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 3
to
Contract Number 071B4300046

CONTRACTOR	
	LASER TECHNOLOGY INC
	6912 South Quentin Street
	Centennial, CO 80112
	Cheri Miller
	877-696-2584 x175
	cmiller@lasertech.com
	*******0494

STATE			
	Program Manager	Sgt. Robert Schwalm	MSP
		517-322-1787	
		schwalmr@michigan.gov	
	Contract Administrator	Sue Cieciwa	DTMB
		(517) 284-7007	
		cieciwas@michigan.gov	

CONTRACT SUMMARY

SPEED MEASUREMENT EQUIPMENT, LIDAR - MICHIGAN STATE POLICE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 27, 2013	November 26, 2016	4 - 1 Year	November 26, 2017

PAYMENT TERMS	DELIVERY TIMEFRAME
Net 45 Days	30 Calendar Days ARO

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ Direct Voucher (DV)	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

One (1) Unit

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		November 26, 2017

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$250,000.00	$0.00	$250,000.00

DESCRIPTION

Effective December 20, 2016, extended warranty and/or maintenance is added to this Contract for the following alternate products, per Attachment A:

Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer:
#0134613 TruSpeed Laser $350.00 additional year
#0134614 TruCAM Laser $875.00 additional year

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

Attachment A, Price Proposal

SPEED MEASUREMENT DEVICES, HAND HELD LIDAR

Item No.	Unit	Description	Unit Price
7.01	EA	**Lidar (Laser) Speed Measurement Devices, Single-Piece, Hand Held, Stationary Mode Only, with Heads Up Display of Speed Through the Optic View Finder; Serial Communication Port** Per attached specifications, to include: Coiled Power Cable approximately 12 Feet Long (Uncoiled); and Protective Weather Covering (if necessary) for outside use, and Certification Testing per attached Terms and Conditions. Make: LTI 20/20 Ultralyte LRB Model: #7004790	**$2,845.00 (includes coiled power cable)** **$2,595.00 (without coiled power cable)**
7.02	EA	**Alternate Power Source: to include Battery, Charger, Carrying Case, Shoulder Strap. Unit to be self contained with exception charger.** **Battery Kit #7033782**	**$74.00**
7.03	EA	**7035165 QuickMap 3D Android Cedar CT7 Data Collector Basic Package** **7035070 Angle Encoder/TruAngle AI Kit (bracketry)** **Grand Total**	**$1,675.00** **$1,075.00** **$2,750.00**

Note: QuickMap 3D AE/TruAngle Mapping Kit (7035070) does not include Crash Zone ($1,995.00). Alternate to Crash Zone is MicroSurvey IMS Map 360 CAD product ($1,795.00) and this price includes an additional year of upgrades.

Any agency wanting to purchase a mapping package should purchase training unless the agency has already been trained on the equipment.

Training Fee for mapping equipment $1,500.00 for two days up to 8 people in a class.

ALTERNATE PRODUCTS

Product	*Product Description*	*Unit Price*
# 7006600	**LTI 20/20 TruSpeed S**	**$1,395.00**
#7005600	**LTI 20/20 TruSpeed** **Included in price: #3124664 Carrying Case $0.00, #7024780 Shoulder Stock $0.00**	**$1,695.00**
# 7004627	**LTI 20/20 Ultralyte 100LR**	**$2,995.00**
# 7004620	**LTI 20/20 Ultralyte 200LR**	**$3,495.00**
# 7004595	**LTI 20/20 Ultralyte 100LRw/DBC**	**$3,490.00**
# 7005700	**LTI 20/20 TruCam** **TruCam Options:** **#3204702 Optional DBC/V (Distance Between Cars/Vehicles)** **#3204703 Optional Dual Speed (Truck) Mode Feature**	**$5,495.00** **$495.00** **$495.00**

Attachment A, Price Proposal

SPEED MEASUREMENT DEVICE OPTIONS

Item No.	Unit	Description	Unit Price
8.	EA	Second Antenna, For Dual Antenna Operation, with appropriate cables and connectors, for Multi-Piece and/or Two-Piece Radar Devices where standard equipment is a single antenna.	No Bid
9.	EA	Same Direction Capability, For Multi-Piece and/or Two-Piece Radar Devices	No Bid
10.	EA	Upgrade to provide interface capabilities to Kustom Eye Witness In Car Video System, for Multi-Piece and/or Two-Piece Radar Devices	No Bid
11.	EA	Tripod for Lidar (Laser) Devices	$295.00
12.	EA	Monopod for Lidar (Laser) Devices	Not Available
13.	EA	Luggage Type Case for Multi-Piece or Two Piece Radar Devices	No Bid
14.	EA	Luggage Type Case for Single Piece Radar Devices	No Bid
15.	EA	Luggage Type Case for Single Piece Lidar (Laser) Devices	Included
16.	EA	Alternate Power Source: Battery and Charger w/case for use with Multi Piece or Two Piece Radar Devices	No Bid
17.	EA	Alternate Power Source: Battery and Charger w/case for use with Single Piece Radar Devices	No Bid
18.	EA	Alternate Power Source: Battery and Charger w/case for use with Single Piece Lidar (Laser) Devices	$74.00
19.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for, Multi-Piece or Two Piece Radar Devices 3rd Year	No Bid
20.	YR	4th Year	No Bid
21.	YR	5th Year	No Bid
22.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for, Single Piece Radar Devices 3rd Year	No Bid
23.	YR	4th Year	No Bid
24.	YR	5th Year	No Bid
25.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for Single Piece Lidar (Laser) Devices 3rd Year	$350.00
26.	YR	4th Year	Not Available
27.	YR	5th Year	Not Available
28.	YR	#0134613 Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for 3rd Year LTI 20/20 TruSpeed laser	$350.00
29.	YR	#0134614 Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for 3rd Year LTI 20/20 TruCAM laser	$875.00

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 **2**

to

Contract Number **071B4300046**

CONTRACTOR	
	LASER TECHNOLOGY INC
	6912 South Quentin Street
	Centennial, CO 80112
	Cheri Miller
	877-696-2584 x175
	cmiller@lasertech.com
	*******0494

STATE		
Program Manager	Sgt. Robert Schwalm	MSP
	(517) 322-1787	
	schwalmr@michigan.gov	
Contract Administrator	Sue Cieciwa	DTMB
	(517) 284-7007	
	cieciwas@michigan.gov	

CONTRACT SUMMARY

SPEED MEASUREMENT EQUIPMENT, LIDAR - MICHIGAN STATE POLICE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 27, 2013	November 26, 2016	4 - 1 Year	November 26, 2016

PAYMENT TERMS	DELIVERY TIMEFRAME
Net 45 Days	30 Calendar Days ARO

ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card	☐ Direct Voucher (DV)	☐ Other	☒ Yes	☐ No

MINIMUM DELIVERY REQUIREMENTS

One (1) Unit

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	One Year	☐		November 26, 2017

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$250,000.00	$0.00	$250,000.00

DESCRIPTION

Effective November 27, 2016, the State is exercising the first option year. The revised contract expiration date is November 26, 2017.

Effective November 27, 2016, the unit price on Product #7006600 LTI 20/20 Tru Speed S is increased from $1,295.00 to $1,395.00 and the unit price on Product #7005700 LTI 20/20 TruCAM is increased from $4,995.00 to $5,495.00.

In addition, Item No. 7.03, Product #7035070 Data Collection System Capable of Downloading Into Mapping Program is changed to two components, Product #7035165 QuickMap 3D Android Cedar CT7 Data Collector Basic Package and Product #7035070 Angle Encoder/TruAngle AL Kit (bracketry), per Attachment A.

Please note the Program Manager for Michigan State Police has been changed to Sgt. Robert Schwalm, Phone: 517-322-1787, Email: schwalmr@michigan.gov.

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

Attachment A, Price Proposal

SPEED MEASUREMENT DEVICES, HAND HELD LIDAR

Item No.	Unit	Description	Unit Price
7.01	EA	**Lidar (Laser) Speed Measurement Devices, Single-Piece, Hand Held, Stationary Mode Only, with Heads Up Display of Speed Through the Optic View Finder; Serial Communication Port** Per attached specifications, to include: Coiled Power Cable approximately 12 Feet Long (Uncoiled); and Protective Weather Covering (if necessary) for outside use, and Certification Testing per attached Terms and Conditions. Make: LTI 20/20 Ultralyte LRB Model: #7004790	**$2,845.00 (includes coiled power cable)** **$2,595.00 (without coiled power cable)**
7.02	EA	**Alternate Power Source: to include Battery, Charger, Carrying Case, Shoulder Strap. Unit to be self contained with exception charger.** **Battery Kit #7033782**	**$74.00**
7.03	EA	**7035165 QuickMap 3D Android Cedar CT7 Data Collector Basic Package** **7035070 Angle Encoder/TruAngle AI Kit (bracketry)** **Grand Total**	**$1,675.00** **$1,075.00** **$2,750.00**

Note: QuickMap 3D AE/TruAngle Mapping Kit (7035070) does not include Crash Zone ($1,995.00). Alternate to Crash Zone is MicroSurvey IMS Map 360 CAD product ($1,795.00) and this price includes an additional year of upgrades.

Any agency wanting to purchase a mapping package should purchase training unless the agency has already been trained on the equipment.

Training Fee for mapping equipment $1,500.00 for two days up to 8 people in a class.

ALTERNATE PRODUCTS

Product	*Product Description*	*Unit Price*
# 7006600	**LTI 20/20 TruSpeed S**	**$1,395.00**
#7005600	**LTI 20/20 TruSpeed** **Included in price: #3124664 Carrying Case $0.00, #7024780 Shoulder Stock $0.00**	**$1,695.00**
# 7004627	**LTI 20/20 Ultralyte 100LR**	**$2,995.00**
# 7004620	**LTI 20/20 Ultralyte 200LR**	**$3,495.00**
# 7004595	**LTI 20/20 Ultralyte 100LRw/DBC**	**$3,490.00**
# 7005700	**LTI 20/20 TruCam** **TruCam Options:** **#3204702 Optional DBC/V (Distance Between Cars/Vehicles)** **#3204703 Optional Dual Speed (Truck) Mode Feature**	**$5,495.00** **$495.00** **$495.00**

Attachment A, Price Proposal

SPEED MEASUREMENT DEVICE OPTIONS

Item No.	Unit	Description	Unit Price
8.	EA	Second Antenna, For Dual Antenna Operation, with appropriate cables and connectors, for Multi-Piece and/or Two-Piece Radar Devices where standard equipment is a single antenna.	No Bid
9.	EA	Same Direction Capability, For Multi-Piece and/or Two-Piece Radar Devices	No Bid
10.	EA	Upgrade to provide interface capabilities to Kustom Eye Witness In Car Video System, for Multi-Piece and/or Two-Piece Radar Devices	No Bid
11.	EA	Tripod for Lidar (Laser) Devices	$295.00
12.	EA	Monopod for Lidar (Laser) Devices	Not Available
13.	EA	Luggage Type Case for Multi-Piece or Two Piece Radar Devices	No Bid
14.	EA	Luggage Type Case for Single Piece Radar Devices	No Bid
15.	EA	Luggage Type Case for Single Piece Lidar (Laser) Devices	Included
16.	EA	Alternate Power Source: Battery and Charger w/case for use with Multi Piece or Two Piece Radar Devices	No Bid
17.	EA	Alternate Power Source: Battery and Charger w/case for use with Single Piece Radar Devices	No Bid
18.	EA	Alternate Power Source: Battery and Charger w/case for use with Single Piece Lidar (Laser) Devices	$74.00
19.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for, Multi-Piece or Two Piece Radar Devices 3rd Year	No Bid
20.	YR	4th Year	No Bid
21.	YR	5th Year	No Bid
22.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for, Single Piece Radar Devices 3rd Year	No Bid
23.	YR	4th Year	No Bid
24.	YR	5th Year	No Bid
25.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for Single Piece Lidar (Laser) Devices 3rd Year	$350.00
26.	YR	4th Year	Not Available
27.	YR	5th Year	Not Available

Attachment A, Price Proposal

SPEED MEASUREMENT DEVICES, HAND HELD LIDAR

Item No.	Unit	Description	Unit Price
7.01	EA	**Lidar (Laser) Speed Measurement Devices, Single-Piece, Hand Held, Stationary Mode Only, with Heads Up Display of Speed Through the Optic View Finder; Serial Communication Port** Per attached specifications, to include: Coiled Power Cable approximately 12 Feet Long (Uncoiled); and Protective Weather Covering (if necessary) for outside use, and Certification Testing per attached Terms and Conditions. Make: LTI 20/20 Ultralyte LRB Model: #7004790	**$2,845.00 (includes coiled power cable)** **$2,595.00 (without coiled power cable)**
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7.03	EA	**7035165 QuickMap 3D Android Cedar CT7 Data Collector Basic Package** **7035070 Angle Encoder/TruAngle AI Kit (bracketry)** **Grand Total**	**$1,675.00** **$1,075.00** **$2,750.00**

Note: QuickMap 3D AE/TruAngle Mapping Kit (7035070) does not include Crash Zone ($1,995.00). Alternate to Crash Zone is MicroSurvey IMS Map 360 CAD product ($1,795.00) and this price includes an additional year of upgrades.

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#7005600	**LTI 20/20 TruSpeed** **Included in price: #3124664 Carrying Case $0.00, #7024780 Shoulder Stock $0.00**	**$1,695.00**
# 7004627	**LTI 20/20 Ultralyte 100LR**	**$2,995.00**
# 7004620	**LTI 20/20 Ultralyte 200LR**	**$3,495.00**
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# 7005700	**LTI 20/20 TruCam** **TruCam Options:** **#3204702 Optional DBC/V (Distance Between Cars/Vehicles)** **#3204703 Optional Dual Speed (Truck) Mode Feature**	**$5,495.00** **$495.00** **$495.00**

Attachment A, Price Proposal

SPEED MEASUREMENT DEVICE OPTIONS

Item No.	Unit	Description	Unit Price
8.	EA	Second Antenna, For Dual Antenna Operation, with appropriate cables and connectors, for Multi-Piece and/or Two-Piece Radar Devices where standard equipment is a single antenna.	No Bid
9.	EA	Same Direction Capability, For Multi-Piece and/or Two-Piece Radar Devices	No Bid
10.	EA	Upgrade to provide interface capabilities to Kustom Eye Witness In Car Video System, for Multi-Piece and/or Two-Piece Radar Devices	No Bid
11.	EA	Tripod for Lidar (Laser) Devices	$295.00
12.	EA	Monopod for Lidar (Laser) Devices	Not Available
13.	EA	Luggage Type Case for Multi-Piece or Two Piece Radar Devices	No Bid
14.	EA	Luggage Type Case for Single Piece Radar Devices	No Bid
15.	EA	Luggage Type Case for Single Piece Lidar (Laser) Devices	Included
16.	EA	Alternate Power Source: Battery and Charger w/case for use with Multi Piece or Two Piece Radar Devices	No Bid
17.	EA	Alternate Power Source: Battery and Charger w/case for use with Single Piece Radar Devices	No Bid
18.	EA	Alternate Power Source: Battery and Charger w/case for use with Single Piece Lidar (Laser) Devices	$74.00
19.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for, Multi-Piece or Two Piece Radar Devices 3rd Year	No Bid
20.	YR	4th Year	No Bid
21.	YR	5th Year	No Bid
22.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for, Single Piece Radar Devices 3rd Year	No Bid
23.	YR	4th Year	No Bid
24.	YR	5th Year	No Bid
25.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for Single Piece Lidar (Laser) Devices 3rd Year	$350.00
26.	YR	4th Year	Not Available
27.	YR	5th Year	Not Available

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

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

CHANGE NOTICE NO. 1

to

CONTRACT NO. 071B4300046

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Laser Technology Inc.	Cheri Miller	cmiller@lasertech.com
6912 South Quentin Street	TELEPHONE	CONTRACTOR #, MAIL CODE
Centennial, CO 80112	(877) 696-2584 ext. 175	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	MSP	Sgt. Ronald Gromak	(517) 322-5598	gromakr@michigan.gov
BUYER	DTMB	Sue Cieciwa	(517) 284-7007	cieciwas@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: **Speed Measurement Equipment, Lidar - Michigan State Police**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 27, 2013	November 26, 2016	Four One-Year Options	November 26, 2016
PAYMENT TERMS	**F.O.B**	**SHIPPED**	**SHIPPED FROM**
Net 45 Days	Delivered	30 Calendar Days ARO	Centennial, CO

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

MINIMUM DELIVERY REQUIREMENTS:

One (1) Unit

DESCRIPTION OF CHANGE NOTICE:

EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
☒ No ☐ Yes	☐	☐		

VALUE/COST OF CHANGE NOTICE:	ESTIMATED REVISED AGGREGATE CONTRACT VALUE:
$0.00	$250,000.00

Effective October 7, 2014 the contractor contact information has been changed to:

Cheri Miller
Email: cmiller@lasertech.com
Phone: (877) 696-2584 ext. 175

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

Form No. DTMB-3522 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

NOTICE
OF
CONTRACT NO. 071B4300046
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Laser Technology Inc. 6912 South Quentin Street Centennial, CO 80112	Cheri Lucero	clucero@lasertech.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(800) 280-6113 ext. 175	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	MSP	Sgt. Ronald Gromak	(517) 322-5598	GromakR@michigan.gov
BUYER:	DTMB	Sue Cieciwa	(517) 373-0301	cieciwas@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: Speed Measurement Equipment, Lidar – Michigan State Police			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	November 27, 2013	November 26, 2016	Four One-Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	30 Calendar Days ARO	Centennial, CO
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
☐ P-card ☐ Direct Voucher (DV) ☐ Other			☒ YES ☐ NO
MINIMUM DELIVERY REQUIREMENTS:			
One (1) Unit			
MISCELLANEOUS INFORMATION:			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:	$250,000.00		

Form No. DTMB-3522 (Rev. 4/2012)
AUTHORITY: Act 431 of 1984
COMPLETION: Required
PENALTY: Contract will not be executed unless form is filed

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

CONTRACT NO. 071B4300046

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Laser Technology Inc.	Cheri Lucero	clucero@lasertech.com
6912 South Quentin Street	TELEPHONE	CONTRACTOR #, MAIL CODE
Centennial, CO 80112	(800) 280-6113 ext. 175	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	MSP	Sgt. Ronald Gromak	(517) 322-5598	GromakR@michigan.gov
BUYER:	DTMB	Sue Cieciwa	(517) 373-0301	cieciwas@michigan.gov

CONTRACT SUMMARY:

DESCRIPTION: Speed Measurement Equipment, Lidar – Michigan State Police

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	November 27, 2013	November 26, 2016	Four One-Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45 Days	Delivered	30 Calendar Days ARO	Centennial, CO

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

MINIMUM DELIVERY REQUIREMENTS:

One (1) Unit

MISCELLANEOUS INFORMATION:

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:	$250,000.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #0071141113B0000374. Orders for delivery will be issued directly by the agency through the issuance of a Purchase Order Form.

Contract #: 071B4300046

FOR THE CONTRACTOR:	**FOR THE STATE:**
Laser Technology Inc.	
Firm Name	Signature
	Jeff Brownlee, Chief Procurement Officer
Authorized Agent Signature	Name/Title
	DTMB Procurement
Authorized Agent (Print or Type)	Enter Name of Agency
Date	Date

STATE OF MICHIGAN
Department of Technology, Management and Budget
Procurement

Contract No. 071B4300046
Lidar Speed Measurement Equipment
Michigan State Police

Buyer Name: Sue Cieciwa
Buyer Direct Telephone Number: (517) 373-0301
Toll-Free Office Number: 855-MI-PURCH (855-647-8724)
E-Mail Address: cieciwas@michigan.gov

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Definitions

This section provides definitions for terms used throughout this document.

Business Day - whether capitalized or not, means any day other than a Saturday, Sunday, State employee temporary layoff day, or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am through 5:00pm Eastern Time unless otherwise stated.

Buyer – the DTMB-Procurement employee identified on the cover page of this ITB.

Chronic Failure - as defined in applicable Service Level Agreements.

Contract – based on this ITB, an agreement that has been approved and executed by the awarded bidder, the DTMB-Procurement Director, and the State Administrative Board.

Contractor – the awarded bidder after the Effective Date.

Days – Calendar Days unless otherwise specified.

Deliverable(s) - physical goods or commodities as required or identified in a Statement of Work.

Eastern Time – either Eastern Standard Time or Eastern Daylight Time, whichever is prevailing in Lansing, Michigan.

Effective Date - the date that a binding contract is executed by the final party.

Final Acceptance - has the meaning provided in Section 2.8.7, Final Acceptance, unless otherwise stated in Article 1.

Key Personnel - any personnel designated as Key Personnel in Sections 1.3.3, Staff, Duties, and Responsibilities, and 2.4.2, Contractor Key Personnel, subject to the restrictions of Section 2.4.2.

Post-Industrial Waste - 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.

Purchase Order - a written document issued by the State that requests full or partial performance of the Contract.

State - the State of Michigan.

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

Stop Work Order - a notice requiring the Contractor to fully or partially stop work in accordance with the terms of the notice.

Subcontractor - a company or person that the Contractor delegates performance of a portion of the Deliverable(s) to, but does not include independent contractors engaged by the Contractor solely in a staff augmentation role.

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

Article 1 – Statement of Work

1.1 Project Identification

1.1.1 Project Request

This Contract is for lidar speed measurement equipment, service and extended warranty for the State's needs. The traffic radar and lidar is used to measure the speed of vehicles operating on the roadways of Michigan. In Michigan, 33% of vehicle crashes are related to speed. These devices are used to enforce the speed limit in the State of Michigan. Speed enforcement reduces traffic crashes, injury, death, and property damage.

This Contract is part of a multiple award. The State reserves the right to adjust the contract value up or down between the contracts.

The State reserves the right to modify contract items to meet the State of Michigan's needs as well as MiDEAL, other states or their political subdivisions.

1.1.2 Reserved

1.2 Scope of Work and Deliverable(s)

1.2.1 Reserved

1.2.2 Deliverable(s)

Contractor must provide the following Deliverable(s):

Definite specifications - All Deliverable(s) must conform to the specifications.

All speed measurement devices must meet the following specifications, as specified in **Attachment B**:

- Performance Specifications for Speed-Measurement Equipment
- Standard for the Procurement of Speed-Measurement Equipment
- Only speed measurement devices that appear on the International Association of Chief of Police (IACP) Consumer Product List (CPL), for Radar and Lidar Devices shall be considered for purchase and use in Michigan under this Contract.
- It shall be the manufacturer's responsibility to maintain an active certification of equipment on the IACP CPL, throughout the Contract period without lapse in effective dates. Failure to maintain an active certification may be cause for the State of Michigan to hold the Contractor in default.

Product Information

- The Contractor must provide descriptive literature to any ordering entity on a direct basis, as requested.

1.2.3 Quantity

The State is not obligated to purchase in any specific quantity.

1.2.4 Ordering

The State will issue a Purchase Order, which must be approved by the Contract Compliance Inspector, to order any Deliverable(s). The Contractor is not authorized to begin performance until receipt of a Purchase Order.

1.2.5 Reserved

1.3 Management and Staffing

1.3.1 Reserved

1.3.2 Reports

The Contractor must submit the following periodic reports to the State: usage reports, including quantity and dollars for State and Extended Purchasing Participants. In addition, the Contractor must provide the following reports:

The Contractor will be required to compile and report the following information every six (6) months: manufacturer, date certified, model of device, serial number, agency to which the device was shipped, name of person that certified the device, and the State of Michigan Contract Number applicable to the sale of the unit.

Reports are to be submitted to the Contract Compliance Inspector and to DTMB, Procurement via email to Buyer. Reports must be in an Excel spreadsheet format.

1.3.3 Staff, Duties, and Responsibilities

The following Contractor's Personnel will be assigned to this Contract to provide customer service, sales and technical support.

Position	Name	Phone	Email
Inside Sales Support	Jon Beemer	(877) 696-2584	jbeemer@lasertech.com
Customer Service Tech Support	Jim Smith	(877) 696-2584	servicerequest@lasertech.com
Contract/Bid Coordinator	Cheri Lucero	(877) 696-2584	clucero@lasertech.com

1.3.4 Meetings

The State may request a kick-off meeting with the Contractor within thirty (30) days of the Effective Date. The State may request other meetings as it deems appropriate.

1.3.5 Place of Performance

The following is a list of all facilities that will be involved in performing this Contract:

Full address of place of performance	**Owner/operator of facility to be used**	**Percent (%) of Contract value to be performed at listed location**
6912 S. Quentin Street Centennial, CO 80112	Laser Technology, Inc.	100%

1.3.6 Reserved

1.3.7 Reserved

1.3.8 Training

The Contractor will provide lidar product training upon request at no charge. Mapping training costs are specified in **Attachment A Price Proposal.**

1.3.9 Reserved

1.4 Delivery and Acceptance

1.4.1 Time Frames

All Deliverable(s) must be delivered within 30 calendar days after receipt of order. The receipt of order date is governed in the same manner as notices sent under Section 2.3.6, Notices.

1.4.2 Minimum Order

The minimum order requirement is one (1) unit.

1.4.3 Packaging

Packaging and containers must meet the current requirements of state and federal law applicable to rail and motor carrier freight classifications, which will permit application of the lowest freight rate.

1.4.4 Palletizing

Shipments must be palletized whenever possible. Manufacturer's standard 4-way shipping pallets must be used.

Maximum height: 5'6", including pallet.

Maximum weight: 3500 pounds, including pallet.

Pallets are to be securely banded or shrink-wrapped.

The cost of palletizing must be included in the unit price.

1.4.5 Delivery Term

Prices are "F.O.B. Destination" within government premises with transportation charges prepaid on all orders to the location specified on each purchase order.

1.4.6 Acceptance Process

The acceptance process is defined in Section 2.8.4, Acceptance of Deliverable(s). Additional requirements for acceptance are:

(a) All items received on Contract must meet specifications specified in Section 1.2.2, refused items will be returned at the Contractor's expense.

1.4.7 Criteria

The State will use the following criteria to determine acceptance of Deliverable(s):

(a) Speed measurement devices shall be shipped as requested in purchase order(s) per Attachment B, Specifications

(b) Each order placed shall be delivered in the quantities ordered and within the timeframe outlined in the Contract.

(c) The CCI, or their designee, will approve acceptance of goods upon delivery.

(d) The Contractor will correct any shipment errors. The Contractor will verify with the customer which product has an error or is incorrect. The Contractor will review the sales order to verify purchase order with sales order. The inventory is counted to confirm or eliminate over or underage of inventory. Once the error is confirmed, the correct part or unit is shipped for overnight delivery. The incorrect part or unit will be returned to the Contractor.

1.5 Proposal Pricing

1.5.1 Pricing

The pricing details are in **Attachment A, Price Proposal**.

The Contractor is required to submit an Administrative Fee (see Section 2.6) on all payments remitted under the Contract. The Contractor has included the Administrative Fee in Section 2.6, Administrative Fee and Reporting, in its prices.

1.5.2 Reserved

1.5.3 Price Term

All pricing remains firm for a period of 365 days ("**Pricing Period**"). After the initial Pricing Period adjustments may be requested, in writing, by either party.

Adjustments will be based on changes in actual Contractor costs. Any request must be supported by written evidence documenting the change in costs. The State will consider sources, such as the Consumer Price Index; Producer Price Index; other pricing indices as needed; economic and industry data; manufacturer or supplier letters noting the increase in pricing, and any other data the State deems relevant.

Following the presentation of supporting documentation, both parties will have 30 days to review the information and prepare a written response. If the review reveals no need for modifications, pricing will remain unchanged unless mutually agreed to by the parties. If the review reveals that changes are needed both parties will negotiate, no longer than 30 days, unless extended by mutual agreement.

A new Pricing Period will begin on the date identified in a Change Notice. The Contractor remains responsible for Contract Activities at the current price for all orders received before the mutual execution of the Change Notice indicating the start date of the new Pricing Period. In the event the new prices are not acceptable the Contract may be terminated.

1.5.4 Tax Excluded from Price

(a) Sales Tax: The State is exempt from sales tax for direct purchases. The Contractor's prices must not include sales tax. DTMB-Procurement will furnish exemption certificates for sales tax 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, the Contractor's prices must not include the Federal Excise Tax.

1.5.5 Invoices

The Contractor's invoice should include the following:

(a) Date
(b) PO #
(c) Quantity
(d) Deliverable
(e) Unit Price
(f) Total Price

1.6 Commodity Requirements

1.6.1 Customer Service

The Contractor can receive orders by any of the following methods: electronically, phone, facsimile transmission, or by written order. The Contractor must have internal controls, to: (a) ensure that only authorized individuals place orders; and (b) verify any orders that appear to be excessive or abnormal.

The Contractor must have: (a) one or more knowledgeable individual(s) specifically assigned to State of Michigan accounts that will respond to State agency inquiries promptly; and (b) a statewide toll-free number for customer service calls.

Customer Service
Phone: (877) 696-2584
Fax: (303) 649-9710
Hours: 8:00 a.m.-5:00 p.m. MTN Standard Time for Service and Sales

1.6.2 Research and Development

The Contractor shall invest in new research and development and update the State regarding new products and technology.

1.6.3 Quality Assurance Program

The Contractor shall have a Quality Assurance Program currently in place within its organization.

Product Recall Procedure:
In the event of a recall the Contractor will submit a letter to all customers and dealers based on their shipments of affected products. Once the letter is sent out the customers/dealers would be instructed to follow our RMA process and contact Contractor's customer service department with the information based on the Recall letter.

Customer will then phone Contractor and report the recall letter and provide the following:

1. Agency name
2. Shipping address
3. Contact Name and phone number
4. Serial number
5. Recall description

- Once this information is provided, the MRP System will provide a return number.
- The customer will be instructed to mark the return number on the outside of the box/package.
- The customer will need to include a copy of the recall letter and contact information as listed above.
- Upon receipt of the returned (recall) product, the Contractor's shipping /receiving clerk will pull the RMA from the file and receive the RMA in the MRP system. The necessary assessment for repair or replacement is made with appropriate action taken with priority over standard product returns for service.

1.6.4 Warranty for Deliverable(s)

Minimum Warranty
All lidar devices, antennas, associated mounting brackets, connecting cables, and weather protective covering, and construction shall be fully warranted against all defects in materials and/or workmanship for a minimum of two (2) years. All parts and labor are to be furnished by the manufacturer. Additional lidar warranty charges are specified in **Attachment A, Price Proposal**.

The Contractor shall be responsible for return shipping and handling cost from the manufacturer's repair facility for all services provided for the life of the speed measurement equipment.

Factory Repair Facilities
The Contractor shall provide the following factory authorized repair facility for the speed measurement equipment devices offered in this Contract.

Laser Technology, Inc.
6912 S. Quentin
Centennial, CO 80012
Phone: (877) 696-2584, (303) 649-1000
Fax: (303) 649-9710

Customers shall contact the Contractor's Customer Service Department via phone or fax to receive a Return Merchandise Authorization (RMA) number before returning your product. Supply the unit serial number, a contact name, phone number, shipping address, along with a brief description of the problem. Ship the equipment attention: Service Dept. The RMA number should be clearly marked on the outside of the shipping container.

The Contractor shall be responsible for return shipping and handling cost from the manufacturer's repair facility for all services provided for the life of the speed measurement equipment.

1.6.5 Reserved

1.6.6 Reserved

1.6.7 Reserved

1.6.8 Recycled Content and Recyclability

(a) **Deliverable(s)**. Without compromising performance or quality, the State prefers Deliverable(s) containing higher percentages of recycled materials. The Contractor's estimate of the percentage of recycled materials, if any, contained in each Deliverable is as follows:

N/A % (total estimated percentage of recovered material)

N/A % (estimated percentage of post-consumer material)

N/A % (estimated percentage of post-industrial waste)

(b) **Packaging**. The State prefers packaging materials that:

(i) are made from recycled content that meets or exceeds all federal and state recycled content guidelines (currently 35% post-consumer for all corrugated cardboard);
(ii) minimize or eliminate the use of polystyrene and other difficult to recycle materials;
(iii) minimize or eliminate the use of packaging and containers or, in the alternative, minimize or eliminate the use of non-recyclable packaging and containers;
(iv) provide for a return program where packaging can be returned to a specific location for recycling; and
(v) contain materials that are easily recyclable in Michigan.

1.6.9 Materials Identification and Tracking

(a) **Hazardous Chemical Identification**. The Contractor must list any hazardous chemical, as defined in 40 CFR §370.2, to be delivered. Each hazardous chemical must be properly identified, including any applicable identification number, such as a National Stock Number or Special Item Number. Material Safety Data Sheets must be submitted in accordance with the federal Emergency Planning and Community Right-to-Know Act, 42 USC 11001 *et seq.*, as amended. This list must be updated whenever any other chemical to be delivered is hazardous.

Chemical (if none, enter 'None')	Identification Number
None	

(b) **Mercury Content**. Under MCL 18.1261d, the Contractor must offer mercury-free products whenever possible. The Contractor must notify DTMB-Procurement if it will provide any products containing mercury.

(c) **Brominated Flame Retardants**. The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible. The Contractor's products do not contain BFRs.

(d) **Environmental Permits and Requirements**. The Contractor does not have any of its facilities in violation of any environmental laws. The Contractor must immediately notify DTMB-Procurement of the receipt of any EPA, State, or local agency communication indicating that any of the Contractor's facilities are in violation of applicable environmental laws.

1.7 Reserved

1.7.1 Reserved

Article 2 – Terms and Conditions

2.1 Contract Term

2.1.1 Contract Term

The Contract term begins November 27, 2013 and expires November 26, 2016. All outstanding Purchase Orders will expire upon the termination of the Contract for any of the reasons listed in Section 2.16, Termination by the State, unless otherwise agreed to in writing by DTMB-Procurement. Absent an early termination, Purchase Orders issued, but not expired, by the end of the Contract's term will remain in effect until the next September 30.

2.1.2 Options to Renew

This Contract may be renewed for up to four additional one year period(s). Renewal must be by mutual written agreement of the parties.

Options may be exercised in part, or one or multiple years at a time.

2.2 Payments and Taxes

2.2.1 Fixed Prices for Deliverable(s)

Prices are fixed for all Deliverable(s).

2.2.2 Payment Deadlines

Undisputed 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.

2.2.3 Reserved

2.2.4 Reserved

2.2.5 Final Payment and Waivers

The Contractor's acceptance of final payment by the State constitutes a waiver of all claims by the Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed. For other claims, final payment by the State will not constitute a waiver by either party of any rights as to the other party's continuing obligations, nor will it constitute a waiver of any claims under this Contract, including claims for Deliverable(s) not reasonably known to be defective or substandard.

2.2.6 Electronic Payment Requirement

As required by MCL 18.1283a, the Contractor must electronically register with the State at http://www.michigan.gov/cpexpress to receive electronic fund transfer (EFT) payments.

2.2.7 Employment Taxes

The Contractor must collect and pay all applicable federal, state, and local employment taxes.

2.2.8 Sales and Use Taxes

The Contractor must register and remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. If the Contractor lacks sufficient presence in Michigan to be required to register and pay taxes, it must do so on a voluntary basis. The requirement to register and remit sales and use taxes extends to (a) all members of a "controlled group of corporations" as defined in § 1563(a) of the Internal Revenue Code, 26 USC 1563(a), and applicable regulations; and (b) all organizations under common control that make sales at retail for delivery into the State. Any United States Department of Treasury regulation that references "two or more trades or businesses under common control" includes organizations such as sole proprietorships, partnerships (as defined in § 7701(a)(2) of the Internal Revenue Code, 26 USC 7701(a)(2)), trusts, estates, corporations, or limited liability companies.

2.3 Contract Administration

2.3.1 Issuing Office

This Contract is issued by DTMB-Procurement on behalf of Michigan State Police (State). **DTMB-Procurement is the only entity authorized to modify the terms and conditions of this Contract, including the prices and specifications.** The Contract Administrator within DTMB-Procurement for this Contract is:

Sue Cieciwa, Buyer Specialist
Procurement
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI 48909
Email: cieciwas@michigan.gov
Telephone: (517) 373-0301
Fax: (517) 335-0046

2.3.2 Contract Compliance Inspector

The Contract Compliance Inspector, named below, will monitor and coordinate Contract activities on a day-to-day basis. However, monitoring of this Contract implies **no authority to modify the terms and conditions of this Contract, including the prices and specifications.**

Sgt. Ronald Gromak
Department of Michigan State Police
7426 North Canal Road
Lansing, MI 48913
E-mail: GromakR@michigan.gov
Phone: (517) 322-5598
Fax: (517) 322-0725

2.3.3 Reserved

2.3.4 Contract Changes

(a) If the State requests or directs the Contractor to provide any Deliverable(s) that the Contractor believes are outside the scope of the Contractor's responsibilities under the Contract, the Contractor must notify the State before performing the requested activities. If the Contractor fails to notify the State, any activities performed will be considered in-scope and not entitled to additional compensation or time. If the Contractor begins 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.

(b) The State or the Contractor may propose changes to the Contract. If the Contractor or the State requests a change to the Deliverable(s) or if the State requests additional Deliverable(s), the Contractor must provide a detailed outline of all work to be done, including tasks, timeframes, listing of key personnel assigned, estimated hours for each individual per Deliverable, and a complete and detailed cost justification. If the parties agree on the proposed change, DTMB-Procurement will prepare and issue a notice that describes the change, its effects on the Deliverable(s), and any affected components of the Contract (Contract Change Notice).

(c) No proposed change may be performed until DTMB-Procurement issues a duly executed Contract Change Notice for the proposed change.

2.3.5 Reserved

2.3.6 Notices

All notices and other communications required or permitted under this Contract must be in writing and will be considered given when delivered personally, by fax (if provided) or by e-mail (if provided), or by registered mail, return receipt requested, addressed as follows (or any other address that is specified in writing by either party):

If to State:

State of Michigan
DTMB-Procurement
Attention: Sue Cieciwa
PO Box 30026
530 West Allegan
Lansing, MI 48909
Email: cieciwas@michigan.gov
Fax: (517) 335-0046

If to Contractor:
Laser Technology Inc.
Attention: Cheri Lucero
6912 S. Quentin Street
Centennial, CO 80122
Email: clucero@lasertech.com
Fax: (303) 649-9710

Delivery by a nationally recognized overnight express courier will be treated as personal delivery.

2.3.7 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless otherwise provided in this Contract, the parties will not unreasonably delay, condition or withhold their consent, decision, or approval any time it is requested or reasonably required in order for the other party to perform its responsibilities under the Contract.

2.3.8 Assignments

(a) Neither party may assign this Contract, or assign or delegate any of its duties or obligations under the Contract, to another party (whether by operation of law or otherwise), without the prior approval of the other party. The State may, however, assign this Contract to any other State agency, department, or division without the prior approval of the Contractor.

(b) If the Contractor intends to assign this Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State and provide adequate information about the assignee at least 90 days before the proposed assignment or as otherwise provided by law or court order. The State may withhold approval from proposed assignments, subcontracts, or novations if the State determines, in its sole discretion, that the transfer of responsibility would decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(c) If the State permits an assignment of the Contractor's right to receive payments, the Contractor is not relieved of its responsibility to perform any of its contractual duties. All payments must continue to be made to one entity.

2.3.9 Reserved

2.3.10 Reserved

2.4 Contract Management

2.4.1 Contractor Personnel Qualifications

All persons assigned by the Contractor to perform work must be employees of the Contractor or its majority-owned subsidiaries, or a State-approved Subcontractor, and must be fully qualified to perform the work assigned to them. The Contractor must include this requirement in any subcontract.

2.4.2 Reserved

2.4.3 Removal or Reassignment of Personnel at the State's Request

The State may require the Contractor to remove or reassign personnel if the State has legitimate, good-faith reasons articulated in a notice to the Contractor. Replacement personnel 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.

2.4.4 Reserved

2.4.5 Contractor Identification

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

2.4.6 Cooperation with Third Parties

The Contractor and its Subcontractors must cooperate with the State and its agents and other contractors, including the State's quality assurance personnel. The Contractor must provide reasonable access to its personnel, systems, and facilities related to the Contract to the extent that access will not interfere with or jeopardize the safety or operation of the systems or facilities.

2.4.7 Relationship of the Parties

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

2.4.8 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.

2.4.9 Background Checks

The State may investigate the Contractor's personnel before granting 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 eligibility for working within State facilities and systems. The investigations may include a Michigan State Police background check (ICHAT) and/or a Criminal Justice Information Services (CJIS) fingerprint check. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the CJIS fingerprint check.

2.4.10 Compliance With State Policies

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources, available at http://www.michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html. Contractor personnel must agree to the State's security and acceptable use policies before the State grants access to its IT equipment and resources. The Contractor must provide these policies to prospective personnel before requesting access from the State. Contractor personnel must comply with all physical security procedures in State facilities.

2.5 Subcontracting by Contractor

2.5.1 Contractor Responsible

The Contractor is responsible for the completion of all Deliverable(s). The State will consider the Contractor to be the sole point of contact with regard to all contractual matters, including payment of any charges for Deliverable(s). The Contractor must make all payments to its Subcontractors or suppliers. Except as otherwise agreed in writing, the State is not obligated to make payments for the Deliverable(s) to any party other than the Contractor.

2.5.2 State Approval of Subcontractor

(a) The Contractor may not delegate any duties under this Contract to a Subcontractor unless DTMB-Procurement gives prior approval to the delegation. Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the Effective Date. The State is entitled to receive copies of and review all subcontracts. The Contractor may delete or redact any proprietary information before providing it to the State.

(b) The State may require the Contractor to terminate and replace any Subcontractor the State reasonably finds unacceptable. The required replacement of a Subcontractor must be written and contain reasonable detail outlining the State's reasons. If the State exercises this right, and the Contractor cannot immediately replace the Subcontractor, the State will agree to an equitable adjustment in the schedule or other terms that may be affected by the State's required replacement. If this requirement results in a delay, the delay will not be counted against any applicable Service Level Agreement (SLA).

2.5.3 Subcontract Requirements

Except where specifically approved by the State, Contractor must include the obligations in Sections 2.24.2, Media Releases, 2.4, Contract Management, 2.11, Confidentiality, 2.12, Records and Inspections, 2.13, Warranties, 2.14, Insurance, and 2.23, Laws, in all of its agreements with Subcontractors.

2.5.4 Competitive Selection

Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Contract.

2.6 Administrative Fee and Reporting

2.6.1 Administrative Fee and Reporting

The Contractor must remit an administrative fee of 1% on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

Itemized purchasing activity reports should be mailed to DTMB-Procurement and the administrative fee payments shall be made by check payable to the State of Michigan and mailed to:

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

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each quarter.

2.7 Performance

2.7.1 Time of Performance

(a) The Contractor must immediately notify the State upon becoming aware of any circumstances that may reasonably be expected to jeopardize the completion of any Deliverable(s) by the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(b) 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 immediately notify the State and, to the extent practicable, continue to perform its obligations according to the Contract time periods. The Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.7.2 Reserved

2.7.3 Reserved

2.7.4 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations that is caused by government regulations or requirements, power failure, electrical surges or current fluctuations, war, forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, acts or omissions of common carriers, fire, riots, civil disorders, 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 any 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, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. The non-performing party must promptly notify the other party immediately after the excusable failure occurs, and when it abates or ends. Both parties must use commercially reasonable efforts to resume performance.

If any of the reasons listed substantially prevent, hinder, or delay the Contractor's performance of the Deliverable(s) for more than 10 Days, and the State reasonably determines that performance is not likely to be resumed within a period of time that is satisfactory to the State, the State may: (a) procure the affected Deliverable(s) from an alternate source without liability for payment so long as the delay in performance continues; or (b) terminate any portion of the Contract so affected and equitably adjust charges payable to the Contractor to reflect those Deliverable(s) that are terminated. The State must pay for all Deliverable(s) for which Final Acceptance has been granted before the termination date.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure or to payments for Deliverable(s) not provided as a result of the Excusable Failure. The Contractor will not be relieved of a default or delay caused by acts or omissions of its Subcontractors except to the extent that a Subcontractor experiences an Excusable Failure and the Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans, or other means, including disaster recovery plans.

2.8 Acceptance of Deliverable(s)

2.8.1 Quality Assurance

By tendering any Deliverable to the State, the Contractor certifies to the State that (a) it has performed reasonable quality assurance activities; (b) it has performed any reasonable testing; and (c) it has corrected all

material deficiencies discovered during the quality assurance activities and testing. To the extent that testing occurs at State Locations, the State is entitled to observe and otherwise participate in the testing.

2.8.2 Delivery Responsibilities

Unless otherwise specified by the State in Section 1.4.5, Delivery Term, the following are applicable to all deliveries:

(a) The Contractor is responsible for delivering the Deliverable(s) by the applicable delivery date to the location(s) specified in the SOW or individual Purchase Order.

(b) The Contractor must ship the Deliverable(s) "F.O.B. Destination, within Government Premises."

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

2.8.3 Process for Acceptance of Deliverable(s)

The State's review period for acceptance of the Deliverable(s) is governed by the applicable Statement of Work, and if the Statement of Work does not specify the State's review period, it is by default 30 Days for a Deliverable (State Review Period). The State will notify the Contractor by the end of the State Review Period that either:

(a) the Deliverable is accepted in the form delivered by the Contractor;

(b) the Deliverable is accepted, but noted deficiencies must be corrected; or

(c) the Deliverable is rejected along with notation of any deficiencies that must be corrected before acceptance of the Deliverable.

If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Days resubmit the Deliverable(s) with an explanation that demonstrates all corrections have been made to the original Deliverable(s). The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed 30 Days, to accept the corrected Deliverable.

2.8.4 Acceptance of Deliverable(s)

(a) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of the Deliverable(s). The State Review Period will begin on the first Business Day following the State's receipt of the Deliverable(s).

(b) The State may inspect the Deliverable to confirm that all components have been delivered without material deficiencies. If the State determines that the Deliverable or one of its components has material deficiencies, the State may reject the Deliverable without performing any further inspection or testing.

(c) The State will only approve a Deliverable after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, in its discretion, conditionally approve a Deliverable that contains material deficiencies if the State elects to permit the Contractor to correct those deficiencies post-approval. The Contractor remains responsible for working diligently to correct, within a reasonable time at the Contractor's expense, all deficiencies in the Deliverable that remain outstanding at the time of State approval.

(d) If, after three opportunities the Contractor is unable to correct all deficiencies, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to do so at the sole expense of the Contractor; (ii) keep the Contract in force and perform, 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 amount equal to 10% of the State's cost to cure the deficiency; or (iii) fully or partially terminate the Contract for default by giving notice to the Contractor. 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.

(e) The State, at any time and in its reasonable discretion, may reject the Deliverable without notation of all deficiencies if the acceptance process reveals deficiencies in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable.

2.8.5 Reserved

2.8.6 Reserved

2.8.7 Final Acceptance

Unless otherwise stated in the Statement of Work, "Final Acceptance" of a Deliverable occurs when that Deliverable has been accepted by the State following the applicable State Review Period.

2.9 Reserved

2.10 State Standards

2.10.1 Electronic Receipt Processing Standard

All electronic commerce applications that allow for electronic receipt of credit/debit card and electronic check (ACH) transactions must be processed via the Centralized Electronic Payment Authorization System (CEPAS).

2.11 Confidentiality

2.11.1 Confidential Information

As used in this Section, "Confidential Information" means all information of the parties, except information that is:

(a) disclosable under the Michigan Freedom Of Information Act (FOIA);
(b) now available or becomes available to the public without breach of this Contract;
(c) released in writing by the disclosing party;
(d) obtained from a third party or parties having no obligation of confidentiality with respect to such information;
(e) publicly disclosed pursuant to federal or state law; or
(f) independently developed by the receiving party without reference to Confidential Information of the furnishing party.

2.11.2 Protection and Destruction of Confidential Information

(a) Each party must use the same care to prevent unauthorized disclosure of Confidential Information as it uses to prevent disclosure of its own information of a similar nature, but in no event less than a reasonable degree of care. Neither the Contractor nor the State will: (i) make any use of the Confidential Information of the other except as contemplated by this Contract; (ii) acquire any interest or license 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.

(b) Each party will limit disclosure of the other party's Confidential Information to employees, agents, and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where: (i) use of a Subcontractor is authorized under this Contract; (ii) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility; and (iii) 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 to the State's Confidential Information may be required to execute a separate agreement to be bound by the confidentiality requirements of this Section.

(c) Upon termination of the Contract, Contractor must promptly return the State's Confidential Information or certify to the State that Contractor has destroyed all of the State's Confidential Information.

2.11.3 Exclusions

The provisions of Section 2.11, Confidentiality, will not apply where the receiving party is required by law to disclose the other party's 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.

2.11.4 No Obligation to Disclose

Nothing contained in Section 2.11, Confidentiality, will be construed as obligating a party to disclose any particular Confidential Information to the other party.

2.11.5 Security Breach Notification

If Contractor breaches this Section, it must (i) promptly cure any deficiencies in Contractor's internal security controls; 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 access, use, or disclosure. Contractor must notify the State of any unauthorized use or disclosure of Confidential Information, whether suspected or actual, within 10 days of becoming aware of the use or disclosure or a shorter time period as is reasonable under the circumstances. The State may require Contractor to purchase credit monitoring services for any individuals affected by the breach.

2.11.6 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.

2.12 Records and Inspections

2.12.1 Inspection of Work Performed

The State's authorized representatives, at reasonable times and with 10 days prior notice, have the right to enter the Contractor's premises or any other places where work is being performed in relation to this Contract. The representatives may inspect, monitor, or evaluate the work being performed, to the extent the access will not reasonably interfere with or jeopardize the safety or operation of Contractor's systems or facilities. The Contractor must provide reasonable assistance for the State's representatives during inspections.

2.12.2 Retention of Records

(a) The Contractor must retain all financial and accounting records related to this Contract for a period of seven years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records 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.

2.12.3 Examination of Records

The State, upon 10 days notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Contract. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract.

2.12.4 Audit Resolution

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

2.12.5 Errors

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

(b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

2.13 Warranties

2.13.1 Warranties and Representations

The Contractor represents and warrants:

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

(b) The Contract appendices, attachments, and exhibits identify the equipment, software, and services necessary for the Deliverable(s) to comply with the Contract's requirements.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by the Contractor for this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any Deliverable(s). None of the Deliverable(s) provided by Contractor to the State, nor their use by the State, will infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party.

(d) If the Contractor procures any equipment, software, or other Deliverable(s) for the State (including equipment, software, and other Deliverable(s) manufactured, re-marketed or otherwise sold by the Contractor or under the Contractor's name), then the 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(s).

(e) The Contract signatory has the authority to enter into this Contract on behalf of the 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, will have, or will acquire, any interest that would conflict in any manner with the Contractor's performance of its duties and responsibilities to the State or otherwise create an appearance of impropriety with respect to the award or performance of this Contract. The Contractor must notify the State about the nature of any conflict or appearance of impropriety within two days of learning about it.

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

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

(j) The Contractor arrived at its proposed prices independently, without communication or agreement with any other bidder for the purpose of restricting competition. The Contractor did not knowingly disclose its quoted prices for this Contract to any other bidder before the award of the Contract. The Contractor made no attempt to induce any other person or entity to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by the Contractor to the State in connection with the award of this Contract fairly and accurately represent the Contractor's business, properties, financial condition, and results of operations as of the respective dates covered by the financial statements, reports, or other information. There has been no material adverse change in the Contractor's business, properties, financial condition, or results of operation.

(l) All written information furnished to the State by or for the Contractor in connection with the award of this Contract is true, accurate, and complete, and contains no false statement of material fact nor omits any material fact that would make the submitted information misleading.

(m) It will immediately notify DTMB-Procurement if any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract is awarded.

2.13.2 Warranty of Merchantability

The Deliverable(s) provided by the Contractor must be merchantable.

2.13.3 Warranty of Fitness for a Particular Purpose

The Deliverable(s) provided by the Contractor must be fit for the purpose(s) identified in this Contract.

2.13.4 Warranty of Title

The Contractor must convey good title to any Deliverable(s) provided to the State. All Deliverable(s) provided by the Contractor must be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Deliverable(s) provided by the Contractor must be delivered free of any rightful claim of infringement by any third person.

2.13.5 Reserved

2.13.6 New Deliverable(s)

The Contractor must provide new Deliverable(s) where the Contractor knows or has the ability to select between new or like-new Unless specified in Article 1, Statement of Work, equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable only where the Contractor does not have knowledge or the ability to select one or the other.

2.13.7 Prohibited Products

Shipping of salvage, distressed, outdated, or discontinued goods to any State agency will be considered a material default by the Contractor. The brand and product number offered for all items will remain consistent for the term of the Contract, unless DTMB-Procurement has approved a change order under Section 2.3.4, Contract Changes.

2.13.8 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in Section 2.13, Warranties, the breach may be considered a material default.

2.14 Insurance

2.14.1 Liability Insurance

For the purpose of this Section, "State" includes its departments, divisions, agencies, offices, commissions, officers, employees, and agents.

(a) The Contractor must provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that may arise out of, or result from, or are alleged to arise out of, or result from, the Contractor's or a Subcontractor's performance, including any person directly or indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.

(b) The Contractor waives all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.

(c) All insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.

(d) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.

(e) Unless the State approves otherwise, any insurer must have an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.

(f) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits.

(g) The Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three (3) years following the termination of this Contract.

(h) The Contractor must provide, within five (5) business days, written notice to the Director of DTMB-Procurement if any policy required under this section is cancelled. The notice must include the applicable Contract or Purchase Order number.

(i) The minimum limits of coverage specified are not intended, and may not be construed, to limit any liability or indemnity of the Contractor to any indemnified party or other persons.

(j) The Contractor is responsible for the payment of all deductibles.

(k) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days' 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 require the Contractor to pay that cost upon demand.

(l) 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 Michigan Attorney General.

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

☑ **(i) Commercial General Liability**

Minimal Limits:

$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; and
$1,000,000 Each Occurrence Limit.

Deductible maximum:

$50,000 Each Occurrence

Additional Requirements:

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 the insurance policy contains a waiver of subrogation by the insurance company.

The Products/Completed Operations sublimit requirement may be satisfied by evidence of the manufacturer's Commercial General Liability Insurance. The manufacturer 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 and must provide evidence that the policy contains a waiver of subrogation by the insurance company. ,

☐ **(ii) Umbrella or Excess Liability**

Minimal Limits:

$10,000,000 General Aggregate

Additional Requirements:

Umbrella or Excess Liability limits must at least apply to the insurance required in (i), Commercial General Liability. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

☑ **(iii) Motor Vehicle**

Minimal Limits:

If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

☑ **(iv) Workers' Compensation**

Minimal Limits:

The Contractor must provide Workers' Compensation coverage according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Additional Requirements:

The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

☑ **(v) Employers Liability**

Minimal Limits:

$100,000 Each Accident;
$100,000 Each Employee by Disease
$500,000 Aggregate Disease

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

2.14.2 Subcontractor Insurance Coverage

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.14.1, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

2.14.3 Certificates of Insurance

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 of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying

insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.14.1, Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER.

2.15 Indemnification

2.15.1 General Indemnification

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

2.15.2 Reserved

2.15.3 Employee Indemnification

In any claims against the State, its departments, agencies, commissions, officers, employees, and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation will 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.

2.15.4 Patent/Copyright Infringement Indemnification

(a) The Contractor must indemnify and hold the State harmless 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) resulting from any action threatened or brought against the State to the extent that the action is based on a claim that any piece of equipment, software, commodity, or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, infringes any United States patent, copyright, trademark or trade secret of any person or entity.

(b) If, in the State's or the Contractor's opinion, any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, is likely to become the subject of an infringement claim, the Contractor must, at its expense: (i) procure for the State the right to continue using the equipment, software, commodity or service or, if this 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 this 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.

(c) 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 infringement claim based upon: (i) equipment, software, commodity or service developed based on written specifications of the State; (ii) use of the equipment, software, or commodity in a configuration other than implemented or approved by the Contractor, including any modification of the same by the State; or (iii) the combination, operation, or use of the equipment, software, or commodity with equipment, software, or commodities not supplied by the Contractor under this Contract.

2.15.5 Continuing Obligation

The Contractor's duty to indemnify under Section 2.15, Indemnification, 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.

2.15.6 Indemnification Procedures

These procedures apply to all indemnity obligations:

(a) After the State receives notice of an action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify the Contractor of the claim and take, or assist the Contractor in taking, any reasonable action to avoid a default judgment against the Contractor. Failure to notify the Contractor does not relieve the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the notification failure. Within 10 days following receipt of notice from the State relating to any claim, the Contractor must notify the State whether the Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying the Contractor of a claim and before the State receives the 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, including attorney fees, incurred by the State in defending against the claim during that period.

(b) If the 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 handling 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 the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain prior 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. The State may retain control of the defense and settlement of a claim by notifying the Contractor within 10 days after the State's receipt of the 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 the Contractor does not deliver a Notice of Election relating to any claim of which it is notified, the State may defend the claim in a manner it deems appropriate, at the cost and expense of the Contractor. If it is determined that the claim was one against which the Contractor was required to indemnify the State, upon request of the State, the Contractor must promptly reimburse the State for all reasonable costs and expenses.

2.15.7 Limitation of Liability

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

2.16 Termination by the State

2.16.1 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, the State will provide the Contractor notice of the breach and a period of at least 30 days to cure the breach. The State does not need to provide notice or an opportunity to cure for successive or repeated breaches or if the State determines, in its sole discretion, that a 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.

2.16.2 Termination for Cause

(a) The State may fully or partially terminate this Contract for cause by notifying the Contractor if the Contractor: (i) breaches any of its material duties or obligations (including a Chronic Failure to meet any SLA); or (ii) fails to cure a breach within the time period specified in a notice of breach provided by the State.

(b) The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees and court costs, and any additional costs the State incurs to procure the Deliverable(s) from other sources. Re-procurement costs are not consequential, indirect, or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Deliverable(s).

(c) If the State partially terminates this Contract for cause, any charges payable to the Contractor will be equitably adjusted to reflect those Deliverable(s) that are terminated. The State must pay for all Deliverable(s) for which Final Acceptance has been granted before the termination date. Any services or related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause and it is determined, for any reason, that the Contractor was not in breach of the Contract, the termination will be deemed to have been a termination under Section 2.16.3, Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in that Section.

2.16.3 Termination for Convenience

The State may fully or partially terminate this Contract for its convenience if the State determines that a termination is in the State's best interest. Reasons for the termination are within the sole discretion of the State and may include: (a) the State no longer needs the Deliverable(s) specified in this Contract; (b) a relocation of office, program changes, or changes in laws, rules, or regulations make the Deliverable(s) no longer practical or feasible for the State; (c) unacceptable prices for Contract changes; or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any ITB issued by the State. The State may terminate this Contract for its convenience by giving Contractor notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, any charges payable to the Contractor must be equitably adjusted to reflect those Deliverable(s) that are terminated.

2.16.4 Termination for Non-Appropriation

(a) If this Contract extends for more than one fiscal year, continuation of this Contract is subject to the appropriation or availability of funds. If sufficient funds to enable the State to continue payment are not appropriated or otherwise made available, the State must fully or partially terminate this Contract at the end of the last period for which funds have been appropriated or otherwise made available The State must give the Contractor notice at least 30 days before the date of termination, unless the State receives notice of the non-appropriation or unavailability less than 30 days before the end of the last period for which funds have been appropriated or otherwise made available.

(b) If funding for this Contract is reduced by law, or funds to pay the Contractor for the Deliverable(s) are not appropriated or are otherwise unavailable, the State may, upon 30 days notice to the Contractor, change the Deliverable(s) in the manner and for the periods of time the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any Deliverable(s) not provided because of the reduction.

(c) If the State fully or partially terminates this Contract for non-appropriation, the State must pay the Contractor for all work-in-progress performed through the effective date of the termination to the extent funds are available.

2.16.5 Termination for Criminal Conviction

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

2.16.6 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for all work-in-progress performed through the effective date of the termination. The Contract may be fully or partially terminated and will be effective as of the date stated in the notice.

2.16.7 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, the Contractor must:

(i) stop all work as specified in the notice of termination;

(ii) take any action that may be necessary, or that the State may direct, to preserve and protect Deliverable(s) or other State property in the Contractor's possession;

(iii) return all materials and property provided directly or indirectly to the Contractor by any entity, agent, or employee of the State;

(iv) transfer title in and deliver to the State, unless otherwise directed, all Deliverable(s) intended to be transferred to the State at the termination of the Contract (which will be provided to the State on an "As-Is" basis except to the extent the State compensated the Contractor for warranty services related to the materials);

(v) to the maximum practical extent, take any action to mitigate and limit potential damages, including terminating or limiting subcontracts and outstanding orders for materials and supplies; and

(vi) take all appropriate action to secure and maintain State information confidentially in accordance with Section 2.11, Confidentiality.

(b) If the State terminates this Contract under Section 2.16.3, Termination for Convenience, the State must pay the Contractor all charges due for Deliverable(s) provided before the date of termination and, if applicable, as a separate item of payment, for work-in-progress, based on a percentage of completion determined by the State. All completed or partially completed Deliverable(s) prepared by the Contractor, at the option of the State, become the State's property, and the Contractor is entitled to receive equitable compensation for those Deliverable(s). Regardless of the basis for the termination, the State is not obligated to pay or otherwise compensate the Contractor for any lost expected future profits, costs, or expenses incurred with respect to Deliverable(s) not actually completed.

(c) If the State terminates this Contract for any reason, the State may assume, at its option, any subcontracts and agreements for Deliverable(s), and may pursue completion of the Deliverable(s) by replacement contract or as the State deems expedient.

2.16.8 Reservation of Rights

In the event of any full or partial termination of this Contract, each party reserves all rights or remedies otherwise available to the party.

2.16.9 Contractor Transition Responsibilities

If this Contract terminates under Section 2.16, Termination by the State, the Contractor must make reasonable efforts to transition the performance of the work, including all applicable equipment, services, software, and leases, to the State or a third party designated by the State within a reasonable period of time that does not exceed 30 days from the date of termination. The Contractor must provide any required reports and documentation.

2.16.10 Transition Payments

If the transition responsibilities outlined in Section 2.16.9, Contractor Transition Responsibilities, arise based on a termination of this Contract, reimbursement will be governed by the provisions of Section 2.16, Termination by the State. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e., costs incurred after the expiration within the time period in Section 2.16.9 that result from transition operations) at the Contract rates. The Contractor must prepare an accurate accounting from which the State and the Contractor may reconcile all outstanding accounts.

2.17 Termination by the Contractor

2.17.1 Termination

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 notice of the breach and a time period (not less than 30 days) to cure the breach.

The Contractor may terminate this Contract if the State: (a) materially breaches its obligation to pay the Contractor undisputed amounts due; (b) breaches its other obligations to an extent that makes it impossible or commercially impractical for the Contractor to complete the Deliverable(s); or (c) does not cure the breach within the time period specified in a notice of breach. The Contractor must discharge its obligations under Section 2.20, Dispute Resolution, before it terminates the Contract.

2.18 Reserved

2.18.1 Reserved

2.18.2 Reserved

2.18.3 Reserved

2.19 Reserved

2.20 Dispute Resolution

2.20.1 General

(a) The Contractor must submit any claim related to this Contract to the State under Section 2.3.6, Notices, together with all supporting documentation for the claim.

(b) The representatives of the Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information related to the claim.

(c) During the course of negotiations, each party will honor all reasonable requests made by the other for non-privileged information reasonably related to the claim.

2.20.2 Informal Dispute Resolution

(a) If, after a reasonable time following submission of a claim under Section 2.20.1, General, the parties are unable to resolve the claim, the parties must meet with the Director of DTMB-Procurement, or his or her designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings.

(b) Within 60 calendar days of the meeting with the Director of DTMB-Procurement, or such other time as agreed to by the parties, the Director of DTMB-Procurement will issue a written recommendation regarding settlement of the claim. The Contractor must notify DTMB-Procurement within 21 days after the recommendation is issued whether the Contractor accepts or rejects the recommendation. Acceptance by the Contractor constitutes the final resolution of the claim addressed in the recommendation, and the Contractor may not assert that claim in any future litigation or other proceeding between the parties.

(c) The recommendation of the Director of DTMB-Procurement is not admissible in any future litigation or other proceeding between the parties. The conduct and statements made during the course of negotiations or dispute resolution under Section 2.20, Dispute Resolution, are subject to Michigan Rule of Evidence 408 and are not admissible in any future litigation or other proceeding between the parties.

(d) This section will not be construed to prohibit either party from instituting formal proceedings to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.20.3, Injunctive Relief.

(e) DTMB-Procurement will not mediate disputes between the Contractor and any other entity, except State agencies, concerning responsibility for performance of work.

2.20.3 Injunctive Relief

A claim between the State and the Contractor is not subject to the provisions of Section 2.20.2, Informal Dispute Resolution, where a party makes a good faith determination that a breach of the Contract by the other party will result in damages so immediate, so large or severe, and so incapable of adequate redress that a temporary restraining order or other injunctive relief is the only adequate remedy.

2.20.4 Continued Performance

Each party will continue performing its obligations under the Contract while a claim is being resolved, except to the extent the claim precludes performance and without limiting either party's right to terminate the Contract as provided in Section 2.16, Termination by the State or Section 2.17, Termination by the Contractor. A claim involving payment does not preclude performance.

2.21 Disclosure Responsibilities

2.21.1 Disclosure of Litigation

(a) Within 30 days after receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "Proceeding") that arises during the term of this Contract, the Contractor must disclose the following to the Contract Administrator:

(i) A criminal Proceeding involving the Contractor (or any Subcontractor) or any of its officers or directors;

(ii) A parole or probation Proceeding;

(iii) A Proceeding involving the Contractor (or any Subcontractor) or any of its officers or directors under the Sarbanes-Oxley Act; and

(iv) A civil Proceeding to which the Contractor (or, if the Contractor is aware, any Subcontractor) is a party, and which involves (A) a claim that might reasonably be expected to adversely affect the viability or financial stability of the Contractor or any Subcontractor; or (B) a claim or written allegation of fraud against the Contractor (or, if the Contractor is aware, any Subcontractor) by a governmental or public entity arising out of the Contractor's business dealings with governmental or public entities.

(b) Information provided to the State from the Contractor's publicly filed documents will satisfy the requirements of this Section.

(c) If any Proceeding that is disclosed to the State or of which the State otherwise becomes aware, during the term of this Contract, would cause a reasonable party to be concerned about: (i) the ability of the Contractor (or a Subcontractor) to continue to perform this Contract; or (ii) whether the Contractor (or a Subcontractor) is engaged in conduct that is similar in nature to the conduct alleged in the Proceeding and would constitute a breach of this Contract or a violation of federal or state law, regulations, or public policy, then the Contractor must provide the State all requested reasonable assurances that the Contractor and its Subcontractors will be able to continue to perform this Contract.

2.21.2 Other Disclosures

The Contractor must notify DTMB-Procurement within 30 days of:

(a) becoming aware that a change in the Contractor's ownership or officers has occurred or is certain to occur; or

(b) any changes to company affiliations.

2.21.3 Call Center Disclosure

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

2.22 Extended Purchasing Program

2.22.1 Extended Purchasing Program

The Agreement will be extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon mutual written agreement between the State of Michigan and the Contractor, this Agreement may be extended to (a) State of Michigan employees, or (b) other states (including governmental subdivisions and authorized entities).

If extended, the Contractor must supply all goods and services at the established Agreement prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

The Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis."

2.23 Laws

2.23.1 Governing Law

This Contract is 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 another jurisdiction to the extent not inconsistent with or preempted by federal law.

2.23.2 Compliance with Laws

The Contractor must comply with all applicable federal, state, and local laws and ordinances in providing the Deliverable(s).

2.23.3 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, the Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections to this venue that it may have, such as lack of personal jurisdiction or *forum non conveniens*. The Contractor must appoint agents in the State of Michigan to receive service of process.

2.23.4 Nondiscrimination

In the performance of the Contract, the 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. The Contractor further agrees that every subcontract entered into for the performance of this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliott-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.

2.23.5 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 MCL 423.322. 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 MCL 423.324, the State may void any Contract if, after award of the Contract, the name of the Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of the Contractor appears in the register.

2.23.6 Environmental Provision

For the purposes of this section, "Hazardous Materials" include 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:

(a) The Contractor must use, handle, store, dispose of, process, transport, and transfer any Hazardous Material according to all federal, State, and local laws. The State must immediately advise the Contractor of the presence of any known Hazardous Material at the work site. If the Contractor encounters material reasonably believed to be Hazardous Material that may present a substantial danger, the Contractor must: (i) immediately stop all affected work; (ii) notify the State in accordance with Section 2.3.6, Notices; (iii) notify any entities required by law; and (iv) take appropriate health and safety precautions.

(b) The State may issue a Stop Work Order if the material is a Hazardous Material that may present a substantial danger and the Hazardous Material was not brought to the site by the Contractor, or does not wholly or partially result 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 may remove the Hazardous Material, render it harmless, or terminate the affected work for the State's convenience.

(c) If the Hazardous Material was brought to the site by the Contractor, or wholly or partially results 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.

2.23.7 Freedom of Information

This Contract and all information submitted to the State by the Contractor is subject to the Michigan Freedom of Information Act (FOIA), 1976 PA 442, MCL 15.231, *et seq*.

2.23.8 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor shall 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 shall 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.

2.23.9 Reserved

2.23.10 Abusive Labor Practices

The Contractor may not furnish any Deliverable(s) that were produced fully or partially by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

“Forced or indentured child labor” means all work or service (1) 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 (2) performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

2.24 General Provisions

2.24.1 Bankruptcy and Insolvency

The State may, without prejudice to any other right or remedy, fully or partially terminate this Contract and, at its option, take possession of the work-in-progress and finish the work-in-progress by whatever method the State deems appropriate if:

(a) the Contractor files for bankruptcy protection;
(b) an involuntary petition is filed against the Contractor and not dismissed within 30 days;
(c) the Contractor becomes insolvent or 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 provide the Deliverable(s) under this Contract.

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

2.24.2 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the ITB and this Contract or the project to which it relates will not be made without prior approval by the State, and only in accordance with the instructions from the State.

2.24.3 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.

2.24.4 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 Contract.

2.24.5 Website Incorporation

The State is not bound by any content on the Contractor's website unless incorporated directly into this Contract.

2.24.6 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future ITB; it may be precluded from bidding on the subsequent ITB. 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 ITB development, or as a Vendor offering free assistance) to gain a competitive advantage on the ITB.

2.24.7 Antitrust Assignment

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

2.24.8 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as mandated by federal disaster response requirements, Contractor personnel dedicated to providing Deliverable(s) under this Contract will provide the State with priority.

2.24.9 Legal Effect

The State is not liable for costs incurred by the Contractor or for payment(s) under this Contract until the Contractor is authorized to perform under Section 1.2.4, Ordering.

2.24.10 Entire Agreement

This Contract constitutes the entire agreement between the parties and supersedes all prior agreements, whether written or oral, with respect to the subject matter. All attachments referenced in this Contract are incorporated in their entirety and form part of this Contract.

2.24.11 Order of Precedence

Any inconsistency in the terms associated with this Contract will be resolved by giving precedence to the terms in the following descending order:

(a) Mandatory sections (2.1.1, Contract Term, 2.24.9, Legal Effect, 2.2.2, Payment Deadlines, 2.14, Insurance, 2.15, Indemnification, 2.16, Termination, 2.23, Governing Law, 2.15.7, Limitation of Liability);
(b) The most recent Statement of Work related to this Contract;
(c) All sections from Article 2 - Terms and Conditions, not listed in subsection (a);
(d) Any attachment or exhibit to the Contract documents;
(e) Any Purchase Order, Direct Voucher, or Procurement Card Order issued under the Contract; and
(f) Bidder Responses contained in any of the ITB documents.

2.24.12 Headings

The captions and section headings used in this Contract are for convenience only and may not be used to interpret the scope and intent of this Contract.

2.24.13 Form, Function and Utility

If this Contract is for statewide use, but the Deliverable(s) does not the meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the Deliverable(s) from another source.

2.24.14 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract. If any provision of this Contract is held unenforceable, then the Contract will be modified to reflect the parties' original intent. All remaining provisions of the Contract remain in full force and effect.

2.24.15 Approval

Unless otherwise provided in this Contract, approval(s) must be in writing and must not be unreasonably withheld or delayed.

2.24.16 No Waiver of Default

Failure by a party to insist upon strict adherence to any term of the Contract does not waive that party's right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.24.17 Survival

The provisions of this Contract that impose continuing obligations, including warranties, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

Attachment A, Price Proposal

SPEED MEASUREMENT DEVICES, HAND HELD LIDAR

Item No.	Unit	Description	Unit Price
7.01	**EA**	**Lidar (Laser) Speed Measurement Devices, Single-Piece, Hand Held, Stationary Mode Only, with Heads Up Display of Speed Through the Optic View Finder; Serial Communication Port** Per attached specifications, to include: Coiled Power Cable approximately 12 Feet Long (Uncoiled); and Protective Weather Covering (if necessary) for outside use, and Certification Testing per attached Terms and Conditions. Make: LTI 20/20 Ultralyte LRB Model: #7004790	**$2,845.00 (includes coiled power cable)** **$2,595.00 (without coiled power cable)**
7.02	**EA**	**Alternate Power Source: to include Battery, Charger, Carrying Case, Shoulder Strap. Unit to be self contained with exception charger.** **Battery Kit #7033782**	**$74.00**
7.03	**EA**	**Data Collection System capable of downloading into Mapping Program.**	**$1,795.00**

Note: QuickMap 3D AE/TruAngle Mapping Kit (7035070) does not include Crash Zone ($895.00).

Any agency wanting to purchase a mapping package should purchase training unless the agency has already been trained on the equipment.

Training Fee for mapping equipment $1,200.00 for two days up to 8 people in a class.

ALTERNATE PRODUCTS

Product	***Product Description***	***Unit Price***
# 7006600	**LTI 20/20 TruSpeed S**	**$1,295.00**
#7005600	**LTI 20/20 TruSpeed** **Included in price: #3124664 Carrying Case $0.00, #7024780 Shoulder Stock $0.00**	**$1,695.00**
# 7004627	**LTI 20/20 Ultralyte 100LR**	**$2,995.00**
# 7004620	**LTI 20/20 Ultralyte 200LR**	**$3,495.00**
# 7004595	**LTI 20/20 Ultralyte 100LRw/DBC**	**$3,490.00**
# 7005700	**LTI 20/20 TruCam** **TruCam Options:** **#3204702 Optional DBC/V (Distance Between Cars/Vehicles)** **#3204703 Optional Dual Speed (Truck) Mode Feature**	**$4,995.00** **$495.00** **$495.00**

Attachment A, Price Proposal

SPEED MEASUREMENT DEVICE OPTIONS

Item No.	Unit	Description	Unit Price
8.	EA	Second Antenna, For Dual Antenna Operation, with appropriate cables and connectors, for Multi-Piece and/or Two-Piece Radar Devices where standard equipment is a single antenna.	No Bid
9.	EA	Same Direction Capability, For Multi-Piece and/or Two-Piece Radar Devices	No Bid
10.	EA	Upgrade to provide interface capabilities to Kustom Eye Witness In Car Video System, for Multi-Piece and/or Two-Piece Radar Devices	No Bid
11.	EA	Tripod for Lidar (Laser) Devices	$295.00
12.	EA	Monopod for Lidar (Laser) Devices	Not Available
13.	EA	Luggage Type Case for Multi-Piece or Two Piece Radar Devices	No Bid
14.	EA	Luggage Type Case for Single Piece Radar Devices	No Bid
15.	EA	Luggage Type Case for Single Piece Lidar (Laser) Devices	Included
16.	EA	Alternate Power Source: Battery and Charger w/case for use with Multi Piece or Two Piece Radar Devices	No Bid
17.	EA	Alternate Power Source: Battery and Charger w/case for use with Single Piece Radar Devices	No Bid
18.	EA	Alternate Power Source: Battery and Charger w/case for use with Single Piece Lidar (Laser) Devices	$74.00
19.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for, Multi-Piece or Two Piece Radar Devices 3rd Year	No Bid
20.	YR	4th Year	No Bid
21.	YR	5th Year	No Bid
22.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for, Single Piece Radar Devices 3rd Year	No Bid
23.	YR	4th Year	No Bid
24.	YR	5th Year	No Bid
25.	YR	Extended Warranty and/or Maintenance, all parts and labor shall be furnished by the manufacturer for Single Piece Lidar (Laser) Devices 3rd Year	$350.00
26.	YR	4th Year	Not Available
27.	YR	5th Year	Not Available

Attachment B, Specifications

PERFORMANCE SPECIFICATIONS FOR SPEED-MEASUREMENT EQUIPMENT
Michigan State Police

This standard applies to speed-measurement equipment procured by law enforcement agencies for use in speed-enforcement programs in Michigan.

Radar Equipment

1. The radar model must meet the minimum standards established by the National Highway Traffic Safety Administration (NHTSA). In order to promote these model specifications, the International Association of Chiefs of Police (IACP) maintains a CONSUMER PRODUCTS LIST that identifies all radar models that have been fully tested and found to be in compliance with the appropriate specifications. Sole proof that a particular radar model meets those specifications will be that the device model is on IACP's CONSUMER PRODUCTS LIST.
2. The device shall be capable of measuring target vehicle speeds over the minimum speed range of 15 m.p.h. to 129 m.p.h.
3. Hand-held radar devices shall only transmit electromagnetic energy when a finger-operated trigger is pulled. When this trigger is released, the hand-held device shall cease to transmit electromagnetic energy; i.e., return to the RF-standby mode. No mechanism shall exist to lock the trigger in the transmit mode.
4. Fixed-mounted radar devices shall possess a suitable hardware for safely mounting the antenna and display module. Instructions for using this hardware shall be contained in the operator's manual for the radar device. This hardware and recommended mounting procedures shall take into account driver-side and passenger-side airbags, as well as other reasonable health and safety issues associated with the normal use of the radar device.
5. The target-signal processor channel and target-speed display shall function as specified in the test procedure in section 1221.79(g) of the NHTSA Model Performance Specifications at a speed of 15 m.p.h. (24 km/h) or the lowest speed specified by the manufacturer, whichever is lower, when operating in the stationary or moving mode. The target-signal processor channel and target-speed display shall function as specified in the test procedure in section 1221.79(g) of the NHTSA Performance Specifications at a speed of 129 m.p.h. (206km/h) or the highest speed specified by the manufacturer, whichever is higher, when operating in the stationary or moving mode.
6. The patrol signal-processor channel and patrol-speed display shall function as specified in the test procedure in section 1221.79(g)(3) of the NHTSA Model Performance Specifications at speeds down to 15 m.p.h. (24 km/h) or the lowest speed specified by the manufacturer, whichever is lower, when operating in the moving mode. The patrol signal-processor channel and patrol-speed display shall function as specified in the test procedure in section 1221.79(g)(3) of the NHTSA Model Performance Specifications at a patrol speed of 79 m.p.h. (126 km/h) or the highest speed specified by the manufacturer, whichever is higher, with target speeds to at least 129 m.p.h.
7. The minimum range for acquiring an approaching target, which is similar in size, shape and composition to a mid-sized, late-model automobile, shall be as follows:
    a. Stationary-mode operation:
        i. 300 ft. for the target vehicle traveling at 20 m.p.h.
        ii. 1500 ft. for the target vehicle traveling at 60 m.p.h.
    b. Moving-mode (opposite-direction) operation:
        i. 600 feet for the target vehicle traveling at 30 m.p.h., with the patrol vehicle traveling at 25 m.p.h.
        ii. 2000 feet for the target vehicle traveling at 60 m.p.h., with the patrol vehicle traveling at 50 m.p.h.

These tests shall use a single target vehicle on clear, dry, level roadway with no interference present. The antenna shall be mounted in all positions recommended by the manufacturer (see Item 3). For inside mounting positions—if any are recommended by the manufacturer— the patrol vehicle's windshield shall be clean both inside and out.

8. Moving-mode radar devices that possess the hold-switch (RF-standby) feature must also pass the following field test:
   The radar unit shall be mounted in all positions recommended by the manufacturer (see Item 3). The patrol vehicle shall be traveling at 35 m.p.h., plus or minus 1 m.p.h., with the RF-standby switch in the standby mode. A single target vehicle shall approach the patrol vehicle at 50 m.p.h., plus or minus 1 m.p.h. When the distance between the patrol vehicle and target vehicle is approximately 500 feet, the RF-standby switch should be switched to the transmit mode. The radar device must obtain and display the correct patrol speeds and target speeds within one and one-half (1.5) seconds after the RF-standby switch is placed in the transmit mode. Specific test conditions shall be the same as those indicated in Item 5 above.
9. The device shall possess the following features:
   a. A display-segment test.
   b. A Doppler-audio output that makes it useful to an operator in acquiring a target-tracking history for the full range of target and patrol speeds.
   c. A mechanism that warns the operator that RF interference is present and also automatically blanks the display before spurious readings due to this interference are observed.
   d. A mechanism that warns the operator that a low-voltage condition exists and also automatically blanks the display before spurious readings are observed due to this low-voltage condition and before there are any significant changes in the signal processing, Doppler-audio or display characteristics due to this low-voltage condition.
   e. A three-foot power cable (or optionally up to five-feet long) which is hardwired to the radar device and fitted at the other end with a male cigar type plug, "Safco No. 20" or an approved alternate with power-line fuse mounted into the plug for easy access and replacement.
   f. An on-off power switch and appropriate over-voltage protection.
   g. A range control which has a variable control capable of providing an approximate linear response (zero to maximum) over the full range of settings.
   h. A manual or automatic control for display window brightness for optimum visibility in both day and night operation.
10. The device shall not possess a manual speed-lock mechanism, unless (1) a second target-speed display window is present that permits the target's speed to be tracked through the lock condition and (2) provided the Doppler-audio output continues to track after the speed is locked. Tracking may cease once the device enters the RF-standby mode; i.e., the device no longer transmits electromagnetic energy.
11. Each radar device shall be accompanied by the following items:
   a. An operator's manual.
   b. Appropriate mounting brackets for safely securing the antenna and display module. Safety considerations must include the possible presence of driver-side and passenger-side airbags, as well as other reasonable health and safety issues associated with the normal use of the radar device.
   c. A list of factory authorized repair facilities in Michigan and adjacent states. Also, a statement of policy concerning support of facilities that are not factory authorized that may be utilized to repair the radar devices.

12. Radar devices may contain the following standard or optional features:
   a. An auxiliary speed display and lock with three (3) foot, four (4) foot, or five (5) foot connecting cable. (See Item 9 for special requirements if a speed-lock mechanism is present.)
   b. An RF-standby switch, activated by an on-off toggle switch on a three (3) foot, four (4) foot, or five (5) foot connecting cable.
   c. A service manual(s), to include complete schematics, printed circuit layout prints, parts list, and explanation of the technical theory of operation.
   d. A luggage type carrying case.
   e. An alternative power source (battery) complete with shoulder carrying strap and charger.
   f. An alternative power cable(s) of four (4) foot or five (5) foot length.

   g. An extended warrant and/or maintenance contract for up to five (5) years.
   h. A spare and/or replacement outside-mounted antenna(s). (Note: The highest probability for equipment failure for two-piece radar devices is the antenna. Weather-proofed, outside-mounted antennas are very difficult to repair without damaging the weather proofing. As such, agencies might want to develop arrangements with the radar manufacturer to swap defective antennas with replacement antennas that are in proper working order and weather proofed. These replacement antennas may be new or re-conditioned. Antenna serial numbers may change during this exchange process, and this is permissible since only the serial numbers of display modules are placed on Task Force certificates.)
   i. The "fastest-vehicle feature."
13. Radar devices shall be appropriate to the specific needs of the individual law enforcement agencies, the patrol vehicle(s) used, and the nature of the roadways on which the devices are operated.
14. The device shall be of rugged construction. Outside mounted antennas shall be weatherproof so as to prevent moisture and other forms of contamination from adversely affecting the device's performance or frequency of repair. And labels, connectors, switches, and dials shall be durable for the reasonable life of the device. Moreover, the device shall be capable of being maintained at a reasonable cost.

Lidar Equipment

1. The lidar model must meet the minimum standards established by the National Highway Traffic Safety Administration (NHTSA). In order to promote these model specifications, the International Association of Chiefs of Police (IACP) maintains a CONSUMER PRODUCTS LIST that identifies all lidar models that have been fully tested and found to be in compliance with the appropriate specifications. Sole proof that a particular lidar model meets those specifications will be that the device model is on IACP's CONSUMER PRODUCTS LIST.
2. The model shall be certified as Class 1 eye safe by the U.S. Department of Health and Human Services' Center for Devices and Radiological Health [Compliance Guide for Laser Products, U.S. Department of Health and Human Services, HHS Publication FDA 86-8260, September 1985 (or the latest revision of this document)]. (NOTE: Class 1 devices are considered eye-safe; i.e., these devices "have emissions in the ultraviolet, visible, and infrared spectra, and are limits below which biological hazards have not been established.")
3. The model shall comply with the limits for a Class A digital device as defined in Part 15C Radio Frequency Devices of the FCC Rules [Code of Federal Regulations: Telecommunication 47, Parts 0 to 19, U.S. Government Printing Office].
4. Hand-held devices shall only transmit laser energy when a finger-operated trigger is activated. When this trigger is released, the device shall cease to transmit energy. No mechanism shall exist to lock the trigger of a hand-held device in the transmit mode.
5. The highest minimum and lowest maximum range shall be 50 and 1,000 feet, respectively. (Note: This range requirement shall apply for a late-model, dark-colored, mid-sized automobile that is approaching the lidar.)
6. A means shall exist for the operator to verify that a device is in proper working order. Minimally, this verification procedure shall include the following:
   a. Verify that the transmitted laser beam and the target-sighting optics are in proper alignment.
   b. Verify that the device meets minimum target-range performance requirements.
   c. Verify that the transmission, detection, timing, signal-processing, computation, and display circuitry are in proper working order with appropriate error indicators if a particular test fails.
7. The device shall not display any spurious (a.k.a., erroneous) readings due to either natural or man-made optical, electrical, or mechanical interference effects except for the panning effect, which constitutes improper operation of the device.
8. Standard items to be included with each device shall include: an operator's manual, all appropriate mounting brackets or supporting brackets, and a protective luggage-type carrying case to store and transfer the device.

Attachment B, Specifications

STANDARD FOR THE PROCUREMENT OF SPEED-MEASUREMENT EQUIPMENT
Michigan State Police

The goals of this standard are: First, to ensure that all speed-measurement devices procured by law enforcement agencies and subsequently used for speed-enforcement purposes can be operated in a trustworthy manner by a properly trained operator; second, to simplify its operation as much as possible; and third, to make it as useful as possible for speed enforcement purposes when used under a wide variety of operating conditions.

While it is difficult to write a comprehensive set of performance specifications to describe a single ideal device, the Michigan State Police recommends that, as a minimum consideration, law enforcement agencies shall require that procured devices comply with the International Association of Chiefs of Police (IACP) Consumer Products List (CPL) test standards.

The Michigan State Police standards are intended to achieve the following objectives:

1. The device is determined to be accurate before it is initially placed in service.
2. A properly trained operator will have the opportunity to verify that the device is in proper working order at the beginning and end of each shift in which the device is used for speed-enforcement purposes.
3. A properly trained operator will have the best possible opportunity to use the device, coupled with the operator's own observations, to obtain an adequate target-tracking history before a motor vehicle operator is cited for a speeding violation.
4. The device exhibits the minimum possibility of displaying spurious target-speed display readings due to natural and man-made interference effects.
5. The device possesses an adequate target range.
6. The device is useful for its intended application; e.g., operating temperature range, display, blanking physical size, and mounting characteristics.
7. The device is ruggedly constructed and, consequently, able to withstand thermal, electrical and mechanical stresses that would be expected as the operator performs his/her regular duties.

Each law enforcement agency should determine which type and model best fists its particular set of needs. Consideration should be given to device performance; device size and mounting considerations; optional features and functions; compatibility with existing speed-measurement equipment used by the agency; operator training requirements; availability of repair facilities; repair and maintenance costs; and, finally the initial purchase price of each new device.

With respect to the procurement of speed-measurement devices, the Michigan State Police makes the following recommendations:

1. Only speed measurement devices that appear on the IACP CPL should be purchased for use in Michigan.
2. All devices shall be electronically pre-tested by the manufacturer for compliance with the IACP standard before they are put into use in Michigan. Any additional testing, beyond the manufacturer's testing, can be achieved through the IACP.
3. Speed-measurement device evidence be admissible in court only if the device used is certified, as determined by the IACP.
4. It is not necessary to have these devices periodically recertified because a properly trained operator will be able to determine when a specific device is malfunctioning.

The Consumer Products List can be found on the International Association of Chiefs of Police web site at http://www.theiacp.org/portals/0/pdfs/Combined-CPL.pdf.