

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

August 11, 2009

CHANGE NOTICE NO. 3
OF
CONTRACT NO. 071B8200041
(Supercedes Contract No. 071B6200293)
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Morton International, Inc. Morton Salt Division 123 North Wacker Drive Chicago, IL 60606-1743 Email: jchandler@mortonsalt.com	TELEPHONE: Anthony Patton (312) 807-2496
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-2619 Seleana Samuel
Contract Compliance Inspector: Tim Croze (517) 322-3394 Salt, Bulk Salt Early Fill-Up - MDOT	
CONTRACT PERIOD: From: October 10, 2007 To: August 31, 2010	
TERMS Net 30 Days	SHIPMENT Per Attached Terms and Conditions
F.O.B. Delivered and Unloaded	SHIPPED FROM Various
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective August 11, 2009 this Contract is hereby EXTENDED one-year to August 31, 2010. Price and Drop Points are per the attached.

All other specifications, prices, terms, and conditions remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations and vendor approval.

**LOCAL UNITS OF GOVERNMENT DROP POINTS:
GRAND REGION**

2009/2010

Early Fill

Morton Salt

Item	County	Drop Point	Tonnage	Unit Price
23	Newaygo	Fremont Public Schools 710 Lake Drive (231) 924-8825	100	\$59.44

Total Local Unit of Government for Grand Region

100

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

October 1, 2008

CHANGE NOTICE NO. 2
OF
CONTRACT NO. 071B8200041
(Supercedes Contract No. 071B6200293)

between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Morton International, Inc. Morton Salt Division 123 North Wacker Drive Chicago, IL 60606-1743 Email: jchandler@mortonsalt.com	TELEPHONE: Anthony Patton (312) 807-2496
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-2619 Seleana Samuel
Contract Compliance Inspector: Tim Croze (517) 322-3394 Salt, Bulk Salt Early Fill-Up - MDOT	
CONTRACT PERIOD: From: October 10, 2007 To: August 31, 2009	
TERMS Net 30 Days	SHIPMENT Per Attached Terms and Conditions
F.O.B. Delivered and Unloaded	SHIPPED FROM Various
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective October 1, 2008 Attachment C: Specifications have been revised. (See Attached) MDOT will not be purchasing enhanced salt in the future. Section 2.302 has been amended.

All other specifications, prices, terms, and conditions remain the same.

AUTHORITY/REASON:

Per DMB Purchasing Operations and vendor approval.

MICHIGAN DEPARTMENT OF TRANSPORTATION

SPECIFICATIONS FOR SODIUM CHLORIDE

8.20 (7) P.O.

Description:

These specifications cover salt, bulk rock, sodium chloride to be used for ice and snow removal and control.

General Requirements:

The material shall be in accordance with the current specifications for Sodium Chloride, ASTM D 632, except as modified below.

Chemical Composition:

Sodium Chloride (NaCl), Minimum, percent 95.00 %

Gradation:

<u>Sieve size</u>	<u>Percent passing</u>
1/2 inch	100 %
3/8 inch	95 - 100 %
No. 4	82 % maximum
No. 8	50 % maximum
No. 30	10 % maximum

Material passing the No. 30 sieve in excess of 10% will be deducted from the delivered weight of the salt.
Any Material remaining on the 1/2" sieve will be deducted from the delivered weight of the salt.

Moisture Content:

Material with moisture content in excess of 1.5% will be deducted from the delivered weight of the salt.

Acceptance of Material:

The producer shall provide Type "D" certification, as defined in the Michigan Department of Transportation General Materials Certification, that the material furnished meets the requirements of these specifications for sodium chloride. MDOT reserves the right to sample and test the material on a random basis at the point of final delivery. Material contamination from foreign debris or frozen lumps of salt may be cause for immediate rejection at the point of delivery. These tests shall be for the purpose of determining acceptance, rejection, and/or adjustment in delivered weight.

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

August 11, 2008

CHANGE NOTICE NO. 1
OF
CONTRACT NO. 071B8200041
 (Supercedes Contract No. 071B6200293)
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Morton International, Inc. Morton Salt Division 123 North Wacker Drive Chicago, IL 60606-1743 Email: jchandler@mortonsalt.com	TELEPHONE: Anthony Patton (312) 807-2496
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-2619 Seleana Samuel
Contract Compliance Inspector: Tim Croze (517) 322-3394 Salt, Bulk Salt Early Fill-Up - MDOT	
CONTRACT PERIOD: From: October 10, 2007 To: August 31, 2009	
TERMS Net 30 Days	SHIPMENT Per Attached Terms and Conditions
F.O.B. Delivered and Unloaded	SHIPPED FROM Various
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE(S):

Effective August 6, 2008 this Contract is EXTENDED through August 31, 2009. Pricing and drop points are per the attached listing.

All other terms and conditions remain unchanged.

AUTHORITY/REASON:

Per DMB/Purchasing Operations and vendor approval.

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

October 11, 2007

NOTICE
OF
CONTRACT NO. 071B8200041
 (Supercedes Contract No. 071B6200293)
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Morton International, Inc. Morton Salt Division 123 North Wacker Drive Chicago, IL 60606-1743 Email: jchandler@mortonsalt.com	TELEPHONE: Anthony Patton (312) 807-2496
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-2619 Seleana Samuel
Contract Compliance Inspector: Tim Croze (517) 322-3394 Salt, Bulk Salt Early Fill-Up - MDOT	
CONTRACT PERIOD: From: October 10, 2007 To: August 31, 2008	
TERMS Net 30 Days	SHIPMENT Per Attached Terms and Conditions
F.O.B. Delivered and Unloaded	SHIPPED FROM Various
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

The terms and conditions of this Contract are those of [ITB #07116200175](#) this Contract Agreement and the vendor's quote dated [April 13, 2006](#). 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.

This Contract replaces Contract No. 071B6200293 due to change of vendor Federal ID number and mail code.

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

CONTRACT NO. 071B8200041
 (Supercedes Contract No. 071B6200293)
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR Morton International, Inc. Morton Salt Division 123 North Wacker Drive Chicago, IL 60606-1743 Email: jchandler@mortonsalt.com	TELEPHONE: Anthony Patton (312) 807-2496 VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-2619 Seleana Samuel
Contract Compliance Inspector: Tim Croze (517) 322-3394 Salt, Bulk Salt Early Fill-Up - MDOT	
CONTRACT PERIOD: From: October 10, 2007 To: August 31, 2008	
TERMS Net 30 Days	SHIPMENT Per Attached Terms and Conditions
F.O.B. Delivered and Unloaded	SHIPPED FROM Various
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07116200175 this Contract Agreement and the vendor's quote dated April 13, 2006. 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. This Contract replaces Contract No. 071B6200293 due to change of vendor Federal ID number and mail code.	

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the **ITB No.07116200293**. Orders for delivery of equipment will be issued directly by the **Department of Transportation** through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

<p>FOR THE VENDOR:</p> <p style="text-align: center;">Morton International, Inc.</p> <hr/> <p style="text-align: center;">Firm Name</p> <hr/> <p style="text-align: center;">Authorized Agent Signature</p> <hr/> <p style="text-align: center;">Authorized Agent (Print or Type)</p> <hr/> <p style="text-align: center;">Date</p>	<p>FOR THE STATE:</p> <hr/> <p style="text-align: center;">Signature</p> <p style="text-align: center;">Elise Lancaster, Director</p> <hr/> <p style="text-align: center;">Name/Title</p> <p style="text-align: center;">Purchasing Operations</p> <hr/> <p style="text-align: center;">Title</p> <hr/> <p style="text-align: center;">Date</p>
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STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 PURCHASING OPERATIONS
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933

October 8, 2007

CHANGE NOTICE NO. 3
 TO
 CONTRACT NO. 071B6200293
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR Morton International, Inc. Morton Salt Division 123 North Wacker Drive Chicago, IL 60606-1743 Email: jchandler@mortonsalt.com	TELEPHONE: Anthony Patton (312) 807-2496
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-2619 Seleana Samuel
Contract Compliance Inspector: Tim Croze (517) 322-3394 Salt, Bulk Salt Early Fill-Up - MDOT	
CONTRACT PERIOD: From: September 1, 2006 To: October 10, 2007	
TERMS Net 30 Days	SHIPMENT Per Attached Terms and Conditions
F.O.B. Delivered and Unloaded	SHIPPED FROM Various
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective October 10, 2007 this Contract is hereby Cancelled and replaced by Contract No. 071B8200041 due to change of Vendor's Federal ID and mail code.

AUTHORITY/REASON:

Per DMB/Purchasing operations and vendor agreement.

TOTAL ESTIMATED CONTRACT VALUE: \$0.00

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

August 31, 2007

CHANGE NOTICE NO. 2
TO
CONTRACT NO. 071B6200293
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Morton International, Inc. Morton Salt Division 123 North Wacker Drive Chicago, IL 60606-1743 Email: jchandler@mortonsalt.com	TELEPHONE: Anthony Patton (312) 807-2496
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-2619 Seleana Samuel
Contract Compliance Inspector: Tim Croze (517) 322-3394 Salt, Bulk Salt Early Fill-Up - MDOT	
CONTRACT PERIOD: From: September 1, 2006 To: August 31, 2008	
TERMS Net 30 Days	SHIPMENT Per Attached Terms and Conditions
F.O.B. Delivered and Unloaded	SHIPPED FROM Various
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective August 31, 2007 this Contract is EXTENDED through August 31, 2008. Pricing and drop points are per the attached.

All other terms and conditions, and specifications remain unchanged.

AUTHORITY/REASON:

Per DMB/Purchasing operations and vendor agreement.

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

September 14, 2006

CHANGE NOTICE NO. 1
TO
CONTRACT NO. 071B6200293
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR Morton International, Inc. Morton Salt Division 123 North Wacker Drive Chicago, IL 60606-1743 Email: jchandler@mortonsalt.com	TELEPHONE: Anthony Patton (312) 807-2496
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-2619 Seleana Samuel
Contract Compliance Inspector: Tim Croze (517) 322-3394 Salt, Bulk Salt Early Fill-Up - MDOT	
CONTRACT PERIOD: From: September 1, 2006 To: August 31, 2007	
TERMS Net 30 Days	SHIPMENT Per Attached Terms and Conditions
F.O.B. Delivered and Unloaded	SHIPPED FROM Various
MINIMUM DELIVERY REQUIREMENTS N/A	
MISCELLANEOUS INFORMATION:	

NATURE OF CHANGE (S):

Effective immediately drop points and additional language are added to this contract per the attached.

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

AUTHORITY/REASON:

Per DMB/Purchasing operations and vendor agreement.

2006/2007 SALT PRE-QUALIFICATION PROGRAM

Please note the following changes:

Section : 1.3 Delivery Capabilities
1.301 TIME FRAMES EARLY FILL-UP

The following language has been added:

The Contractor is to furnish the total quantities shown on the attached Item Listings, for all locations/drop points indicated.

Section 1.4 Project Price
1.403 PRICE TERM

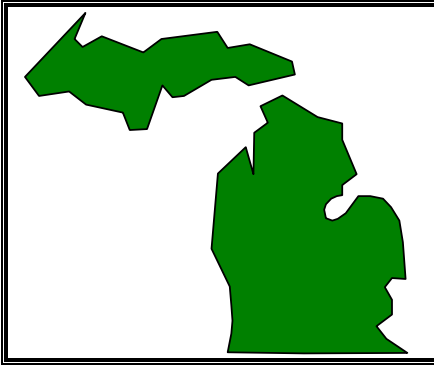
The language has been modified as follows:

Items on this Contract will be bid on a yearly basis. Therefore, prices and awarded locations are subject to change every 365 days. The State shall receive the benefit of any decreases in price that may occur.

In addition, the following Contract term has been added:

2.311 TRANSITION ASSISTANCE

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up ninety days after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by this Contract for Contract performance.



STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract No. [071B8200041](#)
[Bulk Salt, & Early Fill](#)

[Morton Salt](#)

Buyer Name: [Seleana Samuel](#)
Telephone Number: [\(517\) 241-2619](#)
E-Mail Address: samuels1@michigan.gov

Bulk Salt, Early Fill -Up

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Attachments:

- Attachment A** - Bulk Salt Early Fill - Up Regional Map (1 Page)
- Attachment C** – Specifications for Sodium Chloride (1 Page)
- Attachment D** – General Materials Certification (5 Pages)
- Attachment E** – Specifications for Enhanced Salt (3 Pages)
- Attachment F** – Specification for Agricultural Byproducts (ABP) for Anti-icing (3 Pages)
- Attachment G** – MDOT Salt Sheds - Inside Delivery (11 pages)



Article1 – Statement of Work (SOW)

1.0 Introduction

1.001 DEFINING DOCUMENT

This Contract is for Contractors who have been pre-qualified to supply Bulk Rock Salt to the Michigan Department of Transportation (MDOT). This Contract will support the State Early Fill Requirements. Issuance of this Contract does not guarantee that the State will do business with the specified Contractor. In addition, all quantities indicated (if any) are estimates for the Contract period. The State is not obligated to purchase in these quantities or any other amounts.

Article 1 – SOW was used by the State for the evaluation process. The Contractor submitted a written proposal discussing how they meet the below specific requirements. The Contractor's responses are integrated into this Contract.

1.003 COMMENCEMENT OF WORK

Contractor shall show acceptance of this agreement by signing both copies of this Contract and returning it to the Contract Administrator. Contractor shall not proceed with performance of the work to be done under this agreement, including the purchase of necessary materials, until both parties have signed this agreement to show acceptance of its terms.

1.1 Product Quality

1.101 SPECIFICATIONS

Definite Specifications - All commodities and/or services to be furnished hereunder shall conform to the specifications as noted in this Contract and/or copies of specifications attached.

ATTACHMENTS

Attachment C – Specifications for Sodium Chloride (1 Page)

Attachment D – General Materials Certification (5 Pages)

Attachment E – Specifications for Enhanced Salt (3 Pages)

Attachment F – Specification for Agricultural Byproducts (ABP) for Anti-icing (3 Pages)

Attachment G – MDOT Salt Sheds - Inside Delivery (11 pages)

BULK ROCK SALT. The gradation shall be in accordance with the Michigan Department of Transportation Specification 8.20 (7) attached. The material shall also meet the requirements as outlined in the attached Michigan Department of Transportation General Materials Certification Type "D."

ENHANCED SALT. The requirements for enhanced salt shall be in accordance with the attached Michigan Department of Transportation Specification. The material shall also meet the requirements as outlined in the attached Michigan Department of Transportation General Materials Certification Type "D."

Enhanced salt will not be purchased during the 2006 - 2007 winter season.

1.102 CERTIFICATIONS

The material to be supplied will be tested and/or certified. Additionally, MDOT Construction & Technology personnel shall be allowed to randomly inspect and test stockpiled salt and salt that is being loaded for transport at the Contractor yard or storage facility. Contractors shall contact the MDOT Construction and Technology Support Area at (517) 322-1087 for instructions.

Material contamination from foreign debris or frozen lumps of salt may be cause for immediate rejection at the point of delivery.



1.2 Service Capabilities

1.201 CUSTOMER SERVICE/ORDERING

Contractor shall have internal controls, approved by Purchasing Operations, to insure that authorized individuals with the State place orders. The Contractor shall verify orders that have quantities that appear to be abnormal or excessive.

The Contractor shall have an accessible customer service department with an individual specifically assigned to State of Michigan accounts. The Contractor shall have experienced sales representatives make timely personal visits to State accounts. The Contractor's customer service must respond to State agency inquiries promptly. The Contractor shall provide a statewide toll-free number for customer service calls.

Any supplies and services to be furnished under this Contract shall be ordered by issuance of delivery orders or task orders by the individuals or activities designated in the Schedule.

All delivery orders or task orders are subject to the terms and conditions of this Contract. In the event of conflict between a delivery order or task order and this Contract, this Contract shall control.

All orders shall be placed with the Contractor and will not be placed through a trucking company, dock staging area or terminal.

The Customer Service Representative for this Contract is Sally McKellar. Orders can be placed by calling 1-888-800-1323 or sending a fax to 312-807-2669.

1.202 BILLING

All salt will be paid for on the basis of tonnage delivered and unloaded to each drop point indicated on the attached Item Listings. A copy of the Contractor's shipping document showing the net weight tonnage, Drop Point and receiving locations acceptance signature must accompany each invoice. Invoices shall be sent to the appropriate Bill To address as it appears on the Direct Purchase Orders (DPO) issued by the Michigan Department of Transportation, the DPO # must appear on the invoice. Bills should be received within 30 days after delivery of the salt.

1.203 SECURITY

This Contract may require frequent deliveries to State of Michigan facilities. If security background checks are performed on staff, the Contractor shall indicate the name of the company that performs the check as well as provide a document stating that each employee has satisfactorily completed a security check and is suitable for assignment to State facilities. Upon request by the State, Contractors shall provide the results of all security background checks.

The State may decide to also perform a security background check. If so, the Contractor will be required to provide to the State a list of all delivery people that will service State of Michigan facilities, including name and date of birth (social security number or driver license number may be requested).

The Contractor and its subcontractors shall comply with the security access requirements of individual State facilities.

1.3 Delivery Capabilities

1.301 TIME FRAMES EARLY FILL-UP

1. All deliveries to the awarded drop points **MUST** be made between October 1st and October 31st of the current Contract year, unless the receiving location is unable to accept delivery on October 1. In this instance the delivery must be completed within 30 days of being notified that delivery can start at that location. Please note that the State reserves the right to impose a penalty (late fee) on the Contractor for salt not delivered by October 31st of the current Contract year. For each MDOT location that does not receive all salt, by October 31st of the current Contract year, the Contractor will be charged \$1,000 per day. **(See Deductions 1.308)**



2. Once deliveries begin for a particular location, deliveries must continue until that particular location has received the entire quantity specified on the attached item listing, prior to moving to another location. Delivery of a particular location's total quantity MUST be completed within 10 days of the date the delivery began. **(See Deductions 1.308)**
3. The Contractor is responsible for making sure the trucking is performed properly and in a timely manner. This includes shipping salt in trucks that are clean as well as dry. Failure to meet ALL delivery requirements above may result in a fine and/or cancellation of this Contract and/or restriction of future bidding privileges with the State of Michigan.
4. MDOT deliveries will be accepted Monday through Friday between 7:00 A.M. and 2:00 P.M. All delivery dates and arrangements must be cleared with each Region Maintenance Representative so certification tests can be arranged. All drop points (MDOT and Local Units of Government) shall be contacted approximately 48 hours prior to delivery. **(See Deductions 1.308)**
5. If a particular salt storage facility is capable of accepting inside delivery (minimum inside clearance height of 26 feet), appropriate delivery trucks shall be utilized in order to allow for self-unloading inside the facility. **(See Deductions 1.308)**. Refer to Attachment G for the list of MDOT salt sheds. The fourth column indicates whether or not the location requires "inside delivery".

1.302 TIME FRAMES SEASONAL BACKUP (Reserved)

1.303 DELIVERY TICKETS

All salt to be delivered MUST be weighed on certified scales; the Contractor shall, at their expense, have their scales certified and inspected, prior to beginning shipments, and on a monthly basis thereafter until all salt has been delivered. The certification and inspection shall be conducted by the specific scale manufacturer authorized service dealer. For Early Fill, the scales must be inspected and certified between August 15th and September 30th of the current Contract year. Copies of scale certification must be sent to the appropriate MDOT region by October 15th of the current Contract year. For Seasonal Back Up, the scales must be inspected and certified between January 1st and February 15th of the current Contract year. Copies of scale certification must be sent to the appropriate MDOT region by March 1st of each Contract year. The State can require re-certification of the scale, if a particular salt shipment is found to be +/- 1% off. In addition, all delivery tickets MUST be legible, computer generated, printed from a computerized scale, and in English units. All trucks shall be weighed empty, then weighed loaded, and the differential shall be the net weight recorded on the delivery ticket. Scale operators shall not pre-enter estimated empty truck tare weights. Hand written tickets are unacceptable. The awarded Contractors' scales must be cleaned on a regular basis, i.e., daily or weekly if appropriate. Also, the dock shall be maintained on a regular interval, i.e., weekly/biweekly. Violation of any of the above requirements can be grounds for rejection of salt shipment. **(See Deductions 1.308)**.

1.304 DELIVERY TERM

Prices shall be quoted "**F.O.B. Delivered and Unloaded**" to each drop point indicated on the attached Item Listings. All costs associated with delivering salt to these drop points is included in each "Price per Ton." Other F.O.B. terms will not be accepted. Where the location allows, salt and/or enhanced salt shall be unloaded inside the storage facility.

1.305 INCONSISTENT DELIVERIES

The State reserves the right to disallow the use of any dock, weigh station, trucking company, etc. that is utilized by the Contractor if it is discovered that there are inconsistencies regarding the quantity indicated on a delivery ticket and the actual amount received or verified by the re-weighing of a truck. MDOT has made arrangements with the appropriate enforcement authorities to increase the frequency of "spot checks" on trucks hauling salt to various delivery locations. If it is discovered that a particular delivery ticket exceeds the actual amount verified by re-weighing a truck, the Michigan Department of Transportation or the Local Unit of Government will be instructed to pay based on the re-weigh quantity. The State will also seek the possible prosecution of companies that are found to be involved in a "short shipping" scheme designed to take advantage of the State of Michigan or any Local Unit of Government included in this Contract.



1.306 CONVEYOR DELIVERY

Please note the special instructions for **CONVEYOR** deliveries to certain locations in the Item Listings attached. Contractor shall price the conveyor in the spaces provided and shall not be included in the unit price of the salt. Contractor shall include the conveyor price when calculating the extended prices. For example: (Unit price per ton + Conveyor Price) x Number of Tons = Extended Price.

1.307 TRUCKING

All loads of regular salt must be covered by an industry standard mesh tarp. All loads of enhanced salt must be covered with a solid tarp to prevent moisture from reaching the product in transit. If a load is delivered uncovered, or with the incorrect covering the load may be rejected.

1.308 DEDUCTIONS

1. For any salt delivered after normal hours of delivery, which are Monday through Friday between 7:00 a.m. and 2:00 p.m. unless alternate times have been mutually agreed to, there will be a 25% deduction penalty.
2. For any salt delivered to a receiving location after hours when the receiving location is not staffed, there will be a 100% deduction penalty. Alternatively, the receiving location can opt to have the salt picked up at the Contractor's expense.
3. All delivery tickets **MUST** be legible and be generated and printed from a computerized scale. Exception; receiving locations will allow written ticket in emergency situations and then only with a computer generated one to follow with tare weight. Failure to present a computer - generated ticket will result in a 100% deduction penalty.
4. Please note that the State reserves the right to impose a **penalty (late fee)** on the Contractor for salt not delivered within **10 (ten) calendar days** of the date the delivery began. For the undelivered portion of the salt that is late, there will be a 25% deduction penalty with increments of 5% per day, not to exceed 50% overall.
5. For each MDOT location that does not receive their total salt quantity by October 31st of the current Contract year, the Contractor will be charged \$1,000 per day late.
6. If a particular salt storage facility is capable of accepting inside delivery (minimum inside clearance height of 26 feet), and appropriate delivery trucks are not utilized in order to allow for self unloading inside the facility there will be a 50% deduction penalty. Alternatively, the receiving location can opt to have the salt picked up at the Contractor's expense.
7. Any of the above penalties can be rendered void if mutually agreed upon by the Contractor and the receiving location.

1.4 Project Price

1.401 PROPOSAL PRICING

MOST FAVORED CUSTOMER

The State of Michigan, or any participating Local Unit of Government expects to be considered the "**Most Favored Customer**" regarding salt purchased in the State. In other words, since the total quantity included in this bid far exceeds the quantity that may be purchased by any other government entity in the State, the State expects to receive the "best price" during each winter season for the duration of this Contract for all locations. **Additionally, the State expects prices on this CONTRACT to be the same for salt delivered anywhere in the same County. If it is discovered that the State's, or any local agency's price is greater than any other participant, the State, or other local agency will pay based on the lowest price quoted within that county.** Additionally, awarded Contractors that bid salt to any other Public Entity within the State of Michigan during the term of this Contract, if the awarded price for that Public Entity is less than the price for a similar location on the State's CONTRACT, the State reserves the right to take the same price bid to that public entity (if within the same county). (See Deductions in Terms and Conditions section.)



STATE ADMINISTRATIVE FEE

The Contractor must pay an Administrative Fee on the sales transacted under this Contract including MDOT, other State agencies, and local units of governments. For Early Fill, the Contractor must remit the Administrative Fee in U.S. dollars by December 31st of each year during the Contract term. The Administrative Fee equals **\$.05 per ton** of the total sales. Contractor must include the Administrative Fee in their prices.

The Contractor must remit any monies due as a result of the closeout report at the time the closeout report is submitted to Purchasing Operations.

The Contractor must pay the Administrative Fee collected by check. To ensure the payment is credited properly, the Contractor must identify the check as an "Administrative Fee" and include the following information with the payment:

Applicable State BPO Number, report amount(s), and reporting period covered.

Checks for payment of user fees/rebate payments to the State should be made payable to the State of Michigan and sent to:

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

Please make check payable to: Treasurer, State of Michigan

In addition, reports shall be submitted to the Buyer for the period covered by the check. The report shall include the date of the check, amount of the check, and the volume of sales the user fees/rebate is based upon for both the State of Michigan and MiDEAL (Local Units of Government) members.

1.402 QUICK PAYMENT TERMS (Reserved)

1.403 PRICE TERM

Items on this Contract will be bid on a yearly basis. Therefore prices are subject to change every year. The State shall receive the benefit of any decrease in price that may occur.



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

This Contract is for Bulk Salt, Early Fill Up, for the State of Michigan.

Attached is a listing of State agencies and/or locations that may order from this Contract (Item Listing/Pricing Pages). The listing shall not limit participation of additional agencies/locations as the need may develop at the same prices, terms and conditions and also if mutually agreed upon by the State and the Contractor. Local units of government may also issue orders (see 3.006 Extended Purchasing to Local Units of Government/Institutions of Higher Learning).

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

This Contract is issued by Purchasing Operations, State of Michigan, Department of Management and Budget, hereinafter known as Purchasing Operations, for the Michigan Department of Transportation, hereinafter known as MDOT. Where actions are a combination of those of Purchasing Operations and the State agencies, the authority will be known as the State.

Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the commodities and/or services described herein. Purchasing Operations is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of this Contract. Purchasing Operations will remain the SOLE POINT OF CONTACT throughout the procurement process.

Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of this Contract from any individual or office other than Purchasing Operations and the listed Contract administrator

All communications covering this procurement must be addressed to Contract administrator indicated below:

Department of Management and Budget
Purchasing Operations
Attn: Seleana Samuel
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) 241-2619
samuels1@michigan.gov

2.003 NOTICE

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.

2.004 CONTRACT TERM

The term of this Contract will be for one (1) year and will commence with the issuance of a Contract. This will be approximately September 1, 2006 through September 1, 2007

Option. The State reserves the right to exercise four one-year options, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the Contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Acquisition Services to exercise an option year.



Extension. At the sole option of the State, this Contract may also be extended. Contractor performance, quality of products, price, cost savings, and the Contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing Operations to exercise an option year.

Written notice will be provided to the Contractor within 45 days, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least 90 days before this Contract expires. The preliminary notice does not commit the Government to an extension. If the Government exercises this option, the extended Contract shall be considered to include this option clause.

2.005 GOVERNING LAW

This Contract shall in all respects be governed by, and construed in accordance with, the laws of the State of Michigan. By signing this agreement, Contractor consents to personal jurisdiction in the State of Michigan. Any dispute arising herein shall be resolved in the State of Michigan.

2.006 APPLICABLE STATUTES

The following statutes, rules, and laws are applicable to the performance of this Contract; some statutes are reflected in the clauses of this Contract. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)

MI OSHA MCL §§ 408.1001 – 408.1094

Freedom of Information Act (FOIA) MCL §§ 15.231, et seq.

Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.

MI Consumer Protection Act MCL §§ 445.901 – 445.922

Laws relating to wages, payments of wages, and fringe benefits on State projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.

Department of Civil Service Rules and regulations

Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.

Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.

Contract Work Hours and Safety Standards Act (CWHSSA) 40 USCS § 327, et seq.

Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

Rules and regulations of the Equal Employment Opportunity Commission (EEOC)

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.

The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.

The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.

The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.

The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.

Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106

Sherman Act, 15 U.S.C.S. § 1 et seq.

Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.

Clayton Act, 15 U.S.C.S. § 14 et seq.

2.007 RELATIONSHIP OF THE PARTIES

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



2.008 HEADINGS

Captions and headings used in this Contract are for information and organization purposes. Captions and headings, including inaccurate references, do not, in any way, define or limit the requirements or terms and conditions of this Contract.

2.009 MERGER

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

2.010 SEVERABILITY

Each provision of this Contract shall be deemed to be severable from all other provisions of this Contract and, if one or more of the provisions of this Contract shall be declared invalid, the remaining provisions of this Contract shall remain in full force and effect.

2.011 SURVIVORSHIP

Any provisions of this Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of this Contract for any reason.

2.012 NO WAIVER OF DEFAULT

The failure of a party to insist upon strict adherence to any term of this Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term or any other term of this Contract.

2.013 PURCHASE ORDERS

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

2.1 Contractor/Contractor Obligations

2.101 ACCOUNTING RECORDS

The Contractor and all subcontractors shall maintain all pertinent financial and accounting records and evidence pertaining to this Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time during this Contract period and any extension thereof, and for three years from expiration date and final payment on this Contract or extension thereof.

2.102 NOTIFICATION OF OWNERSHIP

The Contractor shall make the following notifications in writing:

1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Purchasing Operations within 30 days.
2. The Contractor shall also notify the Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

The Contractor shall:



1. Maintain current, accurate, and complete inventory records of assets and their costs;
2. Provide Purchasing Operations or designated representative ready access to the records upon request;
3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and
4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

2.103 SOFTWARE COMPLIANCE (Reserved)

2.104 RESERVED

2.105 RESERVED

2.106 PREVAILING WAGE (Reserved)

2.107 PAYROLL AND BASIC RECORDS (Reserved)

2.108 COMPETITION IN SUB-CONTRACTING

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

2.109 CALL CENTER DISCLOSURE (Reserved)

2.2 Contract Performance

2.201 TIME IS OF THE ESSENCE

Contractor/Contractor is on notice that time is of the essence in the performance of this Contract. Late performance will be considered a material breach of this Contract, giving the State a right to invoke all remedies available to it under this Contract.

2.202 CONTRACT PAYMENT SCHEDULE

The specific payment schedule for this Contract will be mutually agreed upon. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

2.203 POSSIBLE PROGRESS PAYMENTS (Reserved)

2.204 RESERVED

2.205 ELECTRONIC PAYMENT AVAILABILITY

Electronic transfer of funds is MANDATORY to State Contractors. Contractor is required to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at www.cpexpress.state.mi.us.

2.206 RESERVED



2.3 Contract Rights and Obligations

2.301 INCURRING COSTS

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of this Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of this Contract.

2.302 CONTRACTOR RESPONSIBILITIES

The Contractor will be required to assume responsibility for all Contractual activities, whether or not that Contractor performs them. Further, the State will consider the Contractor to be the sole point of contact with regard to Contractual matters, including payment of any and all charges resulting from this Contract. If any part of the work is to be subcontracted, this Contract must include a list of subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractors and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of this Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change. Contractor is responsible for any damage done during delivery to MDOT or local agency owned facilities and equipment by sub-contractors.

2.303 ASSIGNMENT AND DELEGATION

The Contractor shall not have the right to assign this Contract, to assign its rights under this Contract, or delegate any of its duties or obligations under this Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this Section shall be null and void. Further, the Contractor may not assign the right to receive money due under this Contract without the prior written consent of the Director of Purchasing Operations.

The Contractor shall not delegate any duties or obligations under this Contract to a subcontractor other than a subcontractor named and approved in the bid unless the Director of Purchasing Operations has given written consent to the delegation.

Contractor must obtain the approval of the Director of Purchasing Operations before using a place of performance that is different from the address that bidder provided in the bid.

2.304 TAXES

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for Contractor viewing upon request to the Contract Administrator.

2.305 INDEMNIFICATION

General Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of



investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract.
2. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in this Contract;
3. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Code Indemnification

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



Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under this Contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in sub clauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other sub clause.

Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect not withstanding the expiration or early termination of this Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.
- (c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.



2.306 LIMITATION OF LIABILITY

The Contractor's liability for damages to the State shall be limited to two times the value of this Contract or \$1,000,000 which ever is higher. The foregoing limitation of liability shall not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of this Contract.

2.307 CONTRACT DISTRIBUTION

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

2.308 FORM, FUNCTION, AND UTILITY

If this Contract is for use of more than one State agency and if the good or service provided under this Contract do not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the Contractor hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

2.310 RESERVED

2.311 TRANSITION ASSISTANCE (Reserved)

2.312 RESERVED

2.313 RESERVED

2.314 WEBSITE INCORPORATION

State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.

2.4 Contract Review and Evaluation

2.401 CONTRACT COMPLIANCE INSPECTOR

Upon receipt at Purchasing Operations of the properly executed Contract Agreement(s), the person named below will be allowed to oversee this Contract performance on a day-to-day basis during the term of this Contract. However, overseeing this Contract implies **no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Purchasing Operations.** The Contract Compliance Inspector for this project is:



Tim Croze
Michigan Department of Transportation
Maintenance Support Area
6333 Old Lansing Rd.
Lansing, Mi 48917
crozet@michigan.gov
Phone: (517) 322-3394
Fax: (517) 322-3385

2.402 PERFORMANCE REVIEWS

Purchasing Operations in conjunction with the MDOT may review with the Contractor their performance under this Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State. Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of this Contract.

Upon a finding of poor performance, which has been documented by Purchasing Operations, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Purchasing Operations, this Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS

- (a) Inspection of Work Performed. The State's authorized representatives shall at all reasonable times and with ten (10) days prior written request, have the right to enter Contractor's premises, or any other places, where the Services are being performed, and shall have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon ten (10) Days prior written notice and during business hours, the State's representatives shall be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that such access will not interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State's representatives, so long as no security, labor relations policies and propriety information policies are violated.
- (b) Examination of Records. No more than once per year, Contractor agrees that the State, including its duly authorized representatives, until the expiration of seven (7) years following the creation of the material (collectively, the "Audit Period"), shall, upon twenty (20) days prior written notice, have access to and the right to examine and copy any of Contractor's books, records, documents and papers pertinent to establishing Contractor's compliance with the terms and conditions of this Contract and with applicable laws and rules, including the State's procurement rules, regulations and procedures, and actual performance of this Contract for the purpose of conducting an audit, examination, excerpt and/or transcription but the State shall not have access to any information deemed confidential to Contractor to the extent such access would require such confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with this Contract.
- (c) Retention of Records. Contractor shall maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to this Contract and to the Services, equipment, and commodities provided under this Contract) pertaining to this Contract in accordance with generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records shall be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action



involving Contractor's records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

- (d) **Audit Resolution.** If necessary, the Contractor and the State shall meet to review each audit report promptly after issuance. The Contractor will respond to each audit report in writing within thirty (30) days from receipt of such report, unless a shorter response time is specified in such report. The Contractor and the State shall develop and agree upon an action plan to promptly address and resolve any deficiencies, concerns, and/or recommendations in such audit report.
1. **Errors.** If the audit demonstrates any errors in the statements provided to the State, then the amount in error shall be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four (4) quarterly statements. If a balance remains after four (4) quarterly statements, then the remaining amount will be due as a payment or refund within forty-five (45) days of the last quarterly statement that the balance appeared on or termination of this Contract, whichever is earlier.
 2. In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than ten (10%), then the Contractor shall pay all of the reasonable costs of the audit.

2.5 Quality and Warranties

2.501 PROHIBITED PRODUCTS (Reserved)

2.502 QUALITY ASSURANCE

The State reserves the right to periodically test products, which have been received to verify compliance with specifications. If testing shows that the product does not meet specifications or fails to perform satisfactorily at any time, the Contractor shall be responsible for:

1. All costs of testing.
2. Disposal and/or replacement of all products which fail to meet specifications.
3. All costs of repair and/or replacement of equipment deemed to have been damaged by substandard products as determined by the State.

2.503 INSPECTION

All goods are subject to inspection and testing. In the event goods are defective in material or workmanship, or otherwise fail to meet the requirements of this Contract, the State shall have the right to reject the goods or retain the goods and correct the defects. The Contractor shall pay the State for expenses incurred in correcting defects. Rejected goods will be held for 45 days after delivery. The Contractor must arrange for the return of said goods, including paying for handling, packing, and transportation costs. The State has the authority to dispose of the goods without further liability to the State in the event the Contractor fails to make arrangements within the specified time period.

2.504 GENERAL WARRANTIES (goods)

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

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

Warranty of title – Contractor shall, in providing goods to the State, convey good title in those goods, whose transfer is right and lawful. All goods provided by Contractor shall be delivered free from any security



interest, lien, or encumbrance of which the State, at the time of Contracting, has no knowledge. Goods provided by Contractor, under this agreement, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.505 RESERVED

2.506 STAFF

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.

2.507 RESERVED

2.508 RESERVED

2.509 RESERVED

2.6 Breach of Contract

2.601 BREACH DEFINED

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the State authority to invoke any and all remedies available to it under this agreement.

In addition to any remedies available in law and by the terms of this Contract, if the Contractor breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this Contract.

2.602 NOTICE AND THE RIGHT TO CURE

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

2.603 EXCUSABLE FAILURE

1. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under this Contract (either itself or through another Contractor); injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such



party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.

2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under this Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of this Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) this Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition. Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under this Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above and the Contractor cannot reasonably circumvent the effect of the subcontractor's default or delay in performance through the use of alternate sources, workaround plans or other means.

2.7 Remedies

2.701 CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:

1. Material Breach by the Contractor. In the event that the Contractor breaches any of its material duties or obligations under this Contract, which are either not capable of or subject to being cured, or are not cured within the time period specified in the written notice of breach provided by the State, or pose a serious and imminent threat to the health and safety of any person, or the imminent loss, damage or destruction of any real or tangible personal property, the State may, having provided written notice of cancellation to the Contractor, cancel this Contract in whole or in part, for cause, as of the date specified in the notice of cancellation.

In the event that this Contract is cancelled for cause, in addition to any legal remedies otherwise available to the State by law or equity, the Contractor shall be responsible for all costs incurred by the State in canceling this Contract, including but not limited to, State administrative costs, attorneys fees and court costs, and any additional costs the State may incur to procure the services required by this Contract from other sources. All excess re-procurement costs and damages shall not be considered by the parties to be consequential, indirect or incidental, and shall not be excluded by any other terms otherwise included in this Contract.

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

In the event this Contract is cancelled for cause pursuant to this section, and it is therefore determined, for any reason, that the Contractor was not in breach of Contract pursuant to the provisions of this section, that cancellation for cause shall be deemed to have been a cancellation for convenience, effective as of the same date, and the rights and obligations of the parties shall be limited to that otherwise provided in this Contract for a cancellation for convenience.

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in this Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of this Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel this Contract for its convenience, in whole or



in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.

3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.
4. Criminal Conviction. In the event the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

2.702 RIGHTS UPON CANCELLATION

A. Rights and Obligations Upon Termination

- (1) If this Contract is terminated by the State for any reason, Contractor shall (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from this Contract that may be in Contractor's possession, (c) return all materials and property provided directly or indirectly to Contractor by any entity, agent or employee of the State, (d) in the event that the Contractor maintains title in equipment and software that is intended to be transferred to the State at the termination of this Contract, Contractor will transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables and other Developed Materials intended to be transferred to the State at the termination of this Contract and which are resulting from this Contract (which shall be provided to the State on an "As-Is" basis except to the extent the amounts paid by the State in respect of such items included compensation to Contractor for the provision of warranty services in respect of such materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.
- (2) In the event the State terminates this Contract prior to its expiration for its own convenience, the State shall pay Contractor for all charges due for Services provided prior to the date of termination and, if applicable, as a separate item of payment pursuant to this Contract, for partially completed Deliverables, on a percentage of completion basis. All completed or partially completed Deliverables prepared by Contractor pursuant to this Contract shall, at the option of the State, become the State's property, and Contractor shall be entitled to receive equitable fair compensation for such Deliverables. Regardless of the basis for the termination, the State shall not be obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.



- (3.) If any such termination by the State is for cause, the State shall have the right to set-off against any amounts due Contractor the amount of any damages for which Contractor is liable to the State under this Contract or pursuant to law or equity.
- (4.) Upon a good faith termination, the State shall have the right to assume, at its option, any and all subcontracts and agreements for services and materials provided under this Contract, and may further pursue completion of the Services under this Contract by replacement Contract or otherwise as the State may in its sole judgment deem expedient.

B. Termination Assistance

If this Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to two-hundred seventy (270) calendar days after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of this Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. The State shall compensate Contractor for such termination assistance at the same rates and charges set forth in this Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractors pricing section. If this Contract is terminated by Contractor under **Section 20**, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under this Contract.

C. Reservation of Rights

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

D. End of Contract Transition

In the event this Contract is terminated, for convenience or cause, or upon expiration, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of this Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 calendar days. These efforts shall include, but are not limited to, the following:

- (1) **Personnel** - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors.
- (2) **Knowledgeable Personnel**. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (3) **Information** - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under this Contract. The Contractor will also provide any licenses required to perform the Services under this Contract.



- (4) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of this Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (5) Single Point of Contact. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of this Contract until all product and service obligations have expired.

E. Transition out of this Contract (Reserved)

2.703 RESERVED

2.704 RESERVED

2.705 SUSPENSION OF WORK

The Contract Administrator may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this Contract for the period of time that the Contract Administrator determines appropriate for the convenience of the State.

If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contract Administrator in the administration of this Contract, or (2) by the Contract Administrator's failure to act within the time specified in this Contract (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this Contract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and this Contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor, or for which an equitable adjustment is provided for or excluded under any other term or condition of this Contract.

A claim under this clause shall not be allowed:

- (1) For any costs incurred more than 20 days before the Contractor shall have notified the Contract Administrator in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and
- (2) Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under this Contract.

2.8 Changes, Modifications, and Amendments

2.801 APPROVALS

This Contract may not be modified, amended, extended, or augmented except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.

2.802 TIME EXTENTIONS

Time extensions for Contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that this Contract completion date will be extended only for those specific elements related to the changed work and that the remaining Contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

2.803 MODIFICATION

Purchasing Operations reserves the right to modify this Contract at any time during this Contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced,



method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases. IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THIS CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.

The State reserves the right to add an item(s) that is not described on the item listing and is available from this Contract Contractor. The item(s) may be included on this Contract, only if prior written approval has been granted by Purchasing Operations.

2.804 AUDIT AND RECORDS UPON MODIFICATION

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this Contract to the Contract Administrator in Purchasing Operations. Data may include accounting records, payroll records, employee time sheets, and other information the State deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the State shall have the right to examine and audit all of the Contractor's records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above.

If this Contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

2.805 CHANGES

- (a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of this Contract, including changes:
 - (1) In the specifications (including drawings and designs);
 - (2) In the method or manner of performance of the work;
 - (3) In the State-furnished facilities, equipment, materials, services, or site; or
 - (4) Directing acceleration in the performance of the work.
- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
 - (1) The date, circumstances, and source of the order; and
 - (2) That the Contractor regards the order as a change order.
- (b) Except as provided in this clause, no order, statement, or conduct of the Contract Administrator shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.



2.806 LIABILITY INSURANCE

A. Insurance

The Contractor is required to provide proof of the minimum levels of insurance coverage as indicated below. The purpose of this coverage shall be to protect the State from claims which may arise out of or result from the Contractor's performance of services under the terms of this Contract, whether such services are performed by the Contractor, or by any subcontractor, or by anyone directly or indirectly employed by any of them, or by anyone for whose acts they may be liable.

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

All insurance coverage provided relative to this Contract/Purchase Order is PRIMARY and NON-CONTRIBUTING to any comparable liability insurance (including self-insurances) carried by the State.

The insurance shall be written for not less than any minimum coverage specified in this Contract or required by law, whichever is greater.

The insurers selected by Contractor shall have an A.M. Best rating of A or better, or as otherwise approved in writing by the State, or if such ratings are no longer available, with a comparable rating from a recognized insurance rating agency. Companies that have been approved to do business in the State shall issue all policies of insurance required in this Contract.

See www.michigan.gov/cis

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

Before both parties sign this Contract or before the purchase order is issued by the State, the Contractor must furnish to the Director of Purchasing Operations, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "accord" form or equivalent. **THIS CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) shall contain a provision indicating that coverage afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without THIRTY (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include this Contract or Purchase Order number affected and be mailed to: Director, Purchasing Operations, Department of Management and Budget, P.O. Box 30026, Lansing, Michigan 48909. Failure to provide evidence of coverage, may, at the State's sole option, result in this Contract's termination.

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

- Commercial General Liability with the following minimum coverage:

\$2,000,000	General Aggregate Limit other than Products/Completed Operations
\$2,000,000	Products/Completed Operations Aggregate Limit
\$1,000,000	Personal & Advertising Injury Limit
\$1,000,000	Each Occurrence Limit
\$500,000	Fire Damage Limit (any one fire)

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



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

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

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

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

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

4. Employers liability insurance with the following minimum limits:

\$100,000	each accident
\$100,000	each employee by disease
\$500,000	aggregate disease

5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of one million dollars (\$1,000,000.00) with a maximum deductible of fifty thousand dollars (\$50,000.00).
6. Umbrella or Excess Liability Insurance in a minimum amount of ten million dollars (\$10,000,000.00), which shall apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.
7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: three million dollars (\$3,000,000.00) each occurrence and three million dollars (\$3,000,000.00) annual aggregate.
8. Fire and Personal Property Insurance covering against any loss or damage to the office space used by Contractor for any reason under this Contract, and the equipment, software and other contents of such office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to the replacement value thereof, where such office space and its contents are under the care, custody and control of Contractor. Such policy shall cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State shall be endorsed on the policy as a loss payee as its interests appear.

B. Subcontractors

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor shall require all of its Subcontractors under this Contract to purchase and maintain the insurance coverage as described in this Section for the Contractor in connection with the performance of work by those Subcontractors. Alternatively, Contractor may include any



Subcontractors under Contractor's insurance on the coverage required in this Section. Subcontractor(s) shall fully comply with the insurance coverage required in this Section. Failure of Subcontractor(s) to comply with insurance requirements does not limit Contractor's liability or responsibility.

C. Certificates of Insurance and Other Requirements

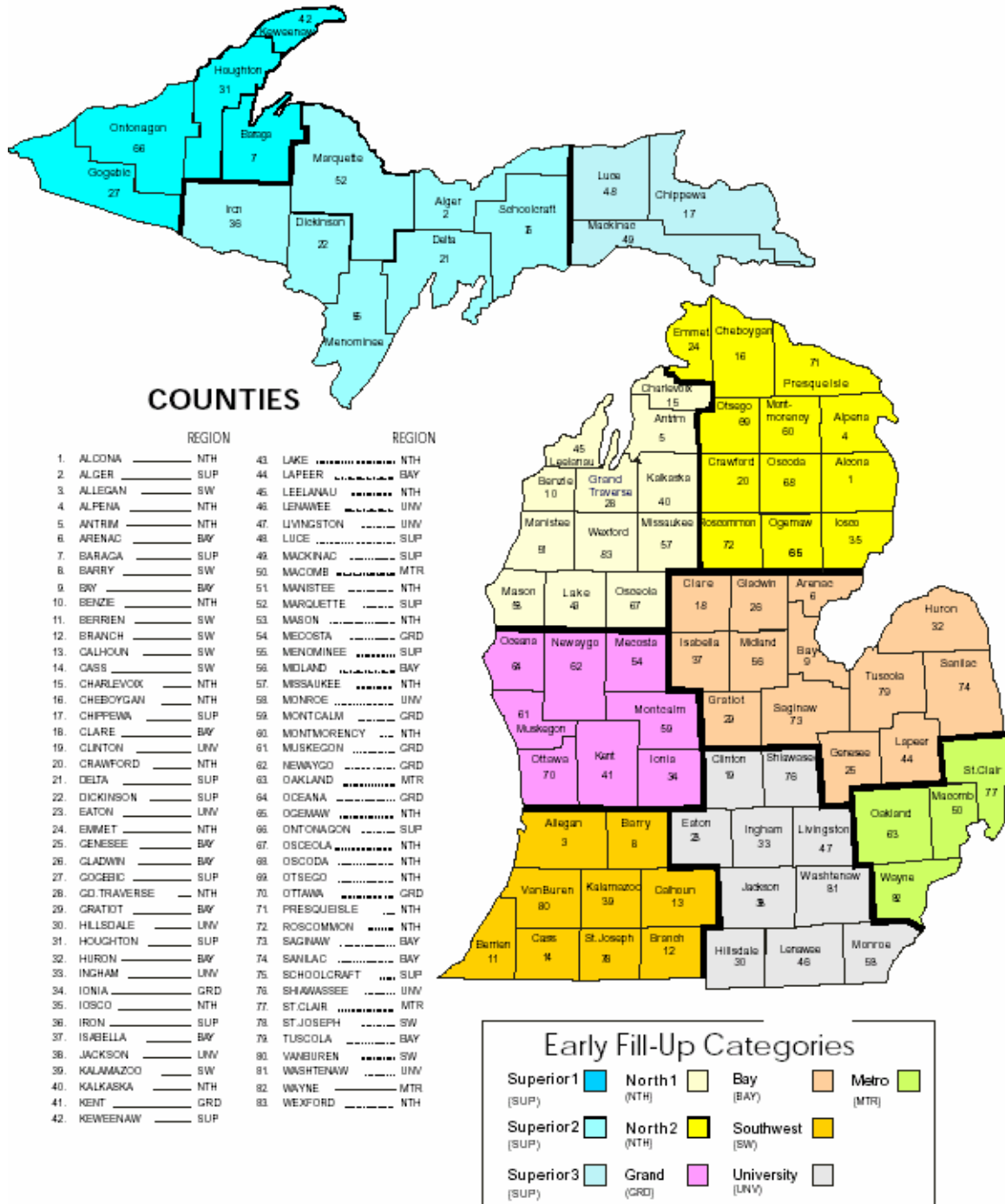
Contractor shall furnish to the Office of Purchasing Operations certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before this Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insureds, but only to the extent of liabilities assumed by Contractor as set forth in Indemnification Section of this Contract, under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

Contractor shall maintain all required insurance coverage throughout the term of this Contract and any extensions thereto and, in the case of claims-made Commercial General Liability policies, shall secure tail coverage for at least three (3) years following the expiration or termination for any reason of this Contract. The minimum limits of coverage specified above are not intended, and shall not be construed, to limit any liability or indemnity of Contractor under this Contract to any indemnified party or other persons. Contractor shall be responsible for all deductibles with regard to such insurance. If Contractor fails to pay any premium for required insurance as specified in this Contract, or if any insurer cancels or significantly reduces any required insurance as specified in this Contract without the State's written consent, at the State's election (but without any obligation to do so) after the State has given Contractor at least thirty (30) days written notice, the State may pay such premium or procure similar insurance coverage from another company or companies; and at the State's election, the State may deduct the entire cost (or part thereof) from any payment due Contractor, or Contractor shall pay the entire cost (or any part thereof) upon demand by the State.



Attachment A

Salt, Bulk Rock, Early Fill-Up Category Map



Prepared By: Specialized Technology
 Revised: April, 2001



MICHIGAN DEPARTMENT OF TRANSPORTATION

SPECIFICATIONS FOR SODIUM CHLORIDE

8.20 (7) P.O.

Description:

These specifications cover salt, bulk rock, sodium chloride to be used for ice and snow removal and control.

General Requirements:

The material shall be in accordance with the current specifications for Sodium Chloride, ASTM D 632, except as modified below.

Chemical Composition:

Sodium Chloride (NaCl), Minimum, percent 95.00 %

Gradation:

<u>Sieve size</u>	<u>Percent passing</u>
1/2 inch	100 %
3/8 inch	95 - 100 %
No. 4	82 % maximum
No. 8	50 % maximum
No. 30	10 % maximum

Material passing the No. 30 sieve in excess of 10% will be deducted from the delivered weight of the salt.

Moisture Content:

Material with moisture content in excess of 1.5% will be deducted from the delivered weight of the salt.

Acceptance of Material:

The producer shall provide Type "D" certification, as defined in the Michigan Department of Transportation General Materials Certification, that the material furnished meets the requirements of these specifications for sodium chloride. MDOT reserves the right to sample and test the material on a random basis at the point of final delivery. Material contamination from foreign debris or frozen lumps of salt may be cause for immediate rejection at the point of delivery. These tests shall be for the purpose of determining acceptance, rejection, and/or adjustment in delivered weight.



MICHIGAN DEPARTMENT OF TRANSPORTATION

GENERAL MATERIALS CERTIFICATION07-15-91
Rev. 05-01-94**1. Scope**

- 1.1 M•DOT allows some highway materials to be accepted by the Engineer on the basis of the supplier's written certification that all applicable specifications are met. There are different types of certifications required depending on the type of material; the impact of the material on the safety and integrity of the project; and the experience of M•DOT and other agencies with the material.
- 1.2 Certifiable materials are designed in Section A of the Materials Sampling Guide under "Basis of Acceptance".
- 1.3 Sections 1-7 of these general procedures apply to all manufacturers and distributors of certifiable materials. Sections 8-10 cover procedures which apply only to manufacturers and distributors who have been given the privilege of certifying specific materials which would otherwise be tested on a job by job basis. These manufacturers and distributors have established a record of providing specifications materials and are continually evaluated.
- 1.4 Where necessary, additional detailed procedures have been written to cover certification of individual materials. These detailed procedures follow the general material certification procedures in this manual.

2. General

- 2.1 The Construction and Technology Support Area, District Support Unit is responsible for overseeing the materials certification program including issuing and withdrawing certification privileges based on Support Area and District recommendations.
- 2.2 It is the Contractor's responsibility to ensure that all certifications for material to be incorporated into the project are accurate and are delivered as required by § 6.3.
- 2.3 When used in these procedures, manufacturer refers to a producer or fabricator of highway materials with control over the quality, workmanship and handling of material shipped to an M•DOT project.
- 2.4 When used in these procedures, distributor refers to a supplier or broker of highway materials who has no control, other than through careful handling, over the quality and workmanship of material shipped to an M•DOT project.
- 2.5 When used in these procedures, Approved Certifier refers to a manufacturer who has submitted quality control documentation and /or material samples for evaluation and who has been given status in accordance with § 8 to certify specific materials.
- 2.6 When used in these procedures, Approved Recertifier refers to a distributor who has been given status in accordance with § 9 to recertify specific materials which are manufactured by Approved Certifiers.
- 2.7 A certifier's status as a manufacturer of a given material takes precedence over status as a distributor of that material when interpreting these procedures.

3. Types of Certification

- 3.1 Type "A" certification consist of all of the following:
 - 3.1.1 Laboratory test report(s) for samples obtained from the lot(s) of material represented by the certification and tested according to applicable specifications.
 - 3.1.2 A list of all applicable specifications (ASTM, AASHTO, M•DOT or other designations as appropriate) which the material is certified to meet.



- 3.1.3. Any applicable specification modifier such as Class, Grade, Type, etc.
- 3.1.4. A notarized statement, signed by a responsible representative of the manufacturer or distributor, that the material resented by the certification meets all listed specification requirements.
- 3.2 Type “B” has been “deleted.”
- 3.3 Type “C” certification is a notarized statement prepared by the manufacturer certifying that the material in the shipment conforms to the same formula and/or is essentially the same material previously approved by the Department.
- 3.4 Type “D” certification consists of all of the following:
 - 3.4.1 A list of all applicable specifications (ASTM, AASHTO, M•DOT or other designations as appropriate) which the material is certifies to meet.
 - 3.4.2 Any applicable specification modifier such as Class, Grade, Type etc.
 - 3.4.3 A notarized statement, signed by a responsible representative of the manufacturer or distributor, that the material represented by the certification meets all listed specification requirements.
 - 3.4.4 If material is certified by a distributor or an Approved Recertifier the manufacturer’s name must be included on the certification.
- 3.5 Type “E” certification is prepared by a fabricator to cover a composite item incorporating two or more materials which have been previously approved on an individual basis for M•DOT projects, but lose their identity when they are incorporated into the composite item. All materials used in the fabrication of the item must be listed and identified. The notarized certification statement must state that all materials used in the fabrication of the item were previously approved for State use. The fabricator is required to supply test results and/or other pertinent identifying records for the individual materials incorporated into the composite item unless otherwise directed. Composite items requiring a Type “E” certification include signs, overhead sign structures, etc.

4. Certification Verification Sampling and Testing

- 4.1 Material accepted on the basis of certification may be sampled and tested on a random basis by M•DOT representatives for the purpose of verifying the quality of the certified material.
- 4.2 Certification verification sampling in more detail in Section C-2 of this manual.

5. Acceptance/Rejection of Certified Materials

- 5.1 Certified material will be accepted by the Engineer only when all applicable documentation requirements are met , and if visual inspection at the project site chows the workmanship and condition of the material to be satisfactory.
- 5.2 If any laboratory reports submitted as part of a Type “A” certification or resulting from the testing of certification verification samples indicate that a critical parameter falls outside specification limits by a significant amount, the Construction and Technology Support Area may recommend that the certified material be rejected. Prior to rejection of the material an investigation of circumstances will be made. This may include consultation with M•DOT Construction, Design, Traffic and Safety, or Maintenance Support Areas and the Engineer.

6. Certification Documentation

- 6.1 Where more that one piece of paper is included in the certification document, all pages must be numbered (____ of ____) and include project numbers in order to reunite them should they become separated.



- 6.2 All certified material must be tagged, stenciled, stamped, or otherwise identified to allow the material to be easily recognized and checked against the certification. Certified material will not be incorporated in the work or paid for until satisfactory documentation has been received by the Engineer.
- 6.3 An original and two complete copies of all certification documents must be furnished to M•DOT. Each must contain the appropriate information specified in § 3 in addition to the following:
 - 6.3.1 Project Number (Control Section/Job Number).
 - 6.3.2 Date of Shipment.
 - 6.3.3 Name of Contractor.
 - 6.3.4 Name of Material (M•DOT designation).
 - 6.3.5 Identification markings on shipment as required by § 6.2.
 - 6.3.6 Quantity of material represented by the certification.
- 6.4 Certifications must be distributed as follows:
 - 6.4.1 The original and one copy must accompany the shipment or be delivered to the Engineer (Engineer to forward the copy to District Materials Supervisor).
 - 6.4.2 One copy must be mailed, on date of shipment, to:

Construction and Technology Support Area
Michigan Department of Transportation
P.O. Box 30049
Lansing, MI 48909

7. Withdrawal and Reinstatement of Certification Privileges

- 7.1 Failure to comply with any applicable certification procedures is justification for withdrawal of certification privileges. A warning letter may be written to the certifier pointing out the failure and requesting action to rectify the problem.
- 7.2 Certification privileges may be withdrawn if the certified material deviates from specification requirements by a substantial amount in a critical aspect or if the material repeatedly fails to conform to specification requirements by any amount in any aspect.
- 7.3 Withdrawn certification privileges can be reinstated only if the certifier has corrected the identified deficiencies and has described the actions taken to prevent future shipment of nonconforming material. In the case of an Approved Certifier, testing of samples or review of other data may be required.
- 7.4 Additional requirements covering the withdrawal and reinstatement of certification privileges may be included in the detailed procedures for individual materials.

8. Approved Certifier/Recertifier Status

- 8.1 Sections 8, 9, and 10 apply to manufacturers or distributors of materials which can only be certified by an Approved Certifier. These materials, which are otherwise tested on a job specific basis, are designated by an asterisk (*) under “Basis of Acceptance” in Section A of the Materials Sampling Guide. Lists of materials which are allowed to be certified only by Approved Certifiers and manufacturers who have been given this status are included in Section C of the Materials Sampling Guide. Distributors who have been approved or recertify materials manufactured by Approved Certifiers are also listed in Sections C.



- 8.2 Approved Certifiers and Approved Recertifiers shall maintain quality control records and material certificates for a period of two years after the date of shipment for all material supplied on the basis of certification to M•DOT projects. These records must be made available to M•DOT representatives upon request.
- 8.3 Approved Certifiers and Approved Recertifiers must agree, in writing, to comply with all general certification requirements in addition to applicable procedures covering individual materials.

9. Application for Approved Certifier Status

- 9.1 The manufacturer of the material to be certified must contact the Construction and Technology Support Area District Support Unit in writing to request consideration for Approved Certifier status. requests must include the following information:
 - 9.1.1 Specific name of the material to be certified (M•DOT designation).
 - 9.1.2 Specific AASHTO, ASTM, M•DOT Standard Specification or other specification covering the material.
 - 9.1.3 Manufacturer's quality control procedure for the material. This can be a narrative description or a formal procedures manual.
 - 9.1.4 Quality control test reports for the material covering a minimum of 20 production runs. Acceptance test reports for materials used on M•DOT projects or independent laboratory test results are acceptable.
 - 9.1.5 Names of other state DOT's using the material.
 - 9.1.6 Sample of the material if requested.
 - 9.1.7 Sample certification form to be used when supplying material.
- 9.2 The evaluations which follows will include a review of M•DOT's experience with the material and the manufacturer to determine if it is appropriate to allow certification of the material; a review of the quality control program and test reports to verify that the manufacturer is capable of producing uniform material which consistently meets established specifications; contacting other agencies to determine their experience with the material and the manufacturer.
- 9.3 If the review indicates an adequate quality level, the Department will permit certification on a provisional basis. During the time of provisional certification, the frequency of certification verification sampling by M•DOT will be increased. Assuming that these samples continue to meet M•DOT specifications, certification will be allowed on a continuing basis.

10. Approved Recertifier Status

- 10.1 Once a manufacturer has been given Approved Certifier status for a material, a distributor may request approval to supply that material based on recertification. This request must be made, in writing, to the Construction and Technology Support Area, District Support Unit.
- 10.2 The following modifications to the requirements of § 6 are applicable when an Approved Certifier supplies material through an Approved Recertifier.
 - 10.2.1 The certification from the Approved Certifier to the Approved Recertifier is not required to show a Project Number.
 - 10.2.2 When any portion of this material is shipped, without modification, to a project the Approved Recertifier must issue a distributor's certification which states that the material represented is the same material covered by the approved certifier's certification.
 - 10.2.3 A copy of the Approved Certifier's material certification must be attached to the distributor's certification.



- 10.3 If the Approved Recertifier has had additional processing performed on the material subsequent to receiving it from the Approved Certifier, the material is no longer covered by the Approved Certifier's certification. The processed material must be independently approved for certification by M•DOT on the basis of testing and/or inspection.



MICHIGAN DEPARTMENT OF TRANSPORTATION

**SPECIFICATION
FOR
ENHANCED SALT**

C&T:SCK

March 4, 2004

C&T:APPR:

1. Scope

It is the intent of this specification to describe a mixture of Sodium Chloride Type A crushed rock salt with Agricultural Processing Residue/Product, referred to herein as ABP, to be used to control snow and ice removal on Michigan roads. This combined product will be referred to herein as enhanced salt.

2. Sodium Chloride Type A Crushed Rock Salt Specifications:**2.1 Chemical Composition**

Sodium Chloride before treatment with liquid ABP shall be not less than 95% purity . Percent of Sodium Chloride shall be determined in accordance with the current ASTM-D-632 specification.

2.2 Gradation (Particle Size Distribution)

The salt, before being mixed with ABP, shall conform to the following requirements for particle size distribution:

*ASTM-C-136 Sieve Size	Percent Passing
½" - (12.5 mm)	100
d" - (9.5 mm)	95-100
No. 4 - (4.75 mm)	82 Maximum
No. 8 - (2.36 mm)	50 Maximum
No. 30 - (600 Microns)	10 Maximum

* A drying temperature of 100°C 5°C should be used.

2.3 Sodium Chloride Moisture Content

The Sodium Chloride moisture content, before being mixed with ABP, shall not exceed 1.5% when determined as follows:

$$\% \text{ Moisture} = (W1 - W2) / (W1) \times 100$$

Where:

W1 = Initial weight of sample

W2 = Weight of sample after drying to a constant weight at 100°C 5°C.

2.4 Anticaking Agent

Salt is generally treated with an anticaking agent. In most cases the ABP added to the salt will act as an anticaking agent. No anticaking agents such as Yellow Prussiate of Soda (YPS, or Sodium Ferrocyanide) shall be allowed. The supplier is responsible to test their enhanced salt before shipping to ensure that the ABP they choose will work as an anticaking agent. If the enhanced salt "clumps" in our storage facility it shall be the responsibility of the supplier to remove the product and supply an equal quantity of another enhanced salt product.

2.5 Penalties



2.5.1 Moisture

Moisture content of the salt above 1.5 % before mixing with the ABP shall be cause for rejection.

2.5.2 Gradation (Particle Size Distribution)

If before mixing with the ABP, the gradation of the salt is found to be out of tolerance, it may be rejected, or at MDOT’s option, a deduction from the price shall be made based on the following formula:

$$\text{Reduced Price per Ton} = \text{Delivered Contract Price} * (1.00 - Y)$$

Where:

Y = the decimal equivalent of the total percent out of gradation for all sieve sizes. The percent out of tolerance for each sieve shall be taken to the nearest 0.1%. The total of the individual sieve tolerance deviation percentages shall be used as Y.

2.6 General

If the Contractor consistently uses salt found to be above 1.5% moisture content or consistently not conforming to the gradation requirements, the Contract shall be subject to cancellation either in whole or in parts.

3. ABP Specifications

3.1 The Specification for Agricultural Byproducts (ABP) for Anti-icing shall apply to the ABP and all requirements shall be adhered to. If the liquid is found to be in non-conformance to the specification, the Contract shall be subject to cancellation either in whole or in parts. The ABP specification is attached as an appendix. All sampling and the submitting of ABP samples required by the appendix are required by this document as well.

4. Mixing the Sodium Chloride and ABP

4.1 Mix Quantity

The Contractor shall thoroughly mix a minimum of six (6) gallons and a maximum of ten (10) gallons of ABP per ton of salt. Mixing shall be completed prior to shipment.

4.2 Consistency

The Contractor shall ensure a consistent thorough mix (e.g. spray system, pugmill, conveyor) so that there is maximum coverage of the liquid on the salt crystals (loader mixing and stockpile injection methods are not acceptable) and shall specify the mix method in the bid. Any changes in formulation in either the mix dosage or the ABP being used may be cause for cancellation of the Contract and award to the next lowest Contractor.

4.4 Allowable Moisture Content

The moisture content of the mixed product as delivered shall be within the ranges of 3-6 percent. Moisture content shall be determined as in 2.3. If found out of range, the product may be rejected, or at MDOT’s option, a deduction from the price shall be made based on the following formula:

$$\text{Reduced Price per Ton} = \text{Delivered Contract Price per Ton} * (1.00 - 2Z)$$

Where:

Z = Moisture content of the mixed product sample (expressed as the decimal equivalent of the percentage of the original sample weight to the nearest 0.1%).

5. Delivery and Inspection

5.1 Liquid ABP Dosage



All shipments of finished product shall be accompanied by a ticket indicating the amount of ABP mixed in the finished product. This amount shall be indicated on the ticket by Gallons. The amount of gallons shall be recorded by a printing device or handwritten from flow meter readings. Failure to supply the information will result in rejection of the load, or at MDOT option, accepted at the untreated salt Contract price.

5.2 Inspection

Each shipment of finished product shall be visually inspected by MDOT personnel for excessive leaching, odor, moisture, or clumping, any of which is cause for rejection.

5.3 Sampling

Samples of the ABP, salt, and mixed product shall be submitted to MDOT for testing and evaluation in a timely manner, no later than four weeks prior to delivery of the first shipment. Failure to submit samples shall be cause for cancellation of the Contract and award to the next lowest Contractor.

MDOT, or any of its authorized representatives, reserves the right to take samples from the Contractor's stockpile or transfer point before the salt is mixed with the ABP, inspect the operation to take salt and liquid samples, to ensure that the proper amount of liquid is being applied, and that the mix method is appropriate.

6. Storage Life

All enhanced salt supplied to MDOT shall have a storage life of 24 months. The supplier shall guarantee that its enhanced salt product will not develop a foul odor or exhibit rotting for a full 24 month period. If the product proves to be beyond its storage life within the 24 month period, the Contractor shall remove and replace the product at no cost to the Department.

7. Storage

Enhanced salt must be stored under cover at all times (At the mine, at the dock etc.). Tarping is acceptable, but a solid building, or a solid roof and tarped walls are preferred. Bid preference will be given at \$1.00 per ton Contract price for the preferred storage.



Attachment F – 3 Pages

MICHIGAN DEPARTMENT OF TRANSPORTATION
CONTRACT SPECIFICATIONS
FOR
AGRICULTURAL BYPRODUCTS (ABP) FOR ANTI-ICING

C&T:SCK

July 5, 2002

C&T:APPR:

a. Description. Agricultural Byproducts (ABP) for anti-icing use are the concentrated liquid residues from the processing of grains and other agricultural products. They are derived from the processing of agricultural raw materials, primarily corn. The liquid residues are typically combined with salt brines, and the resulting mixture is sprayed onto roads and bridges for anti-icing use.

b. Materials. All materials shall meet the requirements as specified herein.

1. No products will be accepted that contain constituents in excess of the following established total concentration limits as tested in accordance with the methods listed in the Appendix. Test results from an independent laboratory shall be submitted. The material tested shall be of the same composition as the material submitted.

Table 1. Hazardous constituent concentration limits.

Hazardous Constituent	Maximum Concentration Limit, parts per million (ppm)
Arsenic	5.00
Barium	10.0
Cadmium	0.20
Chromium	0.50
Copper	3.00
Cyanide	0.20
Lead	1.00
Mercury	0.05
Total Phosphorus	50.0
Selenium	5.00
Zinc	15.0

2. pH - The pH of liquid chemical products shall be within the limits of 6 to 9.

3. The product shall not contain greater than 1.0% (V/V) Total Settleable Solids and shall have ninety-nine percent (99.0%) of the Solids Passing through a Number 10 sieve after being stored at 0° F +/- 2° F for 168 hours (Test Method Number 11). The product shall have a minimum storage life of one year, without degradation or addition of stabilizers or inhibitors. The product during storage shall not freeze at 20 F.

4. The Contractor shall be responsible for all clean up expenses of any product delivered and/or applied that is found to be contaminated. This includes, but is not limited to, clean up measures as needed for the following: storage facility, yard, equipment, and roadside. In addition, the Contractor shall be liable, as determined by MDOT, for causing any unanticipated extraordinary damages to equipment used in the storage or distribution of the chemical products.



5. MDOT has the right to accept or reject products based upon material composition. Each product will be assessed for the potential of causing a decrease in the public safety. Acceptance or rejection of a product based on composition shall be final and in the best interest of MDOT.

6. Concentration of as delivered product ingredient(s) shall not exceed 1.5 % of product formulation as specified in bid form.

7. Odor/Residual Effect - The anti-icing liquid shall not have a disagreeable odor, as determined by MDOT personnel. A mild, sweet odor, typical of anti-icing products formulated with ABPs, is not cause for rejection. However, if sprayed on a hot surface, the ABP anti-icing liquid will not burn or otherwise generate disagreeable odors. Example: Most beet juice derivative ABP's exhibit an unacceptable odor.

8. Mixing of different ABP formulations - The product will be examined for the formation of solids and the ability of the chemical product to maintain a non-stratified suspension without agitation, when mixed with other types of ABP residues.

9. In addition to the general specifications, the following requirements also apply to category products. An independent certified analysis showing compliance with the requirements listed below must be submitted with the bid along with an intended use statement for the product. Exceptions to the requirements must be stated and MDOT reserves the right to reject the product.

a. Liquid Magnesium Chloride with ABP

Product must contain no less than 18.0% +/- 1.5% magnesium chloride by weight as $MgCl_2$. Weight per gallon shall be established according to the specific gravity and percentage of processing residue, product, and additive contained in the product bid as indicated by the Contractor.

b. Liquid Calcium Chloride with ABP

Product must contain no less than 22.0% +/- 1.5% calcium chloride by weight as $CaCl_2$. Weight per gallon shall be established according to the specific gravity and percentage of processing residue, product, and additive contained in the product bid as indicated by the Contractor.

c. Other Blended ABP formulations (generally designated as "chloride-free")

The product must contain the active ingredient(s) as specified in the bid form (Test Method Number 1). Weight per gallon shall be established according to the specific gravity and percentage of processing residue, product, and additive contained in the product bid as indicated by the Contractor.



Attachment G
MDOT Salt Sheds - Inside Delivery (11 Pages)

Superior 1 Region

Item	County	Drop Point	Inside Delivery
1	Baraga	Salt Shed, School St., Covington (906) 524-6124	Yes
2	Baraga	MDOT Garage, 301 Winter St., L'Anse (906) 524-6124	Yes
3	Gogebic	Marenisco, 302 Main St., Marenisco (906) 787-2273	No
4	Gogebic	CRC, Old US-2, Wakefield (906) 667-0233	No
5	Gogebic	Watersmeet, E23859 E. Ave., Watersmeet (906) 358-4575	No
6	Houghton	51750 Industrial Drive, Calumet (906) 524-6124	Yes
7	Keweenaw	CRC, 1916 4th St., Mohawk (906) 337-1610	Yes
8	Ontonagon	Bergland, 5650 M-64 N., Bergland (906) 575-3552	No
9	Ontonagon	Bruce Crossing, 5346W. M-28, Bruce Crossing (906) 827-3433	No
10	Ontonagon	Mass City, 1212 Adventure Ave., Mass City (906) 883-3303	No
11	Ontonagon	CRC, US-45, Ontonagon (906) 884-4650	No



Superior 2 Region

Item	County	Drop Point	Inside Delivery
1	Alger	CRC, M-77, Grand Marais (906) 387-2042	No
2	Alger	Limestone, M-67, Limestone (906) 387-2042	No
3	Alger	CRC, E9264 M28, Munising (906) 387-2042	No
4	Delta	CRC, County Rd. 426, Wells (906) 786-3200	Yes
5	Delta	CRC, 9931 Y.25 Rd., Rapid River (906) 786-3200	Yes
6	Dickinson	Felch Salt Shed, W6370 M-69, Iron Mountain (906) 774-1588	Yes
7	Dickinson	CRC, Lincoln St., Quinnesec (906) 774-1588	No
8	Iron	Crystal Falls, 114 Oss Rd., Crystal Falls (906) 875-3151	Yes
9	Iron	CRC, 708 W. Franklin St., Iron River (906) 265-4622	No
10	Iron	CRC, JCT Townline Rd. & Co Rd. 643, Amasa (906) 265-6686	No
11	Marquette	Champion, US-41 (906) 486-8462 Ext 300	No
12	Marquette	Gwinn Co. Rd., ELA, Gwinn (906) 346-5411	No
13	Marquette	CRC, 1610 N. Second St., Ishpeming (906) 486-8462 Ext 300	No
14	Marquette	Republic Co. Rd., LO at M-95, Republic (906) 376-2224	No
15	Marquette	Skandia Co. Rd. OB, Skandia (906) 942-7415	No
16	Marquette	City Salt Shed, 850 W. Baraga Ave., Marquette (906) 486-4491 ext. 302	Yes
17	Menominee	Stephenson, W. 5416 Belgiantown Rd., Stephenson, (906) 863-5100	Yes
18	Menominee	Menominee, 3224 10th St., Menominee (906) 863-3686	No
19	Menominee	CRC, US-2 Powers (906) 497-5234	No
20	Schoolcraft	CRC, East Rd, Manistique (906) 341-5634	No
21	Schoolcraft	Seney, M-28, Seney	No



(906) 341-5634

Superior 3 Region

Item	County	Drop Point	Inside Delivery
1	Chippewa	CRC, M-48, Goetzville (906) 635-5295	No
2	Chippewa	Sault Ste. Marie, 4139 Mackinac Trail, Sault Ste. Marie, (906) 635-5295	Yes
3	Chippewa	Eckerman, M-28, Eckerman (906) 635-5295	Yes
4	Luce	CRC, 423 W. McMillan Ave., Newberry (906) 293-5741	Yes
5	Mackinac	CRC, State Rd. (Old M-134), Cedarville 906-643-7333	No
6	Mackinac	MDOT Garage, N7405 M-117, Engadine 906-477-6323	Yes
7	Mackinac	Mackinac Bridge Authority, 333 I-75 (906) 643-7600	No
8	Mackinac	MDOT Garage, 500 Ferry Lane, St. Ignace (906) 643-8700	Yes



North 1 Region

Item	County	Drop Point	Inside Delivery
1	Antrim	Central Lake, 1762 S. Main (M-88) (231) 587-8521	Yes
2	Antrim	Kewadin, 13796 Winters Rd., Elk Rapids (231) 587-8521	Yes
3	Antrim	CRC, 319 E. Lincoln St., Mancelona (231) 587-8521	Yes
4	Benzie	CRC, 11318 Main St., Honor (231) 325-3051	Yes
5	Charlevoix	CRC, 1251 Boyne Ave., Boyne City (231) 582-7330	Yes
6	Charlevoix	Ironton, 11705 Shaw Rd. , Charlevoix (231) 582-7330	Yes
7	Grand Traverse	Kingsley, M-113, Kingsley (231) 922-4848	Yes
8	Grand Traverse	CRC, 1881 Lafrainer Rd., Traverse City (231) 922-4848 Ext. 101	Yes
9	Kalkaska	MDOT Garage, 809 N. Birch, Rt. 4, Kalkaska (231) 258-5611	Yes
10	Lake	CRC, 1180 N. Michigan Ave., Baldwin (231) 745-4666	Yes
11	Leelanau	CRC, 10550 E. Eckerle Rd., Suttons Bay (231) 271-3993 Ext 22	Yes
12	Leelanau	Maple City, 129 Church St. (231) 271-3993 Ext 22	Yes
14	Manistee	8946 Chippewa HWY., Bear Lake (231) 723-6522	Yes
15	Mason	CRC, 510 E. State St., Scottville (231) 757-2882	Yes
16	Missaukee	CRC, 1199 N. Morey, Lake City (231) 839-4361	Yes
17	Osceola (area 8)	MDOT Garage, 2897 Sixteen Mile Rd., Marion (231) 743-6831	Yes
18	Osceola (area 8)	MDOT Garage, 19424 US-10, Reed City (231) 832-5322	Yes
19	Wexford	CRC, 85 West M-115, Boon (231) 775-9731	Yes
20	Wexford	CRC, Cadillac (231) 775-9731	Yes



North 2 Region

Item	County	Drop Point	Inside Delivery
1	Alcona	CRC, 301 N. Lake St , Lincoln (989) 736-8168	No
2	Alpena	CRC, 1400 N. Bagley St, Alpena (989) 354-3252 Ext 227 Glenn	No
3	Cheboygan	CRC. 729 N. Main St., Cheboygan (231) 238-7775	No
4	Cheboygan	CRC, Tower (231) 238-7775	No
5	Cheboygan	CRC 5302 S. Straits Hwy, Indian River (231) 238-7775	No
6	Crawford	CRC, 500 Huron St., Grayling (989) 348-2281	Yes
7	Emmet	CRC, 2265 E. Hathaway, Harbor Springs (231) 347-8142	No
8	Emmet	Levering, 6227 E. Levering Rd., Levering (231) 347-8142	No
9	Iosco	Oscoda Garage, 554 Forrest Rd., Oscoda (989) 362-4433	Yes
10	Iosco	CRC, 3939 M-55, Tawas City (989) 362-4433	Yes
11	Montmorency	MDOT Garage, 4000 East M-32, Atlanta (989) 785-3514	Yes
12	Ogemaw	Branch, I-75 Cook Rd. (989) 345-0234	No
13	Ogemaw	CRC, 1250 S. M-33, West Branch (989) 345-0234	Yes
14	Oscoda	MDOT Garage, 305 West M-72, MIO (989) 826-3663	Yes
15	Otsego	CRC, 669 W. McCoy Rd., Gaylord (989) 732-5202	Yes
16	Presque Isle	CRC, 657 S. Bradley Hwy., Rogers City (989) 734-2216	No
17	Presque Isle	11472 Michigan Ave., Posen (989) 766-2680	No
18	Roscommon	CRC, 820 East West Branch Rd. (M-55) Prudenville, (989) 366-0333	No
19	Roscommon	CR-105, Prudenville (989) 275-5181	Yes



Grand Region

Item	County	Drop Point	Inside Delivery
1	Ionia	CRC, 168 E. Riverside, Ionia (616) 527-1700	Yes
2	Ionia	Jordan Lake, 7081 Jordan Lake Rd., Saranac (616) 527-1700	Yes
3	Mecosta	CRC, 120 N. Dekraft, Big Rapids (231) 796-2611	Yes
4	Mecosta	Morley, 19675 Jefferson Rd., Morley (231) 796-2611	No
5	Mecosta	Remus, 2945 Arthur Rd., Remus (231) 796-2611	No
6	Oceana	CRC, 100 West M20 (231) 873-4226	Yes
7	Oceana	CRC, 107 Polk Rd., Hart (231) 873-4226	Yes
8	Montcalm	CRC, 619 W. Main, Stanton (989) 831-5285	Yes
9	Montcalm	Greenville, 8734 Peck Rd., Greenville (989) 831-5285	No
10	Montcalm	Howard City, 17700 Edmore Rd., Howard City (989) 831-5285	No
11	Newaygo	CRC, 935 One Mile Road, White Cloud (231) 689-6682	No



Bay Region

Item	County	Drop Point	Inside Delivery
1	Arenac	CRC, 4295 W. M-61, Standish (989) 846-2553	Yes
2	Bay	North District Garage, 1383 E. Pinconning Rd. Pinconning (989) 686-4610	Yes
3	Bay	E. District Garage, 1810 Erwin Nearing Dr., Bay City (989) 892-4681	Yes
4	Bay	CRC, 2600 E. Beaver Rd., Kawkawlin (989) 686-4610	Yes
5	Clare	CRC, Mannsinding Rd., Harrison (989) 539-2151	Yes
6	Gladwin	CRC, 301 State St., Gladwin (989) 426-7441	No
7	Gratiot	CRC, 920 E. Center St., Ithaca (989) 875-3811	Yes
8	Huron	Sebewaing, 9579 Sebewaing Rd, Sebewaing (989) 269-6404	No
9	Huron	Port Hope, 8019 Portland St., Port Hope (989) 269-6404	No
10	Huron	Pigeon, 7405 Weale, Pigeon (989) 269-6404	No
11	Huron	Kinde, 45 W. Kinde Rd., Kinde (989) 269-6404	Yes
12	Huron	Bad Axe Garage, 417 S. Hanselman, Bad Axe (989) 269-6404	No
13	Huron	Sand Beach Garage, 9 Ruth Rd., Harbor Beach (989) 269-6404	No
14	Isabela	MDOT Garage 1212 Corporate Dr., Mt. Pleasant (989) 773-3532	Yes
15	Midland	CRC, 2334 N. Meridian, Sanford (989) 687-9060	Yes
16	Saginaw	MDOT Garage, 1459 South Graham M-52, Saginaw (989) 781-2310	No
17	Saginaw	MDOT Garage, 3502 E. Washington Ave, Saginaw (989) 755-1197	Yes
18	Sanilac	Sandusky, 1600 S. Sandusky Rd., Sandusky (810) 648-2185	No
19	Sanilac	Croswell, 5530 Lancaster, Croswell (810) 648-2185	No
20	Sanilac	Shabbona, 4087 N. Decker Rd., Snover (810) 648-2185	No

**Bay Region**

Item	County	Drop Point	Inside Delivery
21	Sanilac	Cedardale, 5505 N. Ruth Rd., Deckerville (810) 648-2185	No
22	Sanilac	Peck, 2411 Peck Rd., Brown City (810) 648-2185	No
23	Sanilac	Carsonville, 258 S. Main St., Carsonville (810) 648-2185	No
24	Tuscola	CRC, 1733 S. Mertz Rd, Caro (989) 673-2128	No
25	Tuscola	Deford, 5832 Bruce St., Deford (989) 673-2128	No
26	Tuscola	Akron, 4387 Beach St., Akron (989) 673-2128	No
27	Tuscola	Vassar, 430 Kitelinger Rd., Vassar (989) 673-2128	No



Southwest Region

Item	County	Drop Point	Inside Delivery
1	*Allegan	MDOT Garage, 5252 E. M-89, Fennville (269) 561-6701 CONVEYOR REQUIRED	No
2	*Allegan	MDOT Garage, 596 11th St., Plainwell (269) 685-5350 CONVEYOR REQUIRED	No
3	Barry	MDOT Garage, 1300 E. Quimby Rd., Hastings (269) 945-3493	No
4	*Berrien	MDOT Garage 5948 Sawyer Rd., Sawyer (269) 426-3700 CONVEYOR REQUIRED	Yes
5	*Berrien	MDOT Garage, 2200 East US-12, Niles (269) 683-2855 CONVEYOR REQUIRED	No
6	*Berrien	MDOT Garage, 3880 Red Arrow Rd., Coloma (269) 849-1162 CONVEYOR REQUIRED	Yes
7	Calhoun	MDOT Garage, 1242 S. Kalamazoo Ave., Marshall (269) 781-2894	No
8	Cass	MDOT Garage, 61535 M-40, Jones (269) 224-5808	Yes
9	*Kalamazoo	MDOT Garage, 5673 West Main St., Kalamazoo (269) 381-7331 CONVEYOR REQUIRED	No
10	Van Buren	MDOT Garage, 09235 Blue Star Mem. Hwy., South Haven (269) 637-2408	Yes



University Region

Item	County	Drop Point	Inside Delivery
1	Clinton	CRC, 3536 S. BR 127, St. Johns (989) 224-3274 Ext. 234	Yes
2	Eaton	MDOT Garage, 731 N. Canal, Lansing (517) 627-3276	Yes
3	Eaton	MDOT Garage, 905 Paine Dr., Charlotte (517) 543-7642	Yes
4	Ingham	MDOT Garage, 3737 E. Grand River Ave, Williamston (517) 521-3673	Yes
5	Ingham	MDOT Garage, 601 Jewett Rd., Mason (517) 627-3276 (must specify delivery is for Mason Garage when calling this number)	Yes
6	Lenawee	MDOT Garage, 2451 N. Adrian Highway, Adrian (517) 263-0564	Yes
7	Livingston	MDOT Garage, 10102 East Grand River Ave, Brighton (810) 229-4250	Yes
8	Shiawassee	CRC, 701 W. Corunna Ave., Corunna (989) 743-2228	Yes



Metro Region

Item	County	Drop Point	Inside Delivery
1	St.Clair	Blue Water Bridge, 1410 Elmwood, Port Huron	No
		(248) 984-4482	
2	Wayne	MDOT, Maint Garage #2, 1500 East Ferry St., Detroit	Yes
		(313) 965-6372	