Form No. DTMB-3521 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract change will not be executed unless form is filed

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. 3

to

CONTRACT NO. 071B0200254

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Applied Industrial Technologies	Rob Ruff or Clarence Allen	rruff@applied.com
4302 S. Creyts Rd. Suite C	TELEPHONE	CONTRACTOR #, MAIL CODE
Lansing, MI 48917	(517) 322-2010	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DTMB	Sue Cieciwa	(517) 373-0301	cieciwas@michigan.gov
BUYER	DTMB	Sue Cieciwa	(517) 373-0301	cieciwas@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **Green Janitorial Supplies – Statewide**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 6, 2010	July 5, 2013	Two One-Year Options	July 5, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 30 Days	Delivered	2-5 Days ARO	Lansing, MI

ALTERNATE PAYMENT OPTIONS:	AVAILABLE TO MiDEAL PARTICIPANTS
☒ P-card ☒ Direct Voucher (DV) ☐ Other	☒ Yes ☐ No

MINIMUM DELIVERY REQUIREMENTS:

No Minimum Order Requirement

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
☐ No ☒ Yes	☒	☐	One Year	July 5, 2014

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$375,000.00

Effective July 6, 2013, the first option year on this Contract is exercised; therefore the Contract expiration date is hereby CHANGED to July 5, 2014.

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

Per DTMB, Procurement request dated March 12, 2013 and vendor agreement by email dated June 10, 2013.

Form No. DTMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **February 14, 2012**
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B0200254
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Applied Industrial Technologies** **4302 S. Creyts Rd. Suite C.** **Lansing, MI 48917** **Email: rruff@applied.com** **Email: callen@applied.com**	TELEPHONE: Rob Ruff or Clarence Allen **(586) 978-7400** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-7233 **Don Mandernach**
Contract Compliance Inspector: Don Mandernach 517-241-7233 mandernachd@michigan.gov **Green Janitorial Supplies - Statewide**	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: **July 6, 2010** To: **July 5, 2013**	
TERMS **Net 30 Days**	SHIPMENT **2 – 5 Days A.R.O.**
F.O.B. **Delivered**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective February 14, 2012 the Buyer and Contract Compliance Inspector for this Contract has been changed to:

Don Mandernach
Phone: (517) 241-7233
mandernachd@michigan.gov

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

AUTHORITY/REASON:

Per DTMB – Procurement.

TOTAL ESTIMATED CONTRACT VALUE REMAINS: 375,000.00

Form No. DTMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **July 26, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B0200254
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Applied Industrial Technologies** **4302 S. Creyts Rd. Suite C.** **Lansing, MI 48917** **Email: rruff@applied.com** **Email: callen@applied.com**	TELEPHONE: Rob Ruff or Clarence Allen **(586) 978-7400** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Terry Harris 517-241-1650 harrist@michigan.gov **Green Janitorial Supplies - Statewide**	
CONTRACT PERIOD: **3 yrs. + 2 one-year options** From: **July 6, 2010** To: **July 5, 2013**	
TERMS **Net 30 Days**	SHIPMENT **2 – 5 Days A.R.O.**
F.O.B. **Delivered**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANG(S):

Effective immediately the following change is hereby incorporated into This Contract:

Section 2.025 Notices:

Clarence Allen
4302 S. Creyts Rd. Suite C
Lansing MI, 48917

AUTHORITY/REASON:

Per DMB Purchasing Operations

TOTAL ESTIMATED CONTRACT VALUE REMAINS: 375,000.00

Form No. DTMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET **June 30, 2010**
PURCHASING OPERATIONS
P.O. BOX 30026, LANSING, MI 48909
OR
530 W. ALLEGAN, LANSING, MI 48933

NOTICE
OF
CONTRACT NO. 071B0200254
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Applied Industrial Technologies** **4302 S. Creyts Rd. Suite C.** **Lansing, MI 48917** **Email: rruff@applied.com** **Email: callen@applied.com**	TELEPHONE: Rob Ruff or Clarence Allen **(586) 978-7400** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Terry Harris **Green Janitorial Supplies - Statewide**	
CONTRACT PERIOD: **3 yrs. + 2 one-year options** From: **July 6, 2010** To: **July 5, 2013**	
TERMS **Net 30 Days**	SHIPMENT **2 – 5 Days A.R.O.**
F.O.B. **Delivered**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT.

The terms and conditions of this Contract are those of ITB #071I0200001, this Contract Agreement and the Applied Industrial Technologies's quote dated October 16, 2009. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the Applied Industrial Technologies, those of the State take precedence.

Estimated Contract Value: $375,000.00

Form No. DTMB 234 (Rev. 1/96)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

CONTRACT NO. 071B0200254
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR **Applied Industrial Technologies** **4302 S. Creyts Rd. Suite C.** **Lansing, MI 48917** **Email: rruff@applied.com** **Email: callen@applied.com**	TELEPHONE: Rob Ruff or Clarence Allen **(586) 978-7400** CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1650 **Terry Harris**
Contract Compliance Inspector: Terry Harris **Green Janitorial Supplies - Statewide**	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: **July 6, 2010** To: **July 5, 2013**	
TERMS **Net 30 Days**	SHIPMENT **2 – 5 Days A.R.O.**
F.O.B. **Delivered**	SHIPPED FROM **N/A**
MINIMUM DELIVERY REQUIREMENTS **N/A**	
MISCELLANEOUS INFORMATION: **THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT.** **The terms and conditions of this Contract are those of ITB #071I0200001, this Contract Agreement and the Applied Industrial Technologies's quote dated October 16, 2009. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the Applied Industrial Technologies, those of the State take precedence.** **Estimated Contract Value: $375,000.00**	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I0200001. Orders for delivery will be issued directly by the Department of Technology, Management and Budget through the issuance of a Purchase Order Form.

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

FOR THE CONTRACTOR:	**FOR THE STATE:**
Applied Industrial Technologies Firm Name	Signature
Authorized Agent Signature	**Terry Harris, Buyer Specialist** Name/Title
Authorized Agent (Print or Type)	**Commodities Division, Purchasing Operations** Division
Date	Date

STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract No. 071B0200254
Green Janitorial Supplies
Applied Industrial Technologies

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

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Attachment A, Item Listing & Pricing Matrix
Attachment B, Specification Checklist
Attachment C, Asthmagens Information

Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This Contract is to establish a three year contract for environmentally preferred janitorial supplies to be used by various State of Michigan Agencies (statewide), Michigan Delivering Extended Agreements Locally (MiDeal) Members, and participating National Association of State Procurement Officials (NASPO) Member States. The Green Janitorial Supplies requested cover the following categories: multi- purpose cleaners, bathroom cleaners, glass cleaners, lubricants, lime scale remover, graffiti remover, floor cleaners and strippers, carpet and fabric cleaners, disinfectant cleaners, floor finish removers, industrial cleaners, degreaser cleaners, applicable dispensers and necessary training.

1.012 Background

Governor Granholm issued Executive Directive 2007-22 in November of 2007. Part of it was dedicated to State purchasing of Energy Efficiency and Energy Star Purchasing as well as a Material Management Plan for environmentally preferred products. The Materials Management Plan promotes, whenever feasible, environmentally-sound purchasing, use, reuse, and recycling of materials by State Departments and MiDeal members. Also, the State of Michigan will work within the guidance of the Midwestern Bioproduct Procurement Program established by resolution.

1.020 Scope of Work and Deliverables

1.021 In Scope

The State of Michigan is committed to providing and promoting products and services that have a reduced effect on human health and the environment. To that end, the proposed contract is expected to provide State agencies and members of the State's cooperative purchasing program (MiDeal – Michigan Delivering Agreements Locally) with an avenue to purchase cleaning products which, through meeting specific standards, represent a lesser impact to public health and the environment, than competing products because they are generally less toxic, contain lower concentrations of volatile organic compounds (VOCs) and phosphates are free of carcinogens, reproductive toxins, 2- butoxethanol and other potentially harmful ingredients. Additionally, environmentally preferable cleaning products reduce toxins, air and water pollution and solid waste generated by excessive packaging, minimizing environmental impact by formulating less toxic ingredients in cleaning products designed to be used and discarded down the drain, and helps protect human health by reducing worker exposure to harmful chemicals and the potential of adverse chemical reactions.

Attachment A, list various environmentally preferred products that the State is interested in procuring. It is expected that the products are 100% environmentally safe, soluble in water, bio-degradable, and a clean air product.

Applied Industrial Technologies Inc. detailed manufacturer product specifications are provided for each product listed in Attachment A.

1.022 Work and Deliverable

This Contract includes several green certified products a detailed manufacturer product specifications are provided for each product listed in Attachment A.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

Contractors must provide the following minimum capabilities and must be able to demonstrate how they will provide the following electronic procurement capabilities:

1. Provide a web-based catalog
2. Internet based ordering via secured web site
3. "Browse" capabilities that will lead to shopping cart which include complete descriptions and pictures of the product.
4. Accept purchasing cards for on-line payment.
5. Ability to accept electronic payments.
6. Creating custom "shopping list" for each agency.
7. Specific e-commerce requirements, such as: Usage reports by agency. The report shall include item description, item number, pack, quantity of purchase, date of last purchase and total dollar purchased.
8. Contract Administrator shall be able to view and pull data by Administrator Purchaser from contractor's system as necessary.
9. Provide samples of invoice, reports, manuals

Applied Industrial Technologies service centers in the State of Michigan have the capability to receive orders by facsimile, phone, e-mail, written order, Website, and EDI. Contact information for all Applied Michigan service center locations is included in Attachment D. Applied will also provide access to a toll-free number for order entry in addition to our local service center number. Since we are located in close proximity to many State Agencies, the Agency will have the option of calling either the local or toll-free number.

Applied Industrial Technologies will work with our State of Michigan Contracting Officer to insure that only authorized individuals within the State of Michigan place orders on the Contract. Applied Industrial Technologies will also open individual accounts for the State agencies and customers authorized to purchase off of the Contract and link them to an internal price guide to guarantee that the correct pricing is provided. Any unusual quantities will be discussed with the Contracting Officer before a PO is processed.

The Applied Industrial Technologies network of approximately 460 facilities across North America ensures that the products and support you need are always close by. With locations through the U.S., Puerto Rico, Mexico and Canada, product, expertise and support can support any NASPO member State that may participate in the Contract.

Applied Industrial Technologies has 16 service centers in the State of Michigan as listed I Attachment D. applied service center are your direct connection to all that Applied has to offer. All service centers are linked by computer, so no piece of information is ever far away. From parts to service, General Managers, service Center Managers, Account Managers, product/industry specialist and Customer Sales and Service Representatives (CSSRs) located at our local service centers are ready to meet your needs.

General Managers oversee your orders and are responsible for waking sure you are aware of the latest products and services available to you. Service Center Managers are responsible for maintaining the daily operations of the service center, including inventory management and processing. Their primary focus is to ensure that your order is delivered on time and error-free.

Account Managers are available to serve every customer. They coordinate the product, application, engineering, and maintenance information specific to your account.
When information is required beyond the skill of the local Account Manager, they call on the expertise of an Applied Product/Industry Specialist. These Specialists are regionally located and available for Applied CSSR is standing by and ready to assist.

Applied Industrial Technologies will also have a dedicated State of Michigan Account Manager, Clarence Allen, who will be responsible problem resolution, Contract support, training, personalized visits and customer service.

Applied Industrial Technologies will provide access to a toll-free number for order entry in addition to our local service center number. Since we are located in close proximity to many State Agencies, the agency will have the option of calling either the local or toll-free number.

Applied Industrial Technologies will assign a dedicated Account Manager to the State of Michigan account. The Account Manager will work with the Sate Agencies to schedule frequent appointments to assist in training, answer question, resolve issues and discuss any other needs of the Agency and will promptly respond to State agency requests.

The Account Manager is trained and has knowledge of the products requested and their usage and will provide product training to State agencies. The Account Manager will also work closely with our manufacturer partners to provide training sessions to the State upon request. Please review the resume for Clarence Allen provided in Attachment E.

Applied Industrial Technologies will provide a secure web-base catalog using our Ecommerce website, Applied.com.

Applied Industrial Technologies has tremendous experience in fulfilling on-line requirements and managing seamless Ecommerce platforms. Applied current sales volume through Ecommerce channels is $186.5 million in FY'09. Applied proprietary, innovation, Ecommerce website, Applied.com, is a valued tool for many of our customers. Applied longstanding reputation for fast an efficient Ecommerce implementation is a unique differentiator, offering increased value to the State of Michigan.

Designed for speed and accuracy, Applied.com quickly navigates you to the industrial parts you need. Upon arriving at your destination, you will find detailed product information, drawings, specifications, PDF's, product lead times and Contract pricing.

Applied.com accepts all major credit cards, including purchasing cards for online payment.

Applied.com offers fast and easy searching; comprehensive order history saved and shared shopping cart and agreement pricing. In addition, you can use valuable tools such as technical calculators and glossaries – even when you don't need to make a purchase.

Applied.com allows the user to view the top product purchased, the previous purchase amount, and the total number of orders placed for those products. You may also review any invoice submitted by the agency. Formal usage reports can be provided upon request. Please see Attachment G for a sample formal Applied.com usage report.

Please review Attachment F, "Applied.com – What you need faster!" for more information on the capabilities of Applied.com. Trouble shooting manual see Attachment L.

1.040 Project Plan

1.041 Project Plan Management

Clarence Allen, Government Account Manager, will be the State of Michigan throughout the performance of this Contract. Clarence can be contacted via phone at 313-806-1003 or callen@applied.com

1.042 Reports

Applied Industrial Technologies Inc. can report on any item that is shipped and billed. Applied uses data warehouse software, Business Objects, that can "slice and dice" any transaction data and provide information in any requested format. Applied routinely reports for our customers and we are confident that we can provide any requested information.

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:

Product will be inspected upon receipt and opening of the packaged materials. If the product fails to meet contract requirements, the product may be retuned freight collect to the contractor and must be replaced within a period of time commensurate with the delivery times stated in Section 1.0709 of this document. If said replacement is not made, the State reserves the right to purchase the product elsewhere, charging any increase in price and cost of handling to the Contractor.

1.52 Final Acceptance Deleted - Not Applicable

1.060 Proposal Pricing

1.061 Proposal Pricing

Applied Industrial Technologies Inc. will not offer a quick payment terms.

State Administrative Fee

Applied Industrial Technologies Inc. must collect an Administrative Fee on the sales transacted under this Contract. Applied Industrial Technologies Inc. must remit the Administrative Fee in U.S. dollars within 30 days after the end of the quarterly sales reporting period. The Administrative Fee equals *3* (three) percent of the total quarterly sales reported. Contractor must include the Administrative Fee in their prices.

Applied Industrial Technologies Inc. must remit any monies due as a result of the close-out report at the time the close-out report is submitted to Purchasing Operations.

Applied Industrial Technologies Inc. must pay the Administrative Fee by check. To ensure the payment is credited properly, the Contractor must identify the check as an "Administrative Fee" and include the following information with the payment: *Applicable State BPO Number, report amount(s), and reporting period covered.*

Applied Industrial Technologies Inc. must forward the check to the following address:

Department of Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
P.O. Box 30681
Lansing, MI 48909

Please make check payable to: State of Michigan

1.062 Price Term

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

Prices are subject to change at the end of each 365-day period. Such changes shall be based on changes in actual costs incurred. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. 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. Changes may be either increases or decreases, and may be requested by either party. Approved changes shall be firm for the remainder of the contract period unless further revised at the end of the next 365-day period. 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. **Applied Industrial Technologies Inc. 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 Commodity Requirements and Terms

Product Quality

1.0701 Specifications

Any product offered must be certified or in compliance with at least one of the following standards:

1. Certified by Green Seal
2. Certified by Environmental Choice Eco Logo Program
3. Recognized by the U.S. Environmental Protection Agency Design for the Environment (DFE) Formulator Program (For Chemicals Only)
4. In compliance with the U.S. Environmental Protection Agency Comprehensive Procurement Guidelines for Commercial and Industrial Sanitary Tissue (For Paper Products Only)
5. Testing data documentation from an independent third-party laboratory verifying that the product meets the criteria of at least one of the Green Seal Standards (GS-37, GS-41, GS-34, and GS-8 for chemicals; or GS-9 for paper) or EcoLogo Standards (CCD-104, CCD-146 or CCD – 148 for chemicals or CCD-86 for paper). Only laboratories that maintain accreditation meeting the standards of ISO/IEC 17025 may conduct the required testing.
6. Bio-based
7. Bio-renewable
8. Environmentally Friendly, Recycled, Energy Star Compliant
9. Federal Energy Management Program (FEMP) Energy Efficient
10. U.S. Environmental Protection Agency (EPA) Program Approved
11. Electronic Product Environmental Assessment Tool (EPEAT)
12. Recycled Content

Applied Industrial Technologies Inc. will ensure that all environmentally preferable cleaning products made available to agencies under this agreement shall meet the following criteria:

1. Product shall contain no carcinogens, mutagens, teratogens, or aqua ammonia.
2. Product shall contain no 2-butoxyethanol, aqua ammonia, formaldehyde, benzene, crystalline silica or any other carcinogen, mutagens or teratogens.
3. Product shall contain no ozone depleting compounds.
4. Product shall comply with California Volatile Organic Compounds (VOC) levels in its specific category.
5. It is preferred that cleaning products be designed so that they are not hazardous wastes when they become unusable. Disinfectants are exempted due to Environmental Protection Agency (EPA) and Federal Insecticide, fungicide, and Rodenticide Act (FIFRA) regulations wherein disinfectants are classified as pesticides.
6. Product shall contain no persistent, bio-accumulative and Toxic Chemicals.
7. Product shall contain no ingredient that is known or suspected to be an endocrine disruptor or that is required to be reported under EPA's Superfund Amendments and Reauthorization Act (SARA Title III, Section 313).
8. Product shall contain none of the persistent, bio-accumulative and toxic chemical (PBT's) as listed by EPA including, but not limited to dioxins and furans, toxaphene, polychlorinated biphenyls (PCB's) mirex, mercury compounds, octachlorostyrene, alkyl-lead, DDT, hexachlorobenzene, aldrin/dieldrin, benzo(a)pyrene and chordane. Disinfectants are exempted due to EPA/FIFRA regulations wherein disinfectants are classified as pesticides.
9. Product's surfactants must meet the Organization for Economic Cooperation and Development (OECD) definition of readily biodegradable organic chemicals as measured by the modified (OECD) screening test for seventy percent (70%) dissolved organic carbon.

Safety and Health Requirements: Applied Industrial Technologies Inc. warrants that Goods and Services provided under the price agreement comply with all applicable federal health and safety standards, including but not limited to, Occupational Safety and Health Administration (OSHA), and with all Michigan safety and health requirements, including, but not limited to, those of the State Worker's Compensation Division.

Inventory: Applied Industrial Technologies Inc. agrees to maintain reasonable inventories to insure that back orders will be kept to a minimum and delivery can be accomplished according to the terms of this Contract Agreement. Repeated backordering may cause for this Contract Agreement to be canceled. Back orders shipped from other locations to fulfill and or to meet deadlines will not result in additional cost to the State.

1.0702 Alternate Bids

Applied Industrial Technologies Inc. will not use alternate bid. Products specifications and Contract administration requirements shall meet the express specification as stated in this Contract.

1.0703 Research and Development

Applied Industrial Technologies Inc. does not manufacturer products. However, based on customer needed Applied will work with our manufacturer partner to consistently bring new technology and improved products to the market place. For example, with the existing demand for "Green" and environmentally friendly products, Applied has been working with existing suppliers to identify green products. To date, Applied has over 70,000 "Green" and environmentally preferable product identified.

1.704 Quality Assurance Program

Applied Industrial Technologies Inc. is dedicated to best practices and associates are trained in continuous improvement philosophy and methods. Continuous improvement teams exist in every area, region, local service centers, and distribution centers to identify opportunities and develop strategies which result in the most efficient service and solutions to our customers. To optimize customer service, performance, and expertise, we are dedicated to non-stop benchmarking, learning from experience, and sharing those results company-wide. We are committed to serving our customer's needs.

Applied has been ISO 9001:2000 certified for more than a decade. Our quality system is maintained to current ISO requirements at all locations through the internal quality audit process. Everyday, we realize the rewards an ISO foundation brings including: On-time and error-free delivery, accurate and efficient order processing, improved product and service quality, improved communication, improved focus on cost control, reduced order cycle time, standardized process control, and customer focused feedback and response systems.

While the price for MRO components is often the most visible means of reduction costs, many underlying costs can be minimized to increase a facility's profitability. Our field representatives are able to calculate saving resulting from improved product life, reduced maintenance costs, reduced energy consumption, lower cost product substitutions, reduced inventory investments and a host of transactional savings. True savings go right to the bottom line in improved product output or direct savings to your operation.

1.0705 Warranty for Products or Services

Applied Industrial Technologies warrants that all goods supplied under this Agreement are free of liens and other encumbrances and will be free of defects in material and workmanship under normal use service consistent with manufacturer's instructions, provided that they are retuned to Applied for inspection within one year of the date of shipment to Customer, or such longer period as may be provided by applicable manufacturer warranties. Applied obligation is limited to the repair or replacement of, or refund for, any such goods found to be defective. Applied will further provide all reasonable assistance to Customer in obtaining the benefits of applicable manufacturer warranties.

1.0706 Training

Applied Industrial Technologies the dedicated State of Michigan Account Manager will provide general product training to State agencies covered under this Contract. If more detailed training is required, applied will work with its manufacturer partner to provide in depth product training session for State agency personnel. Both Account Manager and manufacturer training are included in the Contract proposal pricing. Training material and literature can be provided upon request.

Applied also offers fee based training through MaintenancePRO. MaintenancePRO courses offer practical training on maintenance, troubleshooting, components application and failure analysis. MaintenancePRO also provides:

- Product information about the components in use at your facility
- Most classes combine lecture with valuable hands-on training labs
- Courses can be held on-site at your facility
- World-class technical documentation and reference material
- Highly qualified instructors who are experts in their field
- Pre-and Post-course assessments to evaluate the learning gain of the class
- No manufacturer bias
- Certificate of completion and achievement
- Courses available in Spanish

For more information on MaintenancePRO training available through Applied, please review MaintenancePro Course Catalog.

MaintenancePro training will not be included in this contract, but customized courses and statewide pricing are available upon request.

1.0707 Special Programs

Applied Industrial Technologies offers several special programs and services, as detailed below.

AppliedSTORE

AppliedSTOREis a comprehensive, easy-to-use tracking system that provides you with better control and improved management of your supply storeroom. Designed to fit individual operational needs, AppliedSTORE ensures the right part is on the self when your maintenance crew needs it.

Applied Inventory Management System

The Applied Inventory Management System was established to assist you in tackling the cost associated with inventory management. This comprehensive program optimizes your MRO storeroom inventory by minimizing your investment and ensuring you have the right parts at the right time.
Repair Services

Fluid Power Repair and Shop services

The Applied fluid power subsidiaries are your link to dedicated fluid power support, including component repair, customizing and design work to meet a wide rage of requirements. These subsidiary locations blanket the U.S., giving you immediate access to the critical components and services you need.

Rubber Shop Services

Applied has been named a Star distributor by Goodyear Engineered Products. Goodyear's Star program establishes standardized hose, coupling and crimping protocols for industrial hose used in a wide range of applications, including the chemical, agriculture, mining and construction industries. Under the Star program, Applied Industrial Technologies operations ay 9 hose shops have been validated for using consistent products, techniques and processes, while our more than 400 service center locations provide uniform hose assemblies to customers within 24 hours.

Return Policy

Applied return policy is in accordance with the manufacturers return policies included in Attachment.

1.0708 Security

Upon the State's request, Applied will perform security background checks on those associates that will frequently deliver to State of Michigan facilities. Applied uses the services or Choicepoint to perform standard background checks. These checks consist of:

- SSN
- County Felony & Misdemeanor Search – 7 years address history
- Education Verification
- National Criminal File
- Employment Verification
- Motor Vehicle Records (Optional)

If requested by the State, Applied will provide a list of all delivery personnel that will make deliveries to State agencies.

Delivery Capabilities

1.0709 Time Frames

Applied Industrial Technologies Inc. can make the 10 day delivery requirement. Regarding quick ship, Applied would consider local inventory to be placed at specific Applied Service Center at locations closest to State required facilities.

1.0710 Minimum Order

The Applied Industrial Technologies has no minimum order requirements for the products listed on this contract.

1.0711 Packaging

Packaging and containers, etc., shall be in accordance with supplier's commercial practice and shall meet the requirements of Department of Transportation (D.O.T.) and rail and motor carrier freight classifications in effect at time of shipment, which will permit application of the lowest freight rate.

Each case, bottle and container shall have the following markings:
Name and address of manufacturer
Brand name of product, in English and Spanish
Net contents in U.S. standard pounds, ounces, gallons, or fluid ounces
Directions for use, including recommended use dilution and precautionary handling instructions
Recommended antidotal action, if applicable
Active ingredient claim, if applicable

Shipments not in accordance with the above will be refused or returned to the contractor, freight collect. Applied Industrial Technologies can meet the above packaging requirements for the items offered under this Contract.

1.0712 Palletizing

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

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

Applied Industrial Technologies Inc. can meet the above palletizing requirements for the item offered under this Contract.

1.0713 Delivery Term

All Applied Industrial Technologies Inc. has quoted items F.O.B. Delivered with transportation charges prepaid on all orders.

1.0714 Contract Performance

Indicate if Applied Industrial Technologies has had a contract terminated for default in the last three years. Termination for default is defined as notice to stop performance which was delivered to Applied Industrial Technologies due to Applied Industrial Technologies's non-performance or poor performance and the issue of performance was either (a) not litigated due to inaction on the part of Applied Industrial Technologies, or (b) litigated and determined that Applied Industrial Technologies was in default.

If Applied Industrial Technologies has not had a contract terminated for default, Applied Industrial Technologies must affirmatively state this under "Reason" below.

If no terminations exist, Applied Industrial Technologies must affirmatively state this.

Note: If Applied Industrial Technologies has had a contract terminated for default in this period, Applied Industrial Technologies must submit full details including the other party's name, address, and phone number Purchasing Operations will evaluate the facts and may, at its sole discretion, reject the proposal on the grounds of past experience.

Termination: None
Reason:

Applied Industrial Technologies has not had any of its Contracts terminated for default by any public (Federal, State or local) entity by reason of failure to timely deliver.

1.0715 Place of Performance

Applied Industrial Technologies, in the performance of any resulting contract, must state if they intend to use one or more plants or facilities located at a different address from the address indicated in section 4.011. The following information must be provided for these plants or facilities:

Applied will use all locations in the State of Michigan specified in Attachment D and the distribution center location below in the performance of this contract. Percent of contract value to be performed at each location is dependent upon the State Agency contract usage.

Place of Performance Full address	**Owner/Operator of facility to be used**	**Percent (%) of Contract value to be Performed at listed Location**
7575 Thoroughbred Dr. Florence, KY 41042-4801	Applied Industrial Technologies Inc.	Dependent upon the State's contract usage.

1.0716 Environmental Requirements

Energy Efficiency Purchasing Policy – The State shall seek wherever possible to purchase energy efficient products. This may include 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 bids.

Environmental Purchasing Policy – The State of Michigan has committed to encourage the use of products and services that impact the environment less than competing products. This can be best accomplished 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 may be considered in Best Value Purchasing evaluation include: recycled content and recyclability; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bio-accumulative. Applied Industrial Technologies able to supply products containing recycled and environmentally preferable materials that meet performance requirements are encouraged to offer them in bids and proposals. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

I. Recycled Content and Recyclability

A. Recycled Packaging. Applied Industrial Technologies may offer some or all of the following items listed below or provide alternative proposal as to how packaging materials can be reduced, eliminated or otherwise made more environmentally preferable. It is desirable that Applied Industrial Technologies offer packaging which:

a. is made from recycled content which meets or exceeds all federal and state recycled content guidelines (currently 35% post-consumer for all corrugated cardboard)
b. minimizes or eliminates the use of polystyrene or other difficult to recycle materials
c. minimizes or eliminates the use packaging and containers and, in the alternative, minimizes or eliminates the use of non-recyclable packaging and containers
d. provides for a return program where packaging can be returned to a specific location for recycling
e. contains materials which are easily recyclable in Michigan.

Applied Industrial Technologies is requested to indicate below an estimate of the percentage of recycled materials, if any, contained in each item bid. Higher percentages of recycled materials are preferred. Product performance is paramount, whether containing recycled material or not; however, preference will be given to products that perform up to specification and are environmentally preferable without compromising quality.

___ (Total estimated percentage of recovered material)

___ (Estimated percentage of post-consumer material)
___ (Estimated percentage of post-industrial waste)

Applied Industrial Technologies Inc. is a distributor. We have asked our manufacturer partners to provide information on any environmentally friendly packaging processes that currently utilize. Their responses are included with the pricing proposal in Attachment A.

Certification

I, Michael L. Coticchia, am an officer or employee responsible for the performance of this contract and hereby certify that the percentage of recovered material content for EPA-designated products met the applicable contract specifications.
_____ (Initial)

II. Materials Identification and Tracking

A. Hazardous Material Identification. 'Hazardous material', as used in this clause, includes 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).

(1) Applied Industrial Technologies must list any hazardous material, as defined in §370.20 (a) of 40 CFR, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract.

Material (if none, enter 'None')	Identification Number
Sodium laureth Sulfate	68951-67-7
Alcohol Ethoxylate	68551-12-2
Sodium Chloride	7647-14-5

(2) This list must be updated during performance of the contract whenever the Contractor determines that any other material to be delivered under this contract is hazardous.

(3) The apparently successful bidder agrees to submit, for each item as required prior to award, a Material Safety Data Sheet for each hazardous material identified in paragraph (1) of this clause. Data shall be submitted in accordance with Section 312 of the federal Emergency Planning and Community Right-to-Know Act, whether or not the apparently successful bidder is the actual manufacturer of these items. Failure to submit the Material Safety Data Sheet prior to award may result in the apparently successful bidder being considered non-responsive and ineligible for award.

B. Mercury Content. It is the clear intent of state agencies to avoid purchasing products that contain intentionally-added mercury whenever possible. Applied Industrial Technologies shall offer mercury-free product alternatives whenever available. Should mercury-free alternatives not exist, as presently is the case with a few select products and devices such as fluorescent lamps or where the alternative is not yet cost competitive, such as dental amalgam, Applied Industrial Technologies shall offer the lowest mercury content available for a given application. Applied Industrial Technologies shall disclose whenever products contain added-mercury by using the following format.

( ) Product contains added-Mercury (attach an explanation that includes: the amount or concentration of mercury and justification as to why this particular product is essential).

In addition, Applied Industrial Technologies shall also ensure that all products to be purchased containing intentionally added-mercury shall be labeled as: “product contains mercury/recycle or dispose of properly.” For instances where space constraints limit the amount or size of print, the chemical symbol “Hg” followed by a picture of a trash container with a diagonal line through it shall suffice for labeling requirements.

APPLIED INDUSTRIAL TECHNOLOGIES PLEASE NOTE: Michigan Law Prohibits the sale of mercury-containing thermostats, thermometers, sphygmomanometers (blood pressure monitors) and other types of medical devices. For specific details visit: http://www.michigan.gov/deq/0,1607,7-135-3307_29693_4175-160230--,00.html

C. Brominated Flame Retardants (BFR). Applied Industrial Technologies shall disclose whether the products being offered contain toxic flame retardants. Applied Industrial Technologies are encouraged to provide BFR-free alternatives when available.

(….) Product does not contain BFR’s

( ) Product does contain BFR’s (attach an explanation)

D. Ozone Depleting Substances

‘Ozone-depleting substance’, as used in this clause, 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.

The Contractor shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR part 82, Subpart E, as follows:

‘Warning: Contains (or manufactured with, if applicable) none), a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.’

A. Clean Air and Water

Applied Industrial Technologies certifies that any facility to be used in the performance of this contract has all the necessary environmental permits and is in consistent compliance with all applicable environmental requirements and has no outstanding unresolved violations.

The Applied Industrial Technologies will immediately notify the state, before award, of the receipt of any communication from the Environmental Protection Agency or any state environmental agency, of civil or criminal enforcement for any facility that the Applied Industrial Technologies proposes to use in the performance of this contract.
_____ (Initial)
B. Emergency Planning and Community Right-to-Know Reporting - By signing this offer, Applied Industrial Technologies certifies that:

(1) The owner or operator of each facility that will be used in the performance of this contract is in compliance with the filing and reporting requirements described in sections 302, 304, 311, 312 and 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11001, et. seq.) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13101, et. seq.). EPCRA filing and reporting requirements include emergency planning notification, release reporting, hazardous chemical inventory reporting, and toxic chemical release inventory (TRI) reporting.

(2) The owner or operator of each facility that will be used in the performance of this contract will maintain compliance with the filing and reporting requirements described in sections 302, 304, 311, 312 and 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11001, et. seq.) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13101, et. seq.) for the life of the contract.
_____ (Initial)

1.0717 Subcontractors

Indicate below **ALL** work to be subcontracted under any resulting Contract (use additional attachment if necessary; estimates are acceptable):

Description of Work to be sub-contracted	**Percent (%) of total contract value to be sub-contracted**	**Sub-contractor's name and principal place of business (City and State)**
None		

1.0718 Reports and Meetings Deleted - Not Applicable

1.719 Samples/Models Deleted - Not Applicable

1.080 Additional Requirements

1.81 Usage of the proposed Contract by other States

It is the intention of the State of Michigan to make the products listed in any proposed contract(s) available to other States at the same terms, conditions and price structure.

Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of 3 years beginning July 6, 2010 through July 5, 2013. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) 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 Options to Renew

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 2 additional 1year 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. Exact quantities to be purchased are unknown; however, the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

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 the 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 (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:

Terry Harris, Buyer Specialist
Purchasing Operations
Department of Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
harrist@michigan.gov
(517) 241-1650

2.022 Contract Compliance Inspector (CCI)

After DTMB-PurchOps receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, will direct the person 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 DTMB Purchasing Operations**. The Contract Compliance Inspector for this Contract is:

Terry Harris, Buyer Specialist
Department of Technology, Management and Budget (DTMB)

2.023 Project Manager

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 Technology, 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:
PO Box 30026
530 West Allegan
Lansing, Michigan 48909

Applied Industrial Technologies Inc.
Dan Miller, Government Sales
370 Wabasha Street North
St. Paul, MN. 55102

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 the table. 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 Applied Industrial Technologies has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Applied Industrial Technologies 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. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 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 Administrator 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.

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

2.045 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) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.

(b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.

(c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment,
will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.

(d) Contractor must not remove any Key Personnel from their assigned roles on the Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel's employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.

(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 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.

2.068 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.

2.070 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 in 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. Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

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 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 Applied Industrial Technologies's personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the "State Facilities"). Applied Industrial Technologies 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 Applied Industrial Technologies 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 Applied Industrial Technologies's use, or to which Applied Industrial Technologies 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 Applied Industrial Technologies'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) 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 Applied Industrial Technologies personnel will be accepted as a resource to perform work for the State. It is expected Applied Industrial Technologies will present these documents to the prospective employee before Applied Industrial Technologies 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 Applied Industrial Technologies breaches this Section, Applied Industrial Technologies 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.

2.93 PCI Data Security Requirements

Contractors with access to credit/debit card cardholder data must adhere to the Payment Card Industry (PCI) Data Security requirements. Contractor agrees that they are responsible for security of cardholder data in their possession. Contractor agrees that data can ONLY be used for assisting the State in completing a transaction, supporting a loyalty program, supporting the State, providing fraud control services, or for other uses specifically required by law.

Contractor agrees to provide business continuity in the event of a major disruption, disaster or failure.

Applied Industrial Technologies will contact the Department of Management and Budget Purchasing Operations immediately to advise them of any breaches in security where card data has been compromised. In the event of a security intrusion, Applied Industrial Technologies agrees the Payment Card Industry representative, or a Payment Card Industry approved third party, will be provided with full cooperation and access to conduct a thorough security review. The review will validate compliance with the Payment Card Industry Data Security Standard for protecting cardholder data.

Contractor agrees to properly dispose sensitive cardholder data when no longer needed. Applied Industrial Technologies will continue to treat cardholder data as confidential upon contract termination.

Applied Industrial Technologies will provide the Department of Management and Budget; Purchasing Operations documentation showing PCI Data Security certification has been achieved. Applied Industrial Technologies will advise the Department of Management and Budget; Purchasing Operations of all failures to comply with the PCI Data Security Requirements. Failures include, but are not limited to system scans and self-assessment questionnaires. Applied Industrial Technologies will provide a time line for corrective action.

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 Applied Industrial Technologies 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 Applied Industrial Technologies 20 days before examining Applied Industrial Technologies's books and records. The State does not have the right to review any information deemed confidential by Applied Industrial Technologies 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, Applied Industrial Technologies and the State will meet to review each audit report promptly after issuance. Applied Industrial Technologies 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. Applied Industrial Technologies 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 Applied Industrial Technologies must pay all of the reasonable costs of the audit.

2.120 Warranties

2.121 Warranties and Representations

Applied Industrial Technologies 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) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State

the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.

(d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.

(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 Applied Industrial Technologies 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 Applied Industrial Technologies 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 Applied Industrial Technologies 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 Applied Industrial Technologies's original bid response change after contract award, Applied Industrial Technologies is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 Warranty of Merchantability

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

2.123 Warranty of Fitness for a Particular Purpose

When Applied Industrial Technologies has reason to know or knows any particular purpose for which the goods are required, and the State is relying on Applied Industrial Technologies's skill or judgment to select or furnish suitable goods, there is a warranty that the goods are fit for such purpose.

2.124 Warranty of Title

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

2.125 Equipment Warranty

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain the equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance according to the applicable manufacturer's recommendations for the period specified in this Contract.

Applied Industrial Technologies represents and warrants that the equipment/system(s) are in good operating condition and operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the State, and for a period of one year commencing upon the first day following Final Acceptance.

Within 7 business days of notification from the State, Applied Industrial Technologies must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. Applied Industrial Technologies must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

Applied Industrial Technologies must provide a toll-free telephone number to allow the State to report equipment failures and problems to be remedied by Applied Industrial Technologies.

Applied Industrial Technologies agrees that all warranty service it provides under this Contract must be performed by Original Equipment Manufacturer (OEM) trained, certified and authorized technicians.

Applied Industrial Technologies is the sole point of contact for warranty service. Applied Industrial Technologies warrants that it will pass through to the State any warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

All warranty work must be performed on the State of Michigan worksite(s).

2.126 Equipment to be New

If applicable, all equipment provided under this Contract by Contractor shall be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or

serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

2.127 Prohibited Products

The State will not accept salvage, distressed, outdated or discontinued merchandise. Shipping of such merchandise to any State agency, as a result of an order placed against the Contract, shall be considered default by Applied Industrial Technologies of the terms and conditions of the Contract and may result in cancellation of the Contract by the State. The brand and product number offered for all items shall remain consistent for the term of the Contract, unless Purchasing Operations has approved a change order pursuant to **Section 2.024**.

2.128 Consequences For Breach

In addition to any remedies available in law, if Applied Industrial Technologies 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

Applied Industrial Technologies 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 Applied Industrial Technologies's performance of services under the terms of this Contract, whether the services are performed by Applied Industrial Technologies, 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.

Applied Industrial Technologies 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 Applied Industrial Technologies is required to maintain under this Contract.

All insurance coverages 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.

Applied Industrial Technologies 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

Applied Industrial Technologies 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. Applied Industrial Technologies 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, Applied Industrial Technologies 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.

Applied Industrial Technologies must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents as ADDITIONAL INSUREDS on the vehicle liability certificate. Applied Industrial Technologies 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 Applied Industrial Technologies’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.

Applied Industrial Technologies 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. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars ($1,000,000.00) with a maximum deductible of fifty thousand dollars ($50,000.00).

☐ 6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars ($10,000,000.00), which must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

☐ 7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars ($3,000,000.00) each occurrence and three million dollars ($3,000,000.00) annual aggregate.

☐ 8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

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 Applied Industrial Technologies 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 DTMB-PurchOps, 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, Applied Industrial Technologies 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.

Applied Industrial Technologies 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 Applied Industrial Technologies 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 Applied Industrial Technologies 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 Applied Industrial Technologies, or Applied Industrial Technologies must pay that cost upon demand by the State.

2.140 Indemnification

2.141 General Indemnification

To the extent permitted by law, Applied Industrial Technologies 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 Applied Industrial Technologies in the performance of this Contract and that are attributable to the negligence or tortious acts of Applied Industrial Technologies 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, Applied Industrial Technologies 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 Applied Industrial Technologies 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 Applied Industrial Technologies 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, Applied Industrial Technologies 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 Applied Industrial Technologies 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, Applied Industrial Technologies must at Applied Industrial Technologies'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 Applied Industrial Technologies, (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 Applied Industrial Technologies'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, Applied Industrial Technologies 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 Applied Industrial Technologies, 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 Applied Industrial Technologies under this Contract.

2.145 Continuation of Indemnification Obligations

Applied Industrial Technologies'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 Applied Industrial Technologies relieves Applied Industrial Technologies of its indemnification obligations except to the extent that Applied Industrial Technologies can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, Applied Industrial Technologies 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 Applied

Industrial Technologies's expense, and Applied Industrial Technologies 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) Applied Industrial Technologies must, at the request of the State, demonstrate to the reasonable satisfaction of the State, Applied Industrial Technologies's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Applied Industrial Technologies 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 Applied Industrial Technologies 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 Applied Industrial Technologies has failed to demonstrate to the reasonable satisfaction of the State Applied Industrial Technologies'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 Applied Industrial Technologies breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide Applied Industrial Technologies 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 Applied Industrial Technologies in writing, if Applied Industrial Technologies (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, Applied Industrial Technologies 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.

2.155 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 Applied Industrial Technologies 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, Applied Industrial Technologies 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 Applied Industrial Technologies in its sole discretion determines that the breach is curable, then Applied Industrial Technologies 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.

Applied Industrial Technologies may terminate this Contract if the State (i) materially breaches its obligation to pay Applied Industrial Technologies 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 Applied Industrial Technologies to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But Applied Industrial Technologies must discharge its obligations under **Section 2.160** 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, Applied Industrial Technologies 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, Applied Industrial Technologies 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 60 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

Applied Industrial Technologies 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. Applied Industrial Technologies 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 Applied Industrial Technologies's subcontractors or Applied Industrial Technologiess, 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 Applied Industrial Technologiess. Contractor will notify all of Contractor's subcontractors of procedures to be followed during transition.

2.173 Contractor Information Transition

Applied Industrial Technologies 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. Applied Industrial Technologies 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. Applied Industrial Technologies 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

Applied Industrial Technologies must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by Applied Industrial Technologies to perform the Services under this Contract. If the State transfers any software licenses to Applied Industrial Technologies, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

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, Applied Industrial Technologies 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. Applied Industrial Technologies 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 Applied Industrial Technologies agree:

(a) Reconciling all accounts between the State and Applied Industrial Technologies;

(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

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

2.204 Prevailing Wage

The rates of wages and fringe benefits to be paid each class of individuals employed by Applied Industrial Technologies, its subcontractors, their subcontractors, and all persons involved with the performance of this Contract in privity of contract with Applied Industrial Technologies shall not be less than the wage rates and fringe benefits established by the Michigan Department of Labor and Economic Development, Wage and Hour

Bureau, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

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

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

2.210 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 Applied Industrial Technologies 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 Applied Industrial Technologies; 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.

Applied Industrial Technologies's liability for damages to the State is limited to two times the value of the Contract or $500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of Applied Industrial Technologies; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to Applied Industrial Technologies is limited to the value of the Contract.

2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving Applied Industrial Technologies (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. Applied Industrial Technologies 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 Applied Industrial Technologies 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 DTMB PurchOps.
(2) Contractor must also notify DTMB PurchOps 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 DTMB PurchOps 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) Applied Industrial Technologies files for protection under the bankruptcy laws;
(b) an involuntary petition is filed against Applied Industrial Technologies and not removed within 30 days;

(c) Applied Industrial Technologies becomes insolvent or if a receiver is appointed due to Applied Industrial Technologies's insolvency;
(d) Applied Industrial Technologies makes a general assignment for the benefit of creditors; or
(e) Applied Industrial Technologies or its affiliates are unable to provide reasonable assurances that Applied Industrial Technologies 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 Applied Industrial Technologies believes that a delay in performance by the State has caused or will cause Applied Industrial Technologies to be unable to perform its obligations according to specified Contract time periods, Applied Industrial Technologies 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.
(d) *Should the State of Michigan issue an Executive Order thru the Office of State Employer mandating furlough days, the furlough days will not be considered a Business Day. Applied Industrial Technologies will not seek additional costs from the State for project schedule extensions to the extent such extensions are needed due to Contractor's inability to complete deliverables and milestones in accordance with the project schedule as a result of the above mentioned furlough days.*

2.242 Service Level Agreements (SLAs)

(a) SLAs will be completed with the following operational considerations:

(i) SLAs will not be calculated for individual Incidents where any event of Excusable Failure has been determined; Incident means any interruption in Services.
(ii) SLAs will not be calculated for individual Incidents where loss of service is planned and where the State has received prior notification or coordination.
(iii) SLAs will not apply if the applicable Incident could have been prevented through planning proposed by Contractor and not implemented at the request of the State. To invoke this consideration, complete documentation relevant to the denied planning proposal must be presented to substantiate the proposal.
(iv) Time period measurements will be based on the time Incidents are received by Applied Industrial Technologies and the time that the State receives notification of resolution based on 24x7x365 time period, except that the time period measurement will be suspended based on the following:

1. Time period(s) will not apply where Contractor does not have access to a physical State Location and where access to the State Location is necessary for problem identification and resolution.
2. Time period(s) will not apply where Contractor needs to obtain timely and accurate information or appropriate feedback and is unable to obtain timely and accurate information or appropriate feedback from the State.

(b) Chronic Failure for any Service(s) will be defined as three unscheduled outage(s) or interruption(s) on any individual Service for the same reason or cause or if the same reason or cause was reasonably discoverable in the first instance over a rolling 30 day period. Chronic Failure will result in the State's option to terminate the effected individual Service(s) and procure them from a different Applied Industrial Technologies for the chronic

location(s) with Contractor to pay the difference in charges for up to three additional months. The termination of the Service will not affect any tiered pricing levels.
(c) Root Cause Analysis will be performed on any Business Critical outage(s) or outage(s) on Services when requested by the Contract Administrator. Contractor will provide its analysis within two weeks of outage(s) and provide a recommendation for resolution.
(d) All decimals must be rounded to two decimal places with five and greater rounding up and four and less rounding down unless otherwise specified.

2.243 Liquidated Damages

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.141**, the State is entitled to collect liquidated damages in the amount of $5,000.00 and an additional $100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.141**, the State may assess liquidated damages against Contractor as specified below.

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the liquidated damages amount is $25,000.00 per individual if Applied Industrial Technologies identifies a replacement approved by the State under **Section 2.060** and assigns the replacement to the Project to shadow the Key Personnel who is leaving for a period of at least 30 days before the Key Personnel's removal.

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 days, in addition to the $25,000.00 liquidated damages for an Unauthorized Removal, Contractor must pay the amount of $833.33 per day for each day of the 30 day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to $25,000.00 maximum per individual. The total liquidated damages that may be assessed per Unauthorized Removal and failure to provide 30 days of shadowing must not exceed $50,000.00 per individual.

This clause will not apply if such late or improper submission of contractor deliverables is attributed to the delays or errors caused by the State, or if late submission of contractor deliverables is attributed to a delay caused by an Office of State Employer mandated furlough day.

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), furlough days 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 Applied Industrial Technologies'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 Applied Industrial Technologies, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

Applied Industrial Technologies 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." Applied Industrial Technologies 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 Applied Industrial Technologies 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

(a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that

(1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.
(b) If a Deliverable includes installation at a State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State's review and approval. To the extent that testing occurs at State Locations, the State is entitled to observe or otherwise participate in testing.

2.254 Approval of Deliverables, In General

(a) All Deliverables (Physical Deliverables and Written Deliverables) and Services require formal written approval by the State, according to the following procedures. Formal approval by the State requires the State to confirm in writing that the Deliverable meets its specifications. Formal approval may include the successful completion of Testing as applicable in **Section 2.253**, to be led by the State with the support and assistance of Contractor. The approval process will be facilitated by ongoing consultation between the parties, inspection of interim and intermediate Deliverables and collaboration on key decisions.

(b) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of Deliverables/Services being reviewed.

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.223**.

(d) The State will approve in writing a Deliverable/Service after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, but is not be required to, conditionally approve in writing a Deliverable/Service that contains material deficiencies if the State elects to permit Contractor to rectify them post-approval. In any case, Contractor will be responsible for working diligently to correct within a reasonable time at Contractor's expense all deficiencies in the Deliverable/Service that remain outstanding at the time of State approval.

(e) If, after three opportunities (the original and two repeat efforts), Applied Industrial Technologies is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that Applied Industrial Technologies cure the failure and give Applied Industrial Technologies additional time to cure the failure at the sole expense of Applied Industrial Technologies; or (ii) keep the Contract in force and do, either itself or through other parties,

whatever Applied Industrial Technologies has failed to do, and recover the difference between the cost to cure the deficiency and the contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(f) The State, at any time and in its reasonable discretion, may halt the testing or approval process if the process reveals deficiencies in or problems with a Deliverable/Service in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable.
If that happens, the State may stop using the Service or return the applicable Deliverable to Contractor for correction and re-delivery before resuming the testing or approval process.

2.255 Process For Approval of Written Deliverables

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 100 pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable before its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by 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 notifies Applied Industrial Technologies about deficiencies, Applied Industrial Technologies 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. Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable 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 Deliverable to confirm that the identified deficiencies have been corrected.

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 Applied Industrial Technologies in writing by the end of the State Review Period either stating that the Service is approved in the form delivered by Applied Industrial Technologies 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 Applied Industrial Technologies a notice of deficiencies, Applied Industrial Technologies 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. Applied Industrial Technologies'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 Applied Industrial Technologies in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Applied Industrial Technologies 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 Applied Industrial Technologies a notice of deficiencies, Applied Industrial Technologies 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. Applied Industrial Technologies's correction efforts will be made at no additional charge.
Upon receipt of a corrected Deliverable from Applied Industrial Technologies, 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

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, "Final Acceptance" of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership

2.261 Ownership of Work Product by State

The State owns all Deliverables as they are works made for hire by Applied Industrial Technologies for the State. The State owns all United States and international copyrights, trademarks, patents or other proprietary rights in the Deliverables.

2.262 Vesting of Rights

With the sole exception of any preexisting licensed works identified in the SOW, Applied Industrial Technologies assigns, and upon creation of each Deliverable automatically assigns, to the State, ownership of all United States and international copyrights, trademarks, patents, or other proprietary rights in each and every Deliverable, whether or not registered by Applied Industrial Technologies, insofar as any the Deliverable, by operation of law, may not be considered work made for hire by Applied Industrial Technologies for the State. From time to time upon the State's request, Applied Industrial Technologies must confirm the assignment by execution and delivery of the assignments, confirmations of assignment, or other written instruments as the State may request. The State may obtain and hold in its own name all copyright, trademark, and patent registrations and other evidence of rights that may be available for Deliverables.

2.263 Rights in Data

(a) The State is the owner of all data made available by the State to Applied Industrial Technologies or its agents, Subcontractors or representatives under the Contract. Applied Industrial Technologies 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 Applied Industrial Technologies. No employees of Applied Industrial Technologies, 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, Applied Industrial Technologies 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. Applied Industrial Technologies 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 Applied Industrial Technologies for any purpose. The State will not possess or assert any lien or other right against Applied Industrial Technologies'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 Applied Industrial Technologies will continue to own their respective proprietary technologies developed before entering into the Contract. Any hardware bought through Applied Industrial Technologies by the State, and paid for by the State, will be owned by the State. Any software licensed through Applied Industrial Technologies and sold to the State, will be licensed directly to the State.

2.270 State Standards

2.271 Existing Technology Standards

Applied Industrial Technologies 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

Public Act 431 of 1984 permits DTMB to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. A current listing of approved program members is available at: www.michigan.gov/buymichiganfirst. Unless otherwise stated, Applied Industrial Technologies must ensure that the non-state agency is an authorized purchaser before extending the Contract pricing.

Applied Industrial Technologies will supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available. Applied Industrial Technologies must send its invoices to and pay the local unit of government on a direct and individual basis.

To the extent that authorized local units of government purchase quantities of Services and/or equipment under this Contract, the quantities of Services and/or equipment purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDEAL.

Estimated requirements for authorized local units of government are not included in the quantities shown in this RFP.

2.282 State Employee Purchases

The State allows State employees to purchase from this Contract. Unless otherwise stated, it is the responsibility of Applied Industrial Technologies to ensure that the State employee is an authorized purchaser before extending the Contract pricing. Applied Industrial Technologies will supply Contract Services and Deliverables at the established State of Michigan contract prices and terms to the extent applicable and where available. Applied Industrial Technologies must send its invoices to and pay the State employee on a direct and individual basis.

To the extent that authorized State employees purchase quantities of Services or Deliverables under this Contract, the quantities of Services and/or Deliverables purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

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. Applied

Industrial Technologies 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) Applied Industrial Technologies 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 Applied Industrial Technologies of the presence at the work site of any Hazardous Material to the extent that the State is aware of the Hazardous Material. If Applied Industrial Technologies encounters material reasonably believed to be a Hazardous Material and which may present a substantial danger, Applied Industrial Technologies 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 Applied Industrial Technologies, or does not result in whole or in part from any violation by Applied Industrial Technologies 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, Applied Industrial Technologies 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 time as mutually agreed by the parties.

(d) If the Hazardous Material was brought to the site by Applied Industrial Technologies, or results in whole or in part from any violation by Applied Industrial Technologies 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 Applied Industrial Technologies, Applied Industrial Technologies 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:
Applied Industrial Technologies 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. Applied Industrial Technologies'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.).

2.300 Other Provisions

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials

Equipment, materials, or supplies, that will be furnished to the State under the Contract must not be produced in whole or in part by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service: exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

4.023 MIDEAL - Extended Purchasing

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college.
Applied Industrial Technologies is requested to complete the attached "Non-State Agency Statement" to indicate a willingness to supply commodities to these authorized local units of government, school districts, etc. as well as to the State departments and agencies.

Estimated requirements for authorized local units of government are not included in the quantities shown in this RFP.

NON-STATE AGENCY STATEMENT

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. As a result of the enactment of this legislation, the MIDEAL Program has been developed. This program extends the use of state contracts to program members. The governmental agency must enter into an agreement with the State of Michigan to become authorized to participate, thus ensuring that local units of government secure a greater return for the expenditure of public funds. It is the policy of the DTMB-PurchOps, that the final approval to utilize any contract in this manner must come from the contract Applied Industrial Technologies.

In those cases, contract Applied Industrial Technologiess supply merchandise at the established State of Michigan contract prices and terms. Inasmuch as these are non-state agencies, all purchase orders will be submitted by, and invoices will be billed to, the authorized MIDEAL member who will remit payment on a direct and individual basis in accordance with contract terms will remit payment

All Applied Industrial Technologies must indicate, by checking the appropriate box below, whether they will (first box) or will not (second box) honor orders on any contract resulting from this Request for Quotation from State of Michigan authorized MIDEAL members. It is the responsibility of Applied Industrial Technologies to ensure the non-state agency is an authorized MIDEAL member before extending the state contract price.

BIDDER MUST CHECK ONE BOX BELOW

[X] Commodities and/or services on this Request for Quotation will be supplied to State of Michigan departments and agencies, and authorized MIDEAL Program members according to the terms and prices quoted. A complete listing of eligible participants in the MIDEAL Program will be provided if this option is selected.

[___] Commodities and/or services on the Request for Quotation will not be supplied to State of Michigan authorized MIDEAL members. We will supply to State of Michigan departments and agencies only.

SIGNATURE AUTHORITY

I/We certify that the undersigned is authorized to submit bids/quotations on behalf of _____. The information provided about _____ ability to provide the goods and/or services outlined in this solicitation document is true and accurate. I/We understand that our product and/or service offerings must be in compliance with all requirements of this solicitation document.

_____

Name of Bidder/Contractor/Supplier

_____

_____

_____

_____

Address of Contractor/Supplier

_____

Telephone and Fax No. of Contractor/Supplier

_____

E-mail Address of Contractor/Supplier

_____
Signature of Contractor/Supplier's Authorized Representative

_____
Title of Supplier Representative

_____
Date

_____
Additional Signature
Contractor/Supplier's Authorized Representative

_____
Title of Supplier Representative

_____
Date

Attachment A

1. Glass Cleaner:

This Green Solutions Glass Cleaner can be BioRenewable or a Concentrate designed to be diluted by a dispenser that is controlled by a dispensing system. The Dispensing system will help with inventory control. This glass cleaner must be environmentally free, contain a formulation to quickly penetrate dirt, low foaming, non-streaking soap film, water spots, oils, cosmetics and hair spray from off glass and other hard surfaces. It must be effective when using a cloth, wipe cleaner, and squeegee. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
001	**1000**	**Glass Cleaner**	**Clift Ind Total Surface Care**	**1 GL**	**$11.25**

Component Chemical(s) Name(s): **Water, Sodium Iminodisuccinate, cocamidoproply, Betaine**
Is fragrance added or not: **No**
List major allergens: **None**
Identify the VOC content: **0**
Address biodegradability: **100%**
Identify the flashpoint (in Fahrenheit degrees): **None - Water based**
Is the product usable in cold water: **Yes**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product: **1500 sq/feet per gallon of diluted product**
Overall cleaning strength and capability: **Excellent**
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use.

_____

If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.

_____

_____

Attach Material Safety Data Sheet(s)

2. All Purpose/Multi-Purpose Cleaner
This Green Solutions product shall be low foaming when mixed w/50-degree Fahrenheit tap water to be diluted by dispenser that is controlled by a dispensing system. This All Purpose Cleaner must be environmentally conscious, shall emulsify and remove solid masses of light to medium soils, oily and greasy dirt, and other matter. Shall leave no streaking, film, sticky residue, and be free-rinsing. May offer Ready to use or Concentrate. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
002	**1000**	**All purpose/Multi-Purpose Cleaner**	**Clift Ind Total Surface Care**	**1 GL 1:10 – 1:30**	**$11.25**

Component Chemical(s) Name(s): **Water, Sodium Iminodisuccinate, cocamidoproply, Betaine**
Is fragrance added or not: **No**
List major allergens: **None**
Identify the VOC content, **0**
Address biodegradability: **100%**
Identify the flashpoint (in Fahrenheit degrees): **None – Water based**
Is the product usable in cold water: **Yes**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product: **1500 Sq/Feet per gallon of diluted product**
Overall cleaning strength and capability: **Excellent**
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use.

_____

If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.

_____

_____

Please Circle one of the following:
Ready to use (**Concentrate**)

Attach Material Safety Data Sheet(s)

3. Bathroom Cleaner

This Green Solutions product used to clean toilet, urinal, shower, porcelain enamel, quarry tile, grout, ceramic, fiberglass, aluminum, glass, stainless steel, and other hard surface found in washroom/shower room. Clean and removes deposit, stains from counter tops, soap scum, urine deposits, and body oils. This product should be Biodegradable and safe for septic tanks. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. May offer Ready to use or Concentrate. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
003	**1000**	**Bathroom Cleaner**	**Clorox 00452**	**1 GL**	**$15.19**

Component Chemical(s) Name(s): **95% Normal including essential oils, coconut based cleaning agents. Filtered water, citric acid. No phosphorus or bleach.**
Is fragrance added or not: **No**
List major allergens: **None**
Identify the VOC content: **Low**
Address biodegradability: **95% Natural**
Identify the flashpoint (in Fahrenheit degrees): **>200 F**
Is the product usable in cold water: **Yes**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product: **Depends on soil load**
Overall cleaning strength and capability: **Superior**
Other information about the chemical: **Performance is key attribute**
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use. **Packaging is recyclable**
If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.
N/A

Please Circle one of the following:
(**Ready to use**) Concentrate

Attach Material Safety Data Sheet(s)

4. Graffiti Remover

This Green Solutions product used to remove graffiti deposits including graphite, inks, permanent markers, lipstick, and spray paint. Remove from different surfaces buildings, walkways, signs, bridges, and vehicles without destroying any of the items, people or the environment. May offer Ready to use or concentrate. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
004	**1000**	**Graffiti Removal**	**Clift Ind Graffiti**	**1 GL**	**$21.25**

Component Chemical(s) Name(s): **Dimethyl sebacate, poloxyethylene laurylether water**
Is fragrance added or not: **No** _____
List major allergens: **None**_____
Identify the VOC content: **0**_____
Address biodegradability: **100%**____
Identify the flashpoint (in Fahrenheit degrees): **None – Water based**
Is the product usable in cold water: **Yes**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product: **1000 sq/feet per gallon**
Overall cleaning strength and capability: **Excellent**_____
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use.

_____

_____

If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.

_____

_____

Please Circle one of the following:
(**Ready to use**) Concentrate

Attach Material Safety Data Sheet(s)

5. Lime Scale Remover

This Green Solutions product is designed to dissolve the bad water scale, soap scum, mud, lime, and rust deposits from pipes and also use in bathroom equipment toilets, sinks, tubs, and showers. This product should be Biodegradable and environmentally safe for people and different equipment. This Lime remover give longer life to equipment, save on energy, and save money. May offer Ready to use or Concentrate. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
005	**1000**	**Lime Scale Remover**	**Simple Green Bathroom Cleaner**		**NO BID**

Component Chemical(s) Name(s):_____,
Is fragrance added or not:_____
List major allergens: _____
Identify the VOC content: _____
Address biodegradability: _____
Identify the flashpoint (in Fahrenheit degrees): _____
Is the product usable in cold water: _____
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product:
_____
Overall cleaning strength and capability: _____
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use.
_____
If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.
_____

Please Circle one of the following:
Ready to use Concentrate

Attach Material Safety Data Sheet(s)

6. Floor Finish Remover/Stripper
This Green Solutions product is designed to remove heavy build-up of finish wax fast release action for little effort to remove. This easy rinse, low odor and you can breathe easier, no multiple rinsing or neutralizing. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
006	**1000**	**Floor Finish Remover/ Stripper**	**Franklin Floor Stripper F219025**	**1 GL**	**$12.45**

Component Chemical(s) Name(s): **Glyolethass, alcohol ethexylakens, MEA**
Is fragrance added or not: **Not**
List major allergens: **None known**
Identify the VOC content: **Concentrate 27.4% 1:4 is 5.5%**
Address biodegradability: **Readily Biodegradable**
Identify the flashpoint (in Fahrenheit degrees): **167 F**
Is the product usable in cold water: **Yes**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product: **100 square feet/ gallon**
Overall cleaning strength and capability: **N/A**
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use. **Packaged in 5 gallon BIB and is 100% recyclable**
If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.
N/A

Attach Material Safety Data Sheet(s)

7. Floor Sealer/Finisher

This Green Solutions product is designed to have good clarity, deep gloss, and durable without any color changing. Should be able to apply without mop drag and features superior plasticizer, allowing for faster recoating of floor. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
007	**1000**	**Floor Sealer/Finisher**	**Floor Sealer Franklin F330325**	**1 GL**	**$14.69**

Component Chemical(s) Name(s): **Polymeremulsion, waken**
Is fragrance added or not: **Not**
List major allergens: **None Known**
Identify the VOC content: **0**
Address biodegradability: **Not readily Biodegradable**
Identify the flashpoint (in Fahrenheit degrees): **None**
Is the product usable in cold water: **N/A**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product: **2000 plus square feet**
Overall cleaning strength and capability: **N/A**
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use. **Packaged 5 gallon BIB 100% Recyclable**
If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.
N/A

Attach Material Safety Data Sheet(s)

8. Carpet/Fabric Cleaner
This Green Solutions product is designed to be safe to use on all types of quality carpet, synthetic carpets, rugs, and upholstery. Have a special formula to clean removes odors, carpet spots, coffee, urine, and wine. Instructions include variable dilution for light, medium and heavy cleaning. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
008	**1000**	**Carpet/Fabric Cleaner Carpet Stain Remover**	**Clift Ind**	**1 GL**	**$11.54**

Component Chemical(s) Name(s): **Microbes (atcc6633) Enzymes, Yucca schidegna, water**
Is fragrance added or not: **No**
List major allergens: **None**
Identify the VOC content: **0**
Address biodegradability: **100%**
Identify the flashpoint (in Fahrenheit degrees): **None water based**
Is the product usable in cold water: **Yes**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product: **1000 sq. ft per gallon**
Overall cleaning strength and capability: **Excellent**
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use.

_____

If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.

_____

_____

Attach Material Safety Data Sheet(s)

9. Disinfectant Cleaner

This Green Solutions product is designed to eliminate various viruses and bacteria by thoroughly cleaning and disinfecting is one way of minimizing the spread of disease and illness. Effectively neutralize objectionable odors on carpets and hard surface, fast acting, long lasting and leave no residue on any surfaces. May offer Ready to use or Concentrate. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
009	**1000**	**Disinfectant Cleaner**			**NO BID**

Component Chemical(s) Name(s): _____
Is fragrance added or not:_____
List major allergens: _____
Identify the VOC content: _____
Address biodegradability: _____
Identify the flashpoint (in Fahrenheit degrees): _____
Is the product usable in cold water: _____
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product:
_____
Overall cleaning strength and capability: _____
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use.
_____
If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.
_____
_____

Please Circle one of the following:
Ready to use Concentrate

Attach Material Safety Data Sheet(s)

10. Industrial Cleaner/Degreaser Cleaner
This Green Solutions product is designed to clean high traffic area with the heavy duty liquid cleaner, petroleum based soils, motor oil, hydraulic fluid, lithium grease, lubricant oils and stamping oils. This product should be Biodegradable and environmentally safe over use will not cause a rinse in pH above the allowable discharge limit for municipal wastewater codes. Cleans various surfaces, areas and facilities, brick, ceramic, concrete, metal, and stainless steel. Cleans Facilities such as warehouses, factories, garages, trucking industry, and repair shops. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Estimated Gallons	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
010	**1000**	**Industrial Cleaner/ Degreaser Cleaner**	**Simple Green All Purpose Cleaner**	**1 GL 1:64**	**$12.08**

Component Chemical(s) Name(s): **Water, soda ash, sodium aluconate, nonionic surfactant, chelant, and polymeric coforart**
Is fragrance added or not: **No**
List major allergens: **None**
Identify the VOC content: **0**
Address biodegradability: **Readily Biodegradable**
Identify the flashpoint (in Fahrenheit degrees): **None to boiling**
Is the product usable in cold water: **Yes**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product:
About 39,000 sq/ft 1 gallon makes 65 gallons of cleaner. 1gallon covers about 600 sq/ft
Overall cleaning strength and capability: **General purpose, hard surface cleaner**
Other information about the chemical: **GS-37 Certified**
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use. **Product bottles are 25% post-consumer contact (Product has safely and successfully corrugate cases are 100% post-consumer contact) Shipped without failure since 2007.**
If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.
N/A bottles can be triple-reused and locally recycled or reused for dilutions

(**Concentrate**)

Attach Material Safety Data Sheet(s)

11. Laundry Detergent

This Green Solutions product is designed to clean all fabrics in all machines, front loading, top loading, home, and commercial machines. This product should be Biodegradable and environmentally safe. This detergent removes tough stains, grease oil, food stains, coffee, blood stains, and milk the special ingredients to keep stains from reappearing. Applied Industrial Technologies must quote a firm, fixed price per gallon for one, complete gallon of the named item. Applied Industrial Technologies can propose one, some or all of the listed janitorial products. All pricing shall be quoted FOB Delivered.

This product is certified or in compliance with the following see "Specifications" section in the Terms and Conditions of this Contract (1.0701).

Item #	Unit Measurement	Description	Brand Mfg	Size, Packaging, and Dilution ratio	List Price
011	**1000**	**Laundry Detergent**	**Purex Natural Elements**	**1 GL**	**$11.40**

Component Chemical(s) Name(s): **Sodium Laureth 5-10% - Alcohol ethoxylate 1-5%, Sodium Chloride 1-5%**
Is fragrance added or not: **Yes**
List major allergens: **None**
Identify the VOC content: **0**
Address biodegradability: **Readily Biodegradable**
Identify the flashpoint (in Fahrenheit degrees): **None**
Is the product usable in cold water: **Yes**
Yield per gallon, i.e., how much floor space, etc. can be cleaned effectively with finished product: **N/A**
Overall cleaning strength and capability: **2x**
Other information about the chemical: _____
Describe what programs, if any, that have been implemented to reduce the amount of packaging used while still ensuring the safety of all product shipments, storage and use. **Recyclable Packaging**
If available, provide a description of how containers may be refilled and/or a description of any packaging return program currently in place or proposed for establishment.
Recyclable Packaging
Please Circle the word that best describes your product offers:
Powder (**Liquid**) Pre-Measured Dosage
Best Used By:
(**Household Use**) (**Commercial**)
Dispensing Unit Required: Yes (**No**)
Identify cost per load: Heavy 50 lbs of laundry _____
Light 100 lbs of laundry **64 loads per 100 oz.**

Attach Material Safety Data Sheet(s)

12. Dispensing Systems

With these dispensing systems it will allow for an easy and safe way to minimize the contact with different chemicals. This will help employees' to minimize confusion, inventory control and inventory cost. The dispensing systems should be for standard packaging sizes. Gallons, pails, and drums are container size options to be considered when using these dispensing units. The dispenser must have a high and low flow rate. It is the preference of the State that the Dispensers offered are free of charge, however if a fee exist. All pricing is F.O.B Delivered.

Manufacturer**:** _____Brand & Item#: _____
Units of Measure/Packaging: _____Unit Price: _____

NO BID

Bidder must provide detailed description of any offered Dispensing System alone with pictures of Dispensing Systems being offered, and product to be used with the Dispensing unit.

All Dispensing Systems must be designed in such away that the unit may be removed at the termination of the Contract period without interruption of services or without additional costs for parts and labor.

The using agency shall install the Dispenser with the awarded Applied Industrial Technologies in attendance.
The awarded Contractor shall provide the Dispenser per written direction from the using agency.
Deliveries will not be accepted without prior written authorization from the using agency.

Attachment B

This attachment must be filled out and returned with all responses. Contractors must also submit required documentation to be considered eligible for award. Separate attachments must be submitted for each product application when environmental and health information varies for each application. This form applies to each product offered by Applied Industrial Technologies.

Applied Industrial Technologies Name: Applied Industrial Technologies Inc.

Manufacturer Name: Clift Ind.

Product Name: Total Surface Care

Product Category Being Proposed: Glass Cleaner

FORMULATION-RELATED SPECIFICATIONS	**IS REQUIRED DOCUMENTION ATTACHED?**	**TYPE OF DOCUMENTATION SUBMITTED** Green Seal Certification , independent lab results, literature research, MSDS, etc.
1. Toxic Compounds	(**Yes**) No	Literature; MSDS
2. Carcinogens and Reproductive Toxins	(**Yes**) No	Literature; MSDS
3.Skin and Eye Irritation	(**Yes**) No	Literature; MSDS
4. Skin Sensitization	(**Yes**) No	Literature; MSDS
5. Combustibility	(**Yes**) No	Literature; MSDS
6. Photochemical Smog, Tropospheric Ozone Production, and Indoor Air Quality	(**Yes**) No	Literature Certificate
7. Toxicity to Aquatic Life	(**Yes**) No	Literature; MSDS
8. Eutrophication	(**Yes**) No	Literature; MSDS
9. Aquatic Biodegradability	(**Yes**) No	Literature; MSDS
10. Concentrates	(**Yes**) No	Literature; MSDS
11. Fragrances	(**Yes**) No	Literature; MSDS
12. Prohibited Ingredients	(**Yes**) No	Literature; MSDS
Non-Formulation Related Specifications		
13. Training	(**Yes**) No	See Technical Proposal
14. Packaging	(**Yes**) No	See Technical Proposal
15. Labeling	(**Yes**) No	See Technical Proposal

I have submitted data to demonstrate compliance with the items circle above.
I agree to comply with having all required specifications and documentation available at the time I submit a response to this Contract.

Attachment C

Asthmagens Information

Applied Industrial Technologiess must list all products offered in their response and indicate, by circling yes or no, whether each product contains an asthma-causing agent, or represent a respiratory irritant, or may aggravate existing respiratory conditions.

If none of the products being offered in your RFP response contains any asthmagen or respiratory irritant, you may check the box below in lieu of listing all the products.

(X) **I/we certify that all of the products being offered in our response to this Contract do not contain any of the asthma-causing agents listed or represent a respiratory irritant**.

Product Name	Monoetha -nolamine	Tall Oil or RosinCAS	Chlorhexidin e	Chloramine T	Ammonium Quaternary Disinfectants	Known Respiratory
Total Surface	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)
Total Surface	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)
Natural Bathroom Cleaner	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)
Graffiti Buster Unpainted	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)
Bathroom Cleaner	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)
Green Option Floor Stripper	(**Yes**) No	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (No)
Green Option Floor Sealer/Finisher	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)
Carpet Stain Remover	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)
General Purpose Cleaner	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)
Purex Natural Elements	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)	Yes (**No**)

_____

Title of Supplier Representative

_____

Date