

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

March 20, 2009

NOTICE
OF
CONTRACT NO. 071B9200178
between
THE STATE OF MICHIGAN
And

Fax: 1-616-245-7726

NAME & ADDRESS OF CONTRACTOR Hoekstra Transportation, Inc. 3741 Roger B Chaffee Blvd. Grand Rapids, MI 49548 Email: sbolin@hoekstratruck.com	TELEPHONE 1-800-444-4104 Steve Bolin
	CONTRACTOR NUMBER/MAIL CODE
	BUYER/CA (517) 373-1455 Laura Gyorkos, CPPB
Contract Compliance Inspector: Michael Frezell (517) 335-0904 Small (cutaway), 18-Passenger Buses for Transit Authorities	
CONTRACT PERIOD: 2 yrs. + 1 one-year option From: March 10, 2009 To: March 9, 2011	
TERMS Net 30	SHIPMENT 210 Days ARO
F.O.B. F.O.B. Delivered	SHIPPED FROM Grand Rapids, MI 49548
MINIMUM DELIVERY REQUIREMENTS One (1) bus	
MISCELLANEOUS INFORMATION:	

THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT AND PUBLIC TRANSIT AGENCIES

Estimated Contract Value: \$7,965,815.00

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MISCELLANEOUS INFORMATION: THIS CONTRACT IS EXTENDED TO LOCAL UNITS OF GOVERNMENT AND PUBLIC TRANSIT AGENCIES The terms and conditions of this Contract are those of ITB No. 071I9200053 , this Contract Agreement and the vendor's quote dated January 15, 2009 . In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$7,965,815.00		

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. **071I9200053**. Orders for delivery will be issued directly by **various authorized Local Units of Government and Public Transit Agencies** through the issuance of a Purchase Order Form.

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

FOR THE CONTRACTOR:	FOR THE STATE:
<u>Hoekstra Transportation Inc.</u>	<u>Signature</u>
Firm Name	Anthony DesChenes, Director
<u>Authorized Agent Signature</u>	<u>Name/Title</u>
John F. Hoekstra	Commodities Division, Purchasing Operations
<u>Authorized Agent (Print or Type)</u>	<u>Division</u>
<u>Date</u>	<u>Date</u>



STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations

Contract No. 071B9200178
Small (cutaway), 18-Passenger Buses

Hoekstra Transportation Inc.

Buyer Name: [Laura Gyorkos](#)
Telephone Number: [517-373-1455](tel:517-373-1455)
E-Mail Address: gyorkosL@michigan.gov

Table of Contents

DEFINITIONS.....	Error! Bookmark not defined.
Article 1 – Statement of Work (SOW)	10
1.010 Project Identification	10
1.011 Project Request	10
1.012 Background	10
1.020 Scope of Work and Deliverables.....	10
1.21 In Scope	10
1.030 Roles and Responsibilities	10
1.031 Contractor Staff, Roles, and Responsibilities	10
1.040 Project Plan	11
1.041 Project Plan Management	11
1.042 Reports	12
1.050 Acceptance.....	13
1.051 Criteria	13
1.052 Final Acceptance	15
1.060 Proposal Pricing.....	15
1.061 Proposal Pricing	15
1.062 Price Term	15
1.063 Title Fees	16
1.064 Tax Excluded from Price	16
1.070 Commodity Requirements and Terms	16
Product Quality.....	16
1.0701 Specifications	16
1.0703 Research and Development	17
1.0704 Quality Assurance Program	17
1.0705 Warranty for Products or Services	17
1.0706 Training	18
1.0707 Special Programs	19
1.0708 Security	19
1.0709 Delivery Capabilities	19
1.0710 Minimum Order	20
1.0711 Packaging	20
1.0712 Palletizing- Deleted – Not Applicable	20
1.0713 Delivery Term	20
1.0714 Affidavit for Driver Delivery	20
1.0715 Contract Performance	21
1.0716 Place of Performance	21
1.0717 Environmental Requirements	21
1.0718 Subcontractors	25
1.0719 Reports and Meetings	26
1.080 Additional Requirements	26
Deleted – Not Applicable.....	26
Article 2, Terms and Conditions.....	27
2.000 Contract Structure and Term	27
2.001 Contract Term	27
2.002 Renewal(s)	27
2.003 Legal Effect	27
2.004 Attachments & Exhibits	27
2.005 Ordering	27
2.006 Order of Precedence	27
2.007 Headings	28
2.008 Form, Function & Utility	28

2.009	Reformation and Severability	28
2.010	Consents and Approvals	28
2.011	No Waiver of Default	28
2.012	Survival	28
2.020	<i>Contract Administration</i>	28
2.021	Issuing Office	28
2.022	Contract Compliance Inspector (CCI)	29
2.023	Project Manager	29
2.024	Change Requests	29
2.025	Notices	30
2.026	Binding Commitments	30
2.027	Relationship of the Parties	30
2.028	Covenant of Good Faith	30
2.029	Assignments	30
2.030	<i>General Provisions</i>	31
2.031	Media Releases	31
2.032	Contract Distribution	31
2.033	Permits	31
2.034	Website Incorporation	31
2.035	Future Bidding Preclusion	31
2.036	Freedom of Information	31
2.037	Disaster Recovery	31
2.040	<i>Financial Provisions</i>	31
2.041	Fixed Prices for Services/Deliverables	31
2.042	Adjustments for Reductions in Scope of Services/Deliverables	32
2.043	Services/Deliverables Covered	32
2.044	Invoicing and Payment – In General	32
2.045	Pro-ration	32
2.046	Antitrust Assignment	32
2.047	Final Payment	32
2.048	Electronic Payment Requirement	32
2.050	<i>Taxes</i>	32
2.051	Employment Taxes	32
2.052	Sales and Use Taxes	33
2.060	<i>Contract Management</i>	33
2.061	Contractor Personnel Qualifications	33
2.062	Contractor Key Personnel	33
2.063	Re-assignment of Personnel at the State’s Request	34
2.064	Contractor Personnel Location	34
2.065	Contractor Identification	34
2.066	Cooperation with Third Parties	34
2.067	Contract Management Responsibilities	34
2.068	Contractor Return of State Equipment/Resources	34
2.070	<i>Subcontracting by Contractor</i>	34
2.071	Contractor full Responsibility	35
2.072	State Consent to delegation	35
2.073	Subcontractor bound to Contract	35
2.074	Flow Down	35
2.075	Competitive Selection	35
2.080	<i>State Responsibilities</i>	35
2.081	Equipment	35
2.082	Facilities	36
2.090	<i>Security</i>	36
2.091	Background Checks	36
2.092	Security Breach Notification	36
2.093	PCI Data Security Requirements	36
2.100	<i>Confidentiality</i>	36
2.101	Confidentiality	36
2.102	Protection and Destruction of Confidential Information	37

2.103 Exclusions	37
2.104 No Implied Rights	37
2.105 Respective Obligations	37
2.110 <i>Records and Inspections</i>	37
2.111 Inspection of Work Performed	38
2.112 Examination of Records	39
2.113 Retention of Records	39
2.114 Audit Resolution	39
2.115 Errors	39
2.120 <i>Warranties and Equipment</i>	39
2.121 Warranties and Representations	39
2.122 Warranty of Merchantability	41
2.123 Warranty of Fitness for a Particular Purpose	41
2.124 Warranty of Title	41
2.125 Equipment Warranty	41
2.126 Equipment to be New	42
2.127 Equipment Installation	42
2.128 Prohibited Products	42
2.129 Consequences For Breach	43
2.130 <i>Insurance</i>	43
2.131 Liability Insurance	43
2.132 Subcontractor Insurance Coverage	44
2.133 Certificates of Insurance and Other Requirements	45
2.140 <i>Indemnification</i>	45
2.141 General Indemnification	45
2.142 Code Indemnification	45
2.143 Employee Indemnification	45
2.144 Patent/Copyright Infringement Indemnification	46
2.145 Continuation of Indemnification Obligations	46
2.146 Indemnification Procedures	46
2.150 <i>Termination/Cancellation</i>	47
2.151 Notice and Right to Cure	47
2.152 Termination for Cause	47
2.153 Termination for Convenience	48
2.154 Termination for Non-Appropriation	48
2.155 Termination for Criminal Conviction	48
2.156 Termination for Approvals Rescinded	48
2.157 Rights and Obligations upon Termination	48
2.158 Reservation of Rights	49
2.160 <i>Termination by Contractor – Deleted – Not Applicable</i>	49
2.170 <i>Transition Responsibilities</i>	49
2.171 Contractor Transition Responsibilities	49
2.172 Contractor Personnel Transition	49
2.173 Contractor Information Transition	50
2.174 Contractor Software Transition	50
2.175 Transition Payments	50
2.176 State Transition Responsibilities	50
2.180 <i>Stop Work</i>	50
2.181 Stop Work Orders	50
2.182 Cancellation or Expiration of Stop Work Order	50
2.183 Allowance of Contractor Costs	51
2.190 <i>Dispute Resolution</i>	51
2.191 In General	51
2.192 Informal Dispute Resolution	51
2.193 Injunctive Relief	51
2.194 Continued Performance	52
2.200 <i>Federal and State Contract Requirements</i>	52
2.201 Nondiscrimination	52
2.202 Unfair Labor Practices	52

2.203 Workplace Safety and Discriminatory Harassment	52
2.210 <i>Governing Law</i>	52
2.211 Governing Law	52
2.212 Compliance with Laws	52
2.213 Jurisdiction	52
2.214 Applicable Statutes	53
2.220 <i>Limitation of Liability</i>	53
2.221 Limitation of Liability	53
2.230 <i>Disclosure Responsibilities</i>	54
2.231 Disclosure of Litigation	54
2.232 Call Center Disclosure	54
2.233 Bankruptcy	54
2.240 <i>Performance</i>	55
2.241 Time of Performance	55
2.242 Service Level Agreements (SLAs)	55
2.243 Liquidated Damages	55
2.244 Excusable Failure	56
2.250 <i>Approval of Deliverables</i>	57
2.251 Delivery Responsibilities	57
2.252 Delivery of Deliverables	57
2.253 Testing	57
2.254 Approval of Deliverables, In General	58
2.255 Process For Approval of Written Deliverables	59
2.256 Process for Approval of Services	59
2.257 Process for Approval of Physical Deliverables	59
2.258 Final Acceptance	59
2.260 <i>Ownership</i>	60
2.270 <i>State Standards</i>	60
2.271 Existing Technology Standards	60
2.272 Acceptable Use Policy	60
2.273 Systems Changes	60
2.280 <i>Extended Purchasing</i>	60
2.281 MiDEAL	60
2.282 <i>State Employee Purchases</i>	61
2.290 <i>Environmental Provision</i>	61
2.291 Environmental Provision	61

APPENDIX A - Cost Model/Evaluation Form

APPENDIX B - Small Bus Specifications -

APPENDIX C - Federal Contract Clauses -

APPENDIX D - List of Participating Transit Authorities -

APPENDIX E - Addendum #3 – Questions and Answers

APPENDIX F – Clarification Questions to Hoekstra

APPENDIX G - Altoona Bus Test Report -

APPENDIX H - Buy America Bidder's Certification Pre-award Audit (List of component and subcomponent parts)



DEFINITIONS

“Days” means calendar days unless otherwise specified.

“24x7x365” means 24 hours a day, seven days a week, and 365 days a year (including the 366th day in a leap year).

“Additional Service” means any Services/Deliverables within the scope of the Contract, but not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.

“Audit Period” has the meaning given in **Section 2.093**.

“Business Day,” whether capitalized or not, shall mean any day other than a Saturday, Sunday or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am EST through 5:00pm EST unless otherwise stated.

“Blanket Purchase Order” is an alternate term for Contract and is used in the States computer system.

“Business Critical” means any function identified in any Statement of Work as Business Critical.

“Chronic Failure” is defined in any applicable Service Level Agreements.

“Deleted – Not Applicable” means that section is not applicable or included in this CONTRACT. This is used as a placeholder to maintain consistent numbering.

“Deliverable” means physical goods and/or commodities as required or identified by a Statement of Work

“DMB” means the Michigan Department of Management and Budget

“Environmentally preferable products” means a product or service that has a lesser or reduced effect on human health and the environment when compared with competing products or services that serve the same purpose. Such products or services may include, but are not limited to, those which contain recycled content, minimize waste, conserve energy or water, and reduce the amount of toxics either disposed of or consumed.

“Excusable Failure” has the meaning given in **Section 2.214**.

“Hazardous material” means any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the Contract).

“Incident” means any interruption in Services.

“ITB” is a generic term used to describe an Invitation to Bid. The ITB serves as the document for transmitting the RFP to potential bidders

“Key Personnel” means any Personnel designated in **Section 1.031** as Key Personnel.

“New Work” means any Services/Deliverables outside the scope of the Contract and not specifically provided under any Statement of Work, that once added will result in the need to provide the Contractor with additional consideration.



“Ozone-depleting substance” means any substance the Environmental Protection Agency designates in 40 CFR part 82 as: (1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or (2) Class II, including, but not limited to, hydrochlorofluorocarbons.

“Post-Consumer Waste” means any product generated by a business or consumer which has served its intended end use, and which has been separated or diverted from solid waste for the purpose of recycling into a usable commodity or product, and which does not include post-industrial waste.

“Post-Industrial Waste” means industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

“Recycling” means the series of activities by which materials that are no longer useful to the generator are collected, sorted, processed, and converted into raw materials and used in the production of new products. This definition excludes the use of these materials as a fuel substitute or for energy production.

“Reuse” means using a product or component of municipal solid waste in its original form more than once.

“RFP” means a Request for Proposal designed to solicit proposals for services.

“Services” means any function performed for the benefit of the State.

“Source reduction” means any practice that reduces the amount of any hazardous substance, pollutant, or contaminant entering any waste stream or otherwise released into the environment prior to recycling, energy recovery, treatment, or disposal.

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

“Subcontractor” means a company Contractor delegates performance of a portion of the Services to, but does not include independent contractors engaged by Contractor solely in a staff augmentation role.

“Unauthorized Removal” means the Contractor’s removal of Key Personnel without the prior written consent of the State.

“Waste prevention” means source reduction and reuse, but not recycling.

“Waste reduction”, or “pollution prevention” means the practice of minimizing the generation of waste at the source and, when wastes cannot be prevented, utilizing environmentally sound on-site or off-site reuse and recycling. The term includes equipment or technology modifications, process or procedure modifications, product reformulation or redesign, and raw material substitutions. Waste treatment, control, management, and disposal are not considered pollution prevention, per the definitions under Part 143, Waste Minimization, of the Natural Resources and Environmental Protection Act (NREPA), 1994 PA 451, as amended.

“Work in Progress” means a Deliverable that has been partially prepared, but has not been presented to the State for Approval.

“Work Product” refers to any data compilations, reports, and other media, materials, or other objects or works of authorship created or produced by the Contractor as a result of an in furtherance of performing the services required by this Contract.



Article 1 – Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This is a contract for the Michigan Department of Transportation, Bureau of Passenger Transportation for 18-passenger buses with various floor plans.

Hoekstra will comply with all of your request/requirements.

1.012 Background

This contract is for the purchase of small buses by Authorized Local Units of Government and Public Transit Agencies to be used in the provision of public transportation services throughout the State of Michigan.

1.020 Scope of Work and Deliverables

1.21 In Scope

This contract is for small, 18-passenger buses with various floor plans. Exact quantities to be purchased are unknown; however, as the Contractor, you will be required to furnish all such materials and services as may be ordered during the contract period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these quantities. Orders for delivery will be issued directly to the Contractor by various authorized Local Units of Government and Public Transit Agencies.

Appendix D is a listing of these agencies which are authorized to order from this contract. The listing shall not limit participation of additional agencies/locations as the need may develop at the same prices, terms and conditions. However, written approval for additional agencies/location not on the attached list must be received by the Contractor from the Michigan Department of Transportation.

1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

CUSTOMER SERVICE/ORDERING

The contractor shall have the capacity to receive orders via fax, mail, or e-mail. If mailed, a purchase order is considered “issued” when the order is placed in the mail. Contractors 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.

When an order is placed by an agency, the contractor will compare the new order to the most recent previous order and provide the Michigan Department of Transportation, Bureau of Passenger Transportation and the customer a report of any differences to verify. All orders will receive an “Acknowledgement” for final approval to start to build.

It is the preference of the State of Michigan that the Contractor have an accessible customer service department with an individual specifically assigned to State of Michigan accounts. It is the preference of the State of Michigan that 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. It is the preference of the State of Michigan that the Contractor provides 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 a purchase order, unless otherwise defined within the contract. Orders for delivery will be issued directly to the Contractor by various authorized Local Units of Government and Public Transit Agencies.

All purchase orders are subject to the terms and conditions of this contract. In the event of a conflict between a purchase order and the contract, the contract shall control.

Sales Representation – Steve Bolin will be the Account Manager/Contract Administrator for this contract.

Steve Bolin will make frequent sales call to MDOT in addition to calling on agencies directly. Hoekstra Transportation will be involved with transit related organizations such as MPTA and attend/support the various conventions, seminars, and meetings held annually throughout Michigan.

In addition to these activities, Steve Bolin is directly involved in any problem solving, in servicing and/or education that needs attention. He represents a single, experienced focal point for agencies to turn to for assistance with service, parts or ordering issues that may arise.

Ordering - Once the contract is in place the agencies are provided a procurement packet that assists not only in the ordering of buses but also with the processing of required paperwork. The agencies can send orders via by fax, mail, or e-mail. The orders are then entered on an MDOT contract specific order form and sent by e-mail to Eldorado National. When Hoekstra receives an order from an agency the file is pulled on the last unit ordered (if they have purchased a bus from Hoekstra in the past) and see if they are ordering the same options, equipment, paint, etc. after reviewing the new order and comparing the new order to the last unit ordered Hoekstra sends a fax back to the customer that indicates the bus has been ordered, any changes from the previous order has been verified and provides an estimate for delivery.

All units ordered have an “acknowledgment” sent back to Hoekstra from the factory for final approval before they start to build – this is reviewed by Steve Bolin. He checks the acknowledgement to the order to Eldorado and to the order form the agency sent to Hoekstra. After the final approval has been sent back, Eldorado will provide a start date for production and Hoekstra will advise the agencies of the projected completion date at that time.

Customer Service – Hoekstra has a number of dedicated and experienced contacts for the agencies to call with questions. This list of contacts is included with each delivery folder that goes out with each bus. All of the contacts on this list are capable of helping customers/agencies get what they need when they need it.

1.040 Project Plan

1.041 Project Plan Management

The contractor will carry out this project under the direction and control of the Michigan Department of Transportation (MDOT), Bureau of Passenger Transportation; authorized local units of government; and public transit agencies.

Although there will be continuous liaison with the contractor team, the client agency’s project director will meet monthly as a minimum, with the contractor’s project manager for the purpose of reviewing progress and providing necessary guidance to the contractor in solving problems that arise.



The contractor will submit brief written quarterly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real and anticipated, which should be brought to the attention of the client agency' project manager; and notification of any significant deviation from previously agreed upon work plans. A copy of this report will be forwarded to the named buyer in Purchasing Operations.

Within thirty (30) working days of the award the contract, the contractor will submit to the

Michigan Department of Transportation, Bureau of Passenger Transportation project manager for final approval a work plan, which must include the following:

The contractor's project organizational structure.

The contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposals. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.

The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.

The time-phased plan, in the form of a graphic display, showing each event, task, and decision point in your work plan.

Hoekstra Transportation understands and will comply with the requirement of providing quarterly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real and anticipated, which should be brought to the attention of the client agency' project manager; and notification of any significant deviation from previously agreed upon work plans.

Furthermore, Hoekstra understands and will comply with the submission of a "Work Plan" including the items listed above.

1.042 Reports

The Contractor shall be able to provide various reports, when requested. Examples include itemized report of total items (commodities and services) purchased by all agencies or individual agencies, open invoice reports, delivery compliance reports, services compliance reports etc.

For Contracts that are available for purchases by MiDEAL program members (authorized local units of government), the contractor must submit reports of purchasing activities to Purchasing Operations, DMB on a quarterly basis. Reports shall include, at a minimum, an itemized listing of purchasing activities by each agency, with the agency name, and the total value of purchases for each agency, and a grand total of all purchases.

Hoekstra will provide a status report to MDOT on a regular basis that includes delivery dates, how many days Hoekstra had the bus before it shipped, and payment dates. Hoekstra is willing to work with MDOT on these and any other reports that would be helpful such as work order recaps that may note reoccurring issues on new unit.



1.050 Acceptance

1.051 Criteria

The following criteria will be used by the State to determine Acceptance of the Services or Deliverables provided under this SOW:

PRODUCTION SCHEDULE

For the delivery of all units that may be released against the contract the following shall apply:

Pre-Pilot Model Review Meeting at the Manufacture Facility, or at a mutually agreed upon location, shall be conducted within thirty (30) calendar days from the date of the Purchase Order/Contract Release Form.

Delivery of Chassis to the Body Contractor, after the Pre-Pilot Model Meeting, shall be within one hundred (120) days.

Pilot Model Inspection Meeting at the Contractors Facility, or a mutually agreed upon location, shall be within sixty (60) calendar days, after the delivery of the Chassis to the Body Contractor.

Pilot Model Inspections and Approvals, shall be completed by the State and/or receiving agency within thirty (30) calendar days after delivery of the pilot model by the ordering agency.

Exact Delivery Due Dates, will be determined by the delivery schedule, plus (+) seven (7) calendar days from issue dated indicated on the Purchase Order/Contract Release Form. Delivery shall be at the rate of one (1) unit per week minimum until completion of the Purchase Order/Contract Release Form.

From the time of award Hoekstra will schedule a pre production meeting as soon as possible with MDOT, this will take place in Lansing or at our facility in Grand Rapids or at EIDorado National – Kansas; the location is up to MDOT. This meeting is a review of the specification and EIDorado National build process and all components that will be used in the build.

MDOT or an agency will order a unit to be used as the pilot build, this will be approved by the agency that orders the bus. MDOT will monitor the build of the unit at the manufacturing facility in Salina, Kansas; the unit will than be shipped to Hoekstra Transportation and Hoekstra will schedule a final inspection by MDOT personnel and finally will have the ordering agency inspect the unit. All other orders that Hoekstra receive after the contract is in place and prior to the completion of the pilot unit will be scheduled to start about 4 – 6 weeks after the pilot, this will give us time to correct any issues that MDOT may have with the pilot unit

During the contract period EIDorado National will set aside production slots each week for MDOT units, this provides us with the ability to ensure MDOT build / delivery times regardless of how many order EIDorado may receive from other parts of the country.

Hoekstra Transportation agrees with and will comply with the above production schedule.



BUS OPERATING INSTRUCTIONS

Instructions, either graphic or audio-visual (DVD), for operating the bus shall be included with the first bus delivered to each agency. The instructions shall clearly identify the controls, switches, gauges, and other instructions that bus drivers and/or operators use while the bus would be in service. Instructions shall also be included for the operation of the Lift Interlock System, entrance door, and vehicle engine compartment fluid level fill and check areas.

Bus Operating Instructions is provided in each bus delivered. In addition Hoekstra Transportation drivers will provide minimal training if the receiving agency feels it is necessary. In some instances agencies have requested “in-service training” in which case Steve Bolin will schedule a time to meet all of the drivers at the agency’s facility and spend about one hour going over the operation of the bus and any questions that may come up.

PRE-DELIVERY SERVICE AND CONDITIONS

Prior to delivery, each bus shall be serviced and inspected by the dealer or his agent. At a minimum, this pre-delivery service shall cover the specifications listed in the Michigan Department of Transportation Specifications. A copy of the contractor’s inspection and service check, including the contractors and vehicle identification, check off of service and inspection performed and service manager’s signature shall be furnished with each bus delivered. The bus’s crank case, differential and transmission shall be filled to the manufacture’s recommended capacity and fuel tank shall have a minimum of one-half of a tank of fuel when the bus arrives at the delivery destination. The bus shall be clean and free from defects when delivered.

Once the unit is received at Hoekstra Transportation, they will contact the agency to let them know the unit is at Hoekstra’s facility, Hoekstra will then send an invoice to the agency (not expecting to be paid but as an additional notice that the unit will be delivered in the near future), the title will be processed to the agency, the shop will be provided with a work order that reviews all of the equipment ordered on the unit (i.e. gas or diesel, cloth or vinyl) and also an overall inspection and correct operation of all components. The unit will be sent for a front-end alignment and all units will be washed just prior to delivery inside and out.

Each unit shall have an initial fill of windshield washer solution with solvent giving winter protection.

The receiving departments and/or agencies have been instructed to make immediate inspection on receipt of units and to process payment documents promptly. Payment documents; however, will be delayed if the bus fails to comply with specification requirements. Therefore, we wish to impress on contract dealers that close pre-delivery inspection in accordance with specifications be made.

All agencies receiving units are encouraged to fully inspect each unit, if for any reason they are not happy with the condition of the unit they can have the drivers take the unit back to our facility, this is at the sole discretion of the ordering/receiving agency.

Hoekstra Transportation also fills out all necessary warranty registration forms and mails them to the appropriate manufacturer (i.e. wheelchair lifts).

Hoekstra agrees to the terms of the Bus Operating Instructions and all Pre-Delivery Service and Conditions.



1.052 Final Acceptance

Final Acceptance is when the project is completed and functions according to the requirements listed above. Any intermediate acceptance of sub-Deliverables does not complete the requirement of Final Acceptance.

The Michigan Department of Transportation (MDOT), Bureau of Passenger Transportation; authorized local units of government; and public transit agencies has the right to refuse bus delivery when the conditions listed above are not met.

1.060 Proposal Pricing

1.061 Proposal Pricing

All pricing information is included in Appendix A.

Contractor’s out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for an expense at the State’s current travel reimbursement rates. See www.michigan.gov/dmb for current rates.

Quick pay programs are not available on this contract. Contract allows for payment 30 days after receipt of bus and all agencies take at least 30 days to pay. Hoekstra would be willing to offer a discount if payment can be made at delivery and would be willing to discuss this at the pre production meeting.

1.062 Price Term

Agency to choose one of the following:

- (X) Firm Fixed Price

Prices quoted are firm for the entire length of the Contract.

Prices are the maximum to be charged for the contract period with the following exceptions. The State, and other agencies, shall receive the benefit of any decreases in the cost incurred by the Contractor. If changes in the chassis manufacturers OEM standard equipment affect the cost of the buses required during the contract period by more than one hundred dollars (\$100.00), the prime contractor may request a price revision to reflect the actual cost experienced. The request for a cost increase must be accompanied by evidence from the chassis manufacturer that a change actually affected the prime contractor’s cost. Additionally, it shall be the prime contractor’s responsibility to inform the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; public transit agencies; and Purchasing Operations in notify of its qualification for price reductions.

If changes in federal regulations affect the cost of the buses required during the contract period by more than one hundred dollars (\$100.00), the prime contractor may request a price revision to reflect the actual cost increase experienced. The request must accompanied by evidence that the change actually affected the prime contractor’s cost.

Requests for price changes shall be received in writing at least 30 days prior to their effective date, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the contract may be cancelled. The continued payment of any charges due after September 30th of any fiscal year will be subject to the availability of an appropriation for this purpose.



Pricing includes Government Price Concessions and all lift units include any applicable Mobility Discount. In addition, Hoekstra agrees to the terms of the State of Michigan.

1.063 Title Fees

Prices include the cost of the title fees for each bus.

The **Title To** information for all orders will be as follows:

NAME OF AUTHORIZED LOCAL UNITS OF GOVERNMENT AND/OR PUBLIC TRANSIT AGENCY

Authorized local units of government and public transit agencies will be responsible to notify the contractor to designate the State of Michigan Department of Transportation, Bureau of Passenger Transportation, 425 W. Ottawa, Lansing, Michigan, 48909, as “First Secured Party” on titles of all vehicles purchased locally with state administered grants.

If the State of Michigan modifies the cost of vehicle titles during the contract period, either the state or the contractor may request of price adjustment to reflect the actual change.

Title fees are included in pricing on cost model. Titles are processed prior to delivery.

1.064 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State’s exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

1.070 Commodity Requirements and Terms

Product Quality

1.0701 Specifications

Definite Specifications - All buses and/or services to be furnished hereunder shall conform to the specifications as noted in the specifications attached.

Hoekstra complies with the specification. There is a detailed review of the specification with MDOT personnel prior to building any buses. Hoekstra is more than willing to be flexible during this part of the process. Hoekstra is very willing to make changes during the build that will correct issues/concerns that have been found after the buses have been in service or to install new or different equipment that MDOT would like to test in the “field”.



1.0702 Alternate Bids – Deleted – Not Applicable

1.0703 Research and Development

As a distributor Hoekstra works towards product improvement more than new product development. Hoekstra preps the buses when they come in and assists the agencies with any issues they have with the buses when they are in the field. Hoekstra then supplies EIDorado with what these issues are and when possible, also suggests what should be done to solve the problem.

Several of the improvements with this bus (EP3 Electrical Control Center) are improvements that EIDorado makes based on feedback from Dealers like Hoekstra. Hoekstra works closely with the customers and provides the issues/concerns to EIDorado with request for new products that will assist in eliminating the issue.

In addition to improving the product, Hoekstra Transportation continues to work at warranty, service, ordering and delivery process based on feedback from MDOT and the agencies during meetings such as the maintenance seminar held at Higgins Lake each year.

1.0704 Quality Assurance Program

Hoekstra Transportations’ job in this area is to make sure the buses are built to the specification as ordered, have the right options, and are built in a quality manner. Hoekstra has an extensive work order for all units and our service department has a list of specific items that are checked on MDOT orders. This list is constantly updated to include new issues that arise and remove issues that have been corrected. The Service Manager at Hoekstra is responsible for making sure that the units have been carefully prepped and are ready for inspection/delivery. The Service Manager checks all units before they are delivered and periodic inspections are performed by sales and management to insure that units are delivered in the best possible condition.

Hoekstra Transportation is a full service dealership for EIDorado National. All units that are ordered will be delivered to Hoekstra and the units will be delivered to the customer when ready. This is not a temporary arrangement that will be skipped after the first few units go into service. Hoekstra’s ONLY business is here in Michigan. As a Michigan dealer and contract holder, Hoekstra offers the service of maintaining quality and handling any issues that arise.

1.0705 Warranty for Products or Services

The contractor shall include the warranty associated with the actual product being proposed, as well as the warranty associated with any service work performed under the contract.

The prime contractor will be responsible for all materials and accessories used in the buses, whether the same is ready made or from an outside source; and this responsibility may not be transferred, conveyed, assigned to any other person, company, corporation or entity without the previous written approval of the State.

Extension of warranty and or other policy adjustments will be considered when constant maintenance is required or if replacement parts prove unsound. The State of Michigan shall expect the manufacturer to have adequate stock of replacement parts available to service State buses and to make delivery of all replacement parts to their dealers who may service State buses. The prime contractor will be required to contact the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies within ten (10) after receipt of contract to arrange procedures concerning the implementation of warranty claims and to designate personnel to handle claims.



The State further expects that warranty service and repairs as well as non-warranty service and repairs will be handled without prejudice

Hoekstra Transportation employs a full time Warranty Administrator; in addition Hoekstra has the equivalent of two full time employees that work in warranty. Hoekstra deems that this position is absolutely imperative and that a dealer can not manage this contract without it. Rebecca Lallo is Hoekstra's warranty administrator. Rebecca is responsible for assisting the agencies with warranty and/or service work and assist them with finding a location to provide the work if the agency is not able to do the work themselves.

The warranty available from EIDorado National and all of the vendors meets the requirements of this contract. Hoekstra Transportation has 7 locations in the State as certified warranty/service centers. In addition, Hoekstra will allow any of the agencies to do warranty work on their buses or those of a neighboring agency. Hoekstra will also authorize any of the Ford chassis service centers to provide warranty work for the agencies.

Hoekstra Transportation sends technicians out on the road to repair fleet defects, or makes arrangements for regional service centers, or pays the agency to make some minor repairs. Hoekstra works closely with MDOT to keep up on any concerns that the agencies have and have provided a number of Technical Service Bulletins for the agencies technicians.

Hoekstra has large and clean service facilities with plenty of room for inspections to be done by the agencies. Hoekstra technicians work very hard to make sure a bus is delivered in the best possible condition. Matt Reiffer, Hoekstra's service manager in Grand Rapids and Eric Coulter Hoekstra's service manager in Troy work very hard to see that new buses are prepped and ready for delivery in a timely manor and that service and warranty work is done quickly and correctly.

Please note that warranty procedure information is included with all buses that Hoekstra delivers.

1.0706 Training

The Contractor shall provide training to individual agencies, when necessary, on aspects of ordering, shipping, billing, and receiving. At the request of the Contract Administrator, the Contractor shall provide in-service training to agency personnel on products, installation, and product safety issues. The Contractor shall also provide agency training jointly with the Michigan Department of Transportation, Bureau of Passenger Transportation; local units of government; and local transit agencies as needed during the period covered by the contract at no additional charge.

For the most part training that is needed or requested is provided by the manufacturer. As the distributor Hoekstra coordinates with MDOT to decide when and how best to provide the desired training. Hoekstra Transportation has recently completed a full service meeting facility and has offered training programs and in-services to the appropriate customers. Hoekstra can have EIDorado National personnel in Michigan for electrical training, and/or to discuss product and process improvements. Hoekstra has coordinated meetings and demonstrations with regard to alternative energy products and also participates each year at MDOT Maintenance Seminar.

Hoekstra delivery personnel is capable of working with the agencies at the time of delivery to review the operation of the bus and or any systems on the bus. Also EIDorado National sends training videos with each bus and many of the system vendors (such as wheelchair lift) also provide training video and personnel training.

Hoekstra Transportation is a strong proponent of continuing education and as a contract holder will continue to provide a high level of service.



1.707 Special Programs

Hoekstra Transportation Inc. would be willing to review the possibility of taking used buses in trade on new units. Hoekstra also have several firms that have offered to assist us in providing leasing options to the State of Michigan or individual agencies that may have a need.

Hoekstra Transportation is also in the process of posting our delivery dates for all units on order on our web site, this would allow MDOT or any of its agencies to check on the status of the buses that they have on order. Hoekstra and EIDorado National are willing to work with MDOT to provide additional or optional equipment on the buses at the time of Manufacturing in order for MDOT to evaluate for future use. Hoekstra is also willing to work with MDOT regarding any other programs that they may want to implement.

1.0708 Security

This Contract may require frequent deliveries to State of Michigan, local units of government and local transit agencies facilities. The contractor shall utilize measures to ensure the security and safety of these buildings. This shall include, but is not limited to, performance of security background checks on all personnel assigned to State of Michigan facilities (i.e. delivery people) and how they are performed, what the security check consists of, the name of the company that performs the security checks, use of uniforms and ID badges, etc. 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, the contractor shall provide the results of all security background checks.

Upon review of the security measures of the contractor, the State will decide whether to issue State ID badges to the contractor’s delivery personnel or accept the ID badge issued to delivery personnel by the contractor.

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 of driver license number would also be helpful).

The Contractor and its subcontractors shall comply with the security access requirements of individual State facilities; see section 2.051, Background Checks and Security.

1.0709 Delivery Capabilities

Time Frames

It is requested that all orders be delivered within two-hundred and ten (210) calendar days after receipt of order. The State is interested in both a standard delivery program and a quick-ship program.

Hoekstra Transportation Inc. agrees to the 210-day delivery terms requested. For the last several years Hoekstra has averaged in the 150 – 210 day range for deliveries. EIDorado National now provides start dates for ordered units within three weeks of the order; these dates are firm if a chassis is available and assigned within the three weeks. If a chassis is not available and assigned Hoekstra will provide the start date as soon as the chassis build dates are available. Once start dates are assigned they may move up but will not move back unless something unusual happens (i.e. strike). EIDorado National sets aside a given number of production slots for a contract such as this. If they do not have orders in hand, they have production dates available each week. If orders are not received in time for a certain week, then non MDOT units will be slotted for production in those available time slots.



1.0710 Minimum Order

It is requested that the minimum order is one (1).

Hoekstra Transportation agrees to the minimum order of one (1).

1.0711 Packaging

Packaging and containers, etc., shall be in accordance with supplier's commercial practice and shall meet the requirements of Department of Transportation (D.O.T.) and rail and motor carrier freight classifications in effect at time of shipment, which will permit application of the lowest freight rate.

Hoekstra Transportation agrees.

1.0712 Palletizing- Deleted – Not Applicable

1.0713 Delivery Term

Prices shall be quoted "F.O.B. Delivered" with transportation charges prepaid on all orders of (1) one or more to the State.

DRIVER DELIVERY

Contractors will be permitted to drive buses to final destinations in compliance with the “Affidavit for Driver Delivery” attached, however, the affidavit must be completed, submitted, and in the contract file within Purchasing Operations to be applicable.

Delivery must be made between the hours of 8:00 a.m. and 4:00 p.m., Monday through Friday ONLY, Excluding Holidays.

Hoekstra agrees with the F.O.B. delivered. Hoekstra Transportation also agrees to pay any agency that would like to pick the unit up at Hoekstra Transportation the same rate that Hoekstra drivers would get paid plus provide or reimburse the cost of gasoline/fuel.

The units will be driven to the final destination (unless the agency picks the unit up at Hoekstra’s facility). Hoekstra will schedule delivery with the agency.

1.0714 Affidavit for Driver Delivery

Buses may be driven to the final delivery destination if the following conditions are met:

1. The drivers of the buses are correctly licensed and trained in proper vehicle operation.
2. The dealership accepts all responsibility and liability for buses in transit.
3. The contractor must sign the affidavit below.

The contractor accepts all responsibility and liability for buses in transit and guarantees the buses shall be transported in a safe, proper, and efficient manner.



I understand that the State may cancel approval of this affidavit at any time during the contract if the contractor fails to meet the above obligations.

See Original Bid for Signature
Signed

12-12-08
Date

Commercial Products Manager
Title

Hoekstra Transportation, Inc.
Contractor

1.0715 Contract Performance

Termination: No Terminations Exist.

Reason: _____

1.0716 Place of Performance

Place of Performance	Owner/Operator of facility to be used	Percent (%) of Contract value to be Performed at listed Location
Eldorado National 1655 Wall Street Salina, KS 67401	Eldorado National, a Thor company.	50%

1.0717 Environmental Requirements

Energy Efficiency Purchasing Policy – The State shall seek wherever possible to purchase energy efficient products. This may include giving preference to U.S. Environmental Protection Agency (EPA) certified ‘Energy Star’ products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable bids.



Environmental Purchasing Policy – The State of Michigan has committed to encourage the use of products and services that impact the environment less than competing products. This can be best accomplished by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that may be considered in Best Value Purchasing evaluation include: recycled content and recyclability; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bio-accumulative.

I. Recycled Content and Recyclability

A. Recycled Packaging. The contractor may offer some or all of the following items listed below or provide alternative proposal as to how packaging materials can be reduced, eliminated or otherwise made more environmentally preferable. It is desirable that the contractor offer packaging which:

- a. is made from recycled content which meets or exceeds all federal and state recycled content guidelines (currently 35% post-consumer for all corrugated cardboard)
- b. minimizes or eliminates the use of polystyrene or other difficult to recycle materials
- c. minimizes or eliminates the use packaging and containers and, in the alternative, minimizes or eliminates the use of non-recyclable packaging and containers
- d. provides for a return program where packaging can be returned to a specific location for recycling
- e. contains materials which are easily recyclable in Michigan.

The contractor is requested to indicate below an estimate of the percentage of recycled materials, if any, contained in each item. Higher percentages of recycled materials are preferred. Product performance is paramount, whether containing recycled material or not; however, preference will be given to products that perform up to specification and are environmentally preferable without compromising quality.

 3 % (Total estimated percentage of recovered material)
 5 % (Estimated percentage of post-consumer material)
 0 % (Estimated percentage of post-industrial waste)

Certification

I, Steve Bolin (name of certifier), am an officer or employee responsible for the performance of this contract and hereby certify that the percentage of recovered material content for EPA-designated products met the applicable contract specifications.

See proposal for signed initials (Initial)

II. Materials Identification and Tracking

A. Hazardous Material Identification. ‘Hazardous material’, as used in this clause, includes any material defined as hazardous under the latest version of federal Emergency Planning and Community Right-to-Know Act of 1986 (including revisions adopted during the term of the contract).



(1) The contractor must list any hazardous material, as defined in §370.20 (a) of 40 CFR, to be delivered under this contract. The hazardous material shall be properly identified and include any applicable identification number, such as National Stock Number or Special Item Number. This information shall also be included on the Material Safety Data Sheet submitted under this contract.

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

(2) This list must be updated during performance of the contract whenever the Contractor determines that any other material to be delivered under this contract is hazardous.

(3) The contractor agrees to submit, for each item as required prior to award, a Material Safety Data Sheet for each hazardous material identified in paragraph (1) of this clause. Data shall be submitted in accordance with Section 312 of the federal Emergency Planning and Community Right-to-Know Act, whether or not the apparently contractor is the actual manufacturer of these items.

B. Mercury Content. It is the clear intent of state agencies to avoid purchasing products that contain intentionally-added mercury whenever possible. The contractor shall offer mercury-free product alternatives whenever available. Should mercury-free alternatives not exist, as presently is the case with a few select products and devices such as fluorescent lamps or where the alternative is not yet cost competitive, such as dental amalgam, the contractor shall offer the lowest mercury content available for a given application. The contractor shall disclose whenever products contain added-mercury by using the following format.

() Product contains added-Mercury (attach an explanation that includes: the amount or concentration of mercury and justification as to why this particular product is essential).

In addition, the contractor shall also ensure that all products to be purchased containing intentionally added-mercury shall be labeled as: “product contains mercury/recycle or dispose of properly.” For instances where space constraints limit the amount or size of print, the chemical symbol “Hg” followed by a picture of a trash container with a diagonal line through it shall suffice for labeling requirements.

CONTRACTOR PLEASE NOTE: Michigan Law Prohibits the sale of mercury-containing thermostats, thermometers, sphygmomanometers (blood pressure monitors) and other types of medical devices.



For specific details visit: http://www.michigan.gov/deq/0,1607,7-135-3307_29693_4175-160230--,00.html

C. Brominated Flame Retardants (BFR). The contractor shall disclose whether the products being offered contain toxic flame retardants. Contractor orders are encouraged to provide BFR-free alternatives when available.

(X) Product does not contain BFR's

() Product does contain BFR's (attach an explanation)

D. Ozone Depleting Substances

'Ozone-depleting substance', as used in this clause, means any substance the Environmental Protection Agency designates in 40 CFR part 82 as:

(1) Class I, including, but not limited to, chlorofluorocarbons, halons, carbon tetrachloride, and methyl chloroform; or

(2) Class II, including, but not limited to, hydrochlorofluorocarbons.

The Contractor shall label products which contain or are manufactured with ozone-depleting substances in the manner and to the extent required by 42 U.S.C. 7671j (b), (c), and (d) and 40 CFR part 82, Subpart E, as follows:

'Warning: Contains (or manufactured with, if applicable) Refrigerant R134A (insert the name of the substance(s).), a substance(s) which harm(s) public health and environment by destroying ozone in the upper atmosphere.'

A. Clean Air and Water

Vendor certifies that any facility to be used in the performance of this contract has all the necessary environmental permits and is in consistent compliance with all applicable environmental requirements and has no outstanding unresolved violations.

The vendor will immediately notify the state, before award, of the receipt of any communication from the Environmental Protection Agency or any state environmental agency, of civil or criminal enforcement for any facility that the vendor proposes to use in the performance of this contract.

See proposal for signed initials (Initial)



B. Emergency Planning and Community Right-to-Know Reporting - By signing this offer, the contractor certifies that:

- (1) The owner or operator of each facility that will be used in the performance of this contract is in compliance with the filing and reporting requirements described in sections 302, 304, 311, 312 and 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11001, et. seq.) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13101, et. seq.). EPCRA filing and reporting requirements include emergency planning notification, release reporting, hazardous chemical inventory reporting, and toxic chemical release inventory (TRI) reporting.
- (2) The owner or operator of each facility that will be used in the performance of this contract will maintain compliance with the filing and reporting requirements described in sections 302, 304, 311, 312 and 313 of the Emergency Planning and Community Right-to-Know Act of 1986 (EPCRA) (42 U.S.C. 11001, et. seq.) and section 6607 of the Pollution Prevention Act of 1990 (PPA) (42 U.S.C. 13101, et. seq.) for the life of the contract.

See proposal for signed initials (Initial)

1.0718 Subcontractors

Indicate below **ALL** work to be subcontracted under any resulting Contract (use additional attachment if necessary; estimates are acceptable):

Description of Work to be sub-contracted	Percent (%) of total contract value to be sub-contracted	Sub-contractor's name and principal place of business (City and State)
Bus Manufacturer	Partnership with Hoekstra Transportation for contract value.	Eldorado National 1655 Wall Street Salina, KS 67401
Complete description and responses for Article 1 attached for Eldorado National. See Tab		



1.0719 Reports and Meetings

[Any Mandatory Reports or Meetings should be included in the Statement of Work]

(a) Reports.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of periodic reports to be issued by Contractor to the State. Such reports may include:

- (i) separately address Contractor’s performance in each area of the Services;
- (ii) for each area of the Services, assess the degree to which Contractor has attained or failed to attain the pertinent objectives in that area, including on-time completion and delivery of Deliverables;
- (iii) explain the reasons for any failure to achieve on-time completion and delivery of Deliverables and include a plan for corrective action where appropriate;
- (iv) describe any circumstances that Contractor anticipates will impair or prevent on-time completion and delivery of Deliverables in upcoming reporting periods;
- (v) include plans for corrective action or risk mitigation where appropriate and describe the status of ongoing problem resolution efforts;
- (vi) provide reports setting forth a comparison of actual hours spent by Contractor (including its augmented personnel and Subcontractors) in performing the Project versus hours budgeted by Contractor.
- (vii) set forth a record of the material personnel changes that pertain to the Services and describe planned changes during the upcoming month that may affect the Services.
- (viii) include such documentation and other information may be mutually agreed to verify compliance with, and meeting the objectives of, this Contract.
- (ix) set forth an updated schedule that provides information on the status of upcoming Deliverables, expected dates of delivery (or redelivery) of such Deliverables and estimates on timing for completion of the Project.

(b) Meetings.

Within thirty (30) days after the Effective Date, the parties shall determine an appropriate set of meetings to be held between representatives of the State and Contractor. Contractor shall prepare and circulate an agenda sufficiently in advance of each such meeting to give participants an opportunity to prepare for the meeting. Contractor shall incorporate into such agenda items that the State desires to discuss. At the State’s request, Contractor shall prepare and circulate minutes promptly after a meeting.

1.080 Additional Requirements

Deleted – Not Applicable



Article 2, Terms and Conditions

2.000 Contract Structure and Term

2.001 Contract Term

This Contract is for a period of **two (2)** years beginning **March 10, 2009** through **March 9, 2011**. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.130**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

2.002 Renewal(s)

This Contract may be renewed in writing by mutual agreement of the parties not less than 30 days before its expiration. The Contract may be renewed for up to **one (1)** additional one-year periods.

2.003 Legal Effect

Contractor shall show acceptance of this Contract by signing two copies of the Contract and returning them to the Contract Administrator. The Contractor shall not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a contract release/purchase order that authorizes and defines specific performance requirements.

Except as otherwise agreed in writing by the parties, the State assumes no liability for costs incurred by Contractor or payment under this Contract, until Contractor is notified in writing that this Contract (or Change Order) has been approved by the State Administrative Board (if required), approved and signed by all the parties, and a Purchase Order against the Contract has been issued.

2.004 Attachments & Exhibits

All Attachments and Exhibits affixed to any and all Statement(s) of Work, or appended to or referencing this Contract, are incorporated in their entirety and form part of this Contract.

2.005 Ordering

As authorized by the Michigan Department of Transportation, Bureau of Passenger Transportation, local units of government and public transit agencies will issue a written Purchase Order to order any Services/Deliverables under this Contract. All orders are subject to the terms and conditions of this Contract. No additional terms and conditions contained on either a Purchase Order apply unless they are also specifically contained in that Purchase Order's accompanying Statement of Work.

2.006 Order of Precedence

(a) The Contract, including any Statements of Work and Exhibits, to the extent not contrary to the Contract, each of which is incorporated for all purposes, constitutes the entire agreement between the parties with respect to the subject matter and supersedes all prior agreements, whether written or oral, with respect to the subject matter and as additional terms and conditions on the purchase order must apply as limited by **Section 2.005**.

(b) In the event of any inconsistency between the terms of the Contract and a Statement of Work, the terms of the Statement of Work will take precedence (as to that Statement of Work only); provided, however, that a Statement of Work may not modify or amend the terms of the Contract, which may be modified or amended only by a formal Contract amendment.



2.007 Headings

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

2.008 Form, Function & Utility

If the Contract is for use of more than one State agency and if the Deliverable/Service does not meet the form, function, and utility required by that State agency, that agency may, subject to State purchasing policies, procure the Deliverable/Service from another source.

2.009 Reformation and Severability

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

2.010 Consents and Approvals

Except as expressly provided otherwise in the Contract, if either party requires the consent or approval of the other party for the taking of any action under the Contract, the consent or approval must be in writing and must not be unreasonably withheld or delayed.

2.011 No Waiver of Default

If a party fails to insist upon strict adherence to any term of the Contract then the party has not waived the right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.012 Survival

Any provisions of the Contract that impose continuing obligations on the parties, including without limitation the parties' respective warranty, indemnity and confidentiality obligations, survive the expiration or termination of the Contract for any reason. Specific references to survival in the Contract are solely for identification purposes and not meant to limit or prevent the survival of any other section.

2.020 Contract Administration

2.021 Issuing Office

This Contract is issued by the Department of Management and Budget, Purchasing Operations and Michigan Department of Transportation (collectively, including all other relevant State of Michigan departments and agencies, the "State"). Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. Purchasing Operations **is the only State office authorized to change, modify, amend, alter or clarify the prices, specifications, terms and conditions of this Contract.** The Contractor Administrator within Purchasing Operations for this Contract is:

Laura Gyorkos, CPPB
 Purchasing Operations
 Department of Management and Budget
 Mason Bldg, 2nd Floor
 PO Box 30026
 Lansing, MI 48909
gyorkosL@michigan.gov
 517-373-1455



2.022 Contract Compliance Inspector (CCI)

After DMB-PurchOps receives the properly executed Contract, it is anticipated that the Director of Purchasing Operations, in consultation with MDOT will direct the person named below, or any other person so designated, to monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of this Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract as that authority is retained by DMB Purchasing Operations.** The Contract Compliance Inspector for this Contract is:

Michael Frezell, Project Manager
 Bureau of Passenger Transportation
 Michigan Department of Transportation
 frezelm@michigan.gov
 PH: (517) 335-0904
 Fax: (517) 373-7997

2.023 Project Manager

The following individual will oversee the project:

Michael Frezell, Project Manager
 Bureau of Passenger Transportation
 Michigan Department of Transportation
 frezelm@michigan.gov
 PH: (517) 335-0904
 Fax: (517) 373-7997

2.024 Change Requests

The State reserves the right to request from time to time any changes to the requirements and specifications of the Contract and the work to be performed by the Contractor under the Contract. During the course of ordinary business, it may become necessary for the State to discontinue certain business practices or create Additional Services/Deliverables. At a minimum, to the extent applicable, the State would like the Contractor to provide a detailed outline of all work to be done, including tasks necessary to accomplish the services/deliverables, timeframes, listing of key personnel assigned, estimated hours for each individual per task, and a complete and detailed cost justification.

If the Contractor does not so notify the State, the Contractor has no right to claim thereafter that it is entitled to additional compensation for performing that service or providing that deliverable.

Change Requests:

- (a) By giving Contractor written notice within a reasonable time, the State must be entitled to accept a Contractor proposal for Change, to reject it, or to reach another agreement with Contractor. Should the parties agree on carrying out a Change, a written Contract Change Notice must be prepared and issued under this Contract, describing the Change and its effects on the Services and any affected components of this Contract (a “Contract Change Notice”).
- (b) No proposed Change must be performed until the proposed Change has been specified in a duly executed Contract Change Notice issued by the Department of Management and Budget, Purchasing Operations.
- (c) If the State requests or directs the Contractor to perform any activities that Contractor believes constitute a Change, the Contractor must notify the State that it believes the requested activities are a Change before beginning to work on the requested activities. If the Contractor fails to notify the State before beginning to work on the requested activities, then the Contractor waives any right to assert any claim for additional compensation or time for performing the requested activities. If the Contractor commences performing work outside the scope of this Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.



2.025 Notices

Any notice given to a party under the Contract must be deemed effective, if addressed to the 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 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.

State:
 State of Michigan
 Purchasing Operations
 Attention: Laura Gyorkos
 PO Box 30026
 530 West Allegan
 Lansing, Michigan 48909

Contractor: [Hoekstra Transportation, Inc.](#)
 Name: [Steve Bolin](#)
 Address: [3741 Roger B. Chaffee Blvd](#)
[Grand Rapids, MI 49548](#)

Either party may change its address where notices are to be sent by giving notice according to this Section.

2.026 Binding Commitments

Representatives of Contractor must have the authority to make binding commitments on Contractor’s behalf within the bounds set forth in the table. Contractor may change the representatives from time to time upon written notice.

2.027 Relationship of the Parties

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

2.028 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless stated otherwise in the Contract, the parties will not unreasonably delay, condition or withhold the giving of any consent, decision or approval that is either requested or reasonably required of them in order for the other party to perform its responsibilities under the Contract.

2.029 Assignments

(a) Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party; provided, however, that the State may assign the Contract to any other State agency, department, division or department without the prior consent of Contractor and Contractor may assign the Contract to an affiliate so long as the affiliate is adequately capitalized and can provide adequate assurances that the affiliate can perform the Contract. The State may withhold consent from proposed assignments, subcontracts, or novations when the transfer of responsibility would operate to decrease the State’s likelihood of receiving performance on the Contract or the State’s ability to recover damages.

(b) Contractor may not, without the prior written approval of the State, assign its right to receive payments due under the Contract. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties, and the requirement under the Contract that all payments must be made to one entity continues.



(c) If the Contractor intends to assign the contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State in writing at least 90 days before the assignment. The Contractor also must provide the State with adequate information about the assignee within a reasonable amount of time before the assignment for the State to determine whether to approve the assignment.

2.030 General Provisions

2.031 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and Contract or project to which it relates shall not be made without prior written State approval, and then only in accordance with the explicit written instructions from the State. No results of the activities associated with the RFP and Contract are to be released without prior written approval of the State and then only to persons designated.

2.032 Contract Distribution

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

2.033 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses and approvals for the delivery, installation and performance of the Services. The State must pay for all costs and expenses incurred in obtaining and maintaining any necessary easements or right of way.

2.034 Website Incorporation

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

2.035 Future Bidding Preclusion

Contractor acknowledges that, to the extent this Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP.

2.036 Freedom of Information

All information in any proposal submitted to the State by Contractor and this Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 Public Act No. 442, as amended, MCL 15.231, et seq (the "FOIA").

2.037 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as so mandated by Federal disaster response requirements, Contractor personnel dedicated to providing Services/Deliverables under this Contract will provide the State with priority service for repair and work around in the event of a natural or man-made disaster.

2.040 Financial Provisions

2.041 Fixed Prices for Services/Deliverables

Each Statement of Work or Purchase Order issued under this Contract shall specify (or indicate by reference to the appropriate Contract Exhibit) the firm, fixed prices for all Services/Deliverables, and the associated payment



milestones and payment amounts. The State may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

2.042 Adjustments for Reductions in Scope of Services/Deliverables

If the scope of the Services/Deliverables under any Statement of Work issued under this Contract is subsequently reduced by the State, the parties shall negotiate an equitable reduction in Contractor’s charges under such Statement of Work commensurate with the reduction in scope.

2.043 Services/Deliverables Covered

For all Services/Deliverables to be provided by Contractor (and its Subcontractors, if any) under this Contract, the State shall not be obligated to pay any amounts in addition to the charges specified in this Contract.

2.044 Invoicing and Payment – In General

The contractor shall submit two (2) copies of invoices, one (1) to the “Bill To” address and one (1) the “Ship To” address.

2.045 Pro-ration

To the extent there are any Services that are to be paid for on a monthly basis, the cost of such Services shall be pro-rated for any partial month.

2.046 Antitrust Assignment

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

2.047 Final Payment

The making of final payment by the State, local units of government, and local transit agencies to Contractor does not constitute a waiver by either party of any rights or other claims as to the other party’s continuing obligations under the Contract, nor will it constitute a waiver of any claims by one party against the other arising from unsettled claims or failure by a party to comply with this Contract, including claims for Services and Deliverables not reasonably known until after acceptance to be defective or substandard. Contractor’s acceptance of final payment by the State, local units of government, and local transit agencies under this Contract shall constitute a waiver of all claims by Contractor against the State, local units of government, and local transit agencies for payment under this Contract, other than those claims previously filed in writing on a timely basis and still unsettled.

2.048 Electronic Payment Requirement

Electronic transfer of funds is required for payments on State Contracts. Contractors are required to register with the State electronically at <http://www.cpexpress.state.mi.us>. As stated in Public Act 431 of 1984, all contracts that the State enters into for the purchase of goods and services shall provide that payment will be made by electronic fund transfer (EFT).

2.050 Taxes

2.051 Employment Taxes

Contractors are expected to collect and pay all applicable federal, state, and local employment taxes, including the taxes.



2.052 Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.060 Contract Management

2.061 Contractor Personnel Qualifications

All persons assigned by Contractor to the performance of Services under this Contract must be employees of Contractor or its majority-owned (directly or indirectly, at any tier) subsidiaries (or a State-approved Subcontractor) and must be fully qualified to perform the work assigned to them. Contractor must include a similar provision in any subcontract entered into with a Subcontractor. For the purposes of this Contract, independent contractors engaged by Contractor solely in a staff augmentation role must be treated by the State as if they were employees of Contractor for this Contract only; however, the State understands that the relationship between Contractor and Subcontractor is an independent contractor relationship.

2.062 Contractor Key Personnel

- (a) The Contractor must provide the Contract Compliance Inspector with the names of the Key Personnel.
- (b) Key Personnel must be dedicated as defined in the Statement of Work to the Project for its duration in the applicable Statement of Work with respect to other individuals designated as Key Personnel for that Statement of Work.
- (c) The State will have the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, will introduce the individual to the appropriate State representatives, and will provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection.
- (d) Contractor must not remove any Key Personnel from their assigned roles or the Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). Unauthorized Removals does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation or for cause termination of the Key Personnel’s employment. Unauthorized Removals does not include replacing Key Personnel because of promotions or other job movements allowed by Contractor personnel policies or Collective Bargaining Agreement(s) as long as the State receives prior written notice before shadowing occurs and Contractor provides 30 days of shadowing unless parties agree to a different time period. The Contractor with the State must review any Key Personnel replacements, and appropriate transition planning will be established. Any Unauthorized Removal may be considered by the State to be a material breach of the Contract, in respect of which the State may elect to exercise its termination and cancellation rights.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 business days before redeploying non-Key Personnel, who are dedicated to primarily to the Project, to other projects. If the State does not object to the redeployment by its scheduled date, the Contractor may then redeploy the non-Key Personnel.



2.063 Re-assignment of Personnel at the State’s Request

The State reserves the right to require the removal from the Project of Contractor personnel found, in the judgment of the State, to be unacceptable. The State’s request must be written with reasonable detail outlining the reasons for the removal request. Additionally, the State’s request must be based on legitimate, good-faith reasons. Replacement personnel for the removed person must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected by the State’s required removal. If any incident with removed personnel results in delay not reasonably anticipatable under the circumstances and which is attributable to the State, the applicable SLAs for the affected Service will not be counted for a time as agreed to by the parties.

2.064 Contractor Personnel Location

All staff assigned by Contractor to work on the Contract will perform their duties either primarily at Contractor’s offices and facilities or at State facilities. Without limiting the generality of the foregoing, Key Personnel will, at a minimum, spend at least the amount of time on-site at State, local units of government, and local transit agencies facilities as indicated in the applicable Statement of Work. Subject to availability, selected Contractor personnel may be assigned office space to be shared with State personnel.

2.065 Contractor Identification

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

2.066 Cooperation with Third Parties

Contractor agrees to cause its personnel and the personnel of any Subcontractors to cooperate with the State and its agents and other contractors including the State’s Quality Assurance personnel. As reasonably requested by the State in writing, the Contractor will provide to the State’s agents and other contractors reasonable access to Contractor’s Project personnel, systems and facilities to the extent the access relates to activities specifically associated with this Contract and will not interfere or jeopardize the safety or operation of the systems or facilities. The State acknowledges that Contractor’s time schedule for the Contract is very specific and agrees not to unnecessarily or unreasonably interfere with, delay or otherwise impeded Contractor’s performance under this Contract with the requests for access.

2.067 Contract Management 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 the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve subcontractors and to require the Contractor to replace subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the subcontractor to all provisions of the Contract. Any change in subcontractors must be approved by the State, in writing, prior to such change.

2.068 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.070 Subcontracting by Contractor



2.071 Contractor full Responsibility

Contractor shall have full responsibility for the successful performance and completion of all of the Services and Deliverables. The State will consider Contractor to be the sole point of contact with regard to all contractual matters under this Contract, including payment of any and all charges for Services and Deliverables.

2.072 State Consent to delegation

Contractor shall not delegate any duties under this Contract to a Subcontractor unless the Department of Management and Budget, Purchasing Operations has given written consent to such delegation. The State shall have the right of prior written approval of all Subcontractors and to require Contractor to replace any Subcontractors found, in the reasonable judgment of the State, to be unacceptable. The State’s request shall be written with reasonable detail outlining the reasons for the removal request. Additionally, the State’s request shall be based on legitimate, good-faith reasons. Replacement Subcontractor(s) for the removed Subcontractor shall be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed Subcontractor, the State will agree to an equitable adjustment in schedule or other terms that may be affected by the State’s required removal. If any such incident with a removed Subcontractor results in delay not reasonable anticipatable under the circumstances and which is attributable to the State, the applicable SLA for the affected Work will not be counted in time agreed upon by the parties.

2.073 Subcontractor bound to Contract

In any subcontracts entered into by Contractor for the performance of the Services, Contractor shall require the Subcontractor, to the extent of the Services to be performed by the Subcontractor, to be bound to Contractor by the terms of this Contract and to assume toward Contractor all of the obligations and responsibilities that Contractor, by this Contract, assumes toward the State. The State reserves the right to receive copies of and review all subcontracts, although Contractor may delete or mask any proprietary information, including pricing, contained in such contracts before providing them to the State. The management of any Subcontractor will be the responsibility of Contractor, and Contractor shall remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance. Contractor shall make all payments to Subcontractors or suppliers of Contractor. Except as otherwise agreed in writing by the State and Contractor, the State will not be obligated to direct payments for the Services other than to Contractor. The State’s written approval of any Subcontractor engaged by Contractor to perform any obligation under this Contract shall not relieve Contractor of any obligations or performance required under this Contract. Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the execution of this Contract, together with a copy of the applicable subcontract.

2.074 Flow Down

Except where specifically approved in writing by the State on a case-by-case basis, Contractor shall flow down the obligations in **Sections 2.031, 2.060, 2.100, 2.110, 2.120, 2.130, 2.200** in all of its agreements with any Subcontractors.

2.075 Competitive Selection

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

2.080 State Responsibilities

2.081 Equipment

The State will provide only the equipment and resources identified in the Statements of Work and other Contract Exhibits.



2.082 Facilities

The State must designate space as long as it is available and as provided in the Statement of Work, to house the Contractor’s personnel whom the parties agree will perform the Services/Deliverables at State facilities (collectively, the “State Facilities”). The Contractor must have reasonable access to, and unless agreed otherwise by the parties in writing must observe and comply with all rules and regulations relating to each of the State Facilities (including hours of operation) used by the Contractor in the course of providing the Services. Contractor agrees that it will not, without the prior written consent of the State, use any State Facilities or access any State information systems provided for the Contractor’s use, or to which the Contractor otherwise gains access in the course of performing the Services, for any purpose other than providing the Services to the State.

2.090 Security

2.091 Background Checks

On a case-by-case basis, the State may investigate the Contractor's personnel before they may have access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine Contractor personnel eligibility for working within State facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the State and will be reasonably related to the type of work requested.

All Contractor personnel will also be expected to comply with the State’s security and acceptable use policies for State IT equipment and resources. See <http://www.michigan.gov/dit>. Furthermore, Contractor personnel will be expected to agree to the State’s security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. It is expected the Contractor will present these documents to the prospective employee before the Contractor presents the individual to the State as a proposed resource. Contractor staff will be expected to comply with all Physical Security procedures in place within the facilities where they are working.

2.092 Security Breach Notification

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State in writing any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 10 days of becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

2.093 PCI Data Security Requirements

Deleted – Not Applicable

2.100 Confidentiality

2.101 Confidentiality

Contractor and the State each acknowledge that the other possesses and will continue to possess confidential information that has been developed or received by it. As used in this Section, “Confidential Information” of Contractor must mean all non-public proprietary information of Contractor (other than Confidential Information of the State as defined below) which is marked confidential, restricted, proprietary or with a similar designation. “Confidential Information” of the State must mean any information which is retained in confidence by the State (or otherwise required to be held in confidence by the State under applicable federal, state and local laws and



regulations) or which, in the case of tangible materials provided to Contractor by the State under its performance under this Contract, is marked as confidential, proprietary or with a similar designation by the State. “Confidential Information” excludes any information (including this Contract) that is publicly available under the Michigan FOIA.

2.102 Protection and Destruction of Confidential Information

The State and Contractor will each use at least the same degree of care to prevent disclosing to third parties the Confidential Information of the other as it employs to avoid unauthorized disclosure, publication or dissemination of its own confidential information of like character, but in no event less than reasonable care. Neither Contractor nor the State will (i) make any use of the Confidential Information of the other except as contemplated by this Contract, (ii) acquire any right in or assert any lien against the Confidential Information of the other, or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information to the other party. Each party will limit disclosure of the other party's Confidential Information to employees and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where (A) use of a Subcontractor is authorized under this Contract, (B) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility, and (C) Contractor obligates the Subcontractor in a written Contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor and of any Subcontractor having access or continued access to the State's Confidential Information may be required to execute an acknowledgment that the employee has been advised of Contractor's and the Subcontractor's obligations under this Section and of the employee's obligation to Contractor or Subcontractor, as the case may be, to protect the Confidential Information from unauthorized use or disclosure.

Promptly upon termination or cancellation of the Contract for any reason, Contractor must certify to the State that Contractor has destroyed all State Confidential Information.

2.103 Exclusions

Notwithstanding the foregoing, the provisions of **Section 2.080** will not apply to any particular information which the State or Contractor can demonstrate (i) was, at the time of disclosure to it, in the public domain; (ii) after disclosure to it, is published or otherwise becomes part of the public domain through no fault of the receiving party; (iii) was in the possession of the receiving party at the time of disclosure to it without an obligation of confidentiality; (iv) was received after disclosure to it from a third party who had a lawful right to disclose the information to it without any obligation to restrict its further disclosure; or (v) was independently developed by the receiving party without reference to Confidential Information of the furnishing party. Further, the provisions of **Section 2.080** will not apply to any particular Confidential Information to the extent the receiving party is required by law to disclose the Confidential Information, provided that the receiving party (i) promptly provides the furnishing party with notice of the legal request, and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.104 No Implied Rights

Nothing contained in this Section must be construed as obligating a party to disclose any particular Confidential Information to the other party, or as granting to or conferring on a party, expressly or impliedly, any right or license to the Confidential Information of the other party.

2.105 Respective Obligations

The parties' respective obligations under this Section must survive the termination or expiration of this Contract for any reason.

2.110 Records and Inspections



2.111 Inspection of Work Performed

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 the Contract, the State shall have the right to reject goods or retain the goods and correct the defects. The Contractor shall pay the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies 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 Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies has the authority to dispose of goods without further liability to the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies in the event the Contractor fails to make arrangements within the specified time period.

The State’s authorized representatives must at all reasonable times and with 10 days prior written request, have the right to enter Contractor’s premises, or any other places, where the Services are being performed, and must have access, upon reasonable request, to interim drafts of Deliverables or work-in-progress. Upon 10 Days prior written notice and at all reasonable times, the State’s representatives must be allowed to inspect, monitor, or otherwise evaluate the work being performed and to the extent that the access will not reasonably interfere or jeopardize the safety or operation of the systems or facilities. Contractor must provide all reasonable facilities and assistance for the State’s representatives.

Pilot model and plant inspections, the contractor, shall allow the following:

1. Conductions of a pre-pilot model review meeting at the manufacturer’s facility, or a mutually agreed upon location (one (1) per contract period).
2. Conduction of a **pilot model inspection and mid-production inspection** at the manufacturer’s facility, or a mutually agreed upon location (one (1) per contract period).
3. Contract shall allow for **periodic production/plant inspections** by the Michigan Department of Transportation, Bureau of Passenger Transportation (two (2) per contract period).

Final inspection will be made at a Michigan location. The contract shall have a factory dealer with repair facilities and personnel in Michigan, or may be an out-of-state factory dealer with repair facilities and personnel in Michigan capable of handling final inspections, corrections, and warranty follow-up.

NOTE: Contractor Responsible for Travel Expenses

The contractor WILL BE responsible for transportation (air fare, rail fare, car rental, taxi, or mileage), lodging, parking expenses, meals, and tips for up to two (2) individuals, as determined by the Michigan Department of Transportation, Bureau of Passenger Transportation, for involvement in any of the above pilot model review or plant inspections. All travel expenses shall be based on the Michigan Department of Management and Budget, Vehicle and Travel Services *Schedule of Travel Rates for Classified and Unclassified Employees Effective January 1, 2009* or subsequent updates.



2.112 Examination of Records

The contractor will be subject to the Federal Transportation Administration’s (FTA) 49 DFR Part 663 for Pre-Award and Post Delivery Audits of Rolling Stock Purchases. The Michigan Department of Transportation, Bureau of Passenger Transportation, will conduct a pre-award audit of the contractor that is being considered to verify that the contractor has successfully met all of the following requirements:

1. Federal Motor Vehicle Safety Requirements
2. Federal Buy American Requirements, and
3. Grantee’s Bid Specifications. Post-Delivery Audits shall include a “Road Test” of each unit.

For seven years after the Contractor provides any work under this Contract (the "Audit Period"), the State may examine and copy any of Contractor’s books, records, documents and papers pertinent to establishing Contractor’s compliance with the Contract and with applicable laws and rules. The State must notify the Contractor 20 days before examining the Contractor's books and records. The State does not have the right to review any information deemed confidential by the Contractor to the extent access would require the confidential information to become publicly available. This provision also applies to the books, records, accounts, documents and papers, in print or electronic form, of any parent, affiliated or subsidiary organization of Contractor, or any Subcontractor of Contractor performing services in connection with the Contract.

2.113 Retention of Records

Contractor must maintain at least until the end of the Audit Period all pertinent financial and accounting records (including time sheets and payroll records, and information pertaining to the Contract and to the Services, equipment, and commodities provided under the Contract) pertaining to the Contract according to generally accepted accounting principles and other procedures specified in this Section. Financial and accounting records must be made available, upon request, to the State at any time during the Audit Period. If an audit, litigation, or other action involving Contractor’s records is initiated before the end of the Audit Period, the records must be retained until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.114 Audit Resolution

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

2.115 Errors

- (a) If the audit demonstrates any errors in the documents provided to the State, then the amount in error must be reflected as a credit or debit on the next invoice and in subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried for more than four invoices. If a balance remains after four invoices, then the remaining amount will be due as a payment or refund within 45 days of the last quarterly invoice that the balance appeared on or termination of the contract, whichever is earlier.
- (b) In addition to other available remedies, the difference between the payment received and the correct payment amount is greater than 10%, then the Contractor must pay all of the reasonable costs of the audit.

2.120 Warranties and Equipment

2.121 Warranties and Representations

The Contractor represents and warrants:



- (a) It is capable in all respects of fulfilling and must fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workman-like manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract Appendices, Attachments and Exhibits identify the equipment and software and services necessary for the Deliverable(s) to perform and Services to operate in compliance with the Contract's requirements and other standards of performance.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by Contractor under this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any and all Deliverables. None of the Deliverables provided by Contractor to the State under this Contract, nor their use by the State, will infringe the patent, copyright, trade secret, or other proprietary rights of any third party.
- (d) If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to the items in this Contract, Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
- (e) The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter into this Contract, on behalf of Contractor.
- (f) It is qualified and registered to transact business in all locations where required.
- (g) Neither the Contractor nor any Affiliates, nor any employee of either, has, must have, or must acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor must notify the State about the nature of the conflict or appearance of impropriety within two days of learning about it.
- (h) Neither Contractor nor any Affiliates, nor any employee of either has accepted or must accept anything of value based on an understanding that the actions of the Contractor or Affiliates or employee on behalf of the State would be influenced. Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.
- (i) Neither Contractor nor any Affiliates, nor any employee of either has paid or agreed to pay any person, other than bona fide employees and consultants working solely for Contractor or the Affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.
- (j) The prices proposed by Contractor were arrived at independently, without consultation, communication, or agreement with any other bidder for the purpose of restricting competition; the prices quoted were not knowingly disclosed by Contractor to any other bidder; and no attempt was made by Contractor to induce any other person to submit or not submit a proposal for the purpose of restricting competition.
- (k) All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the RFP or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by the financial statements, reports, other information. Since the respective dates or periods covered by the financial statements, reports, or other information, there have been no material adverse change in the business, properties, financial condition, or results of operations of Contractor.



(l) All written information furnished to the State by or for the Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make the information not misleading.

(m) It is not in material default or breach of any other contract or agreement that it may have with the State or any of its departments, commissions, boards, or agencies. Contractor further represents and warrants that it has not been a party to any contract with the State or any of its departments that was terminated by the State or the department within the previous five years for the reason that Contractor failed to perform or otherwise breached an obligation of the contract.

(n) If any of the certifications, representations, or disclosures made in the Contractor’s original bid response change after contract award, the Contractor is required to report those changes immediately to the Department of Management and Budget, Purchasing Operations.

2.122 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.

2.123 Warranty of Fitness for a Particular Purpose

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

2.124 Warranty of Title

Contractor 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 Contract, shall be delivered free of any rightful claim of any third person by of infringement or the like.

2.125 Equipment Warranty

To the extent Contractor is responsible under this Contract for maintaining equipment/system(s), Contractor represents and warrants that it will maintain the equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance according to the applicable manufacturer's recommendations for the period specified in this Contract.

- A. Principle Period of Maintenance (PPM) will be the same hours as the State’s normal working hours (currently Monday through Friday, 8:00 A.M. to 4:00 P.M., excluding a one (1) hour lunch period, excepting State observed holidays).
- B. The PPM hours may be changed upon thirty (30) days written notice by mutual agreement, except the Contractor shall make every reasonable effort to change his/her schedule in a shorter period of time.

The Contractor represents and warrants that the equipment/system(s) are in good operating condition and operate and perform to the requirements and other standards of performance contained in this Contract, when installed, at the time of Final Acceptance by the Michigan Department of Transportation (MDOT), Bureau of Passenger Transportation; authorized local units of government; and public transit agencies., and for a period of one year commencing upon the first day following Final Acceptance.



Within five (5) business days of notification from the Michigan Department of Transportation (MDOT), Bureau of Passenger Transportation; authorized local units of government; and public transit agencies., the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

The Contractor must provide a toll-free telephone number to allow the Michigan Department of Transportation (MDOT), Bureau of Passenger Transportation; authorized local units of government; and public transit agencies. to report equipment failures and problems to be remedied by the Contractor.

The Contractor agrees that all warranty service it provides under this Contract must be performed by Original Equipment Manufacturer (OEM) trained, certified and authorized technicians.

The Contractor is the sole point of contact for warranty service. The Contractor warrants that it will pass through to the Michigan Department of Transportation (MDOT), Bureau of Passenger Transportation; authorized local units of government; and public transit agencies any warranties obtained or available from the original equipment manufacturer, including any replacement, upgraded, or additional equipment warranties.

All warranty work must be performed at a mutually agreed upon location between the contractor and authorized local units of government and public transit agencies.

2.126 Equipment to be New

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

2.127 Equipment Installation

Non-Factory Installed Equipment

The contractor submitted a listing of equipment that is not installed at the point of bus manufacture. The list of non-factory installed equipment identifies the item number(s) to which it applies and lists the description of equipment involved.

Optional Equipment and Accessories

Factory equipment not specifically listed in the contract and/or State of Michigan bus specifications may be added in accordance with the current Kelley Blue Book in effect at the time of order, using the Dealer Cost Column. Authorized local units of government and public transit agencies may implement such changes on a direct basis with the contractor.

2.128 Prohibited Products

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



2.129 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in this section, the breach may be considered as a default in the performance of a material obligation of this Contract.

2.130 Insurance

2.131 Liability Insurance

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

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

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

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

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

See www.michigan.gov/dleg.

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

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

- 1. Commercial General Liability with the following minimum coverage:
 - \$2,000,000 General Aggregate Limit other than Products/Completed Operations
 - \$2,000,000 Products/Completed Operations Aggregate Limit
 - \$1,000,000 Personal & Advertising Injury Limit
 - \$1,000,000 Each Occurrence Limit

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

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

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

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

4. Employers liability insurance with the following minimum limits:

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

5. Employee Fidelity, including Computer Crimes, insurance naming the State as a loss payee, providing coverage for direct loss to the State and any legal liability of the State arising out of or related to fraudulent or dishonest acts committed by the employees of Contractor or its Subcontractors, acting alone or in collusion with others, in a minimum amount of 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 must apply, at a minimum, to the insurance required in Subsection 1 (Commercial General Liability) above.

7. Professional Liability (Errors and Omissions) Insurance with the following minimum coverage: 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 the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The policy must cover all risks of direct physical loss or damage, including without limitation, flood and earthquake coverage and coverage for computer hardware and software. The State must be endorsed on the policy as a loss payee as its interests appear.

2.132 Subcontractor Insurance Coverage

Except where the State has approved in writing a Contractor subcontract with other insurance provisions, Contractor must require all of its Subcontractors under 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) must 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.



2.133 Certificates of Insurance and Other Requirements

Contractor must furnish to DMB-PurchOps, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the “Certificates”). The Certificate must be on the standard “accord” form or equivalent. **THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING.** All Certificate(s) are to be prepared and submitted by the Insurance Provider. All Certificate(s) must contain a provision indicating that coverages afforded under the policies WILL NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to the Director of Purchasing Operations, Department of Management and Budget. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. In the event the State approves the representation of the State by the insurer’s attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

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

2.140 Indemnification

2.141 General Indemnification

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

2.142 Code Indemnification

To the extent permitted by law, the Contractor 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.

2.143 Employee Indemnification

In any claims against the State of Michigan, its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract must not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its subcontractors under worker’s disability compensation acts, disability benefit acts or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.



2.144 Patent/Copyright Infringement Indemnification

To the extent permitted by law, the Contractor must indemnify, defend and hold harmless the State from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys’ fees and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that the action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of the equipment, software, commodity or service, or the use or reproduction of any documentation provided with the equipment, software, commodity or service infringes any United States patent, copyright, trademark or trade secret of any person or entity, which is enforceable under the laws of the United States.

In addition, should the equipment, software, commodity, or service, or its operation, become or in the State’s or Contractor’s opinion be likely to become the subject of a claim of infringement, the Contractor must at the Contractor’s sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if the option is not reasonably available to the Contractor, (ii) replace or modify to the State’s satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if the option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the Contractor’s charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys’ fees related to, any claim based upon (i) equipment developed based on written specifications of the State; (ii) use of the equipment in a configuration other than implemented or approved in writing by the Contractor, including, but not limited to, any modification of the equipment by the State; or (iii) the combination, operation, or use of the equipment with equipment or software not supplied by the Contractor under this Contract.

2.145 Continuation of Indemnification Obligations

The Contractor’s duty to indemnify under this Section continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.146 Indemnification Procedures

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

(a) After the State receives notice of the action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify Contractor of the claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to notify the Contractor relieves the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the failure. Within 10 days following receipt of written notice from the State relating to any claim, the Contractor must notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a “Notice of Election”). After notifying Contractor of a claim and before the State receiving Contractor’s Notice of Election, the State is entitled to defend against the claim, at the Contractor’s expense, and the Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during that period.

(b) If Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in the handling of the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate to the reasonable satisfaction of the State, the Contractor’s financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain the prior written approval of the State before entering into any settlement of the claim or ceasing to defend against the claim and (iv) to the extent that any principles of



Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim involving the principles of Michigan governmental or public law. But the State may retain control of the defense and settlement of a claim by notifying the Contractor in writing within 10 days after the State’s receipt of Contractor’s information requested by the State under clause (ii) of this paragraph if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor’s financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer’s attorney represents the State under this Section, the insurer’s attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State may defend the claim in the manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor must promptly reimburse the State for all the reasonable costs and expenses.

2.150 Termination/Cancellation

2.151 Notice and Right to Cure

If the Contractor breaches the contract, and the State in its sole discretion determines that the breach is curable, then the State will provide the Contractor with written notice of the breach and a time period (not less than 30 days) to cure the Breach. The notice of breach and opportunity to cure is inapplicable for successive or repeated breaches or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.152 Termination for Cause

(a) The State may terminate this contract, for cause, by notifying the Contractor in writing, if the Contractor (i) breaches any of its material duties or obligations under this Contract (including a Chronic Failure to meet any particular SLA), or (ii) fails to cure a breach within the time period specified in the written notice of breach provided by the State

(b) If this Contract is terminated for cause, the Contractor must pay all costs incurred by the State in terminating this Contract, including but not limited to, State administrative costs, reasonable attorneys’ fees and court costs, and any reasonable additional costs the State may incur to procure the Services/Deliverables required by this Contract from other sources. Re-procurement costs are not consequential, indirect or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Service/Deliverables provided under this Contract.

(c) If the State chooses to partially terminate this Contract for cause, charges payable under this Contract will be equitably adjusted to reflect those Services/Deliverables that are terminated and the State must pay for all Services/Deliverables for which Final Acceptance has been granted provided up to the termination date. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

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



2.153 Termination for Convenience

The State may terminate this Contract for its convenience, in whole or part, if the State determines that a termination is in the State’s best interest. Reasons for the termination must be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience, in whole or in part, by giving Contractor written notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract must be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

2.154 Termination for Non-Appropriation

(a) Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this Contract. If funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available, the State must terminate this Contract and all affected Statements of Work, in whole or in part, at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to Contractor. The State must give Contractor at least 30 days advance written notice of termination for non-appropriation or unavailability (or the time as is available if the State receives notice of the final decision less than 30 days before the funding cutoff).

(b) If funding for the Contract is reduced by law, or funds to pay Contractor for the agreed-to level of the Services or production of Deliverables to be provided by Contractor are not appropriated or otherwise unavailable, the State may, upon 30 days written notice to Contractor, reduce the level of the Services or the change the production of Deliverables in the manner and for the periods of time as the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any equipment, services or commodities not provided by reason of the reduction.

(c) If the State terminates this Contract, eliminates certain Deliverables, or reduces the level of Services to be provided by Contractor under this Section, the State must pay Contractor for all Work-in-Process performed through the effective date of the termination or reduction in level, as the case may be and as determined by the State, to the extent funds are available. This Section will not preclude Contractor from reducing or stopping Services/Deliverables or raising against the State in a court of competent jurisdiction, any claim for a shortfall in payment for Services performed or Deliverables finally accepted before the effective date of termination.

2.155 Termination for Criminal Conviction

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

2.156 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.157 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, the Contractor must (a) stop all work as specified in the notice of termination, (b) take any action that may be necessary, or that the State may direct, for preservation and protection of Deliverables or other property derived or resulting from 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) transfer title in, and deliver to, the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract and which are resulting from the Contract (which must be provided to the State on an “As-Is” basis except to the extent the amounts paid by the State in respect of the items included compensation to Contractor for the provision of warranty services in respect of the materials), and (e) take any action to mitigate and limit any potential damages, or requests for Contractor adjustment or termination settlement costs, to the maximum practical extent, including terminating or limiting as otherwise applicable those subcontracts and outstanding orders for material and supplies resulting from the terminated Contract.

(b) If the State terminates this Contract before its expiration for its own convenience, the State must pay Contractor for all charges due for Services provided before the date of termination and, if applicable, as a separate item of payment under this Contract, for Work In Process, on a percentage of completion basis at the level of completion determined by the State. All completed or partially completed Deliverables prepared by Contractor under this Contract, at the option of the State, becomes the State’s property, and Contractor is entitled to receive equitable fair compensation for the Deliverables. Regardless of the basis for the termination, the State is not obligated to pay, or otherwise compensate, Contractor for any lost expected future profits, costs or expenses incurred with respect to Services not actually performed for the State.

(c) Upon a good faith termination, the State may assume, at its option, any subcontracts and agreements for services and deliverables provided under this Contract, and may further pursue completion of the Services/Deliverables under this Contract by replacement contract or otherwise as the State may in its sole judgment deem expedient.

2.158 Reservation of Rights

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

2.160 Termination by Contractor – Deleted – Not Applicable

2.170 Transition Responsibilities

2.171 Contractor Transition Responsibilities

If the State terminates this contract, for convenience or cause, or if the Contract is otherwise dissolved, voided, rescinded, nullified, expires or rendered unenforceable, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. If this Contract expires or terminates, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 120 days. These efforts must include, but are not limited to, those listed in **Sections 2.141, 2.142, 2.143, 2.144, and 2.145.**

2.172 Contractor Personnel Transition

The Contractor must work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor must allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by this Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor’s subcontractors or vendors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor’s subcontractors or vendors. Contractor will notify all of Contractor’s subcontractors of procedures to be followed during transition.



2.173 Contractor Information Transition

The Contractor agrees to provide reasonable detailed specifications for all Services/Deliverables needed by the State, or specified third party, to properly provide the Services/Deliverables required under this Contract. The Contractor will provide the State with asset management data generated from the inception of this Contract through the date on which this Contractor is terminated in a comma-delineated format unless otherwise requested by the State. The Contractor will deliver to the State any remaining owed reports and documentation still in Contractor’s possession subject to appropriate payment by the State.

2.174 Contractor Software Transition

The Contractor must reasonably assist the State in the acquisition of any Contractor software required to perform the Services/use the Deliverables under this Contract. This must include any documentation being used by the Contractor to perform the Services under this Contract. If the State transfers any software licenses to the Contractor, those licenses must, upon expiration of the Contract, transfer back to the State at their current revision level. Upon notification by the State, Contractor may be required to freeze all non-critical changes to Deliverables/Services.

2.175 Transition Payments

If the transition results from a termination for any reason, reimbursement must be governed by the termination provisions of 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) at the rates agreed upon by the State. The Contractor will prepare an accurate accounting from which the State and Contractor may reconcile all outstanding accounts.

2.176 State Transition Responsibilities

In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:

- (a) Reconciling all accounts between the State and the Contractor;
- (b) Completing any pending post-project reviews.

2.180 Stop Work

2.181 Stop Work Orders

The State may, at any time, by written stop work order to Contractor, require that Contractor stop all, or any part, of the work called for by the Contract for a period of up to 90 calendar days after the stop work order is delivered to Contractor, and for any further period to which the parties may agree. The stop work order must be identified as a stop work order and must indicate that it is issued under this **Section 2.150**. Upon receipt of the stop work order, Contractor must immediately comply with its terms and take all reasonable steps to minimize incurring costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State must either: (a) cancel the stop work order; or (b) terminate the work covered by the stop work order as provided in **Section 2.130**.

2.182 Cancellation or Expiration of Stop Work Order

The Contractor must resume work if the State cancels a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, in writing, accordingly, if: (a) the stop work order results in an increase in the time required for, or in Contractor’s costs properly allocable to, the performance of any part of the Contract; and (b) Contractor asserts its right to an equitable adjustment within 30 calendar days after the end of the period of work stoppage; provided that, if the State decides the facts justify the action, the State may receive and act upon a Contractor proposal submitted at any time before final payment under the Contract. Any adjustment will conform to the requirements of **Section 2.024**.



2.183 Allowance of Contractor Costs

If the stop work order is not canceled and the work covered by the stop work order is terminated for reasons other than material breach, the termination must be deemed to be a termination for convenience under **Section 2.130**, and the State will pay reasonable costs resulting from the stop work order in arriving at the termination settlement. For the avoidance of doubt, the State is not be liable to Contractor for loss of profits because of a stop work order issued under this **Section 2.150**.

2.190 Dispute Resolution

2.191 In General

Any claim, counterclaim, or dispute between the State and Contractor arising out of or relating to the Contract or any Statement of Work must be resolved as follows. For all Contractor claims seeking an increase in the amounts payable to Contractor under the Contract, or the time for Contractor’s performance, Contractor must submit a letter, together with all data supporting the claims, executed by Contractor’s Contract Administrator or the Contract Administrator's designee certifying that (a) the claim is made in good faith, (b) the amount claimed accurately reflects the adjustments in the amounts payable to Contractor or the time for Contractor’s performance for which Contractor believes the State is liable and covers all costs of every type to which Contractor is entitled from the occurrence of the claimed event, and (c) the claim and the supporting data are current and complete to Contractor’s best knowledge and belief.

2.192 Informal Dispute Resolution

- (a) All disputes between the parties must be resolved under the Contract Management procedures in this Contract. If the parties are unable to resolve any disputes after compliance with the processes, the parties must meet with the Director of Purchasing Operations, DMB, or designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings, as follows:
 - (i) The representatives of Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information with respect to the matter in issue which the parties believe to be appropriate and germane in connection with its resolution. The representatives must discuss the problem and negotiate in good faith in an effort to resolve the dispute without the necessity of any formal proceeding.
 - (ii) During the course of negotiations, all reasonable requests made by one party to another for non-privileged information reasonably related to the Contract will be honored in order that each of the parties may be fully advised of the other’s position.
 - (iii) The specific format for the discussions will be left to the discretion of the designated State and Contractor representatives, but may include the preparation of agreed upon statements of fact or written statements of position.
 - (iv) Following the completion of this process within 60 calendar days, the Director of Purchasing Operations, DMB, or designee, must issue a written opinion regarding the issue(s) in dispute within 30 calendar days. The opinion regarding the dispute must be considered the State’s final action and the exhaustion of administrative remedies.
- (b) This Section will not be construed to prevent either party from instituting, and a party is authorized to institute, formal proceedings earlier to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under **Section 2.163**.
- (c) The State will not mediate disputes between the Contractor and any other entity, except state agencies, concerning responsibility for performance of work under the Contract.

2.193 Injunctive Relief

The only circumstance in which disputes between the State and Contractor will not be subject to the provisions of **Section 2.162** is where a party makes a good faith determination that a breach of the terms of the Contract by the other party is the that the damages to the party resulting from the breach will be so immediate, so large or severe and so incapable of adequate redress after the fact that a temporary restraining order or other immediate injunctive relief is the only adequate remedy.



2.194 Continued Performance

Each party agrees to continue performing its obligations under the Contract while a dispute is being resolved except to the extent the issue in dispute precludes performance (dispute over payment must not be deemed to preclude performance) and without limiting either party’s right to terminate the Contract as provided in **Section 2.150**, as the case may be.

2.200 Federal and State Contract Requirements

2.201 Nondiscrimination

In the performance of the Contract, Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability. Contractor further agrees that every subcontract entered into for the performance of this Contract or any purchase order resulting from this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliot Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, et seq., and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, et seq., and any breach of this provision may be regarded as a material breach of the Contract.

2.202 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under section 2 of the Act. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under section 4 of 1980 PA 278, MCL 423.324, the State may void any Contract if, after award of the Contract, the name of Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of Contractor appears in the register.

2.203 Workplace Safety and Discriminatory Harassment

In performing Services for the State, the Contractor must comply with the Department of Civil Services Rule 2-20 regarding Workplace Safety and Rule 1-8.3 regarding Discriminatory Harassment. In addition, the Contractor must comply with Civil Service regulations and any applicable agency rules provided to the Contractor. For Civil Service Rules, see <http://www.mi.gov/mdcs/0,1607,7-147-6877---,00.html>.

2.210 Governing Law

2.211 Governing Law

The Contract must in all respects be governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of any other jurisdiction to the extent not inconsistent with, or pre-empted by federal law.

2.212 Compliance with Laws

Contractor shall comply with all applicable state, federal and local laws and ordinances in providing the Services/Deliverables.

2.213 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections it may have to the jurisdiction on the grounds of lack of personal jurisdiction of the court or the laying of venue of the court or on the basis of forum non conveniens or otherwise. Contractor agrees to appoint agents in the State of Michigan to receive service of process.



2.214 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.

- All applicable Federal Motor Vehicle Safety Standards
- All applicable Michigan Motor Carrier Vehicle Codes
- Michigan Consumer Protection Act MCL §§ 445.901-445.922
- Michigan Uniform Commercial Code (MIUCC) MCL 440 (All section unless otherwise althered by agreement)
- Michigan OSHA MCL §§ 408.1001 – 408.1094
- 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.
- Contract Work Hours and Safety Standards Act (CWHSAA) 40 USCS § 327, et seq.
- Rules and regulations of the Equal Employment Opportunity Commission (EEOC)
- The Civil Rights Act of 1964, USCS Chapter 42
- Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.
- Department of Civil Service rules and regulations
- Persons with disabilities Civil Rights Act MCL §§ 37.11.01, et seq.
- The Americans with Disabilities Act (ADA), 43 USCS §§ 12101 et seq.
- Business Opportunity Act for Persons with Disabilities MCL §§ 450.791-450.795
- 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 §§ 651 et seq.
- Title VII, 42 USCS §§ 2000e et seq.
- MCL §§ 423.321, et seq.
- MCL § 18.1264 (law regarding debarment)
- Internal Revenue Code
- Rules and regulations of the Environmental Protection Agency
- Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.
- Pollution Prevention Act of 1990 (PPA) 42 USC § 13106
- Sherman Act, 15 USCS § 1 et seq.
- Robinson-Patman Act, 15 USCS § 13 et seq.
- Clayton Act, 15 USCS § 14 et seq.
- Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.
- Davis-Bacon Act (DBA) 40 USC §§ 37276(a), et seq.
- FTA Clauses (Rolling Stock), 49 U.S.C. 5323(j) and 49 CFR Part 661 (COPY ATTACHED – SEE APPENDIX C).

2.220 Limitation of Liability

2.221 Limitation of Liability

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

The State’s liability for damages to the Contractor is limited to the value of the Contract.



2.230 Disclosure Responsibilities

2.231 Disclosure of Litigation

(a) Disclosure. Contractor must disclose any material criminal litigation, investigations or proceedings involving the Contractor (and each Subcontractor) or any of its officers or directors or any litigation, investigations or proceedings under the Sarbanes-Oxley Act. In addition, each Contractor (and each Subcontractor) must notify the State of any material civil litigation, arbitration or proceeding which arises during the term of the Contract and extensions, to which Contractor (or, to the extent Contractor is aware, any Subcontractor) is a party, and which involves: (i) disputes that might reasonably be expected to adversely affect the viability or financial stability of Contractor or any Subcontractor; or (ii) a claim or written allegation of fraud against Contractor or, to the extent Contractor is aware, any Subcontractor by a governmental or public entity arising out of their business dealings with governmental or public entities. The Contractor must disclose in writing to the Contract Administrator any litigation, investigation, arbitration or other proceeding (collectively, "Proceeding") within 30 days of its occurrence. Details of settlements which are prevented from disclosure by the terms of the settlement may be annotated. Information provided to the State from Contractor's publicly filed documents referencing its material litigation will be deemed to satisfy the requirements of this Section.

(b) Assurances. If any Proceeding disclosed to the State under this Section, or of which the State otherwise becomes aware, during the term of this Contract would cause a reasonable party to be concerned about:

- (i) the ability of Contractor (or a Subcontractor) to continue to perform this Contract according to its terms and conditions, or
- (ii) whether Contractor (or a Subcontractor) in performing Services for the State is engaged in conduct which is similar in nature to conduct alleged in the Proceeding, which conduct would constitute a breach of this Contract or a violation of Michigan law, regulations or public policy, then the Contractor must provide the State all reasonable assurances requested by the State to demonstrate that:
 - (a) Contractor and its Subcontractors will be able to continue to perform this Contract and any Statements of Work according to its terms and conditions, and
 - (b) Contractor and its Subcontractors have not and will not engage in conduct in performing the Services which is similar in nature to the conduct alleged in the Proceeding.

(c) Contractor must make the following notifications in writing:

- (1) Within 30 days of Contractor becoming aware that a change in its ownership or officers has occurred, or is certain to occur, or a change that could result in changes in the valuation of its capitalized assets in the accounting records, Contractor must notify DMB Purch-Ops.
- (2) Contractor must also notify DMB Purch-Ops within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.
- (3) Contractor must also notify DMB Purch-Ops within 30 days whenever changes to company affiliations occur.

2.232 Call Center Disclosure

Deleted – Not Applicable

2.233 Bankruptcy

The State may, without prejudice to any other right or remedy, terminate this Contract, in whole or in part, and, at its option, may take possession of the "Work in Process" and finish the Works in Process by whatever appropriate method the State may deem expedient if:

- (a) the Contractor files for protection under the bankruptcy laws;
- (b) an involuntary petition is filed against the Contractor and not removed within 30 days;
- (c) the Contractor becomes insolvent or if a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or



(e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can deliver the services under this Contract.

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

2.240 Performance

2.241 Time of Performance

- (a) Contractor must use commercially reasonable efforts to provide the resources necessary to complete all Services and Deliverables according to the time schedules contained in the Statements of Work and other Exhibits governing the work, and with professional quality.
- (b) Without limiting the generality of **Section 2.211(a)**, Contractor must notify the State in a timely manner upon becoming aware of any circumstances that may reasonably be expected to jeopardize the timely and successful completion of any Deliverables/Services on the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.
- (c) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must notify the State in a timely manner and must use commercially reasonable efforts to perform its obligations according to the Contract time periods notwithstanding the State’s failure. Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.242 Service Level Agreements (SLAs)

Deleted – Not Applicable

2.243 Liquidated Damages

A. The Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies and the Contractor hereby agree to the specific standards set forth in this Contract. It is agreed between the Contractor and the Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies that the actual damages to the Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies as a result of Contractor’s failure to provide promised services would be difficult or impossible to determine with accuracy. The Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies and the Contractor therefore agree that liquidated damages as set out herein shall be a reasonable approximation of the damages that shall be suffered by the Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies as a result thereof. Accordingly, in the event of such damages, at the written direction of the Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies the indicated amount as liquidated damages, and not as a penalty. Amounts due the Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies as liquidated damages, if not paid by the Contractor within fifteen (15) days of notification of assessment, may be deducted by the Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies from any money payable to the Contractor pursuant to this Contract. The Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies will notify the Contractor in writing of any claim for liquidated damages pursuant to this paragraph on or before the date the Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies deducts such sums from money payable to the Contractor. No delay by the Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized



Local Units of Government, and Public Transit Agencies in assessing or collecting liquidated damages shall be construed as a waiver of such rights.

B. The Contractor shall not be liable for liquidated damages when, in the opinion of the M Michigan Department of Transportation, Bureau of Passenger Transportation; Authorized Local Units of Government, and Public Transit Agencies, incidents or delays result directly from causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God, fires, floods, epidemics, and labor unrest; but in every case the delays must be beyond the control and without the fault or negligence of the Contractor.

C. Liquidated damages will be assessed as follows:

If the contractor does not deliver the vehicle/s, ready for use on or before the scheduled delivery date, the contractor shall pay to the State and/or Local Unit of Government, as fixed and agreed, liquidated damages, for each calendar day between the delivery date specified and the date of final delivery, but not more than 30 calendar days in lieu of all other damages due to such non-delivery, an amount of 1/10th of 1% of the Purchase Order/Departmental Contract Release Form unit cost per vehicle.

If some, but not all, of the vehicle/s described in the Purchase Order/Departmental Contract Release Form are delivered ready for use, by the scheduled delivery date, liquidated damages shall not accrue against the vehicle/s delivered.

If the delay is more than thirty 30 calendar days, then by written notice to the Contractor, the State and/or Local Unit of Government may terminate the right of the contractor to deliver, and may obtain substitute vehicle/s. In this event, the Contractor shall be liable for liquidated damages in the amounts specified above until acceptable substitute vehicle/s are delivered, ready for use, or for 30 days from the scheduled delivery date, whichever occurs first.

2.244 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations under the Contract to the extent the default, damage or delay is caused by government regulations or requirements (executive, legislative, judicial, military or otherwise), power failure, electrical surges or current fluctuations, lightning, earthquake, war, water or other forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, or acts or omissions of common carriers, fire; riots, civil disorders; strikes or other labor disputes, embargoes; injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused); or any other cause beyond the reasonable control of a party; provided the non-performing party and its Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed above, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. But the party must use commercially reasonable efforts to recommence performance whenever and to whatever extent possible without delay. A party must promptly notify the other party in writing immediately after the excusable failure occurs, and also when it abates or ends.

If any of the above-enumerated circumstances substantially prevent, hinder, or delay the Contractor's performance of the Services/provision of Deliverables for more than 10 Business Days, and the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies determines that performance is not likely to be resumed within a period of time that is satisfactory to the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies in its reasonable discretion, then at the State's option: (a) the



State may procure the affected Services/Deliverables from an alternate source, and the State, authorized local units of government, and public transit agencies are not be liable for payment for the unperformed Services/Deliverables not provided under the Contract for so long as the delay in performance continues; (b) the State may terminate any portion of the Contract so affected and the charges payable will be equitably adjusted to reflect those Services/Deliverables terminated; or (c) the State may terminate the affected Statement of Work without liability to Contractor as of a date specified by the State in a written notice of termination to the Contractor, except to the extent that the State must pay for Services/Deliverables provided through the date of termination.

The Contractor will not have the right to any additional payments from the State, authorized local units of government, and public transit agencies as a result of any Excusable Failure occurrence or to payments for Services not rendered/Deliverables not provided as a result of the Excusable Failure condition. Defaults or delays in performance by Contractor which are caused by acts or omissions of its Subcontractors will not relieve Contractor of its obligations under the Contract except to the extent that a Subcontractor is itself subject to an Excusable Failure condition described above and Contractor cannot reasonably circumvent the effect of the Subcontractor’s default or delay in performance through the use of alternate sources, workaround plans or other means.

2.250 Approval of Deliverables

2.251 Delivery Responsibilities

Unless otherwise specified by the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies within an individual order, the following must be applicable to all orders issued under this Contract.

- (a) Shipment responsibilities - Services performed/Deliverables provided under this Contract must be delivered “F.O.B. Destination.” The Contractor must have complete responsibility for providing all Services/Deliverables to all site(s) unless otherwise stated. Actual delivery dates will be specified on the individual purchase order.
- (b) Delivery locations - Services will be performed/Deliverables will be provided at every authorized local units of government, public transit agencies, or State locations within Michigan unless otherwise stated in the SOW. Specific locations will be provided by upon issuance of individual purchase orders.
- (c) Damage Disputes - At the time of delivery to local units of government, public transit agencies, or State Locations, the local units of government, public transit agencies, or State must examine all packages. The quantity of buses delivered must be recorded and any obvious visible or suspected damage must be noted at time of delivery using the shipper’s delivery document(s) and appropriate procedures to record the damage. Where there is no obvious or suspected damage, all deliveries to a local unit of government, public transit agency, or State Location must be opened by the local units of government, public transit agencies, or State and the contents inspected for possible internal damage not visible externally within 14 days of receipt. Any damage must be reported to the Contractor within five days of inspection.

2.252 Delivery of Deliverables

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

2.253 Testing

- (a) Before delivering any of the above-mentioned Statement of Work Physical Deliverables or Services to the Michigan Department of Transportation, Bureau of Passenger Transportation, Contractor will first perform all required quality assurance activities to verify that the Physical Deliverable or Service is complete and conforms with its specifications listed in the applicable Statement of Work or Purchase Order. Before delivering a Physical



Deliverable or Service to the Michigan Department of Transportation, Bureau of Passenger Transportation; local units of government; or public transit agencies, Contractor must certify to the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies that (1) it has performed the quality assurance activities, (2) it has performed any applicable testing, (3) it has corrected all material deficiencies discovered during the quality assurance activities and testing, (4) the Deliverable or Service is in a suitable state of readiness for the State’s review and approval, and (5) the Deliverable/Service has all Critical Security patches/updates applied.

(b) If a Deliverable includes installation at a local unit of government, public transit agency, or State Location, then Contractor must (1) perform any applicable testing, (2) correct all material deficiencies discovered during the quality assurance activities and testing, and (3) inform the State that the Deliverable is in a suitable state of readiness for the State’s review and approval. To the extent that testing occurs at local unit of government, public transit agency, or State Locations, the Michigan Department of Transportation, Bureau of Passenger Transportation; authorized local units of government; and public transit agencies are entitled to observe or otherwise participate in testing.

2.254 Approval of Deliverables, In General

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

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

(c) Before commencement of its review or testing of a Deliverable/Service, the State may inspect the Deliverable/Service to confirm that all components of the Deliverable/Service have been delivered without material deficiencies. If the State determines that the Deliverable/Service has material deficiencies, the State may refuse delivery of the Deliverable/Service without performing any further inspection or testing of the Deliverable/Service. Otherwise, the review period will be deemed to have started on the day the State receives the Deliverable or the Service begins, and the State and Contractor agree that the Deliverable/Service is ready for use and, where applicable, certification by Contractor according to **Section 2.223**.

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

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



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

2.255 Process For Approval of Written Deliverables

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

2.256 Process for Approval of Services

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

2.257 Process for Approval of Physical Deliverables

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

2.258 Final Acceptance

Unless otherwise stated in the Article 1, Statement of Work or Purchase Order, “Final Acceptance” of each Deliverable must occur when each Deliverable/Service has been approved by the State following the State Review Periods identified in **Sections 2.251-2.257**. Payment will be made for Deliverables installed and



accepted. Upon acceptance of a Service, the State will pay for all Services provided during the State Review Period that conformed to the acceptance criteria.

2.260 Ownership

Deleted – Not Applicable

2.270 State Standards

2.271 Existing Technology Standards

The Contractor will adhere to all existing standards as described within the comprehensive listing of the State’s existing technology standards at <http://www.michigan.gov/dit>.

2.272 Acceptable Use Policy

To the extent that Contractor has access to the State computer system, Contractor must comply with the State’s Acceptable Use Policy, see <http://www.michigan.gov/ditservice>. All Contractor employees must be required, in writing, to agree to the State’s Acceptable Use Policy before accessing the State system. The State reserves the right to terminate Contractor’s access to the State system if a violation occurs.

2.273 Systems Changes

Contractor is not responsible for and not authorized to make changes to any State systems without written authorization from the Project Manager. Any changes Contractor makes to State systems with the State’s approval must be done according to applicable State procedures, including security, access and configuration management procedures.

2.280 Extended Purchasing

2.281 MiDEAL

Act Number 431 of the Public Acts of 1984 permits the State of Michigan, Department of Management and Budget, to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, community, or junior college. As a result of the enactment of this legislation, the MIDEAL Program has been developed. This program extends the use of state contracts to program members. The governmental agency must enter into an agreement with the State of Michigan to become authorized to participate, thus ensuring that local units of government secure a greater return for the expenditure of public funds.

In those cases, contract vendors supply merchandise at the established State of Michigan contract prices and terms. The Contractor must submit invoices and pay the authorized MIDEAL member on a direct and individual basis according to contract terms.

IT IS MANDATORY THAT THIS CONTRACT IS MADE AVAILABLE TO ALL STATE OF MICHIGAN AGENCIES AND AUTHORIZED MIDEAL PURCHASING PROGRAM MEMBERS.

Please Visit Mi DEAL at www.michigan.gov/buymichiganfirst under MiDeal.

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



2.282 State Employee Purchases

Deleted – Not Applicable

2.290 Environmental Provision

2.291 Environmental Provision

Energy Efficiency Purchasing Policy – The State seeks wherever possible to purchase energy efficient products. This includes giving preference to U.S. Environmental Protection Agency (EPA) certified ‘Energy Star’ products for any category of products for which EPA has established Energy Star certification. For other purchases, the State may include energy efficiency as one of the priority factors to consider when choosing among comparable products.

Environmental Purchasing Policy – The State of Michigan is committed to encouraging the use of products and services that impact the environment less than competing products. The State is accomplishing this by including environmental considerations in purchasing decisions, while remaining fiscally responsible, to promote practices that improve worker health, conserve natural resources, and prevent pollution. Environmental components that are to be considered include: recycled content and recyclability; energy efficiency; and the presence of undesirable materials in the products, especially those toxic chemicals which are persistent and bioaccumulative. The Contractor should be able to supply products containing recycled and environmentally preferable materials that meet performance requirements and is encouraged to offer such products throughout the duration of this Contract. Information on any relevant third party certification (such as Green Seal, Energy Star, etc.) should also be provided.

Hazardous Materials:

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

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

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



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

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

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

Refrigeration and Air Conditioning:

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

Environmental Performance:

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



071I9200053
 APPENDIX A
 COST MODEL

MICHIGAN SMALL BUS SPECIFICATION
5 Years/150,000 Miles
18 Passenger Nonlift Bus – Lift Bus With Alternate Seating
 Page 1 of 7

Body Manufacturer: Eldorado National Inc.
Vendor Name Hoekstra Transportation, Inc.
Vendor Address 3741 Roger B. Chaffee Blvd.
Grand Rapids, MI 49548
VENDOR SIGNATURE: See original Bid for Signature

<u>Quantity</u>			<u>Unit Price</u>	<u>Total</u>
		Passenger seats with <u>vinyl</u> seat covers		
<u>16</u> Ea	A.	18 passenger bus without lift	54,518.80	872,300.80
<u>38</u> Ea	B.	11+1 passenger bus with front active lift	56,150.80	2,133,730.40
<u>18</u> Ea	C.	8+2 passenger bus with front active lift	56,431.80	1,015,772.40
<u>8</u> Ea	E.	4+2 passenger bus with rear active lift	58,324.80	466,598.40
		Passenger seats with <u>fabric</u> seat covers		
<u>9</u> Ea	F.	18 passenger bus without lift	55,058.80	495,529.20
<u>21</u> Ea	G.	11+1 passenger bus with front active lift	56,600.80	1,188,616.80
<u>10</u> Ea	H.	8+2 passenger bus with front active lift	56,791.80	568,791.80
<u>5</u> Ea	J.	4+2 passenger bus with rear active lift	58,804.80	294,024.00
	K.	<u>Options – Alternate Quote Prices</u>		
<u>60</u> Ea	1a.	Air Conditioning System skirt mount	3,080.00	184,800.00
<u>55</u> Ea	1b.	Air Conditioning System roof mount	3,605.00	198,275.00
<u>60</u> Ea	2.	Manual entrance door (deduct)	(245.00)	(14,700.00)
<u>60</u> Ea	3.	Diesel engine 6.0l, minimum	7,195.00	431,700.00
<u>30</u> Ea	4a.	Auxiliary air heater system – gas	2,800.00	84,000.00
<u>10</u> Ea	4b.	Auxiliary air heater system - diesel	1,300.00	13,000.00
<u>15</u> Ea	5.	Power base for driver’s seat	300.00	4,500.00
<u>5</u> Ea	6.	Destination sign	3,000.00	15,000.00
<u>5</u> Ea	7.	Ceiling Handrails	500.00	2,500.00
<u>60</u> Ea	8.	Engine shutdown system	225.00	13,500.00
<u>25</u> Ea	9.	Donation box (deduct)	(670.00)	(16,750.00)
<u>25</u> Ea	10.	Farebox Electrical Prep (deduct)	(795.00)	(19,875.00)
<u>25</u> Ea	11.	Rear emergency exit window (deduct)	(450.00)	(11,250.00)
<u>10</u> Ea	12a.	Paint – One Stripe	200.00	2,000.00
<u>10</u> Ea	12b.	Paint - Roof second color	200.00	2,000.00
<u>10</u> Ea	12c.	Painte – Different Full body	950.00	9,500.00
<u>20</u> Ea	13.	Folding Platform Active Lift	225.00	4,500.00
<u>25</u> Ea	14.	Rear five place passenger seat	170.00	4,250.00
<u>20</u> Ea	15.	Two-way radio prep package	450.00	9,000.00
<u>25</u> Ea	16.	Smooth Anti-slip Flooring	475.00	11,875.00
<u>10</u> Ea	17.	Entrance Stepwell heater	350.00	3,500.00

TOTAL EVALUATION PRICE OF A, B, C, D, E, F, G, H, I, J, AND K ABOVE 7,965,815.00



071I9200053
 APPENDIX A
 COST MODEL

MICHIGAN SMALL BUS SPECIFICATION
5 Years/150,000 Miles
18 Passenger Nonlift Bus – Lift Bus With Alternate Seating
Page 2 of 7

Michigan Inspection Facility	Hoekstra Transportation, Inc.
Address of Inspection Facility:	3741 Roger B. Chaffee Blvd.
	Grand Rapids, MI 49548

EVALUATION FORM

Size, Material Type, and Model Bid

II. BODY SPECIFICATIONS

A.	General design and construction	_____
B.	Body structure and exterior panels	_____
	1. Rollover frame, steel cage type	_____
	1a. Body section thickness	_____
	2. Fiberglass composite type	Interlocked resin saturated fiberglass matten and mechanical fasteners, forming a unibody design. Matrix of fiberglass reinforced plastic with an inner thickness of Nidacore (plastic honeycomb) material. Also includes Nidacore around all openings (i.e. windows, roof hatches, etc.).
	2a. Body section thickness	Exterior surface: 020" minimum high gloss gelcoat backed by 3/16" minimum thickness resin-hardened fiberglass reinforced plastic. The center composite is 3/4" resin-hardened matrix of honeycomb and nidacore laid on edge for maximum column strength of each cell. Steel sections are fully integrated into wall and roof structure to insure additional structural integrity and attachment points for stanchions and handrails. Final surface is a minimum 3/16" thickness of fiberglass reinforced plastic.
	3. Exterior panels	See 2a, Complete Description Of All Layers
	4. Interior panels	Fiberglass Reinforced Panels - As Specified
	5. Interior length	155.50 and 175.50
	6. Interior width	90.50"
	7. Interior height	80"
	8. Exterior length	260.37" and 280.37"
	9. Exterior width	96" , Excluding Exterior Rear View Mirrors
	10. Exterior height	112" Excluding Roof Hatch & Strobe Light
	11. Rubrails	ENC - 1 1/2" Rubber In Plastic Molding
	12. Body overhang	69" and 92"
C.	Passenger door	A & M Control W/As Specified Cover For Maximum Accessibility To Controls
	1. Opening size	32"
D.	Stepwell – Material	14 Gauges 304 Stainless Steel - Complete



071I9200053
 APPENDIX A
 COST MODEL

MICHIGAN SMALL BUS SPECIFICATION
5 Years/150,000 Miles
18 Passenger Nonlift Bus – Lift Bus With Alternate Seating
Page 3 of 7

E.	Interior, Material, Color	Laminated FRP, gelcoat as specified
F.	Flooring	Subfloor - Marine grade plywood, undercoated before and after installation onto steel floor structure. RS Floor covering.
G.	Emergency exits	Transpec Roof Hatch, Pushout Windows, Rear Door or Window as specified
H.	Gauges	Ford OEM, as specified
I.	Fare box	Main M2 W/2 Vaults keyed alike
J.	Bumpers	Ford OEM - Front / Romeo Rim Inc (Help Bumper - Rear
K.	Mud flaps	Commercial grade anti-sail with stainless steel brackets
L.	Towing	Rear Tow Hooks - procedure included
M.	1. Undercoating	Tectyl 121B
	2. Rustproofing	Zinc Chromate and Waxoyl Interior of all tube type steel
N.	1. Interior mirrors	As Specified
	2. Sunvisors	Ford OEM
O.	Exterior mirrors	Heated Only - Mirrorlite
P.	Seats	
	1. Driver	ENC - OEM Freedman Reclining/Lumbar Support/Arm Rest
	2. Passenger	Freedman, as specified
	3. Fold up	Freedman, as specified
Q.	Handrails, stanchions	ENC OEM, Yellow Powder Coat As Specified
R.	Interior lighting	ENC OEM, LED As Specified & Reviewed At Pilot Build
S.	Exterior lighting	Optronics
T.	Safety equipment	As Specified
U.	Heating / ventilating	
	1. Front System	Ford OEM
	2. Rear System	Pro Air
V.	Windows	Hehr Thermopane As Specified 41H X 29W, Stainless Steel Sub Assembly
W.	Paint	Sikkens
X.	Insulation	ENC OEM Construction
Y.	Lift (platform type), active	Braun Century NCL 919FIB-2



071I9200053
 APPENDIX A
 COST MODEL

MICHIGAN SMALL BUS SPECIFICATION
5 Years/150,000 Miles
18 Passenger Nonlift Bus – Lift Bus With Alternate Seating
Page 4 of 7

		Size, Material Type, and Model Bid
III.	WHEELCHAIR SECUREMENT AREA	
A.	Wheelchair securement	<u>Q'Straint As Specified Mounted 54" Minimum</u>
B.	Wheelchair restraints	<u>Q' Straint Model Q 8100</u>
C.	Restraint storage	<u>Q'Straint Storage Pouch, Determine Location At Pilot</u>
IV.	CHASSIS SPECIFICATIONS	
A.	Chassis	<u>Ford E450 Super Duty</u>
B.	Tilt wheel/power steering	<u>Ford OEM</u>
C.	Wheelbase	<u>158"</u>
D.	Engine – gasoline	<u>6.8 V-10 Ford OEM</u>
E.	Transmission	<u>4 Speed Automatic W/Overdrive (4R100)</u>
F.	Alignment	<u>ENC - prior to shipment is recommended, units are driven over 800 miles without alignment if done at our location. Hoekstra Transportation will provide the alignment if this is prfered by the State</u>
G.	Gross Vehicle Weight Rating (GVWR)	<u>14,500 Lbs.</u>
	1. Front axle rating	<u>4,600 Lbs</u>
	2. Rear axle rating	<u>9,450 Lbs</u>
H.	Differential	<u>Ratio 4.63</u>
I.	Battery	<u>Dual 1250CCA as specified – matching</u>
J.	Battery Cables and Grounds	<u>Protective cover on terminals – no exposed copper – as specified</u>
K.	Alternator	
	1. Gasoline	<u>OEM 195 on approved equal Gas.</u>
	2. Diesel	<u>Pentax 200 Amp</u>
L.	Engine fast idle control	<u>Intermotive Products Gateway AI - both gasoline and diesel units</u>
M.	Brakes	<u>Ford OEM</u>
N.	Fuel tank	<u>Ford OEM 55 Gallon</u>
O.	Hazard flashers	<u>Ford OEM (Steering) ENC OEM Push/Pull Type - Location At Pre Production or Pilot</u>
P.	Shock absorbers	<u>Ford OEM</u>
Q.	Suspension	<u>Ford OEM</u>
	1. Front	<u>Ford OEM</u>
	2. Rear	<u>Mor/Ryde Suspension</u>
R.	Stabilizer	<u>Ford OEM</u>
S.	Wheels	<u>Ford OEM</u>
T.	Tires	<u>Ford OEM</u>
U.	Drive shaft	<u>Ford OEM</u>
V.	Wipers / Horn	<u>Ford OEM</u>



071I9200053
 APPENDIX A
 COST MODEL

MICHIGAN SMALL BUS SPECIFICATION
5 Years/150,000 Miles
18 Passenger Nonlift Bus – Lift Bus With Alternate Seating
Page 5 of 7

W.	Radiator and cooling system	Ford OEM
X.	Fluids	Ford OEM
Y.	Engine Cover	Ford OEM
Z.	Exhaust system	Form OEM / Extension To Street Side ENC OEM

V. **OTHER ITEMS**

A.	Safety	
1.	Reverse alarm	Ecco Model 510SG
2.	Rear door alarm	ENC OEM
3.	Lift master switch and light	ENC OEM (RC Tronics)
4.	Lift door open indicator	ENC OEM (RC Tronics)
5.	Lift interlock	ENC OEM (RC Tronics)
6.	Headlight Control	Ford OEM
7.	Strobe Light	Grote

Size, Material Type, and Model Bid

B.	Electrical	
1.	Lift circuit breaker	Braun
2.	12-volt power point	OEM
3.	Wire coding and harness	Complete plug and play harness, each harness is tagged for function, each wire is color coded and stamped every 6 inches. Harness function tag stays on all harenesses if used or not
4.	Electrical panel	EP3 OEM RC Tronics
5.	Wiring support	As Specified
6.	Wiring grounds and capacity	Two main grounds to chassis frame at front and back of bus, all other ground go back to panel and are spread evenly on ground bar.
7.	Constant run solenoid	ENC OEM - As Specified
8.	Circuit capacity & function	ENC OEM - As Specified
9.	Wiring protection	ENC OEM
10.	Wiring routing	ENC OEM
11.	Wiring connections	Weather-Pak Plug & Play

VI. **OPTIONS – ALTERNATE QUOTES**

A.	Air conditioning system	
1.	Option A	Carrier CAC 553 Tie-In 53K BTU
2.	Option B	Carrier + CAC Rooftop 3 Fan K410
B.	Manual entrance door	ENC OEM



071I9200053
 APPENDIX A
 COST MODEL

MICHIGAN SMALL BUS SPECIFICATION
5 Years/150,000 Miles
18 Passenger Nonlift Bus – Lift Bus With Alternate Seating
Page 6 of 7

C.	Diesel engine 6.0l minimum	Ford OEM 6.0 Diesel, Block Heater, Coolant Heater
D.	Auxiliary air heater system	
	1. Gas	Espar Airtronic
	2. Diesel	Espar Airtronic
E.	Power seat base for driver's seat	Ford OEM
F.	Destination sign	Luminator As Specified
G.	Ceiling Handrails	ENC OEM
H.	Engine shutdown system	Hewitt Industries
I.	Donation Box	Main Model DM1
J.	Farebox Electrical Prep	ENC OEM
K.	Rear emergency exit window	Kinro
L.	Paint – Optional Designs	OEM – As specified
M.	Folding platform active lift	Braun Vista NVL2 As specified
N.	Rear five place passenger seat	Freedman
O.	Two way radio prep package	ENC OEM
P.	Smooth anti-slip flooring	Altro Meta 2.2
Q.	Entrance stepwell heater	Electric Lighthouse - RCA Flooring and Hot Water On Altro Flooring (Option)

The following option is listed for information only. IF the option is available please indicate An approximate installed price.

	Available	Price
A. Natural Gas Application (CNG or LNG)	YES _____ NO <u>X</u> _____	_____

VII. **VENDOR/MANUFACTURER REQUIREMENTS**

A.	Bus information furnished	As Specified (Chassis Manuls Ship Direct)
B.	Manufacturer quality control (name/title)	Max McClellan - Quality Control Mgr Ford QVM Certification, ISO 9000:2001 Certification, and Quality Control Plan Included In Proposal
C.	Air conditioning certification	As Specified/Required
D.	Heating/Ventilating certification	As Specified/Required
E.	Purchaser inspection	Per MDOT/State of Michigan/Ordering Agency
F.	Warranty	Per Specification Requirements - No Exceptions
G.	Miscellaneous	
	1. Turning radius wheel to wheel	27.69
	2. Turning radius wall to wall	28.54



071I9200053
APPENDIX A
COST MODEL

MICHIGAN SMALL BUS SPECIFICATION
5 Years/150,000 Miles
18 Passenger Nonlift Bus – Lift Bus With Alternate Seating
Page 7 of 7

VIII. BID DOCUMENTS

Please mark (X) as completed.

- A. Completed Michigan Bus Specification forms ___X___
- B. Bus floor plans ___X___
- C. Entrance door and door opening device design ___X___
- D. Entrance step configuration design ___X___
- E. Roof, sidewall, and flooring drawings ___X___
- F. Manufacturer’s chassis description ___X___
- G. Body to chassis frame mounting ___X___
- H. Wheelchair lift manufacturers’ specifications ___X___
- I. Body, chassis, and drive train warranties ___X___
- J. Bus Rollover protection Test (FMVSS 220) Certification ___X___
- K. Federal Transit Administration (FTA) Clauses ___X___
- L. Seat covering material flammability and smoke data ___X___
- M. Seat frame salt spray test data ___X___
- N. Seat and seat belt certification ___X___
- O. Wiring and switch certification ___X___
- P. Dealer Agreement ___X___
- Q. Bus Testing Certification ___X___

CONTRACTOR COMMENTS:

1. Hoekstra Transportation Inc. does not take any exceptions nor request any deviations or approved equals.
2. The Ford Motor Company mobility concession of \$1,200.00 is included in the pricing of Hoekstra's bid on eligible lift units.
3. Above pricing includes a Ford Government Price Concession credit currently at \$5,700 for E450.
4. Above pricing is firm for two years per the request for bid. Estimated deliveries of 180 days from order or less.
5. PLEASE read the letter explaining the INDEPENDENT TESTING for HVAC following this page.
6. Thank you once again for the opportunity to participate.



APPENDIX B

Small Bus Specifications

See Separate Link