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 1
to
Contract Number **071B6600035**

CONTRACTOR	
	LIFELOC TECHNOLOGIES INC.
	12441 W. 49th
	Wheat Ridge, CO 80033
	Amy Evans
	800-722-4872
	amy@lifeloc.com
	*******3680

STATE			
	Program Manager	See Attached List.	
	Contract Administrator	Sue Cieciwa	DTMB
		517-284-7007	
		cieciwas@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: Preliminary Breath Testers - Michigan State Police, Department of Corrections and Department of Natural Resources			
INITIAL EFFECTIVE DATE	**INITIAL EXPIRATION DATE**	**INITIAL AVAILABLE OPTIONS**	**EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW**
February 1, 2016	January 31, 2019	7 - 1 Year	January 31, 2019
PAYMENT TERMS		**DELIVERY TIMEFRAME**	
Net 45 Days		15 Calendar Days ARO	
ALTERNATE PAYMENT OPTIONS			**EXTENDED PURCHASING**
☐ P-card	☒ Direct Voucher (DV)	☐ Other	☒ Yes ☐ No
MINIMUM DELIVERY REQUIREMENTS			
No Minimum Order Requirement			

DESCRIPTION OF CHANGE NOTICE				
OPTION	**LENGTH OF OPTION**	**EXTENSION**	**LENGTH OF EXTENSION**	**REVISED EXP. DATE**
☐		☐		January 31, 2019

CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE
$ 628,800.00	$ 0.00	$ 628,800.00

DESCRIPTION: Effective September 8, 2016, the use of Direct Vouchers is approved as an alternate payment option under this Contract. Therefore, Section 5.1 Authorizing Document is hereby changed to:

5.1. Authorizing Document
The appropriate authorizing document for the Contract will be a written Purchase Order or a Direct Voucher Order. All orders are subject to the Standard Contract Terms.

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

Program Managers
for
Multi-Agency & Statewide Contracts

	AGENCY	NAME	PHONE	EMAIL
1	MSP	Sgt. Perry Curtis	517-636-0217	curtisp1@michigan.gov
2	DOC	Deb Conine	517-241-7635	conined@michigan.gov
3	DNR	1st Lt. Steve Burton	517-284-5978	burtons1@michigan.gov

Form No. DTMB-3522 (Rev. 10/2015)
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 & BUDGET

PROCUREMENT

525 W. ALLEGAN STREET
LANSING, MI 48933

P.O. BOX 30026
LANSING, MI 48909

CONTRACT NO. **071B6600035**

Supersedes Contract No. 071B0200005

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Lifeloc Technologies Inc.	Amy Evans	amy@lifeloc.com
12441 W 49th, Suite 4	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
Wheat Ridge, CO 80033	800-722-4872	3680

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGERS	MSP	Sgt. Perry Curtis	517-636-0217	curtisp1@michigan.gov
	DOC	Deb Conine	517-241-7635	conined@michigan.gov
	DNR	1st Lt. Steven Burton	517-284-5978	burtons1@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Sue Cieciwa	517-284-7007	cieciwas@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Preliminary Breath Testers – Michigan State Police, Department of Corrections and Department of Natural Resources

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	February 1, 2016	January 31, 2019	Seven, One-Year Options
PAYMENT TERMS	F.O.B.	SHIPPED	
Net 45 Days	Destination	15 Calendar Days ARO	

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

MINIMUM DELIVERY REQUIREMENTS

No Minimum Order Requirement

MISCELLANEOUS INFORMATION

ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION	$628,800.00

For the Contractor:

_____ _____

Amy Evans
Contract Administrator
Lifeloc Technologies Inc.

Date

For the State:

_____ _____

Rebecca Cook,
Commodities Division Director
State of Michigan

Date

STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("**Contract**") is agreed to between the State of Michigan (the "**State**") and Lifeloc Technologies Inc. ("**Contractor**"), a Colorado corporation. This Contract is effective on February 1, 2016 ("**Effective Date**"), and unless terminated, expires on January 31, 2019.

This Contract may be renewed for up to seven additional one year period(s). Renewal must be by written agreement of the parties. and will automatically extend the Term of this Contract.]

The parties agree as follows:

1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Exhibit A – Statement of Work** (the "**Contract Activities**"). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

   Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Exhibit A.

   Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State's operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State's quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims 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; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

   Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

2. **Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Sue Cieciwa DTMB, Procurement Constitution Hall 525 West Allegan Street PO Box 30026 Lansing, MI 48909 Email: cieciwas@michigan.gov Phone: (517) 284-7007	Amy Evans Lifeloc Technologies Inc. 12441 W. 49th Ave., Suite 4 Wheat Ridge, CO 80033 Email: amy@lifeloc.com Phone: 800-722-4872

3. **Contract Administrator.** The Contract Administrator for each party is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a "**Contract Administrator**"):

State:	Contractor:
Sue Cieciwa DTMB, Procurement Constitution Hall 525 West Allegan Street PO Box 30026 Lansing, MI 48909 Email: cieciwas@michigan.gov Phone: (517) 284-7007	Amy Evans Lifeloc Technologies Inc. 12441 W. 49th Ave., Suite 4 Wheat Ridge, CO 80033 Email: amy@lifeloc.com Phone: 800-722-4872

4. **Program Manager.** The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a "**Program Manager**"):

State:	Contractor:
Michigan State Police: Sgt. Perry Curtis Michigan State Police Alcohol Enforcement Unit 7426 N. Canal Road Lansing, MI 48913 Email: CurtisP1@michigan.gov Phone: 517-636-0217 Department of Corrections: Deb Conine 206 E. Michigan Ave. Grandview Plaza Lansing, MI 48933 Email: conined@michigan.gov Phone: 517-241-7635 Department of Natural Resources: 1st Lt. Steven Burton Department of Natural Resources Law Enforcement Division 525 West Allegan Street Lansing, MI 48933 Email: Burtons1@michigan.gov Phone: 517-284-5978	Amy Evans Lifeloc Technologies Inc. 12441 W. 49th Ave., Suite 4 Wheat Ridge, CO 80033 Email: amy@lifeloc.com Phone: 800-722-4872

5. **Performance Guarantee**. Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Exhibit A) if, in the opinion of the State, it will ensure performance of the Contract.
6. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
Minimal Limits: $1,000,000 Each Occurrence Limit $1,000,000 Personal & Advertising Injury Limit $2,000,000 General Aggregate Limit $2,000,000 Products/Completed Operations Deductible Maximum: $50,000 Each Occurrence	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.
Umbrella or Excess Liability Insurance	
Minimal Limits: $5,000,000 General Aggregate	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.
Automobile Liability Insurance	
Minimal Limits: $1,000,000 Per Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	
Minimal Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
Minimal Limits: $500,000 Each Accident $500,000 Each Employee by Disease $500,000 Aggregate Disease.	
Professional Liability (Errors and Omissions) Insurance	
Minimal Limits: $3,000,000 Each Occurrence $3,000,000 Annual Aggregate	

If any of the required policies provide **claims-made** coverage, the Contractor must: (a) provide coverage with a retroactive date before the effective date of the contract or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least three (3) years after completion of the Contract Activities; and (c) if coverage is canceled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the contract effective date, Contractor must purchase extended reporting coverage for a minimum of three (3) years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.
This Section is not intended to and is not be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

7. **Administrative Fee and Reporting.** Contractor must pay an administrative fee of 2% on all payments made 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). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

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

   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. Reports should be mailed to DTMB-Procurement.

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

8. **Extended Purchasing Program.** Upon written agreement between the State and Contractor, this Contract may be extended to: (a) MiDEAL members, (b) other states (including governmental subdivisions and authorized entities), or (c) State of Michigan employees. 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.

   If extended, Contractor must supply all Contract Activities at the established Contract prices and terms, and the State reserves the right to impose an administrative fee and negotiate additional discounts based on any increased volume generated by such extensions.

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

9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.

10. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.

11. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.

12. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and

documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.

13. **Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.

14. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

    In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

15. **Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Exhibit A.

16. **Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Exhibit A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 23, Termination for Cause.

    Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

    If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

17. **Delivery.** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Exhibit A. All containers and packaging becomes the State's exclusive property upon acceptance.

18. **Risk of Loss and Title.** Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned

by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.

19. **Warranty Period**. The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Exhibit A. If the Contract Activities do not function as warranted during the warranty period the State may return such non-conforming Contract Activities to the Contractor for a full refund.

20. **Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

    The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

    The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at http://www.michigan.gov/cpexpress to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

    Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

21. **Reserved**

22. **Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.

23. **Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

    If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

24. **Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

25. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

26. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

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. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

27. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against 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.

28. **Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.

29. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

30. **State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.

31. **Non-Disclosure of Confidential Information**. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.

    a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.

c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.

e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

32. **Reserved.**

33. **Reserved.**

34. **Reserved.**

35. **Records Maintenance, Inspection, Examination, and Audit.** The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being

performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.
This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

36. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

37. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

38. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.

39. **Reserved.**

40. **Reserved.**

41. **Nondiscrimination.** 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*., Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

42. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.

43. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such

as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

44. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.

45. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

46. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.
Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

47. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.

48. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.

49. **Order of Precedence.** In the event of a conflict between the terms and conditions of the Contract, the exhibits, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) the amendment; (c) Exhibit A; (d) any other exhibits; and (e) the Contract.

50. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

51. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.

52. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.

53. **Entire Contract and Modification.** This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**").

STATE OF MICHIGAN
Contract No. 071B6600035
Preliminary Breath Testers

EXHIBIT A
STATEMENT OF WORK
CONTRACT ACTIVITIES

BACKGROUND

The purpose of this Contract is to provide Preliminary Breath Testers (PBTs) for the State of Michigan's law enforcement personnel.

The State reserves the right to modify Contract items to meet the State of Michigan's needs.

REQUIREMENTS

1. General Requirements

1.1. Product Specifications

The Contractor must provide the following:
Contractor must provide PBTs, Mouth Pieces, and Re-Certification and Repair services as specified in Attachment A, Specifications; delivery in the time frames specified in Section 2.1; and otherwise do all things necessary for or incident to the performance of work as set forth in this Contract.

The Preliminary Breath Testers must appear on the "Conforming Products List of Evidential Breath Measurement Devices" published in the Federal Register by the USDOT or a letter from the USDOT confirming acceptability of the instrument are both considered as acceptable documentation of approval by USDOT.

http://www.gpo.gov/fdsys/pkg/FR-2012-06-14/pdf/2012-14581.pdf

The State reserves the right to independently verify acceptance of the instrument with the U.S. Department of Transportation, National Highway Traffic Safety Administration.

As outlined in Specifications, Attachment A, paragraph V., the PBTs must come with a lifetime warranty on the fuel cell.

The State reserves the right to adjust products to fit their needs.

1.2. Warranties

The Contractor must provide a two year warranty on the FC Series from the date of purchase. The Contractor must provide a warranty of the fuel cell for the lifetime of the device, as specified in Attachment B-Lifeloc Limited Lifetime Fuel Cell Warranty.

The Agency will report any warranty issues to the Contractor to coordinate repairs or replacements for any warranty issues that may arise.

1.3. Recall Requirements and Procedures

The Contractor must notify the Contract Administrator and Agency Program Managers via email and phone call or message within one (1) business day of any recall or safety notices relating to any and all PBTs and components purchased under the Contract. In addition, this notice must be received in writing within three (3) business days, as specified in Section 2. Notices of this Contract.

The Contractor is responsible for picking up and replacing or issuing credit for all products that are subject to recall at no additional charge to the Agency. Receipt of new PBTs must occur within 15 calendar days from the date of this notification.

1.4. Quality Assurance Program
The Contractor must maintain a quality control system. The Contractor designs, manufactures, sells, and services its products under an ISO 9001:2008 quality system, certified annually to provide the highest quality products that conform to customer requirements.

1.5. Incentives
The Contractor offers the following special incentives under this Contract:

Trade-Ins
The Contractor will allow a trade-in allowance of $60.00 on a competitor's comparable fuel cell device on a one to one basis.

Return Policy:
The Contractor will allow returns at customer's expense on Contract items that are new and unused.

2. Service Levels
2.1. Time Frames
All Contract Activities must be delivered within 15 calendar days from receipt of order. The receipt of order date is pursuant to Section 2, Notices, of the Standard Contract Terms.

2.2. Delivery
All Contract Activities must be delivered within 15 calendar days from receipt of purchase order. The receipt of purchase order date is pursuant to Section 2, Notice provisions of the Standard Contract. Delivery location may be requested to any State-owned facility within Michigan. Delivery location will be specified on the purchase order release.

2.3. Technical Support and Repairs
When providing technical support, the Call Center must propose a resolution to the caller's issue within **60** minutes. If it is determined the caller's issue cannot be resolved within **24** hours, Contractor and State will arrange the PBT to be sent in for service.

The Contractor will be required to perform any service work on the instruments that may be necessary throughout the contract period. The Contractor must provide any necessary repairs that the instruments may require within five (5) business days.

Contractor to provide address and contact information the PBT should be sent to when service is required.

2.4. Training
The Contractor must provide training to individual agencies, when necessary, by phone, operations manual, digital media and email at no additional charge.

2.5. Reporting
The Contractor must provide reports, when requested by the Agency Program Manager. Contractor's reporting capabilities include status of delivery, production, material test data, performance investigations and remedial actions, and any and all developments that may be vital to appropriate execution and application of all contract terms. In addition, Contractor is able to submit reports of any purchasing activities as needed. Reports should be submitted electronically to the Agencies at the below email addresses:
Michigan State Police
Sgt. Perry Curtis
Email: CurtisP1@michigan.gov

Department of Corrections
Deb Conine
Email: connined@michigan.gov
Department of Natural Resources
1st Lt. Steven Burton
Email: Burtons1@michigan.gov

Reports should also be submitted to the Contract Administrator, upon request.

The State reserves the right to request reports, upon request.

2.6. Meetings
The State may request meetings as it deems appropriate.

3. Staffing
3.1. Contractor Representative
The Contractor must appoint one Sales Representative, specifically assigned to State of Michigan accounts, who will be directly responsible for the day to day operations of the Contract and who will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the "Contractor Representative").

Account Manager
Amy Evans
Phone: 800-722-4872
Email: amy@lifeloc.com

The Contractor must notify the Contract Administrator at least 10 calendar days before removing or assigning a new Contractor Representative.

3.2. Customer Service Toll-Free Number and Technical Support, Repairs, and Maintenance
The Contractor must specify its toll-free number for the State to make contact with the Contractor Representative. The Contractor Representative must be available for calls during the hours of 8 am to 5 pm Eastern Time.

The Contractor must specify its toll-free number for the State to make contact with the Contractor for technical support, repairs and maintenance. The Contractor must be available for calls and service during the hours of 8:00 am to 5:00 pm Eastern Time.

Contractor's Customer Service will be responsible for coordinating any technical support, repairs, or maintenance that may be required.

Customer Service
Phone: 800-722-4872

3.3. Disclosure of Subcontractors
The Contractor will not be utilizing subcontractors under this Contract.
3.4. Security
The Contractor's staff may be required to make deliveries to or enter State facilities. The Contractor must: (a) ensure the security of State facilities, (b) use ID badges, etc., (c) perform background checks, and (d) require all personnel accessing criminal justice information systems or facilities to have passed a fingerprint-based background check. The State may require the Contractor's personnel to wear State issued identification badges.

The Contractor is required to ensure all personnel accessing criminal justice information systems or facilities have passed a fingerprint-based background check. Any criminal convictions must result in the Contractor being refused access to the facility. Contractor agrees to provide results of background checks to the State, upon request. Personnel must have a photo identification card which clearly identifies them and their affiliation with the Contractor.
4. Pricing
4.1. Price Term
Pricing is firm for the entire length of the initial three (3) year Contract term.

4.2. Price Changes
After the initial three year Contract term, adjustments for the seven additional one year options will be based on changes in actual Contractor costs. Any request must be supported by written evidence documenting the change in costs. The State may 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 such changes, for no longer than 30 days, unless extended by mutual agreement.

The Contractor remains responsible for Contract Activities at the current price for all orders received before the mutual execution of a Change Notice indicating the start date of the new Pricing Period.

5. Ordering
5.1. Authorizing Document
The appropriate authorizing document for the Contract will be a written Purchase Order. All orders are subject to the Standard Contract Terms.

5.2 Order Verification
The Contractor must have internal controls, to verify abnormal or excessive orders and to ensure that only authorized individuals place orders.

5.3. Minimum Order
There is no minimum order requirement.

6. Delivery
6.1. Delivery Programs
The Contractor intends on utilizing a common carrier for standard delivery of the Contract Activities.

If expedited delivery is required, the Agency should contact the Contractor's Customer Service to request expedited delivery. Contractor will make every effort to ensure that the Agency's expedited delivery time-frame is met and that additional charges to the Agency for the expedited delivery, if any, will be minimized.
6.2. Packaging and Palletizing
Packaging must be optimized to permit the lowest freight rate. Shipments must be palletized whenever possible using manufacturer's standard 4-way shipping pallets.

7. Acceptance
7.1. Final Acceptance
The State Agency representative, or designee, will review and inspect order shipments and approve acceptance of goods upon delivery.

8. Invoice and Payment
8.1. Invoice Requirements
All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) serial number of each device (e) location each device was shipped to (f) description of the Contract Activities; (g) unit price; (h) shipping cost (if any); and (i) total price.
8.2. Payment Methods
The State will make payment for Contract Activities via Electronic Funds Transfer.

9. Additional Requirements

9.1. Environmental and Energy Efficient Products
There are no energy efficient, bio-based, or otherwise environmental friendly products used in the products supplied under this Contract.

9.2. Hazardous Chemical Identification
In accordance with the federal Emergency Planning and Community Right-to-Know Act, 42 USC 11001, *et seq.*, as amended, the Contractor must provide a Material Safety Data Sheet listing any hazardous chemicals, 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.

The Contractor does not intend to deliver any hazardous chemicals provided under this Contract.

9.3. Mercury Content
Pursuant to MCL 18.1261d, mercury-free products must be procured when possible. The products the Contractor intends to provide under this Contract do not contain mercury. All products containing mercury must be labeled as containing mercury.

9.4. Brominated Flame Retardants
The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible. The products the Contractor intends to provide under this Contract do not contain BFRs.

STATE OF MICHIGAN
Contract No. 071B6600035
Preliminary Breath Testers

EXHIBIT C
PRICING

1. The pricing schedule for the Contract Activities is listed below.
2. Prices include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
3. Exact quantities to be purchased are unknown; however, the Contractor will be required to furnish all Contract Activities that may be ordered during the Contract period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.
4. The Contractor does not offer quick payment terms.
5. The Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.
6. Pricing is firm for the entire length of the initial 3-year Contract term.
7. The Contractor will allow a trade-in allowance of $60.00 on a competitor's comparable fuel cell device on a one to one basis, as specified in Section 1.5 Incentives.

Item No.	Description	Unit of Measure	Unit Price
1	**PRELIMINARY BREATH TESTERS (PBT)**. Each PBT shall include an initial quantity of 25 mouthpieces. Each PBT shall also include a hard plastic carrying case and a lifetime warranty on fuel cell. **BRAND: Lifeloc Technologies** **MODEL #: FC10**	EA	**$260.00**
2	**MOUTHPIECES**, individually wrapped. 100 pieces per bag 250 pieces per bag	EA	**$0.14/piece** **$14.00/bag** **$35.00/bag**
3	**EASYCAL Automatic Calibration Station** **BRAND: Lifeloc Technologies** **MODEL #: 12811MI**	EA	**$1,100.00**
4	**Equipment Repair Costs** **Technician Time** **Parts** **(Percentage Over Manufacturer's Cost)**	HOUR %	**$65.00** **25%**
5	**Cost to Re-Certify Unit to Industry Standards**	EA	**$135.00**

ATTACHMENT A
PRELIMINARY BREATH TESTER (PBT)
SPECIFICATIONS

The Preliminary Breath Tester (instrument) provided to the State of Michigan shall conform to the following:

A. The instrument shall conform to the USDOT "Model Specifications for Evidential Breath Testing Devices," 49 F.R. p. 48855 et seq (December 14, 1984), as amended by 65 F.R. p. 45419 et seq (July 21, 2000). A letter from USDOT confirming acceptability of the instrument or appearance of the instrument on the "Conforming Products List of Evidential Breath Measurement Devices" published in the Federal Register by the USDOT are both considered as acceptable documentation of approval by USDOT.

B. The instrument shall pass accuracy, precision, and reliability testing as performed by State Police. Ten tests each at 0.020, 0.040, 0.080, 0.200, and 0.300 alcohol concentrations shall conform to the federal testing guidelines indicated above. The instrument shall measure the alcohol content of a vapor mixture with an average systematic variation of no more than +/- 10% or 0.010%, whichever is greater. The instrument shall also conform to any other tests as performed by the State Police in accordance with the federal testing guidelines indicated above.

C. The Contractor shall guarantee that the instrument will adhere to all **Daubert** requirements and criteria, proving the reliability and accuracy of the instrument's technology in order to be scientifically acceptable within the State of Michigan.

D. The instrument shall be specific for alcohols and inactive to acetone.

E. The instrument shall be a hand held, lightweight, portable, standalone instrument.

F. The instrument shall be battery operated with a battery life for at least 1000 tests. The instrument must have a battery status icon, and have a warning capability for low battery strength, indicating battery replacement.

G. The instrument shall have platinum fuel cell sensor, which is capable of detecting breath alcohol levels between 0.000 and 0.600 grams per 210 liters of breath.

H. The instrument shall conduct a blank reading or check before allowing a test.

I. The instrument shall be capable of being calibrated in the field by certified operators, and/or a calibration station and shall accept either dry gas canister with a 1.5 to 2 liter regulator, or a wet bath simulator for performing calibration and calibration checks against a standard alcohol solution. **Calibration procedures shall be password protected.**

J. The instrument shall express the subject test results as BrAC, and the results shall be displayed on the instrument in three (3) digits.

K. Each instrument shall be supplied with an operator's training manual. The training manual shall indicate all displays that may appear on the panel along with an explanation as to what each means. The manual shall also show a step-by-step procedure on how the instrument is programmed to perform.

L. Each instrument shall be supplied with a protective carrying case, bright colored grip w/magnet and twenty-five (25) individually wrapped mouthpieces.

M. The instrument shall conform to all State Police operating protocol, policies and administrative rules.

N. The contractor will be required to perform any service work on the instruments that may be necessary throughout the contract period. The contractor must provide any necessary repairs that the instruments may require within five (5) business days.

O. The contractor must include in the bid the cost of fuel cell replacement, software upgrades not able to be completed in the field by the purchaser, pump replacement, plastic case replacement, grip replacement, mouthpieces and must continue to provide repair cost estimates for the instruments at no cost after the contract expires. This only applies to instruments purchased through the contract.

P. The instrument shall be able to perform automatic subject breath sampling, manual breath sampling and passive subject breath sampling. If any additional equipment is required for Passive Breath Sampling please include the cost of that equipment in the bid.

Q. The instrument shall automatically check the instrument temperature and not allow the instrument to take a test (and display an error message in plain English) until the proper temperature is reached.

R. The instrument shall display an error message in plain English if external interference is detected and not allow a test.

S. The instrument must have a graphic LCD display capable of numbers, letters, and text messages. It must provide plain English prompts for all operations, and have an automatic sensing backlight for nighttime use.

T. The instrument shall register positive results within 10 seconds, and be capable of recovering to run another subject test within 30 seconds after a prior subject test.

U. The instrument must be able to be upgraded to the latest software or model in the field at low cost.

V. The instrument must come with a Lifetime Warranty on the fuel cell.

W. Please note that the State of Michigan reserves the right to modify these specifications based on information received throughout the Approved Brands List process. Additional features, etc., may be added to the specifications, if it is determined that the changes are desired by the State.

PBT Re-Certification Requirements:

The following must be included in the PBT re-certification cost:

- Comprehensive fuel cell evaluation
- Upgrade older grey case unit with a new pewter and black case including new updated buttons, lens and wrist strap
- Upgrade software incorporating new features and functionality including:
  -Improved pump control
  -Improved RF protection
- Perform a complete Factory Diagnostic Check ensuring the unit meets stringent factory requirements
- Perform any other needed repairs at no additional cost
- Include a recertification certificate for your records
- Provide a one-year factory warranty from date of recertification and continued lifetime warranty on fuel cell

ATTACHMENT B

Lifeloc Limited Lifetime Fuel Cell Warranty

Unless otherwise set forth in the Contract, Lifeloc warrants to the original purchaser of Lifeloc breath alcohol testers that the fuel cell purchased with the instrument shall operate without defect for the life of the instrument subject to the following conditions:

1. Lifeloc shall, at its option, elect to repair or replace any fuel cell determined by Lifeloc as defective. All fuel cells confirmed by Lifeloc as defective become the property of Lifeloc.
2. Warranty is valid only to the original purchaser of the instrument. Warranty does not pass to subsequent owners if the instrument is resold, stolen, donated or given to anyone other than the original purchaser.
3. Warranty is invalidated if, in the opinion of Lifeloc, the instrument has been misused, abused, modified or improperly maintained
4. The Lifeloc Limited Fuel Cell Warranty does not apply if the product has been repaired or modified by someone other than a Lifeloc factory authorized technician and/or if parts other than Lifeloc approved parts are used in replacement or repair; or if any Lifeloc serial number has been removed or defaced.
5. The Lifeloc Limited Fuel Cell Warranty does not survive past the end-of instrument service and support life as determined by Lifeloc Technologies at its sole discretion.