



**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

Department of Technology, Management, and Budget  
525 W. Allegan, Lansing MI 48913  
P.O. Box 30026, Lansing, MI 48909

**NOTICE OF CONTRACT**

CONTRACT NO. **071B7700010**

between

THE STATE OF MICHIGAN

and

|                   |                               |
|-------------------|-------------------------------|
| <b>CONTRACTOR</b> | Jupiter Aluminum Corporation  |
|                   | 1745 165 <sup>th</sup> Street |
|                   | Hammond, IN 46320             |
|                   | Patrick Muller                |
|                   | 219-933-2712                  |
|                   | pmuller@jupiteraluminum.com   |
| 5478              |                               |

|              |                        |                           |      |
|--------------|------------------------|---------------------------|------|
| <b>STATE</b> | Program Manager        | Will Rondeau              | MDOC |
|              |                        | 517-265-3900 ext. 2652630 |      |
|              |                        | RondeauW@michigan.gov     |      |
| <b>STATE</b> | Contract Administrator | Steve Rigg                | DTMB |
|              |                        | 517-284-7043              |      |
|              |                        | riggs@michigan.gov        |      |

| <b>CONTRACT SUMMARY</b>   |                         |                           |   |
|---|-------------------------|---------------------------|---|
| <b>DESCRIPTION:</b> Aluminum Substrate for License Plate Production   |                         |                           |   |
| INITIAL EFFECTIVE DATE  | INITIAL EXPIRATION DATE | INITIAL AVAILABLE OPTIONS | EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW                        |
| 10/25/2016  | 1/25/2019               | 3 – 3 year options        | 1/25/2019   |
| PAYMENT TERMS   |                         | DELIVERY TIMEFRAME        |   |
| .75% discount Net 10/ Net 45  |                         | 60 days ARO               |   |
| ALTERNATE PAYMENT OPTIONS   |                         |                           | EXTENDED PURCHASING   |
| <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other   |                         |                           | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| MINIMUM DELIVERY REQUIREMENTS   |                         |                           |   |
| N/A   |                         |                           |   |
| MISCELLANEOUS INFORMATION   |                         |                           |   |
| The terms and conditions of this Contract are those of RFP #007116B0008228, this Contract Agreement, and the vendor's quote. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence. |                         |                           |   |
| ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION   |                         |                           | <b>\$3,618,728.00</b>   |

**FOR THE CONTRACTOR:**

\_\_\_\_\_  
**Company Name**

\_\_\_\_\_  
**Authorized Agent Signature**

\_\_\_\_\_  
**Authorized Agent** (Print or Type)

\_\_\_\_\_  
**Date**

**FOR THE STATE:**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Name & Title**

\_\_\_\_\_  
**Agency**

\_\_\_\_\_  
**Date**



# STATE OF MICHIGAN

## STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Jupiter Aluminum Corporation (“**Contractor**”), an Illinois Incorporated Corporation. This Contract is effective on 10/25/2016 (“**Effective Date**”), and unless terminated, expires on 1/25/2019.

This Contract may be renewed for up to three additional three 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 **Schedule 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.

|   |   |
|---|---|
| <p>If to State:</p> <p>Steve Rigg<br/> DTMB, Procurement<br/> Constitution Hall<br/> 525 West Allegan Street<br/> PO Box 30026<br/> Lansing, MI 48909<br/> Email: <a href="mailto:RiggS@michigan.gov">RiggS@michigan.gov</a><br/> Phone: (517) 284-7043</p> | <p>If to Contractor:</p> <p>Cassie Gumienny<br/> 1745 – 165<sup>th</sup> Street<br/> Hammond, Indiana 46320<br/> cassie@jupiteraluminum.com<br/> 219-933-2723</p> |
|---|---|

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:   |
|--|---|
| Steve Rigg<br>DTMB, Procurement<br>Constitution Hall<br>525 West Allegan Street<br>PO Box 30026<br>Lansing, MI 48909<br>Email: <a href="mailto:RiggS@michigan.gov">RiggS@michigan.gov</a><br>Phone: (517) 284-7043 | William Kenealy<br>1745 – 165 <sup>th</sup> Street<br>Hammond, IN 46320<br>bkenealy@jupiteraluminum.com<br>219-933-2729 |

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:   |
|---|---|
| Will Rondeau<br>Michigan Department of Corrections<br>License Plate Factory<br>Gus Harrison Correctional Facility<br>2727 E. Beecher St.<br>Adrian, MI 49221<br>RondeauW@michigan.gov<br>(517) 265-3900 ext 2652630 | Patrick Muller<br>1745 – 165 <sup>th</sup> Street<br>Hammond, IN 46320<br>pmuller@jupiteraluminum.com<br>219-933-2712 |

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  |
|--|--|
| <b>Commercial General Liability Insurance</b>  |  |
| <u>Minimal Limits:</u><br>\$1,000,000 Each Occurrence Limit<br>\$1,000,000 Personal & Advertising Injury Limit<br>\$2,000,000 General Aggregate Limit<br>\$2,000,000 Products/Completed Operations<br><br><u>Deductible Maximum:</u><br>\$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 04. |
| <b>Umbrella or Excess Liability Insurance</b>  |  |
| <u>Minimal Limits:</u><br>\$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.   |
| <b>Automobile Liability Insurance</b>  |  |
| <u>Minimal Limits:</u><br>\$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.             |
| <b>Workers' Compensation Insurance</b>   |  |
| <u>Minimal Limits:</u><br>Coverage according to applicable laws governing work activities.   | Waiver of subrogation, except where waiver is prohibited by law.   |
| <b>Employers Liability Insurance</b>   |  |
| <u>Minimal Limits:</u><br>\$500,000 Each Accident<br>\$500,000 Each Employee by Disease<br>\$500,000 Aggregate Disease.  |  |

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 1% on all payments made to Contractor under the Contract including transactions with 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  
Cashiering  
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.** This contract is 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](http://www.michigan.gov/mideal). Upon written agreement between the State and Contractor, this contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. 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. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Exhibit A.
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 180 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. Reserved**

**32. 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.

33. **Reserved**

34. **Reserved**

35. **Reserved**

36. **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.

37. **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.

38. **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.

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

40. **Reserved**

41. **Reserved**

42. **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.

43. **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.
44. **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.
45. **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.
46. **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.
47. **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.
48. **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.
49. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
50. **Entire Agreement and Order of Precedence.** This Contract, which includes Exhibit A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Exhibit A – Statement of Work; (b) second, Exhibit A – Statement of Work as of the Effective Date; and (c) third, exhibits and schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
51. **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.

52. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
53. **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.
54. **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

## Aluminum Substrate for License Plates

### Schedule A STATEMENT OF WORK CONTRACT ACTIVITIES

#### BACKGROUND

The Department of Corrections (MDOC), Michigan State Industries (MSI) produces full size license plates and motorcycle license plates for sale to the Michigan Secretary of State.

#### SCOPE

This is a request for unpainted conversion coated aluminum substrate. The State reserves the right to add or remove related products and services during the contract period.

#### REQUIREMENTS

##### 1. General Requirements

##### 1.1 Product Specifications

Conversion coated aluminum substrate material suitable for the manufacture of reflectorized multi-year vehicle license plates.

The unpainted aluminum must have the following properties:

- a. **Alloy-temper:** 3105-H12
- b. **Thickness:** Gauge 21 critical as per ANSI-H35.2-1997 Section 3.1 with a tolerance of plus 0.00" and minus 0.00".
- c. The aluminum coil shall comply with ASTM specifications B-449-67, Class 2.
- d. **Ultimate strength:** 17 ksi (min) to 25 ksi (max).
- e. **Minimum yield strength:** 12 ksi (0.2% offset).
- f. Elongation on 2" 15% (min). Standard specimen.
- g. **Quality:** Must be able to withstand embossing with all steel dies at 3/32 inch height without breaking, cutting, or appreciable warping.
- h. **Surface finish:** Unpainted aluminum must be treated with a chrome-free conversion coating such as BONDERITE 1455 or equivalent. Coating shall be free of any powdery residue, oil, or other foreign matter which may affect adhesion of reflective sheeting.
- i. **Coating weight:** Unpainted aluminum must be coated with 10 to 30 milligrams per square foot with a median of 15 milligrams per square foot as the optimum.
- j. **Cores:** The coils must have 18-20" cores with a maximum outside diameter of 48".
- k. **Full size license plates:** 12" Unpainted Aluminum for full size license plates: Width: critical 12" with a tolerance of plus 0.00" and minus 0.00".
- l. **Motorcycle license plates:** 7-1/16" Unpainted Aluminum for motorcycle license plates: Width: critical 7-1/16" (7.0625") with a tolerance of plus 0.00" and minus 0.00".

Definite specifications – All commodities to be furnished hereunder must conform to the specifications as noted above.

##### 1.2. Warranties

Aluminum coils must be kept in controlled environment in warehouse in original package until used on the production line. Metal issues related to flatness, edge conditions, and hardness are warranted for 1 year until production occurs; conversion coating for application with reflective sheeting is warranted for 6 months. Reporting must occur with coil ID as labeled on original package. Mill to verify data and credit/replace product if claim is acceptable.

The State reserves the right to request additional warranties other than those identified by the Contractor.

##### 1.3. Recall Requirements and Procedures

The Contractor must notify the Contract Administrator and Agency Program Manager via email and phone call or message within one (1) business day of any recall or safety notices relating to any and all products 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 the Standard Contract

Terms. 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. If a defect is found, Contractor will advise Contract Administrator and Agency Program Manager immediately and replace the batch within the new production in the shortest cycle possible (approximately 2-4 weeks).

#### **1.4. Quality Assurance Program and Return Policy**

All products or materials received under this contract are subject to the approval of the ordering entity. Any rejected items, goods, or materials resulting from noncompliance, defect or performance failure for any reason whether held or returned, shall be at the Contractor's risk. The usual procedure requires a visit of the program manager to record the issue(s), document possible failure in the production context, agree with the problem, and initiate return of bad material and new replacement production.

Once the issue is identified, Contractor generates an MRA (Material Return Authorization). The material is then returned, weighed, and a credit memo is issued for the returned amount. A remake of a similar quantity batch is then shipped with all documents to M.S.I. and appropriate departments.

#### **1.5. Incentives**

The Contractor offers a quick pay option of .75% discount if invoice paid within 10 days (.75% Net 10 days).

### **2. Service Levels**

#### **2.1. Time Frames**

All Contract Activities must be delivered within 60 calendar days from receipt of order. The receipt of order date is pursuant to Section 2, Notices, of the Standard Contract Terms. Production occurs to contract specifications and deliveries; a constant information flow with the utilizing factory also ensures inventory levels are ok.

Aluminum mill runs 24/7 all year; license plate coil production runs twice a month with new cast production for countrywide state businesses; the sole stoppage is Christmas Day and New Year's Day. Regular maintenance on mills and equipment, and capacity is adjusted accordingly before the planned schedules.

#### **2.2. Delivery**

Deliveries will be accepted 8:00 AM through 10:00 AM and 12:00 PM - 2:00 PM EST, Monday through Thursday, excluding State of Michigan Holidays. Deliveries will not be accepted on Fridays. The State will provide the Contractor with a calendar of State holidays upon award if requested.

The Contractor is responsible for delivering the product to the location specified in the Purchase Order. Delivery to any other facility or warehouse will not be accepted unless approved by the Contract Administrator prior to delivery. The State reserves the right to require that delivery be made directly to the factory which is located inside a correctional facility.

The Contractor should be aware that there is a possibility of a delay at any of the correctional facilities which prohibits delivery carriers from entering the facility at time of arrival. The State will not be responsible for any additional charges which may arise due to delivery delays caused by a mobilization or any other reason.

#### **2.3. Reporting**

The Contractor must provide various reports to the Contract Administrator, Program Manager, or their designees, upon request. Examples may include itemized reports of total items purchased, open invoice reports, delivery compliance reports, quality reports and service compliance reports.

By the second Friday of every December, the vendor must submit a report of recycled content in commodities sold in that calendar year to Contract Administrator.

Contractor has the capabilities to quickly download all activities per customer, sharing POs, invoices, Bills of Laden (BOL), pack lists, classifications by size, quantity, and days shipped.

The 3105 alloy for license plate applications is 99% recycled aluminum based.

#### **2.4. Meetings**

The **Contract Administrator** is responsible for scheduling and facilitating Contractor Progress Meetings. A "**Contract Progress Meeting**" is intended to assist the State and Contractor in, including but not limited to, reviewing the Contract Compliance Report, addressing outstanding items or issues, reviewing overall contract compliance, discuss market trends that will assist the State in understanding

changes in the industry, and solicit contractor recommendations for increasing contract efficiency and reducing costs.

Contract Progress Meetings can be held (in person or by conference call) at any time, but at a minimum the Contract Administrator should hold a Contract Progress Meeting at least yearly. The Contract Administrator, Program Manager and any individual identified by the parties should participate.

### 3. Staffing

#### 3.1. Contractor Representative

The Contractor must appoint a Contractor Representative, specifically assigned to State of Michigan accounts that will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc.

The Contractor must notify the Contract Administrator immediately removing or assigning a new Contractor Representative.

Patrick Muller; [pmuller@jupitaluminum.com](mailto:pmuller@jupitaluminum.com); 219-933-2712~ Program Director

#### 3.2. Customer Service Toll-Free Number

The Contractor must specify its toll-free number for the State to make contact with the Contractor Representative. The Contractor Representative should be available for calls during the hours of 8 am to 5 pm EST Monday through Friday.

Cassie Gumienny; [cassie@jupitaluminum.com](mailto:cassie@jupitaluminum.com); 219-933-2723~ Customer Service Rep

#### 3.3. Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

|  |   |
|--|---|
| The legal business name; address; telephone number.  | Sparks  |
| A description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities. | Trucking company that has special equipment to fit exactly in MSI's delivery bay.                         |
| The relationship of the subcontractor to the Contractor.   | Selected by Jupiter Aluminum Corp. Shipping department.   |
| Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.                            | Sparks has several years of solid trucking service for Jupiter Aluminum for license plate coil shipments. |
| A complete description of the Contract Activities that will be performed or provided by the subcontractor.   | Delivering truckloads of aluminum coil safely and reliably to MSI.  |
| Of the total bid, the price of the subcontractor's work.   | About 1.5% of the selling price   |

#### 3.4. Security

The Contractor will be subject to the following security procedures:

All Contractor staff working on the Contract must undergo a security and background check, to include at a minimum ICHAT <http://apps.michigan.gov/ichat/home.aspx>, to be performed by the Contractor.

The Contractor's and subcontractor's staff that are entering an MDOC facility must be LEIN cleared by MDOC prior to facility entry. The Contractor must submit the LEIN information to the MDOC Facility at least two business days prior to the facility visit. If an employee of the Contractor's or subcontractor's has a felony or misdemeanor conviction (excluding minor driving offenses), that employee may not be permitted to enter any MDOC facility.

Contractor's staff may be required to complete and submit an RI-8 Fingerprint Card for Finger Print Checks.

The Contractor must anticipate delays when visiting any facility due to issues within that facility.

All vehicles entering an MDOC correctional facility must be inspected before entry of the secure perimeter.

The MDOC reserves the right to deny access to any facility to any Contractor(s)/subcontractor(s) staff members who fails to comply with any applicable State, federal or local law, ordinance or regulation or whose presence may compromise the security of the facility, its members or staff.

All drug, alcohol and tobacco products are prohibited at all correctional facilities.

Weapons, fireworks and explosives are prohibited from all State facilities.

All cellular devices are prohibited from all correctional facilities.

Over-familiarity with inmates is strictly forbidden.

Contractor(s) that come into the Administration Building of a correctional facility will need to secure their cellular devices and personal tobacco products in their locked vehicle prior to entrance. If the Contractor arrives with such products, the Contractor will be requested to return them to their vehicle.

Contractor representative is cleared by MSI before entering facility, wears professional work clothes (Jupiter Aluminum Shirt); truck driver follows all procedures and instructions.

### **3.5. Prison Rape Elimination Act (PREA) of 2003-Public Law 108-79, September 4, 2003.**

The Contractor must comply with the Federal Register and the MDOC Prison Rape Elimination Act, 28 CFR Part 115, Prevention Plan. The Contractor must immediately report any allegations or forms of sexual abuse or sexual harassment (staff-on-prisoner and prisoner-on-prisoner) to the MDOC Program Manager in writing. The Contractor shall ensure compliance with the National Standards to Prevent, Detect and Respond to Prison Rape, effective August 20, 2012 at <http://www.gpo.gov/fdsys/pkg/FR-2012-06-20/pdf/2012-12427.pdf>. If the Contractor does not abide by these standards, it will be considered a breach of Contract.

## **4. Pricing**

### **4.1 Price Term**

The price shall be based upon a published fluctuation base cost plus a fixed processing cost. Fluctuating base cost is defined as published daily in the London Metal Exchange or the Midwest Average Transaction Price, whichever is lower. Contractor will provide to Michigan State Industries, Contract Program Manager by the 7<sup>th</sup> of each month, by email, the individual daily listing of quotation from the London Metal Exchange and the Midwest Average Transaction Price for the prior month as verified in the American Metal Market or other trade publication. This total figure will be divided by the number of actual business days for the month. Bid price shall be a fixed dollar amount (processing cost) to be added to the average price for the calendar month prior to the month of issuance of an individual purchase release. For example, material ordered in September 2015 would be based on the average ingot cost from August, 2015 plus the fixed processing cost (bid price).

The fixed processing cost is defined as the dollar amount per pound to fabricate finished aluminum coil per specifications set forth in this document and includes all cleaning, surface treatments, paint, packaging and delivery to the specified Michigan location. The processing cost shall remain firm for the entire period of the original contract. Prices may be modified during an option year, providing all documentation justifying such modification is acceptable to the State of Michigan.

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.

A pricing letter will be issued to the Program Manger by email on the 7<sup>th</sup> of each month discussing the construction of the selling price with the fluctuating index agreed upon (Midwest Transaction month prior to PO date) plus contractual processing fee (fixed fabrication on price notes). The official chart with all daily values and averages will be supplied as well for verification purposes.

### **4.2. Price Changes**

Adjustments may be requested during an option year, in writing, by either party and will take effect no earlier than the next Pricing Period, if approved. 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 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 purchase order released against the contract. The Contractor is not authorized to begin performance until receipt of a purchase order.

### **5.2. Order Verification**

The Contractor must have internal controls to verify abnormal orders and to ensure that only authorized individuals place orders.

## **6. 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.

Pallets are used one way; the reuse of pallets is more costly and creates quality control problems with nails popping and misaligned boards. Prices of pallets vs overall aluminum product is minimal.

## **7. Acceptance, Inspection and Testing**

All commodities to be furnished hereunder must conform to the specifications as noted in the contract. Acceptance will be once the requested quantities are delivered in the requested time, product is verified to conform to the specifications of the contract, and the quantities are verified with the purchase order and shipper's bill of lading. The acceptance process is defined in Section 16, Acceptance, of the Standard Contract Terms.

- a. The Contracted driver will receive a signed copy of a manifest and a signed copy of his Bill of Lading.
- b. When the material arrives it is unloaded off the truck and immediately weighed. Each coil is then inspected for defects and their specifications are verified. Material must remain in original packaging for protection. Warranty condition inspection can be made visually without opening shrink wrap etc.
- c. If an incorrect shipment arrives, the company is immediately notified and the material is not accepted and is sent back with the driver. The shipping cost is the responsibility of the company that supplies the aluminum.

## **8. Invoice and Payment**

### **8.1. Invoice Requirements**

All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) total price and (g) contract number.

### **8.2. Payment Methods**

The State will make payment for Contract Activities via Electronic Funds Transfer (EFT).

## **9. Additional Requirements**

### **9.1. Environmental and Energy Efficient Products**

The Contractor must identify any energy efficient, bio-based, or otherwise environmental friendly products used in the products. Contractor must include any relevant third-party certification, including the verification of a United States Department of Agriculture certified bio based product label.

Product delivered is 99% made from recycled aluminum post and pre consumer materials; scrap based uses solely 5% of the energy needed from primary aluminum production (i.e. bauxite, alumina, aluminum processes)

### **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 must identify any hazardous chemicals that will be provided under any resulting contract.

MSDS sheets for coated aluminum available upon request.

**9.3. Mercury Content**

Pursuant to MCL 18.1261d, mercury-free products must be procured when possible. The Contractor must explain if it intends to provide products containing mercury, the amount or concentration of mercury, and whether cost competitive alternatives exist. If a cost competitive alternative does exist, the Contractor must provide justification as to why the particular product is essential. All products containing mercury must be labeled as containing mercury.

No mercury is included in or on any of the manufacturer's products.

**9.4. Brominated Flame Retardants**

The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible. The Contractor must disclose whether the products contain BFRs.

No brominated flame retardants are present in or on any of the manufacturer's products.

**9.5. Recycled Content and Recyclability**

Without compromising performance or quality, the State prefers Deliverable(s) containing higher percentages of recycled materials.

|  |        |
|--|--------|
| • (total estimated percentage of recovered material) | 99%    |
| • (estimated percentage of post-consumer material)   | 35-64% |
| • (estimated percentage of post-industrial waste)    | 35-64% |

**9.6. Online Catalog/Ordering System**

- a. Contractor's online catalog/ordering system shall be available 24 hours a day, 7 days a week, with the exception of scheduled maintenance. Payments for online orders can be made with a procurement card and order acknowledgements are provided electronically to customers. Contractor's online catalog/ordering system identifies State of Michigan contract items. Online customers are able to view product availability before placing orders and will automatically notify online customers when less expensive alternate is available.
- b. Website allows designated customer administrators to set up, add, and delete end users, with permissions and restrictions, approval paths, varying levels of authorization of purchases, etc. independently, without having to contact customer service or Contractor's sales representative.
- c. The Contractor shall be willing and have the capacity to work with third-party providers of Electronic Data Interchange (EDI) services which have been chosen by the State. The Contractor shall be willing, at no additional charge to the State or to the EDI provider, to transmit text and image catalog information to the State's provider of EDI services.
- d. The State does not currently have an E-Procurement system, however, the State is in the process of implementing a new financial system with an E-Procurement module. When the State implements the system (SIGMA) in 2017, the Contractor will be able to migrate all electronic catalog and online ordering functions to the State's E-Procurement system within 60 days of notice. At such time the following insurance will be required in addition to the standard insurance requirements:

| <b>Privacy and Security Liability (Cyber Liability) Insurance</b>  |   |
|--|---|
| <p><u>Minimal Limits:</u><br/>                     \$1,000,000 Each Occurrence<br/>                     \$1,000,000 Annual Aggregate</p> | <p>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) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.</p> |

# STATE OF MICHIGAN

Aluminum Substrate for License Plates

## SCHEDULE B PRICING

| ITEM # | DESCRIPTION   | UNIT | FIXED PROCESSING COST<br>(PRICE PER POUND ON A<br>MINIMUM 40,000 lb.<br>TRUCKLOAD ORDER) | RAW MATERIAL COST (PRICE<br>PER POUND ON A MINIMUM<br>40,000 lb. TRUCKLOAD ORDER) |
|--------|---|------|--|---|
| 1      | 12" Full size license plates<br>Product specifications<br>noted in Exhibit A, Section<br>1.1              | LB   | \$0.465  | \$0.8092*   |
| 2      | 7-1/16" Motorcycle size<br>license plates<br>Product specifications<br>noted in Exhibit A, Section<br>1.1 | LB   | \$0.465  | \$0.8092*   |

\*This was the current raw material cost at time of bid. This price will fluctuate based on the market at time of order.