



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **10**

to

Contract Number **071B3200139**

<b>CONTRACTOR</b>	FORENSIC FLUIDS LABORATORIES, INC.
	225 Parsons Street
	Kalamazoo, MI 49007
	Bridget Lorenz Lemberg
	269-492-7700 ext. 101
	blemberg@forensicfluids.com
	CV0017937

<b>STATE</b>	<b>Program Manager</b>	Amanda Doane	MDHHS
		517-282-5273	
		doanea@michigan.gov	
	<b>Contract Administrator</b>	Brandon Samuel	DTMB
		(517) 249-0439	
		samuelb@michigan.gov	

**CONTRACT SUMMARY**

<b>DRUG TESTING SERVICES</b>			
<b>INITIAL EFFECTIVE DATE</b>	<b>INITIAL EXPIRATION DATE</b>	<b>INITIAL AVAILABLE OPTIONS</b>	<b>EXPIRATION DATE BEFORE</b>
September 1, 2013	August 31, 2016	2 - 1 Year	August 31, 2019
<b>PAYMENT TERMS</b>		<b>DELIVERY TIMEFRAME</b>	
1Net10 and Net45		N/A	
<b>ALTERNATE PAYMENT OPTIONS</b>			<b>EXTENDED PURCHASING</b>
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input checked="" type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>MINIMUM DELIVERY REQUIREMENTS</b>
N/A

<b>DESCRIPTION OF CHANGE NOTICE</b>				
<b>OPTION</b>	<b>LENGTH OF OPTION</b>	<b>EXTENSION</b>	<b>LENGTH OF EXTENSION</b>	<b>REVISED EXP. DATE</b>
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	August 31, 2019
<b>CURRENT VALUE</b>	<b>VALUE OF CHANGE NOTICE</b>	<b>ESTIMATED AGGREGATE CONTRACT VALUE</b>		
\$35,028,939.00	\$0.00	\$35,028,939.00		

**DESCRIPTION**

Effective January 1, 2019, please note the following revisions:

- Methadone is hereby removed from the array of drugs screened for on the 10-panel drug test.
- Fentanyl is hereby added to the 10-panel drug test with the following specifications:
  - Screen Cut-off Level: 1ng/ml
  - Confirmation Cut-off Level: 0.5ng/ml
- Please refer to the attached updated "Cut-off Levels for 10-Panel Drug Test" Chart, for a completed list of Screening and Confirmation Cutoffs.
- Please Note: The Contractor Representative is hereby updated to: Bridget Lorenz Lemberg; Phone: 269-492-7700 ext. 101 Email: blemberg@forensicfluids.com

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

## Updated Cut-off Levels for 10-Panel Drug Test

Screening Cut-off Levels		Confirmation Cut-off Levels	
Drug	Cut-off limit	Drug	Cut-off limit
Amphetamine	6ng/ml	Amphetamine	3ng/ml
Methamphetamine	6ng/ml	Methamphetamine	3ng/ml
THC	1ng/ml	THC	0.5ng/ml
Cocaine	5ng/ml	Cocaine	1ng/ml
Opiates	10ng/ml	Opiates	3ng/ml
Benzodiazepines	10ng/ml	Benzodiazepines	1ng/ml
Fentanyl	1ng/ml	Fentanyl	0.5ng/ml
Oxycodone	10ng/ml	Oxycodone	3ng/ml
Buprenorphine	2.5ng/ml	Buprenorphine	1ng/ml
Tramadol	20ng/ml	Tramadol	10ng/ml



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ENTERPRISE PROCUREMENT**  
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525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
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**CONTRACT CHANGE NOTICE**

Change Notice Number **9**

to

Contract Number **071B3200139**

<b>CONTRACTOR</b>	FORENSIC FLUIDS LABORATORIES, INC.
	225 Parsons Street
	Kalamazoo, MI 49007
	Rhonda Haines
	734-395-2179
	rhaines@forensicfluids.com
	*****8253

<b>STATE</b>	<b>Program Manager</b>	Amanda Doane	MDHHS
		5(17) 282-5273	
		doanea@michigan.gov	
	<b>Contract Administrator</b>	Brandon Samuel	DTMB
		(517) 284-7025	
		samuelb@michigan.gov	

CONTRACT SUMMARY				
<b>DRUG TESTING SERVICES</b>				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 1, 2013	August 31, 2016	2 - 1 Year	August 31, 2019	
PAYMENT TERMS		DELIVERY TIMEFRAME		
1Net10 and Net45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$34,528,940.00	\$499,999.00	\$35,028,939.00		
DESCRIPTION				
Effective February 16, 2018, this Contract is hereby increased by \$499,999.00 and the following new cut-off levels are incorporated. Please note the phone number of Program Manager Amanda Doane has been updated to 517-282-5273.				
All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Procurement approval.				

## New Cut-off Levels for 2018

<b>Screening Cutoffs</b>		
Drug	Previous Cutoffs	New Cutoffs
Amphetamine	20ng/mL	6ng/mL
Methamphetamine	20ng/mL	6ng/mL
THC	1ng/mL	1ng/mL
Cocaine	5ng/mL	3ng/mL
Opiates	10ng/mL	7ng/mL
Benzodiazepines	10ng/mL	5ng/mL
Methadone	10ng/mL	10ng/mL
Oxycodone	10ng/mL	7ng/mL
Buprenorphine	2.5ng/mL	1ng/mL
Tramadol	20ng/mL	20ng/mL

<b>Confirmation Cutoffs</b>		
Drug	Previous Cutoffs	New Cutoffs
Amphetamine	10ng/mL	3ng/mL
Methamphetamine	10ng/mL	3ng/mL
THC	.5ng/mL	.5ng/mL
Cocaine	5ng/mL	1ng/mL
Opiates	5ng/mL	3ng/mL
Benzodiazepines	1ng/mL	1ng/mL
Methadone	5ng/mL	5ng/mL
Oxycodone	5ng/mL	3ng/mL
Buprenorphine	1ng/mL	1ng/mL
Tramadol	10ng/mL	10ng/mL



**STATE OF MICHIGAN**  
**ENTERPRISE PROCUREMENT**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **8**

to

Contract Number **071B3200139**

<b>CONTRACTOR</b>	FORENSIC FLUIDS LABORATORIES, INC.
	225 Parsons Street
	Kalamazoo, MI 49007
	Rhonda Haines
	734-395-2179
	rhaines@forensicfluids.com
	*****8253

<b>STATE</b>	Program Manager	Amanda Doane	MDHHS
		517-335-6869	
		doanea@michigan.gov	
	Contract Administrator	Brandon Samuel	DTMB
		(517) 284-7025	
		samuelb@michigan.gov	

**CONTRACT SUMMARY**

**DRUG TESTING SERVICES**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2013	August 31, 2016	2 - 1 Year	August 31, 2018

PAYMENT TERMS	DELIVERY TIMEFRAME
1Net10 and Net45	

ALTERNATE PAYMENT OPTIONS	EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

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**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input checked="" type="checkbox"/>	1 year	August 31, 2019

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
\$28,028,940.00	\$6,500,000.00	\$34,528,940.00

**DESCRIPTION**

Effective October 11, 2017 this contract is extended 1 year and increased by \$6,500,000.00 for MDHHS use. The revised expiration date is August 31, 2019.

All other terms, conditions, specifications, and pricing remain the same. Per DTMB contractor and agency agreement, DTMB-Procurement approval, and State Administrative Board approval on October 10, 2017.



**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number 7  
to  
Contract Number 071B3200139

<b>CONTRACTOR</b>	FORENSIC FLUIDS LABORATORIES, INC.
	225 Parsons Street
	Kalamazoo, MI 49007
	Rhonda Haines
	734-395-2179
	rhaines@forensicfluids.com
*****8253	

<b>STATE</b>	Program Manager	Amanda Doane	MDHHS
		517-335-6869	
		doanea@michigan.gov	
	Contract Administrator	Brandon Samuel	DTMB
		(517) 284-7025	
		samuelb@michigan.gov	

**CONTRACT SUMMARY**

DRUG TESTING SERVICES			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2013	August 31, 2016	2 - 1 Year	August 31, 2018
PAYMENT TERMS		DELIVERY TIMEFRAME	
1Net10 and Net45			
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		August 31, 2018
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$28,019,940.00	\$9,000.00	\$28,028,940.00		

**DESCRIPTION**

Effective September 14, 2017, Michigan State Police is added to this contract for drug testing services regarding the Oral Fluid Roadside Analysis Pilot Program, along with \$9,000. Price is \$30 per sample (Amphetamine, Methamphetamine, THC, Cocaine, Opiates, Barbiturates) up to 200 samples. Pricing over 200 samples will be agreed upon between Contractor and MSP. Services to include all of the following: Quantisal collection devices; customized chain of custody form; specimen bag; prepaid return shipping (5 samples per bag); 24 hour or less turnaround for both negative and positive results from the time Contractor receives sample(s) for reporting of results via fax, email or secure web portal; all samples for "Pilot Program" will be "screened" and "confirmed"; expert witness testimony if requested; training to certify collectors; elite level customer service is available to answer questions and provide support; and retention of negative and positive samples for one year frozen. Furthermore, the testing specs and cutoff levels are the following:

Screens (tests performed by Enzyme-Linked Immunosorbent Assay (ELISA))

DRUG	ORAL FLUID
Amphetamines	20NG/ML
THC	1NG/ML

Barbiturates	30NG/ML
Methamphetamines	20NG/ML
Opiates	10NG/ML
Cocaine	5NG/ML

Confirmations (Liquid Chromatography tandem Mass Spectrometry (LC/MS/MS))

DRUG	ORAL FLUID
Amphetamines	10NG/ML
THC	.5NG/ML
Barbiturates	30NG/ML
Methamphetamines	10NG/ML
Opiates	5NG/ML
Cocaine	1NG/ML

All other terms, specifications, and pricing remain the same. Per Contractor, agency agreement and DTMB-Procurement.



**STATE OF MICHIGAN**  
**ENTERPRISE PROCUREMENT**  
 Department of Technology, Management, and Budget  
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **6**  
 to  
 Contract Number **071B3200139**

<b>CONTRACTOR</b>	FORENSIC FLUIDS LABORATORIES, INC.
	225 Parsons Street
	Kalamazoo, MI 49007
	Rhonda Haines
	734-395-2179
	rhaines@forensicfluids.com
	*****8253

<b>STATE</b>	<b>Program Manager</b>	Doane Amanda	MDHHS
		517-335-6869	
		doanea@michigan.gov	
	<b>Contract Administrator</b>	Brandon Samuel	DTMB
		(517) 284-7025	
		samuelb@michigan.gov	

**CONTRACT SUMMARY**

<b>DRUG TESTING SERVICES</b>			
<b>INITIAL EFFECTIVE DATE</b>	<b>INITIAL EXPIRATION DATE</b>	<b>INITIAL AVAILABLE OPTIONS</b>	<b>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</b>
September 1, 2013	August 31, 2016	2 - 1 Year	August 31, 2018
<b>PAYMENT TERMS</b>		<b>DELIVERY TIMEFRAME</b>	
Net45			
<b>ALTERNATE PAYMENT OPTIONS</b>			<b>EXTENDED PURCHASING</b>
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

**DESCRIPTION OF CHANGE NOTICE**

<b>OPTION</b>	<b>LENGTH OF OPTION</b>	<b>EXTENSION</b>	<b>LENGTH OF EXTENSION</b>	<b>REVISED EXP. DATE</b>
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
<b>CURRENT VALUE</b>	<b>VALUE OF CHANGE NOTICE</b>	<b>ESTIMATED AGGREGATE CONTRACT VALUE</b>		
\$22,019,960.00	\$5,999,980.00	\$28,019,940.00		

**DESCRIPTION**

Effective August 02, 2017, this Contract is increased by \$5,999,980.00 for MDHHS use.

All other terms, specifications, and pricing remain the same. Per Contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on August 01, 2017.





**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number 5

to

Contract Number 071B3200139

<b>CONTRACTOR</b>	FORENSIC FLUIDS LABORATORIES, INC.
	225 Parsons Street
	Kalamazoo, MI 49007
	Rhonda Haines
	734-395-2179
	rhaines@forensicfluids.com
	*****8253

<b>STATE</b>	<b>Program Manager</b>	Amanda Doane	MDHHS
		517-335-6869	
		doanea@michigan.gov	
	<b>Contract Administrator</b>	Brandon Samuel	DTMB
		(517) 284-7025	
		samuelb@michigan.gov	

**CONTRACT SUMMARY**

<b>DRUG TESTING SERVICES</b>			
<b>INITIAL EFFECTIVE DATE</b>	<b>INITIAL EXPIRATION DATE</b>	<b>INITIAL AVAILABLE OPTIONS</b>	<b>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</b>
September 1, 2013	August 31, 2016	2 - 1 Year	August 31, 2018
<b>PAYMENT TERMS</b>		<b>DELIVERY TIMEFRAME</b>	
1NET10 and NET45		N/A	
<b>ALTERNATE PAYMENT OPTIONS</b>			<b>EXTENDED PURCHASING</b>
<input type="checkbox"/> P-Card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

<b>OPTION</b>	<b>LENGTH OF OPTION</b>	<b>EXTENSION</b>	<b>LENGTH OF EXTENSION</b>	<b>REVISED EXP. DATE</b>
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	
<b>CURRENT VALUE</b>		<b>VALUE OF CHANGE NOTICE</b>	<b>ESTIMATED AGGREGATE CONTRACT VALUE</b>	
\$22,019,960.00		\$0.00	\$22,019,960.00	

**DESCRIPTION**

Effective January 1, 2017, Attachment A - Price Proposal is hereby updated to reflect how the annual 10% rebate is to be calculated for the remainder of the Contract.

The 10% rebate shall be calculated as follows:

Rebate = 10% x Adjusted Revenue (gross revenue - collector fees and collector mileage).

Forensic Fluids shall also be eligible to reduce the 10% rebate by 1% if the rebate is received by MDHHS within 10 days after the quarter-end in January, April, July, and October. The rebate will be paid by Forensic Fluids on a quarterly basis.

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



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number 4  
to  
Contract Number 071B3200139

<b>CONTRACTOR</b>	FORENSIC FLUIDS LABORATORIES, INC.
	225 Parsons Street
	Kalamazoo, MI 49007
	Rhonda Haines
	734-395-2179
	rhaines@forensicfluids.com
	*****8253

<b>STATE</b>	Program Manager	Amanda Doane	DHHS
		(517) 335-6869	
		doanea@michigan.gov	
	Contract Administrator	Brandon Samuel	DTMB
		(517) 284-7025	
		SamuelB@michigan.gov	

CONTRACT SUMMARY				
<b>DESCRIPTION:</b> Drug Testing Services				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 1, 2013	August 31, 2016	2 - 1 Year	August 31, 2016	
PAYMENT TERMS		DELIVERY TIMEFRAME		
1Net10 and Net 45				
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	2 years	<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$10,020,000.00		\$ 11,999,960.00	\$22,019,960.00	

**DESCRIPTION:** Effective August 17, 2016, two one-year options of the Contract are hereby exercised. The revised expiration date is August 31, 2018, and the Contract is increased by \$11,999,960.00. All other terms, conditions, specifications, and pricing remain the same. Per DTMB contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on August 16, 2016.

**STATE OF MICHIGAN**  
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET  
 PROCUREMENT

525 W. ALLEGAN STREET  
 LANSING, MI 48933

P.O. BOX 30026  
 LANSING, MI 48909

CHANGE NOTICE NO. 3  
 to  
 CONTRACT NO. 071B3200139  
 between  
 THE STATE OF MICHIGAN  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Forensic Fluids Laboratories, Inc. 225 Parsons Street Kalamazoo MI, 49007	Rhonda Haines	rhaines@forensicfluids.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	734-395-2179	*****8253

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	MDHHS	Amanda Doane	517-335-6869	doanea@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Brandon Samuel	517-284-7025	samuelb@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Drug Testing Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2013	August 31, 2016	2, one year	August 31, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
1NET10 and NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$10,020,000.00		\$ 0.00	\$10,020,000.00	

**DESCRIPTION:**

Effective March 22, 2016, the enclosed document is hereby added to the contract and replaces related Article 1 - Third Party Administrators (TPA) Statement of Work (SOW) under Change Notice No. 1. This enclosed document now also allows for the use of Mobile TPAs in addition to TPAs; and lists all TPAs and Mobile TPAs.

Additionally, Attachment A - Price Proposal of the original contract is updated to include how the annual 10% rebate is to now be calculated. The 10% rebate shall be calculated as 10% of the Adjusted Revenue, with the Adjusted Revenue being equal to the gross revenue minus the amount attributable towards collector fees.

$$\text{Rebate} = 10\% \times \text{Adjusted Revenue} = 10\% \times (\text{gross revenue} - \text{collector fees})$$

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

**Article 1 – Third Party Administrators (TPA) and Mobile Third Party Administrators (Mobile TPA)  
Statement of Work (SOW)**

**1.010 Project Identification**

**1.011 Project Request**

The Department of Health & Human Services (DHHS) has contracted with Forensic Fluids Laboratories to provide drug testing, associated training and supplies, and testimony and court appearances as needed. To accommodate case workers, DHHS contracted with Forensic Fluids Laboratories to provide Third Party Administrator test sites, where caregivers visit for the collection of their random sample. As counties were phased in, DHHS and case workers identified the need for the use of Mobile Third Party Administrators (Mobile TPAs), who will travel to a caregiver's home and/or work to collect an oral fluid sample. TPAs and Mobile TPAs must act as subcontractors to Forensic Fluids Laboratories for the purpose of random oral fluid sample collection as needed. Caregivers may need to visit a TPA test site or will be visited by a Mobile TPA for collection of their random sample. The hours of a TPA and Mobile TPA will be variable on weekdays and weekends, and shall be agreed upon by both the TPA/Mobile TPA and the county DHHS office and approved in writing by the Project Manager or the Contract Compliance Inspector.

All samples collected by TPA or Mobile TPAs must be shipped to the Forensic Fluids Laboratories in Kalamazoo, Michigan for analysis. Lab results must be provided to DHHS by Forensic Fluids Laboratories, not by the TPA/Mobile TPA. Test kits must be provided to the TPA/Mobile TPA by Forensic Fluids Laboratories.

**1.012 Background**

The Department of Health & Human Services (DHHS) needs to assess whether caregivers are using or abusing drugs or alcohol to the extent that their ability to safely care for children is impacted. Oral fluid samples must be randomly collected from parents or caregivers for evaluation by DHHS. Children's services workers may require that caregivers submit to multiple drug screens. Collections of these screens by case workers may be time prohibitive based on their current job descriptions. As such, case workers may require caregivers to visit a TPA test site or to provide a sample with a Mobile TPA.

**1.020 Scope of Work and Deliverables**

**1.021 In Scope**

Third Party Administrators (TPAs) and Mobile Third Party Administrators (Mobile TPA) are to perform random oral fluid sample collection services for shipment to Forensic Fluids Laboratories for testing and analysis.

**1.022 Work and Deliverable**

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:

Forensic Fluids Laboratories:

1. Forensic Fluids Laboratories must manage and test oral fluid samples collected by designated TPA and Mobile TPA collection services.
2. Forensic Fluids Laboratories must provide lab results on samples collected by TPA and Mobile TPA directly to Department of Health & Human Services.
3. Forensic Fluids Laboratories must provide training to TPA and Mobile TPA on oral fluid sample collection.
4. Forensic Fluids Laboratories must provide training to TPA and Mobile TPA on shipping and maintaining proper chain of custody requirements and provide the details to the DHHS Project Manager.
5. Forensic Fluids Laboratories must provide oral fluid sample collection supplies to TPA and Mobile TPA.

Third Party Administrators (TPA):

1. TPA must provide locations to collect oral fluid samples Monday-Friday. Hours of operation will be variable on weekdays between 7 am EST/EDT and 7 pm EST/EDT. Hours must allow for two workdays per week with availability until at least 7 pm EST/EDT. At least 5 hours of availability per day must be provided on weekends, at least one day (Saturday or Sunday) with hours of availability between 8 am EST/EDT and 5 pm

EST/EDT. Modifications can be made to the hours of operation of a TPA only when agreed upon by both the TPA and county DHHS office and approved in writing by the Project Manager or the Contract Compliance Inspector.

2. TPA must provide randomized selection of donors through an automated telephone system with methodology established by Forensic Fluids Laboratories and agreed to in writing by DHHS Project Manager. This methodology should be similar throughout all TPA locations.
3. TPA must collect oral fluid samples from donors and ship to Forensic Fluids Laboratories for testing and analysis.

Mobile Third Party Administrators (Mobile TPA):

1. Mobile TPA must travel to collect oral fluid samples. The hours of a Mobile TPA will be variable on weekdays and weekends, and shall be agreed upon by both the Mobile TPA and the county DHHS office and approved in writing by the Project Manager or the Contract Compliance Inspector.
2. Mobile TPA must provide randomized selection of donors with methodology established by the Mobile TPA, as it may be adjusted, incorporating existing randomization tools provided by Forensic Fluids Laboratories and accommodating DHHS requirements to assure that specimen collection is randomized. It is MDHHS understanding that Mobile TPAs will not be using the existing randomization tool for automated telephone system. The methodology employed by a Mobile TPA shall be approved by Forensic Fluids Laboratories, and agreed to in writing by DHHS Project Manager. This methodology may vary for each Mobile TPA.
3. Mobile TPA must collect oral fluid samples from donor and ship to Forensic Fluids Laboratories for testing and analysis.

### **1.030 Roles and Responsibilities**

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

Roles and responsibilities as set forth under 1.022 Work and Deliverables.

- A. Geographic Area: TPA and Mobile TPA will provide services in counties as agreed upon by DHHS and Forensic Fluids Laboratories.
- B. Hours: TPA and Mobile TPA must be able to provide collection services during the hours set forth in 1.022.
- C. Credentials/Experience:
  1. TPA and Mobile TPA collection staff must have a minimum high school diploma or GED.
  2. Forensic Fluids Laboratories must provide training to TPA and Mobile TPA collection staff to ensure consistent methodology.
- D. Key Personnel
  1. For purposes of this Contract, the following Contractor roles are considered "Key Personnel": Account Representative/Coordinator, Laboratory Technologists.

Rhonda Haines  
Director of Sales, Michigan

Bridget Lemberg  
Laboratory Director / Toxicologist

Donna Coy, PhD  
Certifying Scientist

2. The Contractor must assign a dedicated Account Representative to handle DHHS's oral fluid sample collection. The State reserves the right to require the removal of any account representative for reasonable cause as determined by the State.

Rhonda Haines  
Director of Sales, Michigan

E. Subcontractors – TPAs. As of the effective date of this Change Notice No. 3, Forensic Fluids has contracted with the below listed TPAs, which have been approved by a county DHHS Director; Forensic Fluids has the responsibility and authority to retain, terminate and add subcontractors in their reasonable discretion.

*A Chance to Change*

ADAM Inc.

*All Purpose Screening*

*Ann Arbor Urgent Care*

Baraga Sheriff Department

Bethany Christian Services

*Brooks Lyons Brooks*

*Caro Community Hospital*

*Community Social Services of Wayne*

*Day Reporting Center*

D(n)A – Livingston

D(n)A – Mt. Pleasant

*Don Bosco Hall – Community Res. Center*

Eastside Outpatient Services

Family Services and Children's Aid

Family Outreach Center

*Forever Families*

Fostering Solutions

Gogebic Juvenile Court

Hope House

Houghton Sheriff Department

*Huron House*

Huron Medical Center

J & A Counseling and Evaluations

*JAMS – Madison Heights*

*JAMS – Novi*

*JAMS – Pontiac*

JAMS – Roseville

*JAMS – Taylor*

*JAMS – Westland*

KPEP

LADS

Mecosta County Community Corrections

Michiana Drug Testing Center

MidMichigan Urgent Care-Clare

MidMichigan Urgent Care-Gladwin

Northeast Tactical Supply

PASS Lapeer

Pennock Occupational Health

Sacred Heart Rehabilitation Center

Salvation Army Harbor Lights

Sheridan Hospital

Sterling Area Health Center

The Matrix Center

TRI-CAP

F. Subcontractors - Mobile TPAs. As of the effective date of this Change Notice No. 3, Forensic Fluids has contracted with the below listed Mobile TPAs; Forensic Fluids has the responsibility and authority to retain, terminate and add subcontractors in their reasonable discretion.

Nichole Moore

Traverse Area Support

### **1.040 Project Plan**

#### **1.041 Management**

The Contractor must carry out this project under the direction and control of the DHHS Project Manager.

#### **1.042 Reports**

The invoice must be accompanied by supporting documentation that includes donor's full name, case#/MiSACWIS#, collection date, collection location, collection county, and date shipped to Forensic Fluids Laboratories.

### **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 provides all services to DHHS as specified in the deliverable tasks listed in sections 1.022-1.042.

### **1.060 Proposal Pricing**

#### **1.061 Proposal Pricing**

For authorized Services and Price List, see Attachment A to Change Notice No. 1.

Fees for collection services for each sample will be billed in addition to the testing services performed by Forensic Fluids Laboratories. MDHHS shall reimburse the Contractor for mileage incurred by the Mobile Third Party Administrator for driving to or from a referred client's home or workplace. The point of origin for mileage shall be the Mobile TPA's normal place of business. In the event a Mobile TPA cannot locate a client at home or workplace, the Mobile TPA may be reimbursed for mileage for up to one additional collection attempt. In order to bill for further attempts, the Contractor must receive prior authorization from the MDHHS program office designee.

Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb) for current rates.

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

**CHANGE NOTICE NO. 2**  
 to  
**CONTRACT NO. 071B3200139**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Forensic Fluids Laboratories  225 Parsons Street  Kalamazoo, MI 49007	Rhonda Haines	rhaines@forensicfluids.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(734) 395-2179 (269) 492-7700 x 172	-8253

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DHS	Amanda Doane	517-335-6869	doanea@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Brandon Samuel	517-284-7025	samuelb@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Drug Testing Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2013	August 31, 2016	2, one year	August 31, 2016
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$5,565,000.00		\$4,455,000.00	\$10,020,000.00	

**DESCRIPTION:**  
 Effective June 8, 2015, contract services are expanded from 5 pilot locations to all 83 counties. Contract is hereby increased by \$4,455,000.00. Please also note that the Contract Administrator has been changed to Brandon Samuel. All other terms, conditions, pricing and specifications remain the same. Per contractor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on June 2, 2015.



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

**CHANGE NOTICE NO. 1**  
 to  
**CONTRACT NO. 071B3200139**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Forensic Fluids Laboratories 225 Parsons Street Kalamazoo, MI 49007	Rhonda Haines	rhaines@forensicfluids.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 395-2179 (269) 492-7700 x 172	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	DHS	Amanda Doane	517-335-6869	doanea@michigan.gov
BUYER	DTMB	Pam Platte	517-284-7022	plattap@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: <b>Drug Testing Services</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2013	August 31, 2016	2, one year	August 31, 2016
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	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 checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
N/A			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$1,575,000.00		\$5,565,000.00		
Effective immediately, this contract is increased by \$1,575,000.00 and the enclosed document is hereby added to the contract. Please also note that the buyer has been changed to Pam Platte. All other terms, conditions, pricing and specifications remain the same. Per vendor and agency agreement, DTMB Procurement approval and the approval of the State Administrative Board on January 14, 2014.				

## **Article 1 – Third Party Administrators (TPA) Statement of Work (SOW)**

### **1.010 Project Identification**

#### **1.011 Project Request**

The Department of Human Services (DHS) has contracted with Forensic Fluids Laboratories to provide drug testing, associated training and supplies, and testimony and court appearances as needed. Third Party Administrators (TPA) must act as subcontractors to Forensic Fluids Laboratories for the purpose of random oral fluid sample collection as needed. Caregivers may need to visit a TPA test site for collection of their random sample. Hours of operation will be variable on weekdays between 7 am EST/EDT and 7 pm EST/EDT. Hours must allow for two workdays per week with availability until at least 7 pm EST/EDT. At least five hours of availability per day must also be provided on weekends, at least one day (Saturday or Sunday) with hours of availability between 8 am EST/ET and 5 pm EST/EDT.

All samples collected by the Third Party Administrators must be shipped to the Forensic Fluids Laboratories in Kalamazoo, Michigan for analysis. Lab results must be provided to DHS by Forensic Fluids Laboratories, not by the Third Party Administrator. Test kits must be provided to the TPA by Forensic Fluids Laboratories.

#### **1.012 Background**

The Department of Human Services (DHS) needs to assess whether caregivers are using or abusing drugs or alcohol to the extent that their ability to safely care for children is impacted. Oral fluid samples must be randomly collected from parents or caregivers for evaluation by DHS. Children's services workers may require that caregivers submit to multiple drug screens. Collections of these screens by case workers may be time prohibitive based on their current job descriptions.

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

#### **1.021 In Scope**

Third Party Administrators (TPA) are to perform random oral fluid sample collection services for shipment to Forensic Fluids Laboratories for testing and analysis.

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

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:

Forensic Fluids Laboratories:

1. Forensic Fluids Laboratories must manage and test oral fluid samples collected by designated Third Party Administrator (TPA) collection services.
2. Forensic Fluids Laboratories must provide lab results on samples collected by TPA directly to Department of Human Services.
3. Forensic Fluids Laboratories must provide training to TPA on oral fluid sample collection.
4. Forensic Fluids Laboratories must provide training to TPA on shipping and maintaining proper chain of custody requirements and provide the details to the DHS Project Manager.
5. Forensic Fluids Laboratories must provide oral fluid sample collection supplies to TPA.

Third Party Administrators (TPA):

1. TPA must provide locations to collect oral fluid samples Monday – Friday. Hours of operation will be variable on weekdays between 7 am EST/EDT and 7 pm EST/EDT. Hours must allow for two workdays per week with availability until at least 7 pm EST/EDT. At least five hours of availability per day must also be provided on weekends, at least one day (Saturday or Sunday) with hours of availability between 8 am EST/ET and 5 pm EST/EDT.
2. TPA must provide randomized selection of donors through an automated telephone system with methodology established by Forensic Fluids and agreed to in writing by DHS Project Manager. This methodology should be similar throughout all TPA locations.
3. TPA must collect oral fluid samples from donors and ship to Forensic Fluids Laboratories for testing and analysis.

### **1.030 Roles and Responsibilities**

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

Roles and responsibilities as set forth under 1.022 Work and Deliverables.

- A. Geographic Area: TPA must be able to provide services as described herein in the following five counties for the pilot phase of the contract: Genesee, Kalamazoo, Kent, Oakland, and Wayne, with the possibility of all 83 counties later participating.
- B. Hours: TPA must be able to provide collection services during the hours described in 1.022, TPA #1.
- C. Credentials/Experience
  - 1. TPA collections staff must have a minimum high school diploma or GED.
  - 2. Forensic Fluids must provide training to TPA collections staff to ensure consistent methodology.
- D. Key Personnel
  - 1. For purposes of this Contract, the following Contractor roles are considered "Key Personnel": Account Representative/Coordinator, Laboratory Technologists.

Rhonda Haines  
Director of Sales, Michigan

Bridget Lemberg  
Laboratory Director / Toxicologist

Donna Coy PhD  
Certifying Scientist

- 2. The Contractor must assign a dedicated Account Representative to handle DHS's oral fluid sample collection. The State reserves the right to require the removal of any account representative for reasonable cause as determined by the State.

Victoria Kersbergen  
Customer Service Representative

### **1.040 Project Plan**

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

The Contractor must carry out this project under the direction and control of the DHS Project Manager.

#### **1.042 Reports**

The invoice must be accompanied by supporting documentation that includes donor's full name, case#/MiSACWIS#, collection date, collection location, collection county, and date shipped to Forensic Fluids Laboratories. See 1.071.

### **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 provides all services to DHS as specified in the deliverable tasks listed in sections 1.022 – 1.042.

### **1.060 Proposal Pricing**

#### **1.061 Proposal Pricing**

For authorized Services and Price List, see Attachment A.

Fees for collection services for each sample will be billed in addition to the testing services performed by Forensic Fluids Laboratories. Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb) for current rates.

**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.

**1.070 Additional Requirements****1.071 Additional Terms and Conditions**

Forensic Fluids Laboratories must itemize invoices identifying 1) collection services and 2) testing services.

The invoice must be accompanied by supporting documentation that includes donor's full name, case #/ MiSACWIS #, collection date, collection location, collection county, and date shipped to Forensic Fluids Laboratories.

**TPA SOW Attachment A, Price Sheet**

**Phase One: 5 Counties** (Wayne, Oakland, Genesee, Kent, Kalamazoo)

Estimated annual drug screens: **37,500**

All quantities listed are estimates only. The State does not commit to procuring these or any other amounts.

<b>COLLECTION AND TESTING SERVICES:</b>	<b>Estimated Annual Usage</b>		<b>Unit Price</b>
<b>Saliva Specimen Testing</b>	26,813	<i>Conducted at Lab</i>	\$35.00
<b>Saliva Specimen Collection</b>		<i>Conducted by Case Worker</i>	N/A
<b>Saliva Specimen Collection</b>		<i>Collection by Third Party Administrator (TPA)</i>	\$35.00
<b>Urine Specimen Collection and Testing</b> (per Sample) (Possible 10 panel)	1,312	<i>Conducted at Lab</i>	N/A
		<i>Conducted by Case Worker</i>	N/A
<b>Breath Alcohol Testing / PBT</b> (per Test)	8,063	<i>Conducted at Lab</i>	N/A
		<i>Conducted by Case Worker</i>	N/A
<b>Re-Analysis As Needed</b> (per Drug)	1,312		Included
<b>ADDITIONAL OPTIONAL TESTING AS REQUESTED:</b>			
<b>Etg/Ets Testing</b>	500		\$35.00
<b>SCRAM Devices</b>	250		N/A
<b>MEMS Testing</b>	500		N/A
<b>Follicle Testing</b>	150		N/A
<b>Synthetic Marijuana Testing</b> (if not captured by existing panel screen)	As needed		Included
<b>OPTIONAL SERVICES AS REQUESTED:</b>			
<b>Education / Training</b> (per Session) <ul style="list-style-type: none"> <li>• Including training of DHS Field Staff for field testing drug screens</li> <li>• Including training of TPA on oral fluid sample collection &amp; chain of custody</li> </ul>	900		Included
<b>Legal and Expert Witness Services</b>	200		Included
<b>Litigation Package</b>	As needed		Included
<b>Training Guides</b>	900		Included
<b>Employee Information Books</b>	900		Included
<b>IT Development Time</b>	As needed		Included

**TPA SOW Attachment A, Price Proposal**

**Phase Two: All 83 Michigan Counties**

Estimated annual drug screens: **70,440**

All quantities listed are estimates only. The State does not commit to procuring these or any other amounts.

<b>COLLECTION AND TESTING SERVICES:</b>	<b>Estimated Annual Usage</b>		<b>Unit Price</b>
<b>Saliva Specimen Testing</b>	50,440	<i>Conducted at Lab</i>	\$35.00
<b>Saliva Specimen Collection</b>		<i>Conducted by Case Worker</i>	N/A
<b>Saliva Specimen Collection</b>		<i>Collection by Third Party Administrator (TPA)</i>	\$35.00
<b>Urine Specimen Collection and Testing (per Sample) (Possible 10 panel)</b>	2,500	<i>Conducted at Lab</i>	N/A
		<i>Conducted by Case Worker</i>	N/A
<b>Breath Alcohol Testing / PBT (per Test)</b>	15,000	<i>Conducted at Lab</i>	N/A
		<i>Conducted by Case Worker</i>	N/A
<b>Re-Analysis As Needed (per Drug)</b>	2,500		Included
<b>ADDITIONAL OPTIONAL TESTING AS REQUESTED:</b>			
<b>Etg/Ets Testing</b>	1,000		\$35.00
<b>SCRAM Devices</b>	500		N/A
<b>MEMS Testing</b>	1,500		N/A
<b>Follicle Testing</b>	300		N/A
<b>Synthetic Marijuana Testing (if not captured by existing panel screen)</b>	As needed		Included
<b>OPTIONAL SERVICES AS REQUESTED:</b>			
<b>Education / Training (per Session)</b> <ul style="list-style-type: none"> <li>• Including training of DHS Field Staff for field testing drug screens</li> <li>• Including training of TPA on oral fluid sample collection &amp; chain of custody</li> </ul>	900		Included
<b>Legal and Expert Witness Services</b>	200		Included
<b>Litigation Package</b>	As needed		Included
<b>Training Guides</b>	900		Included
<b>Employee Information Books</b>	900		Included
<b>IT Development Time</b>	As needed		Included

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

August 30, 2013

**NOTICE  
 OF  
 CONTRACT NO. 071B3200139  
 between  
 THE STATE OF MICHIGAN  
 and**

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Forensic Fluids Laboratories 225 Parsons Street Kalamazoo, MI 49007	Rhonda Haines	rhaines@forensicfluids.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	734-395-2179, 269-492-7700 x 172	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DHS	Amanda Doane	517-335-6869	<a href="mailto:doanea@michigan.gov">doanea@michigan.gov</a>
BUYER:	DTMB	Jim Wilson	517-241-1916	<a href="mailto:Wilsonj4@michigan.gov">Wilsonj4@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: Drug Testing Services			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	September 1, 2013	August 31, 2016	2, 1 Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	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 checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
The terms and conditions of this Contract are those of solicitation # 071I3200007 and this Contract Agreement. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$3,990,000.00

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. 071B3200139**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Forensic Fluids Laboratories  225 Parsons Street  Kalamazoo, MI 49007	Rhonda Haines	rhaines@forensicfluids.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	734-395-2179, 269-492-7700 x 172	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	DHS	Amanda Doane	517-335-6869	<a href="mailto:doanea@michigan.gov">doanea@michigan.gov</a>
BUYER:	DTMB	Jim Wilson	517-241-1916	<a href="mailto:Wilsonj4@michigan.gov">Wilsonj4@michigan.gov</a>

CONTRACT SUMMARY:			
DESCRIPTION: Drug Testing Services			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	September 1, 2013	August 31, 2016	2, 1 Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
N/A	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 checked="" type="checkbox"/> YES <input type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
N/A			
MISCELLANEOUS INFORMATION:			
<b>The terms and conditions of this Contract are those of solicitation # 07113200007 and this Contract Agreement. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.</b>			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$3,990,000.00

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #07113200007. Orders for delivery will be issued directly by the Department of Human Services through the issuance of a Purchase Order Form.



---

---

**FOR THE CONTRACTOR:**

**Forensic Fluids Laboratories**

Firm Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

---

---

**FOR THE STATE:**

Signature

**Kevin Dunn, Services Division Director**

Name/Title

**DTMB Procurement**

Enter Name of Agency

Date



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

Contract No. [071B3200139](#)

[Drug Screen Supplies, Testing, Training and Support](#)  
[For the Department of Human Services](#)

Buyer Name: [Jim Wilson](#)  
Telephone Number: [517-241-1916](#)  
E-Mail Address: [wilsonj4@michigan.gov](mailto:wilsonj4@michigan.gov)



**Table of Contents**

**DEFINITIONS**..... 9

**Article 1 – Statement of Work (SOW)**..... 11

**1.010 Project Identification**..... 11

        1.011 Project Request ..... 11

        1.012 Background..... 11

**1.020 Scope of Work and Deliverables**..... 11

        1.021 In Scope..... 11

        1.022 Work and Deliverable..... 11

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

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

            A. Geographic Area:..... 13

                1. The Contractor must be able to provide services described herein in the following geographic areas: entire State of Michigan (83 counties). ..... 14

**1.040 Project Plan** ..... 15

        1.041 Project Plan Management..... 15

        1.042 Reports ..... 15

**1.050 Acceptance** ..... 15

        1.051 Criteria ..... 15

            • The Contractor provides all services and results to DHS as specified in the deliverable tasks listed in sections 1.022 - 1.042. .... 15

            • The Contractor provides quarterly statistics as listed in section 1.031 E-6. .... 15

        1.052 Final Acceptance – Deleted/Not Applicable ..... 15

**1.060 Proposal Pricing**..... 16

        1.061 Proposal Pricing..... 16

        1.062 Price Term ..... 16

        1.063 Tax Excluded from Price..... 16

        1.064 Holdback – Deleted/Not Applicable..... 16

**1.070 Additional Requirements**..... 16

        1.071 Additional Terms and Conditions specific to the RFP – Deleted/Not Applicable ..... 16

**Article 2, Terms and Conditions**..... 17

**2.000 Contract Structure and Term**..... 17

        2.001 Contract Term..... 17

        2.002 Options to Renew ..... 17

        2.003 Legal Effect..... 17

        2.004 Attachments & Exhibits ..... 17

        2.005 Ordering..... 17

        2.006 Order of Precedence..... 17

        2.007 Headings..... 17

        2.008 Form, Function & Utility..... 18

        2.009 Reformation and Severability ..... 18

        2.010 Consents and Approvals..... 18

        2.011 No Waiver of Default..... 18

        2.012 Survival ..... 18

**2.020 Contract Administration** ..... 18

        2.021 Issuing Office ..... 18

        2.022 Contract Compliance Inspector..... 18

        2.023 Project Manager..... 19

        2.024 Change Requests ..... 19

        2.025 Notices ..... 19

        2.026 Binding Commitments ..... 19

        2.027 Relationship of the Parties ..... 20

        2.028 Covenant of Good Faith..... 20

        2.029 Assignments ..... 20

**2.030 General Provisions**..... 20

        2.031 Media Releases ..... 20

        2.032 Contract Distribution ..... 20

        2.033 Permits..... 20

        2.034 Website Incorporation ..... 20

        2.035 Future Bidding Preclusion ..... 21



2.036	Freedom of Information.....	21
2.037	Disaster Recovery.....	21
<b>2.040</b>	<b>Financial Provisions</b> .....	<b>21</b>
2.041	Fixed Prices for Services/Deliverables.....	21
2.042	Adjustments for Reductions in Scope of Services/Deliverables.....	21
2.043	Services/Deliverables Covered.....	21
2.044	Invoicing and Payment – In General.....	21
2.045	Pro-ration.....	22
2.046	Antitrust Assignment.....	22
2.047	Final Payment.....	22
2.048	Electronic Payment Requirement.....	22
<b>2.050</b>	<b>Taxes</b> .....	<b>22</b>
2.051	Employment Taxes.....	22
2.052	Sales and Use Taxes.....	22
<b>2.060</b>	<b>Contract Management</b> .....	<b>23</b>
2.061	Contractor Personnel Qualifications.....	23
2.062	Contractor Key Personnel.....	23
2.063	Re-assignment of Personnel at the State's Request.....	23
2.064	Contractor Personnel Location.....	24
2.065	Contractor Identification.....	24
2.066	Cooperation with Third Parties.....	24
2.067	Contractor Return of State Equipment/Resources.....	24
2.068	Contract Management Responsibilities.....	24
<b>2.070</b>	<b>Subcontracting by Contractor</b> .....	<b>24</b>
2.071	Contractor Full Responsibility.....	24
2.072	State Consent to Delegation.....	24
2.073	Subcontractor Bound to Contract.....	25
2.074	Flow Down.....	25
2.075	Competitive Selection.....	25
<b>2.080</b>	<b>State Responsibilities</b> .....	<b>25</b>
2.081	Equipment.....	25
2.082	Facilities.....	25
<b>2.090</b>	<b>Security</b> .....	<b>25</b>
2.091	Background Checks.....	25
2.092	Security Breach Notification.....	26
2.093	PCI Data Security Standard.....	26
<b>2.100</b>	<b>Confidentiality</b> .....	<b>26</b>
2.101	Confidentiality.....	26
2.102	Protection and Destruction of Confidential Information.....	26
2.103	Exclusions.....	27
2.104	No Implied Rights.....	27
2.105	Respective Obligations.....	27
<b>2.110</b>	<b>Records and Inspections</b> .....	<b>27</b>
2.111	Inspection of Work Performed.....	27
2.112	Examination of Records.....	27
2.113	Retention of Records.....	28
2.114	Audit Resolution.....	28
2.115	Errors.....	28
<b>2.120</b>	<b>Warranties</b> .....	<b>28</b>
2.121	Warranties and Representations.....	28
2.122	Warranty of Merchantability.....	29
2.123	Warranty of Fitness for a Particular Purpose.....	29
2.124	Warranty of Title.....	29
2.125	Equipment Warranty – Deleted/Not Applicable.....	29
2.126	Equipment to be New.....	29
2.127	Prohibited Products.....	29
2.128	Consequences For Breach.....	29
<b>2.130</b>	<b>Insurance</b> .....	<b>30</b>
2.131	Liability Insurance.....	30
2.132	Subcontractor Insurance Coverage.....	31
2.133	Certificates of Insurance and Other Requirements.....	31
<b>2.140</b>	<b>Indemnification</b> .....	<b>32</b>
2.141	General Indemnification.....	32
2.142	Code Indemnification.....	32
2.143	Employee Indemnification.....	32
2.144	Patent/Copyright Infringement Indemnification.....	32



2.145	Continuation of Indemnification Obligations .....	33
2.146	Indemnification Procedures.....	33
<b>2.150</b>	<b>Termination/Cancellation .....</b>	<b>34</b>
2.151	Notice and Right to Cure.....	34
2.152	Termination for Cause.....	34
2.153	Termination for Convenience .....	34
2.154	Termination for Non-Appropriation .....	34
2.155	Termination for Criminal Conviction .....	35
2.156	Termination for Approvals Rescinded .....	35
2.157	Rights and Obligations upon Termination .....	35
2.158	Reservation of Rights.....	36
<b>2.160</b>	<b>Termination by Contractor .....</b>	<b>36</b>
2.161	Termination by Contractor.....	36
<b>2.170</b>	<b>Transition Responsibilities.....</b>	<b>36</b>
2.171	Contractor Transition Responsibilities.....	36
2.172	Contractor Personnel Transition .....	36
2.173	Contractor Information Transition.....	36
2.174	Contractor Software Transition .....	37
2.175	Transition Payments .....	37
2.176	State Transition Responsibilities .....	37
<b>2.180</b>	<b>Stop Work .....</b>	<b>37</b>
2.181	Stop Work Orders .....	37
2.182	Cancellation or Expiration of Stop Work Order .....	37
2.183	Allowance of Contractor Costs .....	37
<b>2.190</b>	<b>Dispute Resolution.....</b>	<b>38</b>
2.191	In General .....	38
2.192	Informal Dispute Resolution .....	38
2.193	Injunctive Relief.....	38
2.194	Continued Performance .....	38
<b>2.200</b>	<b>Federal and State Contract Requirements .....</b>	<b>39</b>
2.201	Nondiscrimination .....	39
2.202	Unfair Labor Practices.....	39
2.203	Workplace Safety and Discriminatory Harassment .....	39
2.204	Prevailing Wage.....	39
<b>2.210</b>	<b>Governing Law .....</b>	<b>40</b>
2.211	Governing Law.....	40
2.212	Compliance with Laws .....	40
2.213	Jurisdiction.....	40
<b>2.220</b>	<b>Limitation of Liability .....</b>	<b>40</b>
2.221	Limitation of Liability.....	40
<b>2.230</b>	<b>Disclosure Responsibilities.....</b>	<b>40</b>
2.231	Disclosure of Litigation .....	40
2.232	Call Center Disclosure .....	41
2.233	Bankruptcy.....	41
<b>2.240</b>	<b>Performance .....</b>	<b>41</b>
2.241	Time of Performance.....	41
2.242	Service Level Agreements (SLAs) – Deleted/Not Applicable .....	41
2.243	Liquidated Damages .....	42
2.244	Excusable Failure .....	42
<b>2.250</b>	<b>Approval of Deliverables .....</b>	<b>43</b>
2.251	Delivery Responsibilities .....	43
2.252	Delivery of Deliverables .....	43
2.253	Testing .....	43
2.254	Approval of Deliverables, In General .....	44
2.255	Process For Approval of Written Deliverables.....	44
2.256	Process for Approval of Services .....	45
2.257	Process for Approval of Physical Deliverables.....	45
2.258	Final Acceptance .....	45
<b>2.260</b>	<b>Ownership.....</b>	<b>45</b>
2.261	Ownership of Work Product by State .....	45
2.262	Vesting of Rights.....	45
2.263	Rights in Data .....	46
2.264	Ownership of Materials .....	46
<b>2.270</b>	<b>State Standards.....</b>	<b>46</b>
2.271	Existing Technology Standards.....	46
2.272	Acceptable Use Policy .....	46



2.273 Systems Changes .....46

**2.280 Extended Purchasing**.....46

2.281 MIDEAL.....46

2.282 State Employee Purchases – Deleted/Not Applicable .....47

**2.290 Environmental Provision** .....47

2.291 Environmental Provision .....47

**2.300 Other Provisions** .....48

2.311 Forced Labor, Convict Labor, Forced or Indentured Child Labor, or Indentured Servitude  
Made Materials.....48

Attachment A, Pricing



**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 for *drug testing and supplies, training, and testimony and/or court appearances for the State of Michigan, Department of Human Services (DHS)*.

This program must meet all federal requirements pertaining to drug and alcohol testing under the Department of Health and Human Services.

This program is being piloted in the following five counties in year one (Wayne, Oakland, Genesee, Kent, and Kalamazoo), with the possibility of all 83 counties participating.

**1.012 Background**

Substance abuse is a significant barrier to child protection, family preservation and family reunification. As part of the array of assessments of family needs, the courts and the department use drug testing to determine treatment needs, to monitor compliance with court orders, and to ensure that children can continue in or return to their homes safely. It also helps us to accomplish strategic goal number one: Provide uncompromising care for the most vulnerable children in Michigan. By identifying and then addressing substance abuse among children and/or their parents, we begin to address the root cause of many episodes of abuse and neglect.

These services are designed for clients who are suspected, by DHS Children Services workers, of drug and/or alcohol use and require immediate testing. The drug test list includes Drugs of Abuse (illegal drugs), therapeutic drugs (prescription drug-painkillers, mental health meds, etc.) and designer drugs (i.e. K2, Spice). The Contractor must provide all required supplies and courier services to transport all specimens, test results, and testing materials to and from any location within the referring county.

**1.020 Scope of Work and Deliverables**

**1.021 In Scope**

The following services must be included in this contract:

The types of drug screens include saliva/oral fluid.

- Providing any requested testimony and/or court appearances (to include hearing or appeals), including chain-of-custody and/or testing procedures/results on an as needed basis and providing certified copies of drug tests, if requested, for up to two years after screening.
- Providing Initial Testing and Gas Chromatography/Mass Spectrometry Confirmation (GC/MS) Testing or other federally approved testing methods which may include LC/MS/MS or GC/MS/MS (when the Initial Tests indicate a positive result) for any location within the referring county.
- Ensuring proper legal chain-of-custody procedures are maintained and comply with departmental procedure, state, and federal law.
- Ensuring complete integrity of each specimen tested and the respective test results. Receiving, transfer, and handling of all specimens by laboratory personnel must be fully documented using the proper chain-of-custody.
- Capability to provide services to all 83 counties located in the State of Michigan.

**1.022 Work and Deliverable**

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:



1. Provide training to support the collection of samples by DHS assigned personnel so that drug screens will be observed sample collections.
2. Ensure the minimum of substances tested include Alcohol, Amphetamine, Methamphetamines, Cocaine, THC, Opiates, Methadone, Oxycodone, Phencyclidine, Benzodiazepines, and Barbiturates and other drugs indicated by client's history.
3. Provide reports that state the minimum level necessary to detect the presence of each substance, the level of substance detected, and the chain-of-custody documentation.
4. Ensure initial screening is conducted utilizing an enzyme immunoassay method. Testing must occur for the following substances utilizing the cut-off levels listed below:

<b>DRUG</b>	<b>ORAL FLUID</b>
<i>Amphetamines</i>	20NG/ML
<i>Cannabinoids</i>	1NG/ML
<i>Benzodiazepines</i>	10NG/ML
<i>Methamphetamine</i>	20NG/ML
<i>Opiates</i>	10NG/ML
<i>Cocaine</i>	5NG/ML

*\*For all other substances tested use recommended laboratory cutoff levels*

5. Ensure all negative samples by laboratory are retained for one week. A retention time extension may be requested based upon need.
6. Ensure a confirmation testing of all positive test samples and confirmation testing must be conducted utilizing GC/MS or LC/MS/MS technology. The following cut-off levels must be utilized:

<b>DRUG</b>	<b>ORAL FLUID</b>
<i>Amphetamines</i>	10NG/ML
<i>Cannabinoids</i>	0.5NG/ML
<i>Benzodiazepines</i>	1NG/ML
<i>Methamphetamine</i>	10NG/ML
<i>Opiates</i>	5NG/ML
<i>Cocaine</i>	1NG/ML

*\*For all other substances tested use recommended laboratory cutoff levels*

7. Ensure all positive samples are frozen and maintained for 365 days by the laboratory. A retention time extension may be requested based upon need.
8. Ensure that in situations where the source of the methamphetamine present in any specimen may come into question, a d-1-isomer differentiation is performed. This service is to be offered at no additional cost to DHS and performed when requested by DHS.
9. Ensure notification of testing results via web portal or fax on Contractor letterhead to DHS. The results may also be sent by U.S. mail to referring agency as well upon request. The Contractor must obtain approval from DHS for any changes in the results notification system.
10. Notify DHS of all negative test results within 24 hours of the test. The specified time frame is from receipt by the testing laboratory to the time of notification to the county ordering the tests. Positive test results must be provided within 72 hours of the lab receipt of the sample specimen.



11. Coordinate all courier services to transport all specimens, test results, and testing materials to and from any location within the referring county. Deliveries must be made during regular working days, normally between the hours of 8:00am and 5:00pm unless otherwise indicated. The Contractor is responsible for the cost of all courier services provided under the Contract.
12. Provide courier services that maintain the legal chain-of-custody, throughout the State of Michigan within 24 hours of request of pick up.
13. Provide postage paid mailers or next day ground delivery services for utilization at any location that desires to use this method as an alternative to the courier services. This must be at no additional charge to DHS.
14. Ensure courier system provides documented, legal chain-of-custody throughout the State of Michigan which includes same day or next day ground delivery throughout Michigan.
15. Provide the following supplies: sample containers, specimen donor labels, evidence security tape, evidence bags, evidence chain-of-custody forms with seals, swabs, all supplies required for mailing or next day delivery, and any additional supplies necessary for referring specimens to the laboratory.
16. Ensure that all services are accessed and pre-approved through a referral authorization on the chain of custody form from the referring DHS staff. In the event a service provider receives verbal or email authorization to provide services from DHS, an approved referral will still be required. Referrals must be valid for a maximum of six months unless otherwise specified by DHS. Providers must initiate a re-authorization for services to continue beyond the approved period.
17. Provide a toll free 800 number to be available to all DHS local offices in the State of Michigan to contact for technical support. Technical support staff and laboratory technicians must be available during normal working hours via the 800 number, to provide technical assistance at no additional cost to DHS.
18. Guarantee DHS Children’s Services staff the ability to administer saliva/oral fluids testing. These results must also be later verified through laboratory testing as needed.
19. Provide for training which:
  - a. Addresses the ability to store testing material in a manner which ensures that tampering does not occur, and that chain-of-command is maintained.
  - b. Addresses worker’s ability to administer this testing correctly and in accordance with existing protocols and State law. This would include in-service training as procedures are updated.
20. Provide additional substance abuse testing processes, as available, including but not limited to: EtG and EtS testing, 10-panel labs, synthetic marijuana, and synthetic stimulant labs. These types of tests may be seen as necessary in certain situations to ensure child safety.
21. Update testing processes, as needed, to ensure consistency with current substance assessment trends.
22. In the event that substance abuse testing results are challenged, the Contractor’s professional staff must provide courtroom testimony, when needed, about the veracity of the drug testing process and results.

**1.030 Roles and Responsibilities**

- 1.031 Contractor Staff, Roles, and Responsibilities**  
 A. Geographic Area:



1. The Contractor must be able to provide services described herein in the following geographic areas: entire State of Michigan (83 counties).
- B. Qualifications:
1. A laboratory participating in DHS drug screen testing must comply with all applicable requirements of the Federal Department of Health and Human Service, and under these federal requirements, are subsumed Substance Abuse and Mental Health Services Administration (SAMHSA), or College of American Pathology (CAP), or Clinical Laboratory Improvement Act (CLIA) requirements.
- C. Credentials/Experience
1. Laboratory Technologist must have a minimum education level which consists of a Bachelor of Science degree in chemistry, medical science, biology, biochemistry, microbiology, toxicology or equivalent.
  2. All screening and confirmation laboratory personnel must have a minimum education level that consists of a Bachelor Degree in a related field of study.
  3. The Contractor must provide staff sufficient to adequately fulfill the terms of this Contract and must demonstrate a good faith effort to recruit and employ staff which reflects the racial, ethnic, and cultural composition of the Contractor's client population.
- D. Training, Training Materials, and/or Information
1. The Contractor must develop, or have developed a training program that meets the requirements of the applicable federal regulations.
  2. The Contractor must have qualified individuals on staff to conduct one to two hour training programs applicable to the above regulations for services workers, supervisors, and administrators.
  3. The Contractor may be asked to assist DHS personnel in preparing for, and conducting training and informational programs.
  4. The Contractor must provide upon request, other materials such as brochures, pamphlets, manuals, handouts, and/or videos that can be used in training programs.
- E. Key Personnel
1. For purposes of this Contract, the following Contractor roles are considered "Key Personnel": Account Representative/Coordinator, Account Executive, Data Systems Manager, and Laboratory Technologists.
  2. The Contractor may include additional "Key Personnel" based on their previous experience in similar contracts. Any change in structuring or assignment of the account representative must be agreed upon with the State of Michigan prior to adjustment. Such agreement not to be unreasonably withheld.
  3. The Contractor must assign a dedicated Account Representative to handle the State of Michigan's drug screen testing administration. The State reserves the right to require the removal of any account representative for reasonable cause as determined by the State.
  4. The Account Representative must be extremely knowledgeable regarding the State's drug screening testing Contract and be available to the State's Program Coordinator or Administrator on a daily basis, during normal business hours, via various media links.
  5. The Account Representative must have the responsibility, on behalf of the Contractor, to handle the day-to-day operations of the State of Michigan's drug screen testing Contract. In this person's absence, an individual must be assigned to take over the daily coordination of the State's account.



6. The Account Representative must be the Contractor's lead in resolving conflicts with clients/providers, investigating billing and payment concerns, and providing quarterly statistics.

**1.040 Project Plan**

**1.041 Project Plan Management**

The Contractor must carry out this project under the direction and control of DHS-CCI.

Although there will be continuous liaison with the Contractor team, the Project Manager will meet as necessary, with the Contractor's Account Representative for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.

The Contractor must submit brief written summaries of progress with an outline of the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the Project Manager; and notification of any significant deviation from previously agreed-upon work plans.

Within 10 working days of the award of the Contract, the Contractor must submit a work plan to the DHS-CCI for final approval. This final implementation plan must be accepted by the State for Contract, and must include the following:

1. The Contractor's project organizational structure.
2. The Contractor's staffing table with names and title key personnel assigned to the project as well as other necessary staff. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
3. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each for implementation and start-up. Implementation tasks must include marketing, statewide seminars, promotional material, and staffing for all presentations.

**1.042 Reports**

The Contractor must notify the DHS referring agency of testing results via web portal or fax on Contractor's letterhead. The results may also be sent by U.S. mail to the referring agency as well upon request. The Contractor must gain prior approval from DHS for any changes in the results notification system.

The referring agency must be notified of the negative test results within 24 hours of the test. The specific time frame is from receipt by the testing laboratory to the time of notification to the county ordering the tests. Positive test results must be provided within 72 hours of the lab receipt of the sample specimen.

The Contractor must provide additional reports at no extra cost, to assist investigation of problems involving delivery of services outlined with this Contract.

**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:

- The Contractor provides all services and results to DHS as specified in the deliverable tasks listed in sections 1.022 - 1.042.
- The Contractor provides quarterly statistics as listed in section 1.031 E-6.

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



### **1.060 Proposal Pricing**

#### **1.061 Proposal Pricing**

For authorized Services and Price List, see Attachment A.

Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See [www.michigan.gov/dtmb](http://www.michigan.gov/dtmb) for current rates.

#### **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 three years beginning 9/1/13 through 8/31/16. 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 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 DHS (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:

Jim Wilson  
 Procurement  
 Department of Technology, Management and Budget  
 Mason Bldg, 2nd Floor  
 PO Box 30026  
 Lansing, MI 48909  
 Email: wilsonj4@michigan.gov  
 Phone: 517-241-1916

**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 DHS, 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:

Amanda Doane  
 Department of Human Services  
 PO Box 30037  
 235 S. Grand Avenue, Suite 510  
 Lansing, MI 48909





**2.023 Project Manager**

The following individual will oversee the project:

Colin Parks, Bureau of Child Welfare, Child Protective Services  
 Department of Human Services  
 PO Box 30037  
 235 S. Grand Avenue, Suite 510  
 Lansing, MI 48909  
[parksc@michigan.gov](mailto:parksc@michigan.gov)  
 Phone: 517-241-8297

**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 bi-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. 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 bi-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 (4) invoices. If a balance remains after four (4) 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% of annual contract amount, 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 (2) 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**

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

**2.123 Warranty of Fitness for a Particular Purpose**

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

**2.124 Warranty of Title**

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

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

**2.126 Equipment to be New**

If applicable, all equipment provided under the Contract by Contractor must be new where Contractor has knowledge regarding whether the equipment is new or assembled from new or serviceable used parts that are like new in performance or has the option of selecting one or the other. Equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable where Contractor does not have knowledge or the ability to select one or other, unless specifically agreed otherwise in writing by the State.

**2.127 Prohibited Products**

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

**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 90 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**

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

**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 and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.241(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 Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State's failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

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



### **2.243 Liquidated Damages**

The parties acknowledge that late or improper completion of the Work will cause loss and damage to the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result. Therefore, Contractor and the State agree that if there is late or improper completion of the Work and the State does not elect to exercise its rights under **Section 2.152**, the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$100.00 per day for each day Contractor fails to remedy the late or improper completion of the Work.

It is acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under **Section 2.152**, the State may assess liquidated damages against Contractor as specified below.

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

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

### **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**

**2.251 Delivery Responsibilities**

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

(a) Shipment responsibilities - Services performed/Deliverables provided under the Contract must be delivered "F.O.B. Destination, within Government Premises." The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates must be specified on the individual purchase order.

(b) Delivery locations - Services must be performed/Deliverables must be provided at every State of Michigan location within Michigan unless otherwise stated in the SOW. Specific locations will be provided by the State or upon issuance of individual purchase orders.

(c) Damage Disputes - At the time of delivery to State Locations, the State must examine all packages. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage.

Where there is no obvious or suspected damage, all deliveries to a State Location must be opened by the State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five days of inspection

**2.252 Delivery of Deliverables**

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

**2.253 Testing**

(a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the State, Contractor must first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical Deliverable or Service to the State, Contractor must certify to the State that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State's review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

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



### **2.254 Approval of Deliverables, In General**

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

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

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.253**.

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

(e) If, after three (3) opportunities (the original and two (2) repeat efforts), the Contractor is unable to correct all deficiencies preventing Final Acceptance of a Deliverable/Service, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to cure the failure at the sole expense of the Contractor; or (ii) keep the Contract in force and do, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the contract price plus an additional sum equal to 10% of the cost to cure the deficiency to cover the State's general expenses provided the State can furnish proof of the general expenses; or (iii) terminate the particular Statement of Work for default, either in whole or in part by notice to Contractor provided Contractor is unable to cure the breach. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

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

### **2.255 Process For Approval of Written Deliverables**

The State Review Period for Written Deliverables will be the number of days set forth in the applicable Statement of Work following delivery of the final version of the Deliverable (and if the Statement of Work does not state the State Review Period, it is by default five (5) Business Days for Written Deliverables of 100 pages or less and 10 Business Days for Written Deliverables of more than 100 pages). The duration of the State Review Periods will be doubled if the State has not had an opportunity to review an interim draft of the Written Deliverable before its submission to the State. The State agrees to notify Contractor in writing by the end of the State Review Period either stating that the Deliverable is approved in the form delivered by Contractor or describing any deficiencies that must be corrected before approval of the Deliverable (or at the State's election, after approval of the Deliverable). If the State notifies the Contractor about deficiencies, the Contractor must correct the described deficiencies and within 30 Business Days resubmit the Deliverable in a form that shows all revisions made to the original version delivered to the State. Contractor's correction efforts must be made at no additional charge. Upon



receipt of a corrected Deliverable from Contractor, the State must have a reasonable additional period of time, not to exceed the length of the original State Review Period, to review the corrected Deliverable to confirm that the identified deficiencies have been corrected.

### **2.256 Process for Approval of Services**

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

### **2.257 Process for Approval of Physical Deliverables**

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

### **2.258 Final Acceptance**

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

### **2.260 Ownership**

#### **2.261 Ownership of Work Product by State**

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

#### **2.262 Vesting of Rights**

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



**2.263 Rights in Data**

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

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

**2.264 Ownership of Materials**

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

**2.270 State Standards**

**2.271 Existing Technology Standards**

The Contractor 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**

**2.281 MIDEAL**

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

The Contractor must supply Contract Services and equipment to these local governmental agencies at the established State of Michigan contract prices and terms to the extent applicable and where available.



The Contractor must send its invoices to, and pay the local unit of government, on a direct and individual basis.

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

Please Visit Mi DEAL at [www.michigan.gov/buymichiganfirst](http://www.michigan.gov/buymichiganfirst) under MiDeal.

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

## **2.282 State Employee Purchases – Deleted/Not Applicable**

### **2.290 Environmental Provision**

#### **2.291 Environmental Provision**

Hazardous Materials:

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

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

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

(c) Once the Hazardous Material has been removed or rendered harmless by the State, the Contractor must resume Work as directed in writing by the State. Any determination by the Michigan Department of Community Health or the Michigan Department of Environmental Quality that the Hazardous Material has either been removed or rendered harmless is binding upon the State and Contractor for the purposes of resuming the Work. If any incident with Hazardous Material results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Work will not be counted in **Section 2.242** for a time as mutually agreed by the parties.



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

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

**Refrigeration and Air Conditioning:**

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

**Environmental Performance:**

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

**2.300 Other Provisions**

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

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

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





**Attachment A, Price Proposal**

**Phase One:    5 Counties    (Wayne, Oakland, Genesee, Kent, Kalamazoo)**

**Estimated annual drug screens:    37,500**

**All quantities listed are estimates only. The State does not commit to procuring these or any other amounts.**

<b>COLLECTION AND TESTING SERVICES:</b>	<b>Estimated Annual Usage</b>		<b>Unit Price</b>
<b>Saliva Specimen Collection and Testing</b> (per Sample)	26,813	<i>Conducted at Lab</i>	\$35.00
		<i>Conducted by Case Worker</i>	N/A
<b>Urine Specimen Collection and Testing</b> (per Sample) <b>(Possible 10 panel)</b>	1,312	<i>Conducted at Lab</i>	N/A
		<i>Conducted by Case Worker</i>	N/A
<b>Breath Alcohol Testing / PBT</b> (per Test)	8,063	<i>Conducted at Lab</i>	N/A
		<i>Conducted by Case Worker</i>	N/A
<b>Re-Analysis As Needed</b> (per Drug)	1,312		Included
<b>ADDITIONAL OPTIONAL TESTING AS REQUESTED:</b>			
<b>Etg/Ets Testing</b>	500		\$35.00
<b>SCRAM Devices</b>	250		N/A
<b>MEMS Testing</b>	500		N/A
<b>Follicle Testing</b>	150		N/A
<b>Synthetic Marijuana Testing</b> (if not captured by existing panel screen)	As needed		Included
<b>OPTIONAL SERVICES AS REQUESTED:</b>			
<b>Education / Training</b> (per Session) Including training of DHS Field Staff for field testing of drug screens	900		Included
<b>Legal and Expert Witness Services</b>	200		Included
<b>Litigation Package</b>	As needed		Included
<b>Training Guides</b>	900		Included
<b>Employee Information Books</b>	900		Included
<b>IT Development Time</b>	As needed		Included



**Phase Two: All 83 Michigan Counties**

**Estimated annual drug screens: 70,440**

All quantities listed are estimates only. The State does not commit to procuring these or any other amounts.

<b>COLLECTION AND TESTING SERVICES:</b>	<b>Estimated Annual Usage</b>		<b>Unit Price</b>
<b>Saliva Specimen Collection and Testing</b> (per Sample)	50,440	<i>Conducted at Lab</i>	\$35.00
		<i>Conducted by Case Worker</i>	N/A
<b>Urine Specimen Collection and Testing</b> (per Sample) (Possible 10 panel)	2,500	<i>Conducted at Lab</i>	N/A
		<i>Conducted by Case Worker</i>	N/A
<b>Breath Alcohol Testing / PBT</b> (per Test)	15,000	<i>Conducted at Lab</i>	N/A
		<i>Conducted by Case Worker</i>	N/A
<b>Re-Analysis As Needed</b> (per Drug)	2,500		Included
<b>ADDITIONAL OPTIONAL TESTING AS REQUESTED:</b>			
<b>Etg/Ets Testing</b>	1,000		\$35.00
<b>SCRAM Devices</b>	500		N/A
<b>MEMS Testing</b>	1,000		N/A
<b>Follicle Testing</b>	300		N/A
<b>Synthetic Marijuana Testing</b> (if not captured by existing panel screen)	As needed		Included
<b>OPTIONAL SERVICES AS REQUESTED:</b>			
<b>Education / Training</b> (per Session) Including training of DHS Field Staff for field testing of drug screens	900		Included
<b>Legal and Expert Witness Services</b>	200		Included
<b>Litigation Package</b>	As needed		Included
<b>Training Guides</b>	900		Included
<b>Employee Information Books</b>	900		Included
<b>IT Development Time</b>	As needed		Included



**Additional Pricing Information**

1. FFL will perform d-1-isomer differentiation testing upon request at no additional charge.
2. FFL will provide a 10% rebate check to the State of Michigan at the end of every 12 months operating as the sole oral fluid vendor under this Contract.
3. FFL will offer a 1% discount off invoice if paid within 10 days.
4. The \$35.00 price per sample included all of the following:
  - Testing supplies (collection device, chain of custody/referral form, specimen bag)
  - Laboratory testing (ELISA screen, LC/MS/MS confirmation of positive screens)
  - Special Request testing – for testing of all drugs in addition to the DHS test panel (designer drugs, prescription drugs, etc.)
  - Prepaid, expedited return shipping
  - Expert witness testimony as requested
  - Staff training and customer support
5. FFL will not seek reimbursement for any out of pocket expenses for travel or other reimbursable expenses.