert any lien or other right against the State's data. Without limiting the generality of this Section, the Contractor must only use personally identifiable information as strictly necessary to provide the Services and must disclose the information only to its employees who have a strict need-to-know the information. The Contractor must comply at all times with all laws and regulations applicable to the personally identifiable information.

(b) The State is the owner of all State-specific data under the Contract. The State may use the data provided by the Contractor for any purpose. The State will not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

2.264 Ownership of Materials

The State and the Contractor will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through the Contractor by the State, and paid for by the State, will be owned by the State. Any software licensed through the Contractor and sold to the State, will be licensed directly to the State.



2.270 State Standards

2.271 Existing Technology Standards

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State's Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor's access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State's approval must be done according to applicable State procedures, including security, access and configuration management procedures.

2.280 Extended Purchasing

2.281 MIDEAL - Deleted – Not Applicable

2.282 State Employee Purchases - Deleted – Not Applicable

2.290 Environmental Provision

2.291 Environmental Provision

Energy Efficiency Purchasing Policy – The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified 'Energy Star' products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

Environmental Purchasing Policy – The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclability; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

Hazardous Materials:

For the purposes of this Section, "Hazardous Materials" is a generic term used to describe asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state or local laws governing the protection of the public health, natural resources or the environment. This includes, but is not limited to, materials the as batteries and circuit packs, and other materials that are regulated as (1) "Hazardous Materials" under the Hazardous Materials Transportation Act, (2) "chemical hazards" under the Occupational Safety and Health Administration standards, (3) "chemical substances or mixtures" under the Toxic Substances Control Act, (4) "pesticides" under the Federal Insecticide Fungicide and Rodenticide Act, and (5) "hazardous wastes" as defined or listed under the Resource Conservation and Recovery Act.



(a) The Contractor must use, handle, store, dispose of, process, transport and transfer any material considered a Hazardous Material according to all federal, State and local laws. The State must provide a safe and suitable environment for performance of Contractor's Work. Before the commencement of Work, the State must advise the Contractor of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If the Contractor encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, the Contractor must immediately stop all affected Work, notify the State in writing about the conditions encountered, and take appropriate health and safety precautions.

(b) Upon receipt of a written notice, the State will investigate the conditions. If (a) the material is a Hazardous Material that may present a substantial danger, and (b) the Hazardous Material was not brought to the site by the Contractor, or does not result in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials, the State must order a suspension of Work in writing. The State must proceed to have the Hazardous Material removed or rendered harmless. In the alternative, the State must terminate the affected Work for the State's convenience.

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.212** for a time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by the Contractor, or results in whole or in part from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to Applicable Laws to the condition approved by applicable regulatory agency(ies).

Michigan has a Consumer Products Rule pertaining to labeling of certain products containing volatile organic compounds. For specific details visit http://www.michigan.gov/deq/0,1607,7-135-3310_4108-173523--,00.html

Refrigeration and Air Conditioning:

The Contractor shall comply with the applicable requirements of Sections 608 and 609 of the Clean Air Act (42 U.S.C. 7671g and 7671h) as each or both apply to this contract.

Environmental Performance:

Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the Resource Conservation and Recovery Act (42 U.S.C. 6962, et seq.).



Attachment A – Pricing Sheet

- ◆ Males: \$ 1.00 per mile **(no fuel surcharge)**.
- ◆ Females: \$ 1.10 per mile **(no fuel surcharge)**.
- ◆ Special Needs such as juveniles, medical, short deadlines, and “pick-up-on-dates” are priced on a case-by-case basis. Short deadlines are transportation requests given with less than a 10 day notice of pick up. PTS is usually able to accommodate a short deadline with no additional charge. If a transport request is made with less than a 10 day notification of deadline, then approval needs to be granted by the PTS Director of Operations. If the Director approves than no additional cost is warranted.
- ◆ Guam, Puerto Rico, Hawaii and Alaska transports are priced on a case-by-case basis.
- ◆ 25% discount for more than one prisoner per pick-up/drop-off location at the same time (out of state transports).
- ◆ Minimum price per move \$400.
- ◆ Trip Cancellation: The Contractor may assess a fee AFTER the first 24 hour grace period, if the trip is canceled and the Contractor is already en route. The fee cannot exceed 50% of the original mileage charge assessed after the 24 hour grace period.
- ◆ PTS does designate Limited Service Areas. Limited Service Areas are priced on a case by case basis to include: Idaho, Maine, Massachusetts, Montana, Nebraska, New Hampshire, North Dakota, Oregon, Rhode Island, South Dakota, Utah, Vermont, Washington, and Wyoming.

PTS will offer pricing for Limited Service Areas on a per mile basis. The following is pricing offered to Michigan for the Limited Service Areas:

ND, SD, MT	- \$1.50 per mile
WY, UT, ID	- \$1.35 per mile
WA, OR, NE	- \$1.25 per mile
ME, NH, VT, RI, MA	- \$1.10 per mile

This will exclude transports that are pick up on dates, hours restriction pick ups, or Special Needs medical transports. These moves are to be priced on a case by case basis. Pick up on dates, hours restriction transports, and Special Need transports will be transported by either Ground Flex or AIR-X. A Ground Flex is a transport where 2 agents are designated to transport an inmate from the holding facility directly to the destination facility without other inmates on board. The agents are dispatched to a holding facility to meet the specific date and hours restrictions. An AIR-X is similar except the agent is dispatched via commercial air to retrieve inmate and return the inmate to the destination facility. Prior approval for a Ground Flex or an AIR-X has to be granted by MI DOC.

- ◆ PTS will always utilize Ground Flex for MI DOC when picking up prisoners from restricted hours facilities in IL, IN, OH, and KY.

The following are examples of Ground Flex and Air-X transports:

Ground Flex from Marion, OH to Jackson, MI.

Agents are dispatched from Nashville, TN, drive to Marion, OH to retrieve inmate, then drive him to Jackson. Total miles of trip are 1132. Price \$1755.24. (\$1.55 per mile)

Ground Flex from Terre Haute, IN

Dispatched from Nashville, TN, drive to Terre Haute, IN to retrieve inmate, then drive him to Jackson. Total miles of trip are 1124. Price \$1744.15 (\$1.55 per mile)

Ground Flex from Canton, IL

Agents are dispatched from Nashville, TN, drive to Canton, IL to retrieve inmate, then drive him to Jackson. Total miles of trip are 1392. Price \$ 2115.73 (\$1.52 per mile)

AIR-X from Susanville, CA to Howell, MI

An Agent is dispatched from Nashville, TN via commercial air to Susanville, CA to retrieve inmate. Inmate and agent both fly back to Detroit, MI. Agent will pick up rental vehicle and drive inmate to Howell, MI
Price \$ 3111.43

AIR-X from Brooklyn, NY to Jackson, MI

An Agent is dispatched from Nashville, TN via commercial air to Brooklyn, NY to retrieve inmate. Agent has to attend a court hearing before the District Judge will release inmate to agent. Inmate and agent both fly back to Detroit, MI. Agent will pick up rental vehicle and deliver inmate to Jackson, MI. Price \$ 2511.43

AIR-X from Pollack, LA to Jackson, MI

Two agents are dispatched from Nashville, TN via commercial air to Pollack, LA to retrieve inmate. Inmate and agents fly back to Detroit, MI. Agents will pick up rental vehicle and deliver inmate to Jackson, MI. Price \$ 3492.86. Pollack, LA is a Federal Facility that requires 2 agents to retrieve their inmates.