

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. 2**  
 to  
**CONTRACT NO. 071B3200071**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Patriot Services Corporation 2655 Oakley Park, Suite 210 Commerce Township, MI 48390	Stephen Potter	spotter@patriot-services.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 313-3200	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DEQ	Robert Babcock	517-373-8566	babcockr@michigan.gov
BUYER	DTMB	Don Mandernach	517-284-7019	mandernachd@michigan.gov

CONTRACT SUMMARY:			
<b>Water Security Exercises – Counter Terrorism – Department of Environmental Quality</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
January 1, 2013	December 31, 2013	2, One Year	December 31, 2013
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Firm for Length of Contract	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Three Months	March 31, 2014
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$185,381.50		
Effective immediately, the attached addendum is incorporated into this Contract and an additional three months will be utilized from the first option year to extend this Contract out to March 31, 2014. Also, MiDEAL and Administrative language added in Contract Change 1 is hereby deleted. All other terms, conditions, specifications and pricing remain unchanged.				

**ATTACHMENT C**

The amounts listed in the below table will result in an equal decrease to contract amounts previously submitted in Attachment A.

Functional Exercise Tasks	Cost
<b>Project Kickoff (PKO)</b>	
Exercise Initialization	\$ 437.04
<b>*Sub Total (PKO):</b>	<b>\$ 437.04</b>

<b>Concept &amp; Objectives (C&amp;O) Meeting</b>	
The C&O Meeting is the formal beginning of the exercise planning process held to identify the scope and objectives of the exercise.	
Prepare for C&O Meeting	\$ 509.58
Conduct C&O Meeting	\$ 674.20
C&O Paper: This document is considered a project deliverable via electronic copy (PDF format).	\$ 172.48
<b>*Sub Total (C&amp;O):</b>	<b>\$ 1,356.26</b>

<b>Initial Planning Meeting (IPM)</b>	
The IPM marks the beginning of the exercise development phase and held to determine the exercise scope by gathering input from the exercise planning team; design requirements and conditions (e.g., assumptions and artificialities); objectives; extent of play; and scenario variables (e.g., time, location, hazard selection). The IPM is also used to develop exercise documentation by obtaining the planning team's input on exercise location, schedule, duration, and other relevant details.	
Prepare for IPM	\$ 509.58
Conduct IPM	\$ 674.20
IPM Minutes: This document is considered a project deliverable via electronic copy (PDF format).	\$ 172.48
<b>*Sub Total (IPM):</b>	<b>\$ 1,356.26</b>

<b>Mid-Planning/Master Scenario Events List Meeting (MPM/MSEL)</b>	
The MPM is a planning meeting for exercises held to discuss exercise organization and staffing concepts; scenario and timeline development; and scheduling, logistics, and administrative requirements. It is also a session to review draft documentation.	
The MSEL Meeting is held to review the scenario timeline and focus on scenario development. For this exercise, the MSEL Meeting will be held in conjunction with the MPM.	
Prepare for MPM/MSEL	\$ 1,019.16
Conduct MPM/MSEL	\$ 674.20
MPM Minutes: This document is considered a project deliverable via electronic copy (PDF format).	\$ 172.48
<b>*Sub Total (MPM/MSEL):</b>	<b>\$ 1,865.84</b>

<b>Final Planning Meeting (FPM)</b>	
-------------------------------------	--

ATTACHMENT C

Functional Exercise Tasks	Cost
The FPM is the final forum for reviewing exercise processes and procedures and held to ensure that all elements of the exercise are ready for conduct. Prior to the FPM, the exercise planning team receives final drafts of all exercise materials. No major changes to exercise's design, scope, or supporting documentation should take place at or following the FPM. The FPM ensures that all logistical requirements have been met, outstanding issues have been identified and resolved, and exercise products are ready for printing.	
Prepare for FPM	\$ 509.58
Conduct FPM	\$ 674.20
FPM Minutes: This document is considered a project deliverable via electronic copy (PDF format).	\$ 172.48
<b>*Sub Total (FPM):</b>	<b>\$ 1,356.26</b>

Exercise Documents	
Exercise document development is a process that evolves throughout the planning cycle as information can (and does) readily change. Documents are regularly developed in conjunction with one another and are generally considered final upon exercise conduct.	
<b>Exercise Plan (ExPlan)</b> An ExPlan is a general information document that helps operations-based exercises run smoothly by providing participants with a synopsis of the exercise. It is published and distributed to the participating organizations following development of most of the critical elements of the exercise. In addition to addressing exercise objectives and scope, an ExPlan assigns activities and responsibilities for exercise planning, conduct, and evaluation. The ExPlan is intended to be seen by the exercise players and observers—therefore, it does not contain detailed scenario information that may reduce the realism of the exercise. This document is considered a project deliverable (in draft and final versions) via electronic copy (PDF format).	\$ 1,283.72
<b>Controller/Evaluator (C/E) Handbook</b> The C/E Handbook contains guidance that controllers, simulators, and evaluators need concerning procedures and responsibilities for exercise control, simulation, and support. The handbook also provides guidelines for control and simulation support and establishes a management structure for these activities. This document is considered a project deliverable (in draft and final versions) via electronic copy (PDF format).	\$ 1,283.72
<b>Master Scenario Events List (MSEL)</b> The MSEL is a chronological timeline of expected actions and scripted events to be injected into exercise play by controllers to generate or prompt player activity. It ensures necessary events happen so that all objectives are met. The MSEL injects link simulation to action, enhance exercise experience for players, and reflect an incident or activity meant to prompt players to action. This document is considered a project deliverable (in draft and final versions) via electronic copy (PDF format).	\$ 4,341.20
<b>Exercise Evaluation Guides (EEGs)</b> EEGs provide a template for observing and collecting exercise data in relation to objectives and associated core capabilities. EEGs typically identify targets and critical tasks for exercise objectives and core capabilities and enable evaluators to capture structured and unstructured	\$ 3,651.28

ATTACHMENT C

Functional Exercise Tasks	Cost
<p>data regarding exercise performance. Evaluators should develop and customize EEGs to meet the unique objectives of their exercise and to reflect jurisdiction-specific capability targets. This document is considered a project deliverable (in draft and final versions) via electronic copy (PDF format).</p>	
<p><b>Exercise Handouts</b>            Exercise handouts are documents prepared for use during exercise conduct and consist of the following:</p> <ul style="list-style-type: none"> <li>- Control team badges.</li> <li>- Player handout that includes relevant exercise information such as venue and safety information.</li> <li>- Participant feedback forms.</li> <li>- Scenario information relevant to exercise play such as information bulletins and messages.</li> </ul> <p>These documents are considered project deliverables (in draft and final versions) via electronic copy (PDF format).</p>	\$ 689.92
<p><b>Exercise Briefings</b>  <b>C/E Briefing:</b> The C/E Briefing is a pre-exercise overview for controllers, evaluators, and the exercise administrative staff. The briefing summarizes the C/E Handbook and focuses on reviewing exercise control team roles and responsibilities.  <b>Player Briefing:</b> A Player Briefing is held immediately before an exercise and addresses individual roles and responsibilities, exercise parameters, participant identification, safety, and any other logistical items.            These documents are considered project deliverables (in draft and final versions) via electronic copy (PDF format).</p>	\$ 689.92
<b>Document Preparation (Printing/Binding)</b>	\$ 331.12
<p><b>Exercise Templates</b>            These templates will derive from all developed exercise documents (with municipal specific information removed) and be editable templates for use by any municipality, department, or agency wishing to conduct their own functional exercise.            These documents are considered project deliverables (in draft and final versions) via electronic copy (MS Word format).</p>	\$ 3,163.18
<b>*Sub Total (Exercise Documents):</b>	<b>\$ 15,434.06</b>
<b>Exercise Conduct</b>	
Controller/Evaluator Training	\$ 718.10
<p>Exercise Execution</p> <ul style="list-style-type: none"> <li>- Conduct C/E Briefing</li> <li>- Conduct Player Briefing</li> <li>- Conduct Exercise</li> <li>- Conduct Exercise debriefing</li> </ul>	\$ 5,669.07
<b>*Sub Total (Exercise Conduct):</b>	<b>\$ 6,387.17</b>
<b>After Action Report/Improvement Plan (AAR/IP) and After Action Meeting (AAM)</b>	
<p>The AAR summarizes key exercise-related evaluation information, including the exercise overview and analysis of objectives and core capabilities. The IP identifies specific corrective actions, assigns them to responsible parties,</p>	

ATTACHMENT C

Functional Exercise Tasks	Cost
and establishes target dates for their completion. The IP is developed in conjunction with the After-Action Report. The AAM is a meeting held among elected and appointed officials or their designees from the exercising organizations, as well as the lead evaluator and members of the exercise planning team, to debrief the exercise and to review and refine the draft AAR/IP. The AAM should be an interactive session, providing attendees the opportunity to discuss and validate the analytical findings and corrective actions in the draft AAR/IP.	
AAR/IP This document is considered a project deliverable (in draft and final versions) via electronic copy (PDF format).	\$ 5,786.16
Prepare for After Action Meeting	\$ 1,348.40
Conduct After Action Meeting	\$ 674.20
<b>*Sub Total (AAR/IP):</b>	<b>\$ 7,808.76</b>

\*Estimated costs not to exceed 10% over cost.

The collective costs of Attachment A and Attachment C will not exceed the total contact cost.

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. 1**  
 to  
**CONTRACT NO. 071B3200071**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Patriot Services Corporation 2655 Oakley Park, Suite 210 Commerce Township, MI 48390	Stephen Potter	spotter@patriot-services.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 313-3200	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DEQ	Robert Babcock	517-373-8566	babcockr@michigan.gov
BUYER	DTMB	Don Mandernach	517-241-7233	mandernachd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Water Security Exercises – Counter Terrorism – Michigan Department of Environmental Quality			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
1 Yr.	January 1, 2013	December 31, 2013	2, One-year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Firm for Length of Contract	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		December 31, 2013
VALUE/COST OF CHANGE NOTICE:		ESTIMATED AGGREGATE CONTRACT VALUE REMAINS:		
\$0.00		\$185,381.50		

Per Vendor request dated 1/18/13 and DTMB-Procurement agreement dated 1/18/13, this Contract change will add MiDEAL language along with Administrative Fee language, per the attached, back into the Contract.

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

## MIDEAL EXTENDED PURCHASING PROGRAM

### A. MiDEAL Requirements

1. The Contractor must ensure that all purchasers are MiDEAL Members before extending the Contract pricing. A current listing of approved MiDEAL Members is available at: [www.michigan.gov/mideal](http://www.michigan.gov/mideal).
2. The Contractor must submit quarterly reports of MiDEAL purchasing activities to DTMB-Purchasing Operations.
3. The Contractor must submit invoices to and receive payment from MiDEAL Members on a direct and individual basis.
4. Estimated requirements for MiDEAL members are not included in the quantities shown in this RFP, unless otherwise noted.
5. The State of Michigan reserves the right to negotiate additional discounts based on any increased volumes by MiDEAL members.

### B. MiDEAL Administrative Fee

1. The Contractor must remit a MiDEAL administrative fee on all sales to MiDEAL members transacted under this Contract, and remit the fee within 30 days after the end of each quarter. The administrative fee equals **one percent** of the total quarterly sales reported.
2. The Contractor must pay the administrative fee by check payable to the State of Michigan. The Contractor must identify the check as an "Administrative Fee" and include the following information with the payment: the applicable Contract Number, the total quarterly sales by volume and dollar amount, and the quarter covered.
3. The Contractor must send the check to the following address:

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

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

January 10, 2013

**CONTRACT NO. 071B3200071**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Patriot Services Corporation 2655 Oakley Park, Suite 210 Commerce Township, MI 48390	Stephen Potter	spotter@patriot-services.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 313-3200	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DEQ	Robert Babcock	(517) 373-8566	babcockr@michigan.gov
BUYER:	DTMB	Don Mandernach	(517) 241-7233	mandernachd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Descriptive Contract Title (Not always the same language as provided in MAIN)			
Water Security Exercises – Counter Terrorism – Michigan Department of Environmental Quality			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
1 Yr.	January 1, 2013	December 31, 2013	2, One-year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Firm for Length of Contract	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$ 185,381.50	

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

**CONTRACT NO. 071B3200071**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Patriot Services Corporation 2655 Oakley Park, Suite 210 Commerce Township, MI 48390	Stephen Potter	spotter@patriot-services.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 313-3200	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DEQ	Robert Babcock	(517) 373-8566	babcockr@michigan.gov
BUYER:	DTMB	Don Mandernach	(517) 241-7233	mandernachd@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Descriptive Contract Title (Not always the same language as provided in MAIN)			
<b>Water Security Exercises – Counter Terrorism – Michigan Department of Environmental Quality</b>			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
1 Yr.	January 1, 2013	December 31, 2013	2, One-year
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Firm for Length of Contract	N/A	N/A	N/A
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$ 185,381.50	

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #071I3200006. Orders for delivery will be issued directly by the Department of Technology, Management & Budget through the issuance of a Purchase Order Form.

**Notice of Contract #: 071B3200071**

---

---

**FOR THE CONTRACTOR:**

**Patriot Services Corporation**

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

---

---

**FOR THE STATE:**

Signature

**Jeff Brownlee, Chief Procurement Officer**

Name/Title

**DTMB Procurement**

Enter Name of Agency

Date



**STATE OF MICHIGAN**  
**Department of Technology, Management and Budget**  
**DTMB-Procurement**

Contract No. [071B3200071](#)  
[Water Security Exercises – Counter Terrorism](#)  
For the Michigan Department of Environmental Quality

Buyer Name: Don Mandernach  
Telephone Number: (517) 241-7233  
E-Mail Address: [mandernachd@michigan.gov](mailto:mandernachd@michigan.gov)



**Table of Contents**

DEFINITIONS ..... 10

Article 1 – Statement of Work (SOW) ..... 12

**1.010 Project Identification** ..... 12

    1.011 Project Request ..... 12

    1.012 Background ..... 12

**1.020 Scope of Work and Deliverables** ..... 12

    1.021 In Scope ..... 12

    1.022 Work and Deliverable ..... 12

**1.030 Roles and Responsibilities** ..... 13

    1.031 Contractor Staff, Roles, and Responsibilities ..... 13

**1.040 Project Plan** ..... 14

    1.041 Project Plan Management ..... 14

    1.042 Reports ..... 14

**1.050 Acceptance** ..... 14

    1.051 Criteria ..... 14

    1.052 Final Acceptance – Deleted – Not Applicable ..... 14

**1.060 Proposal Pricing** ..... 14

    1.061 Proposal Pricing ..... 14

    1.062 Price Term ..... 14

    1.063 Tax Excluded from Price ..... 14

    1.064 Holdback – Deleted – Not Applicable ..... 15

**1.070 Additional Requirements** ..... 15

    1.071 Additional Terms and Conditions specific to this RFP – Deleted – Not Applicable ..... 15

Article 2, Terms and Conditions ..... 16

**2.000 Contract Structure and Term** ..... 16

    2.001 Contract Term ..... 16

    2.002 Options to Renew ..... 16

    2.003 Legal Effect ..... 16

    2.004 Attachments & Exhibits ..... 16

    2.005 Ordering ..... 16

    2.006 Order of Precedence ..... 16

    2.007 Headings ..... 16

    2.008 Form, Function & Utility ..... 16

    2.009 Reformation and Severability ..... 17

    2.010 Consents and Approvals ..... 17

    2.011 No Waiver of Default ..... 17

    2.012 Survival ..... 17

**2.020 Contract Administration** ..... 17

    2.021 Issuing Office ..... 17

    2.022 Contract Compliance Inspector ..... 17

    2.023 Project Manager ..... 17

    2.024 Change Requests ..... 18

    2.025 Notices ..... 18

    2.026 Binding Commitments ..... 18

    2.027 Relationship of the Parties ..... 18

    2.028 Covenant of Good Faith ..... 18

    2.029 Assignments ..... 18

**2.030 General Provisions** ..... 19

    2.031 Media Releases ..... 19

    2.032 Contract Distribution ..... 19

    2.033 Permits ..... 19

    2.034 Website Incorporation ..... 19

    2.035 Future Bidding Preclusion ..... 19

    2.036 Freedom of Information ..... 19

    2.037 Disaster Recovery ..... 19

**2.040 Financial Provisions** ..... 19

    2.041 Fixed Prices for Services/Deliverables ..... 19

    2.042 Adjustments for Reductions in Scope of Services/Deliverables ..... 20

    2.043 Services/Deliverables Covered ..... 20

    2.044 Invoicing and Payment – In General ..... 20

    2.045 Pro-ration ..... 20

    2.046 Antitrust Assignment ..... 20

    2.047 Final Payment ..... 20

    2.048 Electronic Payment Requirement ..... 21



<b>2.050</b>	<b>Taxes</b> .....	21
	2.051 Employment Taxes.....	21
	2.052 Sales and Use Taxes .....	21
<b>2.060</b>	<b>Contract Management</b> .....	21
	2.061 Contractor Personnel Qualifications .....	21
	2.062 Contractor Key Personnel .....	21
	2.063 Re-assignment of Personnel at the State’s Request .....	22
	2.064 Contractor Personnel Location .....	22
	2.065 Contractor Identification .....	22
	2.066 Cooperation with Third Parties .....	22
	2.067 Contractor Return of State Equipment/Resources .....	22
	2.068 Contract Management Responsibilities .....	22
<b>2.070</b>	<b>Subcontracting by Contractor</b> .....	22
	2.071 Contractor Full Responsibility.....	22
	2.072 State Consent to Delegation .....	22
	2.073 Subcontractor Bound to Contract.....	23
	2.074 Flow Down .....	23
	2.075 Competitive Selection.....	23
<b>2.080</b>	<b>State Responsibilities</b> .....	23
	2.081 Equipment .....	23
	2.082 Facilities .....	23
<b>2.090</b>	<b>Security</b> .....	23
	2.091 Background Checks .....	23
	2.092 Security Breach Notification .....	24
	2.093 PCI Data Security Standard .....	24
<b>2.100</b>	<b>Confidentiality</b> .....	24
	2.101 Confidentiality.....	24
	2.102 Protection and Destruction of Confidential Information .....	24
	2.103 Exclusions .....	25
	2.104 No Implied Rights.....	25
	2.105 Respective Obligations.....	25
<b>2.110</b>	<b>Records and Inspections</b> .....	25
	2.111 Inspection of Work Performed .....	25
	2.112 Examination of Records .....	25
	2.113 Retention of Records.....	25
	2.114 Audit Resolution .....	25
	2.115 Errors .....	26
<b>2.120</b>	<b>Warranties</b> .....	26
	2.121 Warranties and Representations.....	26
	2.122 Warranty of Merchantability – Deleted – Not Applicable .....	26
	2.123 Warranty of Fitness for a Particular Purpose – Deleted – Not Applicable .....	26
	2.124 Warranty of Title – Deleted – Not Applicable.....	26
	2.125 Equipment Warranty – Deleted – Not Applicable .....	26
	2.126 Equipment to be New – Deleted – Not Applicable.....	26
	2.127 Prohibited Products – Deleted – Not Applicable.....	26
	2.128 Consequences For Breach.....	27
<b>2.130</b>	<b>Insurance</b> .....	27
	2.131 Liability Insurance.....	27
	2.132 Subcontractor Insurance Coverage.....	28
	2.133 Certificates of Insurance and Other Requirements.....	28
<b>2.140</b>	<b>Indemnification</b> .....	29
	2.141 General Indemnification .....	29
	2.142 Code Indemnification.....	29
	2.143 Employee Indemnification .....	29
	2.144 Patent/Copyright Infringement Indemnification.....	29
	2.145 Continuation of Indemnification Obligations .....	29
	2.146 Indemnification Procedures .....	29
<b>2.150</b>	<b>Termination/Cancellation</b> .....	30
	2.151 Notice and Right to Cure .....	30
	2.152 Termination for Cause .....	30
	2.153 Termination for Convenience .....	31
	2.154 Termination for Non-Appropriation .....	31
	2.155 Termination for Criminal Conviction .....	31
	2.156 Termination for Approvals Rescinded .....	31
	2.157 Rights and Obligations upon Termination .....	31
	2.158 Reservation of Rights .....	32
<b>2.160</b>	<b>Termination by Contractor</b> .....	32
	2.161 Termination by Contractor.....	32



**2.170 Transition Responsibilities** ..... 32

2.171 Contractor Transition Responsibilities ..... 32

2.172 Contractor Personnel Transition ..... 32

2.173 Contractor Information Transition ..... 32

2.174 Contractor Software Transition ..... 32

2.175 Transition Payments ..... 33

2.176 State Transition Responsibilities ..... 33

**2.180 Stop Work** ..... 33

2.181 Stop Work Orders ..... 33

2.182 Cancellation or Expiration of Stop Work Order ..... 33

2.183 Allowance of Contractor Costs ..... 33

**2.190 Dispute Resolution** ..... 33

2.191 In General ..... 33

2.192 Informal Dispute Resolution ..... 33

2.193 Injunctive Relief ..... 34

2.194 Continued Performance ..... 34

**2.200 Federal and State Contract Requirements** ..... 34

2.201 Nondiscrimination ..... 34

2.202 Unfair Labor Practices ..... 34

2.203 Workplace Safety and Discriminatory Harassment ..... 34

2.204 Prevailing Wage ..... 35

**2.210 Governing Law** ..... 35

2.211 Governing Law ..... 35

2.212 Compliance with Laws ..... 35

2.213 Jurisdiction ..... 35

**2.220 Limitation of Liability** ..... 35

2.221 Limitation of Liability ..... 35

**2.230 Disclosure Responsibilities** ..... 35

2.231 Disclosure of Litigation ..... 35

2.232 Call Center Disclosure – Deleted – Not Applicable ..... 36

2.233 Bankruptcy ..... 36

**2.240 Performance** ..... 36

2.241 Time of Performance ..... 36

2.242 Service Level Agreements (SLAs) – Deleted – Not Applicable ..... 37

2.243 Liquidated Damages – Deleted – Not Applicable ..... 37

2.244 Excusable Failure ..... 37

**2.250 Approval of Deliverables – Deleted – Not Applicable** ..... 37

**2.260 Ownership – Deleted – Not Applicable** ..... 37

**2.270 State Standards** ..... 37

2.271 Existing Technology Standards ..... 37

2.272 Acceptable Use Policy ..... 37

2.273 Systems Changes ..... 38

**2.280 Extended Purchasing – Deleted – Not Applicable** ..... 38

**2.290 Environmental Provision – Deleted – Not Applicable** ..... 38

**2.300 Other Provisions** ..... 38

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude Made Materials  
38

Attachment A, Pricing ..... 39

Attachment B, Appendix A: List of Community Water Systems ..... 38

Attachment B, Appendix B: List of Public Wastewater Treatment Plants ..... 44



## **DEFINITIONS**

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

**Additional Service** means any Services within the scope of the Contract, but not specifically provided under any Statement of Work.

**Audit Period** means the seven year period following Contractor's provision of any work under the Contract.

**Bidder(s)** are those companies that submit a proposal in response to the RFP.

**Business Day** means any day other than a Saturday, Sunday or State-recognized legal holiday from 8:00am EST through 5:00pm EST unless otherwise stated.

**Blanket Purchase Order** is an alternate term for Contract and is used in the Plan Sponsors' computer system.

**CCI** means Contract Compliance Inspector.

**Days** means calendar days unless otherwise specified.

**Deleted – N/A** means that section is not applicable or included in the RFP. This is used as a placeholder to maintain consistent numbering.

**Deliverable** means physical goods and/or services required or identified in a Statement of Work.

**DTMB** means the Michigan Department of Technology Management and Budget.

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

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

**Incident** means any interruption in any function performed for the benefit of a Plan Sponsor.

**Key Personnel** means any personnel identified in **Section 1.031** as Key Personnel.

**New Work** means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, such that once added will result in the need to provide the Contractor with additional consideration. "New Work" does not include Additional Service.

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

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

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

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

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



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

**Services** means any function performed for the benefit of the State.

**SLA** means Service Level Agreement.

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

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

**Subcontractor** means a company selected by the Contractor to perform a portion of the Services, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

**Unauthorized Removal** means the Contractor's removal of Key Personnel without the prior written consent of the State.

**Waste Prevention** means source reduction and reuse, but not recycling.

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

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

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



## **Article 1 – Statement of Work (SOW)**

### **1.010 Project Identification**

#### **1.011 Project Request**

This is a Contract to solicit Water Security Exercise services for the Michigan Department of Environmental Quality (DEQ).

#### **1.012 Background**

Public water and wastewater utilities (utilities) have historically developed and maintained emergency contingency plans which were responsive to system outages due to weather related incidents and acts of vandalism. As a result of the terrorist's attacks which occurred on 9/11/01, and subsequent global climate change events, utilities need, as a part of the all hazards preparedness, to consider all hazards including weather events and malevolent acts of terrorism as potential problems the utilities may encounter and incorporate such acts into emergency contingency plans. Table Top Exercises (TTX's) are a method of incorporating all hazards and malevolent acts of terrorism into local emergency responsiveness planning.

Community water and wastewater officials need to be a part of the community police, fire, and hospitals' emergency response activities. The community water and wastewater systems are key assets of the community's critical infrastructure and local officials need to be active partners in working together to protect their systems with an all hazards approach. The intent of the TTX's is to increase the understanding of the importance and the impact of the public drinking water and wastewater systems for the entire community and to support planning and capitalization of improvement projects for those systems so to improve their resilience to all hazards.

Emergency Response Plans (ERP's) and Contingency Plans (CP's) are only as good as they are developed and used. TTX's will provide information and experience that the community and non-community water and wastewater systems can use in continuing the TTX process on an annual basis.

Michigan has approximately 1,500 public water systems and approximately 500 public wastewater systems. Engaging a Contractor to perform TTX's at all 2,000 public water and wastewater systems is not realistic. As a result, MDEQ will pursue TTX's on a highest population priority basis. CP's and ERP's need to be used and revised on a routine basis, e.g., annually, in order for them to be current and useful. TTX's are useful in updating and maintaining appropriate responsiveness to the public utility in the event of an all hazards utility outage including a malevolent act.

The TTX's are voluntary and operated on a no fault basis. Tours of facilities after the completion of the exercise may occur after the exercise, if deemed appropriate by the owner of the community water and wastewater system.

### **1.020 Scope of Work and Deliverables**

#### **1.021 In Scope**

- Contractor must plan and conduct 100 TTXs at utilities throughout the State based on highest population priority (75 largest drinking water and 25 largest wastewater systems); see (Attachment B, Appendix A).
- The Contractor must go to the utility and provide exercise scenarios for the response of the officials of the community.
- Evaluation of the officials' responses to the exercise scenarios must be provided by the Contractor.

#### **1.022 Work and Deliverable**

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

The Contractor must bring key community water and wastewater personnel together, along with key public safety (police and fire department) officials, at the facility, along with DEQ personnel to use and evaluate the existing ERP/CP for possible revisions. Policies and procedures must be reviewed and system personnel public safety officials must gain experience in responding to exercise scenarios.

It is expected that the TTX's would be conducted at a frequency of 2.5 TTX's per week. Listed below is the work required for this Contract:

- A. TTX: Must include training for the key personnel listed above, per each of the 100 sites. Also, an individual report for each TTX must be submitted to support all invoices along with quarterly progress and financial reports.



- 1) Exercise Materials Development: The Contractor must provide materials and conduct research for each TTX based on the individual locales.
  - 2) Exercise Planning and Scheduling: The Contractor must provide staffing and planning services for each TTX, per locale.
- B. Final Report: There is to be one Final Report submitted within 30 days after the conclusion of the final TTX that is a summation of the 100 individual TTX exercises. Final Report must include:
- A cover sheet
  - The scenarios presented
  - Sign-in sheets in chronological order
  - Final summary of how the exercises were received at each locale

### **1.030 Roles and Responsibilities**

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

The Contractor must provide and update, when changed, an organizational chart indicating lines of authority for personnel involved in the performance of the Contract. This chart must also show lines of authority to the next senior level of management and indicate who will have prime responsibility and final authority for the work.

The Contractor must commit that the staff identified in its proposal will actually perform the assigned work. Any staff substitution must have the prior approval of the State.

The Contractor must identify Key Personnel. The duties of the Key Personnel must include, but not be limited to: i) supporting the management of the Contract, ii) facilitating dispute resolution, and iii) advising the State of performance under the terms and conditions of the Contract. The State reserves the right to require a change in the current Key Personnel if the assigned Key Personnel is not, in the opinion of the State, adequately serving the needs of the State.

If requested, the Contractor must present and allow the State staff to interview all Key Personnel, assigned to the Contract. The Contractor is obligated to provide the Key Personnel submitted at the time of bid. Failure to do so may result in the cancellation of the bid award. The Contractor must provide a Key Personnel to work closely with the designated personnel from the State. The Key Personnel must coordinate all of the activities of the Contractor personnel assigned to the project and create all reports required by State. The Contractor's Key Personnel responsibilities must include, at a minimum:

- Manage all defined Contractor responsibilities
- Manage Contractor's subcontractors, if any
- Develop the project plan and schedule, and update as needed
- Serve as the point person for all project issues
- Coordinate and oversee the day-to-day project activities of the project team
- Assess and report project feedback and status
- Escalate project issues, project risks, and other concerns
- Review all project deliverables and provide feedback
- Proactively propose/suggest options and alternatives for consideration
- Utilize change control procedures
- Prepare project documents and materials

Listed below is the Contractor's Key Personnel:

Stephen Potter – Project Director  
 Phone: (248) 313-3200  
 Email: [spotter@patriot-services.com](mailto:spotter@patriot-services.com)

Robert House – Project Manager  
 Phone: (248) 313-3200  
 Email: [rphouse@patriot-services.com](mailto:rphouse@patriot-services.com)



The Contractor's staff must be able to pass a security clearance check conducted by the Contractor. The Contractor must present certifications evidencing satisfactory background checks and drug tests for all staff identified for assignment to this project immediately upon award of the Contract. The Contractor is responsible for any costs associated with ensuring their staff meets all requirements.

### **1.040 Project Plan**

#### **1.041 Project Plan Management**

The Contractor must submit an initial work plan within 10 working days of the award of the Contract, the Contractor must submit a finalized work plan to the Contract Compliance Inspector (CCI) for final approval. The work plan must, at a minimum, include the following:

- The Contractor's organizational structure of the project.
- The Contractor's staffing table with the names and title of the personnel assigned to the project/phase of project. (This must agree with the staffing as described in Section 1.031).
- The project breakdown, showing sub-projects, phases, activities or tasks, and Contractor-resources required and allocated to each.
- The time-phased plan/target completion dates(s), or calendar showing each event, task, and decision point in your work plan

#### **1.042 Reports**

- The Contractor must submit concise written quarterly progress and financial reports to the CCI indicating the work completed during the previous quarter, work in progress, problems real or anticipated, notification of any significant deviation from previously agreed upon work plans, cumulative hours utilized, estimated hours to completion, and the projected date for conclusion.
- The Contractor must maintain progress and resource schedules for all tasks under this Contract. This documentation must include, as appropriate, resource schedules and other reports showing budgeted work completed and budgeted work scheduled. The Contractor is responsible for tracking hours expended on each filing.

### **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:

- Contractor must plan and conduct 100 TTXs at utilities throughout the State based on highest population priority; see (Attachment B, Appendix A).
- The Contractor must go to the utility and provide exercise scenarios for the response of the officials of the community.
- Contractor must provide a detailed report in support of all invoices. This report must describe the work performed during the invoice period for each filing, including: the locale individual scenario, participant sign in sheet with name, email address, phone number and signature, the site evaluation summary as to whether the intent of the TTX was met and a pricing breakdown.

#### **1.052 Final Acceptance – Deleted – Not Applicable**

### **1.060 Proposal Pricing**

#### **1.061 Proposal Pricing**

For authorized Services and Price List, see Attachment A, Pricing.

#### **1.062 Price Term**

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

#### **1.063 Tax Excluded from Price**

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



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

**1.064 Holdback – Deleted – Not Applicable**

**1.070 Additional Requirements**

**1.071 Additional Terms and Conditions specific to the RFP – Deleted – Not Applicable**



## **Article 2, Terms and Conditions**

### **2.000 Contract Structure and Term**

#### **2.001 Contract Term**

The Contract is for a period of approximately one year beginning January 1, 2013 through December 31, 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**

The 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 two additional one year periods.

#### **2.003 Legal Effect**

Contractor must show acceptance of the Contract by signing two (2) copies of the Contract and returning them to the Contract Administrator. The Contractor must 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 the Contract, until Contractor is notified in writing that the 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 the Contract, are incorporated in their entirety and form part of the 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 the Contract. All orders are subject to the terms and conditions of the 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 must 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 (1) State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.



## 2.009 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract and, if one (1) 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

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

Don Mandernach, Buyer  
Procurement  
Department of Technology, Management and Budget  
Mason Bldg, 2nd Floor  
Lansing, MI 48909  
Email: [mandernachd@michigan.gov](mailto:mandernachd@michigan.gov)  
Phone: (517) 241-7233

### 2.022 Contract Compliance Inspector

After DTMB-Procurement receives the properly executed Contract, it is anticipated that the Chief Procurement Officer of DTMB-Procurement, in consultation with DEQ, 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 the 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 Procurement.** The CCI for the Contract is:

Robert F. Babcock, Water Sector Security and Emergency Management Chief  
Michigan Department of Environmental Quality  
525 W. Allegan St.  
Lansing, MI 48909  
Email: [babcockr@michigan.gov](mailto:babcockr@michigan.gov)  
Phone: (517) 373-8566  
Fax: (517) 241-0325

### 2.023 Project Manager

The following individual will oversee the project:

Robert F. Babcock, Water Sector Security and Emergency Management Chief  
Michigan Department of Environmental Quality  
525 W. Allegan St.  
Lansing, MI 48909  
Email: [babcockr@michigan.gov](mailto:babcockr@michigan.gov)  
Phone: (517) 373-8566  
Fax: (517) 241-0325



#### **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 the Contract, describing the Change and its effects on the Services and any affected components of the Contract (a "Contract Change Notice").
- (b) No proposed Change may be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the DTMB-Procurement.
- (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 the 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 State contact as noted in Section 2.021 and the Contractor's contact as noted on the cover page of the contract, 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.

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 Contract. Contractor may change the representatives from time to time upon written notice.

#### **2.027 Relationship of the Parties**

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of Contractor or any of its Subcontractors must be deemed to be an employee, agent or servant of the State for any reason. Contractor is 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 must 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 requirements of 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 (1) 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 must 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**

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

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

### **2.036 Freedom of Information**

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, 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 the Contract must 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 the Contract must 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 the Contract is subsequently reduced by the State, the parties must 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 the Contract, the State must not be obligated to pay any amounts in addition to the charges specified in the Contract.

#### **2.044 Invoicing and Payment – In General**

(a) Each Statement of Work issued under the Contract must 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 must 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 must 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 PA 279, MCL 17.51 et seq., within 45 days after receipt, provided the State determines that the invoice was properly rendered.

All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the CCI and the Contractor.

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

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 CCI, 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 must 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 the 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 (1) party against the other arising from unsettled claims or failure by a party to comply with the 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 the Contract must constitute a waiver of all claims by Contractor against the State for payment under the 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. The Contractor must register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in 1984 PA 431, all contracts that the State enters into for the purchase of goods and services must 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.

### **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 (2) 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 the 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 the 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 the 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 CCI 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 reserves 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 must notify the State of the proposed assignment, must introduce the individual to the appropriate State representatives, and must 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 must 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 must 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 must perform their duties either primarily at Contractor's offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel must, 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 must 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 must 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 the 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 must not unnecessarily or unreasonably interfere with, delay, or otherwise impede Contractor's performance under the Contract with the requests for access.

### **2.067 Contractor Return of State Equipment/Resources**

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

### **2.068 Contract Management Responsibilities**

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

## **2.070 Subcontracting by Contractor**

### **2.071 Contractor Full Responsibility**

Contractor has 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 the Contract, including payment of any and all charges for Services and Deliverables.

### **2.072 State Consent to Delegation**

Contractor must not delegate any duties under the Contract to a Subcontractor unless the DTMB-Procurement has given written consent to such delegation. The State reserves 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 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 Subcontractor(s) for the removed Subcontractor must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State's required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted for a time agreed upon by the parties.

### **2.073 Subcontractor Bound to Contract**

In any subcontracts entered into by Contractor for the performance of the Services, Contractor must require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of the Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by the 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 is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor must 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 the Contract will not relieve Contractor of any obligations or performance required under the Contract.

### **2.074 Flow Down**

Except where specifically approved in writing by the State on a case-by-case basis, Contractor must 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 must 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 must provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.

### **2.082 Facilities**

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

## **2.090 Security**

### **2.091 Background Checks**

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) 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 must 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 must agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. The Contractor must present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff must comply with all Physical Security procedures in place within the facilities where they are working.

### **2.092 Security Breach Notification**

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

### **2.093 PCI Data Security Standard**

(a) Contractors that process, transmit or store credit/debit cardholder data, must adhere to the Payment Card Industry (PCI) Data Security Standards. The Contractor is responsible for the security of cardholder data in its possession. The data may only be used to assist the State or for other uses specifically authorized by law.

(b) The Contractor must notify the CCI (within 72 hours of discovery) of any breaches in security where cardholder data has been compromised. In that event, the Contractor must provide full cooperation to the Visa, MasterCard, Discover and state Acquirer representative(s), and/or a PCI approved third party to conduct a thorough security review. The Contractor must make the forensic report available within two weeks of completion. The review must validate compliance with the current PCI Data Security Standards for protecting cardholder data.

(c) The Contractor must properly dispose of cardholder data, in compliance with DTMB policy, when it is no longer needed. The Contractor must continue to treat cardholder data as confidential upon contract termination.

(d) The Contractor must provide the CCI with an annual Attestation of Compliance (AOC) or a Report on Compliance (ROC) showing the contractor is in compliance with the PCI Data Security Standards. The Contractor must notify the CCI of all failures to comply with the PCI Data Security Standard.

## **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 the Contract, is marked as confidential, proprietary, or with a similar designation by the State. "Confidential Information" excludes any information (including the Contract) that is publicly available under the Michigan FOIA.

### **2.102 Protection and Destruction of Confidential Information**

The State and Contractor must 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 the 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 must limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of the Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under the 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 2.100** 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 2.100** 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 the 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 (7) years after the Contractor provides any work under the Contract (the "Audit Period"), the State may examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

### **2.113 Retention of Records**

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

### **2.114 Audit Resolution**

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



### **2.115 Errors**

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

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

### **2.120 Warranties**

#### **2.121 Warranties and Representations**

The Contractor represents and warrants:

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

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

(g) Neither the Contractor nor any affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under the 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) If any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract start date, the Contractor must report those changes immediately to DTMB-Procurement.

**2.122 Warranty of Merchantability – Deleted – Not Applicable**

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

**2.124 Warranty of Title – Deleted – Not Applicable**

**2.125 Equipment Warranty – Deleted – Not Applicable**

**2.126 Equipment to be New – Deleted – Not Applicable**

**2.127 Prohibited Products – Deleted – Not Applicable**



## 2.128 Consequences For Breach

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

### 2.130 Insurance

#### 2.131 Liability Insurance

The Contractor must provide proof of the minimum levels of insurance coverage as indicated below. The insurance must protect the State from claims which may arise out of or result from the Contractor's performance of Services under the terms of the Contract, whether the Services are performed by the Contractor, or by any Subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

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

All insurance coverage's provided relative to the 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 the 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 the Contract must be issued by companies that have been approved to do business in the State. See [www.michigan.gov/deleg](http://www.michigan.gov/deleg).

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

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

1. Commercial General Liability with the following minimum coverage:
- \$2,000,000 General Aggregate Limit other than Products/Completed Operations
  - \$2,000,000 Products/Completed Operations Aggregate Limit
  - \$1,000,000 Personal & Advertising Injury Limit
  - \$1,000,000 Each Occurrence Limit

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

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

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

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

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



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

- 4. Employers liability insurance with the following minimum limits:
  - \$100,000 each accident
  - \$100,000 each employee by disease
  - \$500,000 aggregate disease
- 5. 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 \$1,000,000.00 with a maximum deductible of \$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: \$3,000,000.00 each occurrence and \$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 the 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 the Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor must fully comply with the insurance coverage required in this Section. Failure of Subcontractor 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-Procurement, 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 **MUST 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 Procurement, DTMB. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

The Contractor must maintain all required insurance coverage throughout the term of the Contract and any extensions and, in the case of claims-made Commercial General Liability policies, must secure tail coverage for at least three (3) years following the expiration or termination for any reason of the 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 the Contract to any indemnified party or other persons. Contractor is responsible for all deductibles with regard to the insurance. If the Contractor fails to pay any premium for required insurance as specified in the Contract, or if any insurer cancels or significantly reduces any required insurance as specified in the Contract without the State's written consent, then the State may, after the State has given the Contractor at least 30 days written notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or the Contractor must pay that cost upon demand by the State.



## **2.140 Indemnification**

### **2.141 General Indemnification**

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

### **2.142 Code Indemnification**

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

### **2.143 Employee Indemnification**

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

### **2.144 Patent/Copyright Infringement Indemnification**

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

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

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

### **2.145 Continuation of Indemnification Obligations**

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

### **2.146 Indemnification Procedures**

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

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the



Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and before the State receiving Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

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

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

## **2.150 Termination/Cancellation**

### **2.151 Notice and Right to Cure**

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, then the State must provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

### **2.152 Termination for Cause**

(a) The State may terminate the Contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under the 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 the Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating the 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 the 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 the Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under the Contract.

(c) If the State chooses to partially terminate the Contract for cause, charges payable under the 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 the Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates the 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 the Contract for a termination for convenience.



### **2.153 Termination for Convenience**

The State may terminate the 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 the 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 the Contract in part, the charges payable under the Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of the 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 the Contract extends for several fiscal years, continuation of the Contract is subject to appropriation or availability of funds for the Contract. If funds to enable the State to effect continued payment under the Contract are not appropriated or otherwise made available, the State must terminate the 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 the Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates the 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 the 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 the 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 must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

### **2.157 Rights and Obligations upon Termination**

(a) If the State terminates the Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from the 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 the 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 the 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 the 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 the Contract, and may further pursue completion of the Services/Deliverables under the Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

### **2.158 Reservation of Rights**

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

### **2.160 Termination by Contractor**

#### **2.161 Termination by Contractor**

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

The Contractor may terminate the Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under the Contract, (ii) breaches its other obligations under the Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach. But the Contractor must discharge its obligations under **Section 2.190** before it terminates the Contract.

### **2.170 Transition Responsibilities**

#### **2.171 Contractor Transition Responsibilities**

If the State terminates the Contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If the Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 15 days. These efforts must include, but are not limited to, those listed in **Sections 2.171, 2.172, 2.173, 2.174, and 2.175**.

#### **2.172 Contractor Personnel Transition**

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

#### **2.173 Contractor Information Transition**

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under the Contract. The Contractor must provide the State with asset management data generated from the inception of the Contract through the date on which the Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor must 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**

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under the Contract. This must include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses



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 the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after contract expiration that result from transition operations) at the rates agreed upon by the State. The Contractor must prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

### **2.176 State Transition Responsibilities**

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

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

### **2.180 Stop Work**

#### **2.181 Stop Work Orders**

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.180**. 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 2.150**.

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

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor's costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment must 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 2.150**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.180**.

### **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 the Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Procurement, 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 (1) party to another for non-privileged information reasonably related to the Contract must 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 Procurement, 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 must 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 2.193**.

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

### **2.193 Injunctive Relief**

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.192** 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, or physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of the Contract or any purchase order resulting from the Contract must contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

### **2.202 Unfair Labor Practices**

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

### **2.203 Workplace Safety and Discriminatory Harassment**

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



## **2.204 Prevailing Wage**

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of the Contract in privity of contract with the Contractor must not be less than the wage rates and fringe benefits established by the Michigan Department of Licensing and Regulatory Affairs, Wage and Hour Division, schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor must include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors and all persons involved with the performance of the Contract in privity of contract with the Contractor must 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 Licensing and Regulatory Affairs, the office responsible for enforcement of the wage rates and fringe benefits. The Contractor must keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with the Contract. This record must be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted must 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 must comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

### **2.213 Jurisdiction**

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

## **2.220 Limitation of Liability**

### **2.221 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the 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 the Contract.

## **2.230 Disclosure Responsibilities**

### **2.231 Disclosure of Litigation**

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30



days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

- (b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of the Contract would cause a reasonable party to be concerned about:
- (i) the ability of Contractor (or a Subcontractor) to continue to perform the 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 the Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
    - (a) Contractor and its Subcontractors must be able to continue to perform the 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-Procurement.
  - (2) Contractor must also notify DTMB Procurement 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 Procurement within 30 days whenever changes to company affiliations occur.

#### **2.232 Call Center Disclosure – Deleted – Not Applicable**

#### **2.233 Bankruptcy**

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

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under the 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 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 2.241(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 Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.



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

## **2.243 Liquidated Damages – Deleted – Not Applicable**

### **2.244 Excusable Failure**

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

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

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

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

### **2.250 Approval of Deliverables – Deleted – Not Applicable**

### **2.260 Ownership – Deleted – Not Applicable**

### **2.270 State Standards**

### **2.271 Existing Technology Standards**

The Contractor must 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 – Deleted – Not Applicable****2.290 Environmental Provision – Deleted – Not Applicable****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.



**Attachment A, Pricing**

Service	Price		Estimated #		Total Cost (all inclusive fee)
A. Training for Community and Non-Community Public Water and Wastewater Utilities including:  1) Exercising Materials Development and 2) Exercising Planning and Scheduling  * Price must include all costs associated with one Table Top Exercise including, but not limited to, the development of exercise materials, planning and scheduling the exercises, one report per TTX, travel costs, etc.	\$1,795.46	X	100 Sites	=	\$179,546.00
B. One Final Report – Due within 30 days after final TTX	\$5,835.50	X	1 Final Report	=	\$5,835.50
			Total		\$185,381.50



**Attachment B, Appendix A: List of Community Water Systems for Possible Training Sessions**

System Name	County	Retail Population
DETROIT CITY OF	WAYNE	944985
GRAND RAPIDS	KENT	200000
KALAMAZOO	KALAMAZOO	150000
WARREN, CITY OF	MACOMB	138247
LANSING BOARD OF WATER & LIGHT	INGHAM	131546
FLINT, CITY OF	GENESEE	124943
STERLING HEIGHTS	MACOMB	124000
ANN ARBOR	WASHTENAW	114000
LIVONIA	WAYNE	100450
DEARBORN	WAYNE	97775
CLINTON TOWNSHIP	MACOMB	95638
WESTLAND	WAYNE	84724
TROY	OAKLAND	80959
SOUTHFIELD	OAKLAND	78322
CANTON TOWNSHIP	WAYNE	76369
YPSILANTI COMMUNITY UTILITY AUTHORITY	WASHTENAW	71544
WYOMING	KENT	70000
ROCHESTER HILLS	OAKLAND	68825
PONTIAC	OAKLAND	68337
ST. CLAIR SHORES	MACOMB	68107
TAYLOR	WAYNE	65868
SHELBY TOWNSHIP	MACOMB	65000
MACOMB TOWNSHIP	MACOMB	64000
SAGINAW, CITY OF	SAGINAW	61799
WATERFORD TOWNSHIP	OAKLAND	60618
ROYAL OAK	OAKLAND	60062
DEARBORN HEIGHTS	WAYNE	58264
FARMINGTON HILLS	OAKLAND	56017
REDFORD TWP	WAYNE	54387
ROSEVILLE	MACOMB	48129
PORTAGE	KALAMAZOO	44897
BATTLE CREEK - VERONA SYSTEM	CALHOUN	43975
BLOOMFIELD TOWNSHIP	OAKLAND	43023
CHESTERFIELD TOWNSHIP	MACOMB	43000
MIDLAND, CITY OF	MIDLAND	41685
MUSKEGON	MUSKEGON	40105
LINCOLN PARK	WAYNE	40010
SAGINAW CHARTER TOWNSHIP	SAGINAW	39500
BAY CITY, CITY OF	BAY	38500
JACKSON	JACKSON	37873
MONROE	MONROE	36000
EASTPOINTE	MACOMB	35283
PORT HURON	ST CLAIR	33694
HOLLAND BOARD OF PUBLIC WORKS	OTTAWA	33250
GEORGETOWN TOWNSHIP	OTTAWA	33000
MERIDIAN TOWNSHIP	INGHAM	32000
SOUTHGATE	WAYNE	31880
GARDEN CITY	WAYNE	31846



WEST BLOOMFIELD TOWNSHIP	OAKLAND	31200
MADISON HEIGHTS	OAKLAND	31101
ALLEN PARK	WAYNE	31092
WYANDOTTE	WAYNE	30825
INKSTER	WAYNE	30772
OAK PARK	OAKLAND	30613
EAST LANSING, CITY OF	INGHAM	30550
KENTWOOD	KENT	27500
MONROE SOUTH COUNTY	MONROE	27000
PLAINFIELD TOWNSHIP	KENT	26841
NOVI	OAKLAND	26832
PLYMOUTH TWP	WAYNE	26000
HARRISON TOWNSHIP	MACOMB	24461
BROWNSTOWN TWP	WAYNE	24275
LAKE MICHIGAN WATER & SEWER TREATMENT A.	BERRIEN	24000
HOLLAND TOWNSHIP	OTTAWA	23634
VAN BUREN TWP	WAYNE	23559
PITTSFIELD TOWNSHIP	WASHTENAW	23500
MOUNT PLEASANT, CITY OF	ISABELLA	23285
HAMTRAMCK	WAYNE	22994
ROMULUS	WAYNE	22979
NORTON SHORES	MUSKEGON	22527
ADRIAN	LENAWEE	22275
SUMMIT TOWNSHIP	JACKSON	22208
MARQUETTE	MARQUETTE	22196
FERNDALE	OAKLAND	22105
DELTA CHARTER TOWNSHIP	EATON	22100
AUBURN HILLS	OAKLAND	20274
FLINT TOWNSHIP	GENESEE	20142
MICHIGAN STATE UNIVERSITY	INGHAM	20118
FRENCHTOWN TOWNSHIP	MONROE	19800
BYRON-GAINES UTILITY AUTHORITY	KENT	19740
TRENTON	WAYNE	19584
BURTON, CITY OF	GENESEE	19500
BIRMINGHAM	OAKLAND	19291
WAYNE	WAYNE	19093
HAZEL PARK	OAKLAND	18963
WASHINGTON TOWNSHIP	MACOMB	18700
MOUNT CLEMENS	MACOMB	18405
GROSSE POINTE WOODS	WAYNE	17085
HIGHLAND PARK	WAYNE	16746
GRANDVILLE	KENT	16263
OWOSSO, CITY OF	SHIAWASSEE	15713
BERKLEY	OAKLAND	15531
DETROIT METROPOLITAN WAYNE CO. AIRPORT	WAYNE	15001
ORION TOWNSHIP	OAKLAND	15000
WIXOM, CITY OF	OAKLAND	15000
NORTHVILLE TOWNSHIP	WAYNE	14707
SAULT STE MARIE	CHIPPEWA	14689
CITY OF TRAVERSE CITY	GRAND TRAVERSE	14532
HARPER WOODS	WAYNE	14254



FRASER	MACOMB	14100
RIVERVIEW	WAYNE	13894
CLAWSON	OAKLAND	13874
ESCANABA	DELTA	13659
HURON TWP	WAYNE	13485
GRAND HAVEN TOWNSHIP	OTTAWA	13278
PARK TOWNSHIP	OTTAWA	13076
NILES	BERRIEN	13000
BEECHER METROPOLITAN DISTRICT	GENESEE	12793
COLDWATER	BRANCH	12697
WOODHAVEN	WAYNE	12653
INDEPENDENCE TOWNSHIP	OAKLAND	12552
GROSSE POINTE PARK	WAYNE	12450
MUSKEGON HEIGHTS	MUSKEGON	12049
THOMAS TOWNSHIP	SAGINAW	12000
BIG RAPIDS	MECOSTA	11900
SUMPTER TWP	WAYNE	11856
BRIDGEPORT TOWNSHIP	SAGINAW	11709
COMMERCE TOWNSHIP	OAKLAND	11625
ALLENDALE TOWNSHIP	OTTAWA	11422
CITY OF ALPENA	ALPENA	11304
STURGIS	ST JOSEPH	11285
ECORSE	WAYNE	11261
MELVINDALE	WAYNE	11216
BENTON HARBOR	BERRIEN	11182
GRAND HAVEN	OTTAWA	11168
GROSSE ILE TWP	WAYNE	10900
EAST GRAND RAPIDS	KENT	10764
CITY OF CADILLAC	WEXFORD	10700
FENTON, CITY OF	GENESEE	10582
IONIA	IONIA	10569
BEVERLY HILLS	OAKLAND	10437
BUENA VISTA TOWNSHIP	SAGINAW	10318
FARMINGTON	OAKLAND	10132
GRAND BLANC TOWNSHIP	GENESEE	10117
CLAY TOWNSHIP	ST CLAIR	10000
RIVER ROUGE	WAYNE	9851
UNION TOWNSHIP	ISABELLA	9848
GROSSE POINTE FARMS	WAYNE	9764
MARYSVILLE	ST CLAIR	9664
PLYMOUTH	WAYNE	9560
GENESEE TOWNSHIP	GENESEE	9500
HILLSDALE	HILLSDALE	9500
HAMPTON TOWNSHIP	BAY	9402
MENOMINEE	MENOMINEE	9398
SPSM	JACKSON	9290
ALMA CITY OF	GRATIOT	9275
HOWELL, CITY OF	LIVINGSTON	9232
ALBION	CALHOUN	9144
MOUNT MORRIS TOWNSHIP	GENESEE	9088
LAPEER, CITY OF	LAPEER	9072
CENTERLINE	MACOMB	9026
SPRING LAKE TOWNSHIP	OTTAWA	9000



ST JOSEPH	BERRIEN	8789
SCIO TOWNSHIP	WASHTENAW	8750
TECUMSEH	LENAWEE	8574
IRON MOUNTAIN	DICKINSON	8525
GARFIELD CHARTER TOWNSHIP	GRAND TRAVERSE	8500
FLAT ROCK	WAYNE	8448
CITY OF LUDINGTON	MASON	8357
MONITOR TOWNSHIP	BAY	8355
FLUSHING, CITY OF	GENESEE	8348
BRIGHTON, CITY OF	LIVINGSTON	8268
CHARLOTTE, CITY OF	EATON	8089
TITTABAWASEE TOWNSHIP	SAGINAW	8063
SALINE	WASHTENAW	8034
GREENVILLE	MONTCALM	7935
GRAND LEDGE, CITY OF	EATON	7813
GRAND BLANC, CITY OF	GENESEE	7760
SUPERIOR TOWNSHIP	WASHTENAW	7533
HOUGHTON	HOUGHTON	7512
IRA TOWNSHIP	ST CLAIR	7488
ST. JOHNS, CITY OF	CLINTON	7485
MARSHALL	CALHOUN	7459
PORT HURON TOWNSHIP	ST CLAIR	7438
WALLED LAKE	OAKLAND	7378
KINROSS TOWNSHIP	CHIPPEWA	7341
THREE RIVERS	ST JOSEPH	7328
ISHPEMING	MARQUETTE	7200
HUDSONVILLE	OTTAWA	7160
FRUITPORT TOWNSHIP	MUSKEGON	7144
ROCHESTER	OAKLAND	7130
FORT GRATIOT TOWNSHIP	ST CLAIR	7088
IRONWOOD	GOGEBIC	7000
ZEELAND BOARD OF PUBLIC WORKS	OTTAWA	6941
BLACKMAN TOWNSHIP	JACKSON	6935
NEW BALTIMORE	MACOMB	6848
HASTINGS	BARRY	6800
MASON, CITY OF	INGHAM	6714
BERLIN TOWNSHIP	MONROE	6600
CARROLLTON TOWNSHIP	SAGINAW	6600
CITY OF MANISTEE	MANISTEE	6586
OSCODA TOWNSHIP	IOSCO	6500
MILAN	WASHTENAW	6360
ADA TOWNSHIP	KENT	6342
NORTHVILLE	WAYNE	6226
MILFORD	OAKLAND	6200
HUNTINGTON WOODS	OAKLAND	6151
DOWAGIAC	CASS	6147
MIDLAND CO., WATER DIST. NO. 1 OF	MIDLAND	6118
CITY OF PETOSKEY	EMMET	6080
HOLLY	OAKLAND	5955
BELDING	IONIA	5877
SOUTH LYON	OAKLAND	5857
ST. CLAIR	ST CLAIR	5802



MUSKEGON CHARTER TOWNSHIP	MUSKEGON	5750
FLUSHING TOWNSHIP	GENESEE	5681
GROSSE POINTE CITY OF	WAYNE	5670
DAVISON, CITY OF	GENESEE	5536
KINGSFORD	DICKINSON	5480
OXFORD TOWNSHIP	OAKLAND	5401
EATON RAPIDS, CITY OF	EATON	5330
SWARTZ CREEK, CITY OF	GENESEE	5298
CITY OF CHEBOYGAN	CHEBOYGAN	5295
ALPENA TOWNSHIP	ALPENA	5208
SOUTH HAVEN	VAN BUREN	5021
LANSING TOWNSHIP	INGHAM	5000
SIMS-WHITNEY UTILITIES AUTH.	ARENAC	4950
RICHMOND	MACOMB	4922
ALLEGAN	ALLEGAN	4838
FRANKENMUTH, CITY OF	SAGINAW	4838
BANGOR TOWNSHIP	BAY	4834
ALGONAC	ST CLAIR	4800
ASH TOWNSHIP	MONROE	4800
NEGAUNEE	MARQUETTE	4741
BUCHANAN	BERRIEN	4681
MARINE CITY	ST CLAIR	4652
ROCKFORD	KENT	4626
UTICA	MACOMB	4577
OAKLAND TOWNSHIP SW	OAKLAND	4517
HANCOCK	HOUGHTON	4500
ST. LOUIS, CITY OF	GRATIOT	4494
GLADSTONE	DELTA	4396
GIBRALTAR	WAYNE	4264
SPARTA	KENT	4251
LATHRUP VILLAGE	OAKLAND	4236
FREMONT	NEWAYGO	4224
CHELSEA	WASHTENAW	4200
EAST BAY TOWNSHIP	GRAND TRAVERSE	4200
CARO, VILLAGE OF	TUSCOLA	4145
LOWELL	KENT	4100
NORTH MUSKEGON	MUSKEGON	4031
BENTON TOWNSHIP	BERRIEN	4000
DUNDEE	MONROE	4000
BELLEVILLE	WAYNE	3997
WAYLAND	ALLEGAN	3939
DURAND, CITY OF	SHIAWASSEE	3933
OTSEGO	ALLEGAN	3933
PLAINWELL	ALLEGAN	3933
COOPERSVILLE	OTTAWA	3921
BANGOR-MONITOR METRO DISTRICT	BAY	3900
ROOSEVELT PARK	MUSKEGON	3890
MANISTIQUE	SCHOOLCRAFT	3874
IMLAY CITY, CITY OF	LAPEER	3869
DAVISON TOWNSHIP	GENESEE	3835
SPRINGFIELD	CALHOUN	3800
PORTLAND	IONIA	3789



WHITE LAKE TOWNSHIP	OAKLAND	3780
ROMEO	MACOMB	3770
ESSEXVILLE, CITY OF	BAY	3766
BLOOMFIELD HILLS	OAKLAND	3744
CHIKAMING TOWNSHIP	BERRIEN	3717
MICHIGAN-AMERICAN WATER CO	HOUGHTON	3717
FERRYSBURG	OTTAWA	3713
WILLIAMS TOWNSHIP	BAY	3693
CITY OF GAYLORD	OTSEGO	3681
AUGUSTA TOWNSHIP	WASHTENAW	3600
ST. CLAIR WATER AND SEWER AUTHORITY	ST CLAIR	3566
OXFORD	OAKLAND	3540
SPRING ARBOR TOWNSHIP	JACKSON	3538
BERRIEN SPRINGS	BERRIEN	3530
CITY OF BOYNE CITY	CHARLEVOIX	3503
CARSON CITY	MONTCALM	3495
EMMETT TOWNSHIP	CALHOUN	3475
BAD AXE	HURON	3462
WILLIAMSTON, CITY OF	INGHAM	3441
LENOX TOWNSHIP	MACOMB	3400
NEW HAVEN	MACOMB	3400
NORWAY	DICKINSON	3400
MADISON TOWNSHIP	LENAWEE	3399
CORUNNA, CITY OF	SHIAWASSEE	3381
PAW PAW	VAN BUREN	3363
CITY OF ROGERS CITY	PRESQUE ISLE	3322
PORTSMOUTH TOWNSHIP	BAY	3315



**Attachment B, Appendix B: List of Public Wastewater Treatment Plants for Possible Training Sessions:**

FACILITY	DESCRIPTION	PLANT
ADRIAN	Adrian WWTP	A
ANN ARBOR		A
BATTLE CREEK		A
BAY CITY		A
BEDFORD TWP.	MONROE CO.	A
BENTON HARBOR-ST. JOSEPH		A
DETROIT		A
EAST LANSING		A
FLINT		A
GENESEE CO. DIST. #2	MONTROSE	A
GRAND HAVEN - SPRING LAKE		A
GRAND RAPIDS		A
HOLLAND		A
JACKSON		A
KALAMAZOO		A
LANSING		A
MIDLAND		A
MONROE		A
MT. CLEMENS		A
MUSKEGON COUNTY	METROPOLITAN	A
NILES		A
OWOSSO		A
PONTIAC		A
PORT HURON		A
REED CITY		A
SAGINAW		A
WARREN		A
WYANDOTTE	WAYNE COUNTY	A
WEST BAY CO. REGIONAL		A
WYOMING		A
YPSILANTI COMMUNITY	UTILITY AUTHORITY	A
ALBION		B
ALLEGAN		B
ALMA		B
ALPENA		B
BAD AXE		B
BERRIEN SPRINGS		B
BIG RAPIDS		B
BOYNE CITY		B
BRIDGEPORT TWP.	SAGINAW CO.	B
BRIGHTON		B
BUCHANAN		B
BUENA VISTA TWP.	SAGINAW CO.	B
CADILLAC		B
CARLETON	Carleton WWTP	B
CARO	Caro WWTP	B
CASS CITY		B
CHARLEVOIX		B
CHARLOTTE		B
CHEBOYGAN		B
CHELSEA		B



CHESANING		B
CLARE		B
CLINTON		B
COLDWATER		B
CONSTANTINE		B
DELHI TWP., INGHAM CO.	HOLT	B
DELTA TWP., EATON CO.		B
DEXTER		B
DOWAGIAC		B
DURAND		B
EAST CHINA TWP.	ST. CLAIR CO.	B
EATON RAPIDS		B
ESCANABA		B
ESSEXVILLE		B
FLUSHING		B
FRANKENMUTH		B
GALIEN RIVER SANITARY DIST.		B
GENESEE CO. DIST. #3	LINDEN	B
GLADSTONE		B
GOGEBIC-IRON	WASTEWATER AUTHORITY	B
GRAND LEDGE		B
GRANDVILLE		B
GREENVILLE		B
GROSSE ILE TWP.	WAYNE CO.	B
GUN LAKE		B
HARBOR BEACH		B
HART		B
HASTINGS		B
HILLSDALE		B
HOLLY		B
HOWELL		B
HUDSON		B
IONIA		B
IRON MT. - KINGSFORD		B
	WASTEWATER TREATMENT BOARD	B
ISHPEMING AREA JOINT		B
JONESVILLE		B
K.I. SAWYER		B
KALAMAZOO LAKE W&S AUTH.	SAUGATUCK-DOUGLAS	B
KINROSS TWP.	CHIPPEWA CO.	B
L'ANSE		B
LAPEER		B
LEONI TWP.	JACKSON CO.	B
LOWELL		B
LUDINGTON		B
MANISTEE		B
MANISTIQUE		B
MARINE CITY		B
MARQUETTE		B
MARSHALL		B
MARYSVILLE		B
MASON		B
MENOMINEE		B
MILAN		B
MILFORD		B



MT. PLEASANT		B
MUNISING		B
WHITEHALL-MONTAGUE	MUSKEGON CO.	B
NEW BALTIMORE		B
NORTHFIELD TWP.	WASHTENAW CO.	B
NORWAY		B
OTSEGO		B
PAW PAW LAKE		B
PETOSKEY		B
PINCONNING		B
PLAINWELL		B
PORTAGE LAKE	WATER & SEWER AUTHORITY	B
PORTLAND		B
RICHMOND		B
ROCKWOOD		B
ROGERS CITY		B
ROLLIN-WOODSTOCK	LENAWEE CO.	B
ROMEO		B
SAGINAW TWP.	SAGINAW CO.	B
SALINE		B
SANDUSKY		B
SAULT STE. MARIE		B
SOUTH HAVEN		B
SOUTH LYON		B
DE WITT TWP.	SOUTHERN CLINTON COUNTY	B
SPARTA		B
ST. JOHNS		B
STURGIS		B
TAWAS UTILITY AUTHORITY		B
TECUMSEH		B
THREE RIVERS		B
TRAVERSE CITY		B
TRENTON		B
VASSAR		B
WALLED LAKE - NOVI	OAKLAND CO.	B
WEST IRON COUNTY		B
WHEATLAND TWP.	MECOSTA CO.	B
WIXOM	OAKLAND CO.	B
ZEELAND		B
UNION TWP.	ISABELLA CO.	B
BIG CREEK	MENTOR UTILITY AUTHORITY	B
PORTER TOWNSHIP		B
ALGONAC		C
ALLENDALE TWP.	OTTAWA CO.	C
ALMONT		C
ARMADA		C
AU GRES		C
BELLAIRE		C
BELLEVUE		C
BERLIN TWP.	MONROE CO.	C
BESSEMER	BESSEMER SEWER AUTHORITY	C
BETSIE LAKE	UTILITY AUTH.	C
BLISSFIELD		C
BRONSON		C
COOPERSVILLE		C



CROSWELL		C
DEERFIELD		C
DIMONDALE		C
DUNDEE		C
ELK RAPIDS		C
GAYLORD		C
GLADWIN		C
GRANT		C
HARBOR SPRINGS SEWER AUTH.		C
HARTFORD		C
HURON CLINTON METRO. AUTH.	KENSINGTON METRO. PARK	C
IMLAY CITY		C
LAKEWOOD WASTEWATER AUTH.	LAKE ODESSA	C
LAWTON		C
LESLIE		C
LUNA PIER		C
MACKINAC ISLAND		C
MACKINAW CITY		C
MANCHESTER		C
MARLETTE		C
NEGAUNEE		C
NEWBERRY		C
ONSTED	LENAWEE CO.	C
ONTONAGON		C
PAW PAW		C
PETERSBURG		C
PORT AUSTIN		C
POTTERVILLE		C
HOUGHTON LAKE	ROSCOMMON TWP.	C
ST. CLAIR		C
ST. LOUIS		C
STANDISH		C
TITTABAWASSEE TWP, SAGINAW CO.	FREELAND	C
WAYLAND		C
WEST BRANCH		C
WHITE PIGEON		C
WILLIAMSTON		C
S.W. BARRY CO.	SEWER & WATER AUTH.	C
BALDWIN		C
WAMPLERS LAKE	LENAWEE CO.	C
CHAIN OF LAKES	NEWAYGO	C
BRIDGEWATER TOWNSHIP		C
BOWNE TWP., KENT CO.	ALTO	D
CALEDONIA		D
SCIO-WEBSTER TWPS.	LOCH ALPINE	D
STEPHENSON		D
CALUMET TWP. (CSO)	HOUGHTON CO.	D
CHAPATON RETENTION BASIN	MACOMB COUNTY	D