

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 13, 2009

NOTICE
OF
CONTRACT NO. 071B9200172
between
THE STATE OF MICHIGAN
And

Fax: 513-752-4992

NAME & ADDRESS OF CONTRACTOR Shepard Bros, Inc. 20 Eastern Blvd. Canandaigua, NY 14424 Email: jadams04@fuse.net	TELEPHONE 513- 752-1311 Jim Adams
	CONTRACTOR NUMBER/MAIL CODE (2) 16-1147478 (001)
	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 Penn Yan, NY
MINIMUM DELIVERY REQUIREMENTS None	
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 #07119200053, 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: **\$7,132,952.61**

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THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. **07119200053**. 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>Shepard Bros., Inc.</u>	<u>Signature</u>
Firm Name	Anthony DesChenes, Director
<u>Authorized Agent Signature</u>	Name/Title
<u>Authorized Agent (Print or Type)</u>	Commodities Division, Purchasing Operations
<u>Date</u>	Division
	<u>Date</u>



**STATE OF MICHIGAN
Department of Management and Budget
Purchasing Operations**

Contract No. **071B9200172**
Small (cutaway), 18-Passenger Buses

Shepard Bros, Inc.

Buyer Name: **Laura Gyorkos**
Telephone Number: **517-373-1455**
E-Mail Address: **gyorkosL@michigan.gov**

Table of Contents

DEFINITIONS8

Article 1 – Statement of Work (SOW)10

1.010 Project Identification10

 1.011 Project Request 10

 1.012 Background 10

1.020 Scope of Work and Deliverables10

 1.21 In Scope 10

1.030 Roles and Responsibilities10

 1.031 Contractor Staff, Roles, and Responsibilities 10

1.040 Project Plan11

 1.041 Project Plan Management 11

 1.042 Reports 12

1.050 Acceptance12

 1.051 Criteria 12

 1.052 Final Acceptance 13

1.060 Proposal Pricing13

 1.061 Proposal Pricing 13

 1.062 Price Term 13

 1.063 Title Fees 14

 1.064 Tax Excluded from Price 14

1.070 Commodity Requirements and Terms14

Product Quality14

 1.0701 Specifications 14

 1.0703 Research and Development 15

 1.0704 Quality Assurance Program 15

 1.0705 Warranty for Products or Services 15

 1.0706 Training 15

 1.0707 Special Programs 16

 1.0708 Security 16

1.0709 Delivery Capabilities17

 1.0710 Minimum Order 17

 1.0711 Packaging 17

 1.0712 Palletizing- Deleted – Not Applicable 17

 1.0713 Delivery Term 17

 1.0714 Affidavit for Driver Delivery 18

 1.0715 Contract Performance 18

 1.0716 Place of Performance 19

 1.0717 Environmental Requirements 19

 1.0718 Subcontractors 22

 1.0719 Reports and Meetings 22

1.080 Additional Requirements23

Deleted – Not Applicable23

Article 2, Terms and Conditions24

2.000 Contract Structure and Term24

 2.001 Contract Term 24

 2.002 Renewal(s) 24

 2.003 Legal Effect 24

 2.004 Attachments & Exhibits 24

 2.005 Ordering 24

 2.006 Order of Precedence 24

 2.007 Headings 25

2.008	Form, Function & Utility	25
2.009	Reformation and Severability.....	25
2.010	Consents and Approvals	25
2.011	No Waiver of Default.....	25
2.012	Survival.....	25
2.020	<i>Contract Administration</i>	25
2.021	Issuing Office	25
2.022	Contract Compliance Inspector (CCI)	26
2.023	Project Manager	26
2.024	Change Requests.....	26
2.025	Notices.....	27
2.026	Binding Commitments	27
2.027	Relationship of the Parties	27
2.028	Covenant of Good Faith.....	27
2.029	Assignments	27
2.030	<i>General Provisions</i>	28
2.031	Media Releases.....	28
2.032	Contract Distribution	28
2.033	Permits.....	28
2.034	Website Incorporation	28
2.035	Future Bidding Preclusion.....	28
2.036	Freedom of Information.....	28
2.037	Disaster Recovery	28
2.040	<i>Financial Provisions</i>	29
2.041	Fixed Prices for Services/Deliverables	29
2.042	Adjustments for Reductions in Scope of Services/Deliverables.....	29
2.043	Services/Deliverables Covered.....	29
2.044	Invoicing and Payment – In General	29
2.045	Pro-ration	29
2.046	Antitrust Assignment	29
2.047	Final Payment.....	29
2.048	Electronic Payment Requirement	29
2.050	<i>Taxes</i>	29
2.051	Employment Taxes	29
2.052	Sales and Use Taxes.....	30
2.060	<i>Contract Management</i>.....	30
2.061	Contractor Personnel Qualifications	30
2.062	Contractor Key Personnel	30
2.063	Re-assignment of Personnel at the State’s Request	31
2.064	Contractor Personnel Location	31
2.065	Contractor Identification	31
2.066	Cooperation with Third Parties	31
2.067	Contract Management Responsibilities.....	31
2.068	Contractor Return of State Equipment/Resources.....	31
2.070	<i>Subcontracting by Contractor</i>	32
2.071	Contractor full Responsibility	32
2.072	State Consent to delegation.....	32
2.073	Subcontractor bound to Contract.....	32
2.074	Flow Down.....	32
2.075	Competitive Selection	32
2.080	<i>State Responsibilities</i>	32
2.081	Equipment.....	32
2.082	Facilities.....	33
2.090	<i>Security</i>	33
2.091	Background Checks.....	33
2.092	Security Breach Notification.....	33
2.093	PCI Data Security Requirements	33

2.100	<i>Confidentiality</i>	33
2.101	Confidentiality	33
2.102	Protection and Destruction of Confidential Information	34
2.103	Exclusions	34
2.104	No Implied Rights	34
2.105	Respective Obligations	34
2.110	<i>Records and Inspections</i>	35
2.111	Inspection of Work Performed	35
2.112	Examination of Records	35
2.113	Retention of Records	36
2.114	Audit Resolution	36
2.115	Errors	36
2.120	<i>Warranties and Equipment</i>	36
2.121	Warranties and Representations	36
2.122	Warranty of Merchantability	38
2.123	Warranty of Fitness for a Particular Purpose	38
2.124	Warranty of Title	38
2.125	Equipment Warranty	38
2.126	Equipment to be New	39
2.127	Equipment Installation	39
2.128	Prohibited Products	39
2.129	Consequences For Breach	39
2.130	<i>Insurance</i>	40
2.131	Liability Insurance	40
2.132	Subcontractor Insurance Coverage	41
2.133	Certificates of Insurance and Other Requirements	41
2.140	<i>Indemnification</i>	42
2.141	General Indemnification	42
2.142	Code Indemnification	42
2.143	Employee Indemnification	42
2.144	Patent/Copyright Infringement Indemnification	42
2.145	Continuation of Indemnification Obligations	43
2.146	Indemnification Procedures	43
2.150	<i>Termination/Cancellation</i>	44
2.151	Notice and Right to Cure	44
2.152	Termination for Cause	44
2.153	Termination for Convenience	44
2.154	Termination for Non-Appropriation	45
2.155	Termination for Criminal Conviction	45
2.156	Termination for Approvals Rescinded	45
2.157	Rights and Obligations upon Termination	45
2.158	Reservation of Rights	46
2.160	<i>Termination by Contractor – Deleted – Not Applicable</i>	46
2.170	<i>Transition Responsibilities</i>	46
2.171	Contractor Transition Responsibilities	46
2.172	Contractor Personnel Transition	46
2.173	Contractor Information Transition	46
2.174	Contractor Software Transition	47
2.175	Transition Payments	47
2.176	State Transition Responsibilities	47
2.180	<i>Stop Work</i>	47
2.181	Stop Work Orders	47
2.182	Cancellation or Expiration of Stop Work Order	47
2.183	Allowance of Contractor Costs	47
2.190	<i>Dispute Resolution</i>	48
2.191	In General	48
2.192	Informal Dispute Resolution	48

2.193	Injunctive Relief.....	48
2.194	Continued Performance.....	48
2.200	<i>Federal and State Contract Requirements</i>	49
2.201	Nondiscrimination.....	49
2.202	Unfair Labor Practices.....	49
2.203	Workplace Safety and Discriminatory Harassment.....	49
2.210	<i>Governing Law</i>	49
2.211	Governing Law.....	49
2.212	Compliance with Laws.....	49
2.213	Jurisdiction.....	49
2.214	Applicable Statutes.....	49
2.220	<i>Limitation of Liability</i>	50
2.221	Limitation of Liability.....	50
2.230	<i>Disclosure Responsibilities</i>	50
2.231	Disclosure of Litigation.....	50
2.232	Call Center Disclosure.....	51
2.233	Bankruptcy.....	51
2.240	<i>Performance</i>	52
2.241	Time of Performance.....	52
2.242	Service Level Agreements (SLAs).....	52
2.243	Liquidated Damages.....	52
2.244	Excusable Failure.....	53
2.250	<i>Approval of Deliverables</i>	54
2.251	Delivery Responsibilities.....	54
2.252	Delivery of Deliverables.....	54
2.253	Testing.....	54
2.254	Approval of Deliverables, In General.....	55
2.255	Process For Approval of Written Deliverables.....	56
2.256	Process for Approval of Services.....	56
2.257	Process for Approval of Physical Deliverables.....	56
2.258	Final Acceptance.....	56
2.260	<i>Ownership</i>	56
2.270	<i>State Standards</i>	57
2.271	Existing Technology Standards.....	57
2.272	Acceptable Use Policy.....	57
2.273	Systems Changes.....	57
2.280	<i>Extended Purchasing</i>	57
2.281	MiDEAL.....	57
2.282	<i>State Employee Purchases</i>	57
2.290	<i>Environmental Provision</i>	57
2.291	Environmental Provision.....	57

- 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 Shepard Bros.**
- APPENDIX G –Altoona Bus Test Report**

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.

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.

Shepard Bros. is prepared to provide any quantity of buses specified in the six floor plans in these specifications as well as in variations/option choices approved by MDOT and that may be requested by any of the agencies identified in Appendix D or other agencies approved by the State of Michigan. Shepard Bros.’ manufacturer has plenty of excess production capacity. Further, Shepard Bros. offers buses that conform to the specifications.

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.

Shepard Bros. will provide the same customer service and ordering capabilities and procedures that were followed during the previous contract with the State of Michigan assuming these were satisfactory to the State. Shepard Bros is willing to make reasonable adjustments or changes should MDOT wish to enhance or modify these services and procedures. The factory’s toll free number is 800-724-8464.

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’s 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.

Shepard Bros. agrees to comply with the requirements of this Section 1.041 Project Plan Management. Jim Adams will be the project manager and he will comply with the work plan, meeting and reporting requirements of this section.



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.

Shepard Bros. agrees to the reporting requirements of this section to provide various reports; including itemized reports of total items purchased by all agencies or individual agencies, open invoice reports, delivery compliance reports service compliance reports and any other specialized reports that may be required by the State of Michigan. Shepard Bros. will also provide products to, and comply with reporting requirements for, those agencies eligible for government pricing concessions in the MiDEAL program.

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.

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.



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.

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.

Shepard Bros., Inc. agrees to the production schedule listed above and agrees to accelerate the program during certain task[s] if necessary. Shepard Bros. will comply with the provisions and requirements of Section 1.051 Criteria.

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.

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.

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.

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.

[Shepard Bros. agrees to the requirements of this section.](#)

1.0702 Alternate Bids – Deleted – Not Applicable



1.0703 Research and Development

Shepard Bros. participates in many industry associations, such as MSMBA, to better understand their competition and to keep abreast of the latest developments. In addition Shepard Bros. is fully involved in the testing and evaluation process of new products presented by their suppliers. The Engineering Department is constantly evaluating and testing these products.

1.0704 Quality Assurance Program

Coach & Equipment is in the later stages of ISO certification. Shepard Bros. achieved nearly a perfect score in the Ford QVM audit report.

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

Shepard Bros. agrees with the warranty requirements of this section. Shepard Bros., Inc./Coach & Equipment, in compliance with the Michigan specification, commits to a 3-year warranty on the body structure, exterior and paint (excepting damage from collision, stones, abuse by the customer, or other unusual items not the fault of Coach & Equipment). Shepard Bros. further offers an additional two [2] years on body structural failure with the same limitations. After all a five [5] year bus should last that long. Note that our Phoenix model was tested at the more rigorous 7-year 200,000 mile Altoona Test, while most of our competitors only meet the minimum five [5] year testing requirements for this class of bus. The wheelchair lift and air conditioning systems have limited warranties for 5 years and 2 years by the lift and air conditioning manufacturers, respectively. Ford offers their standard chassis warranties. Shepard Bros. also agrees to Michigan question responses regarding the Coach & Equipment electrical design to match the RC Tronics warranty.

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.



When a bus is delivered to an agency, staff is given a brief overview of all the component features of the bus. Typically, the Shepard Bros. sales representative will visit the agency on the day of delivery or within a couple of days to ensure that the customer has an understanding of the vehicle operation and equipment. In some instances Shepard Bros. has returned to the agency, months after delivery, at their request, to give driver training to new drivers hired by the agency.

Shepard Bros., Inc./Coach & Equipment has and will continue to participate in the training sessions at the Higgins Lake Seminar. Should the State feel agency staff need training on a particular component or aspect of vehicle operation, Shepard Bros. will develop a training course in conjunction with MDOT. It is intent of Shepard Bros. to assist the State and any agency purchasing equipment to thoroughly understand how to operate and maintain the buses Shepard Bros. manufacture.

At the time of bus delivery Shepard Bros. will cover documentation and provide vehicle orientation, familiarization. The areas of instruction will include:

Administrative Training: An administrative review with office personnel on all vehicle documentation, warranty, and contractor contact information will be conducted. Shepard Bros will provide office personnel with all documentation, answering questions and teaching staff on how to use the documentation and who to contact for answers to questions.

Operator/Maintenance and Supervisory Personnel: In this module a vehicle orientation and operation for personnel will be provided. After the administrative review, the instructor will be available to answer questions and to provide a vehicle overview and orientation of the vehicle and its subsystems. Shepard Bros will also provide the training aids [i.e. DVD] specified in the Michigan specifications.

1.0707 Special Programs

Shepard Bros. is prepared to offer a number of special programs, as summarized below.

Training: Shepard Bros. offers training to customers’ technical personnel by sponsoring two full day sessions, one on air conditioning system troubleshooting and repair, and the other on the use, maintenance and repair of wheelchair lifts. The sessions included a factory tour and lunch, with over 40 people attending. Shepard Bros. will also customize seminars for groups of customers at the factory or at a location central to Michigan customers.

Bus Configurations & Engineering

Shepard Bros. also has worked with customers to provide very specific engineering solutions. One customer that operated entirely within a retirement community needed the wheelchair lift on the left side of the bus. Another needed a single rear wheel bus with the lift out the back of the bus where the emergency door is typically located.

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 or 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.

All new hirers undergo security background checks by Shepard Bros. Personnel Department during the hiring process. Shepard Bros. will provide employee information for employees assigned to work on this contract and that will report to a Michigan facility that may be requested by the State to verify security clearances. Shepard Bros., Inc. and Coach and Equipment shall comply with the security access requirements of individual State facilities.

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.

Typically, MDOT can expect to see [over 80% of the time] buses delivered within 150 days or sooner from receipt of purchase order and we will commit to delivering buses within the 210 day MDOT requirement.

Quick Delivery: Shepard Bros. stands ready to accept quick delivery orders no less than twice a month of one [1 to 3] buses for each order that we will deliver within 120 days from receipt of purchase order providing that liquidated damages do not apply until after the 210th day [or if negotiated, 180 days.]

1.0710 Minimum Order

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

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.

Shepard Bros., Inc. agrees to provide packaging and containers, etc., 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.

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.

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.

Signed

12/18/08

Date

Midwest Sales Manager

Title

Shepard Bros., Inc.

Contractor

1.0715 Contract Performance

Termination: None

Reason: Shepard Bros., Inc. has not had any contracts terminated for default.



1.0716 Place of Performance

Place of Performance Full address	Owner/Operator of facility to be used	Percent (%) of Contract value to be Performed at listed Location
942 Surrey Way Cinti., OH 45245	Jim A Adams	Sales and Contract Administration
20 Eastern Blvd. Canandaigua, NY 14424	Shepard Bros., Inc.	Dealer Preparation and Final Acceptance
PO Box 36, 130 Horizon Park Dr., Penn Yan, NY 14527	Coach & Equipment Manufacturing Corp.	Bus Build and Warranty

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.

___N/A___ % (Total estimated percentage of recovered material)

___N/A___ % (Estimated percentage of post-consumer material)

___N/A___ % (Estimated percentage of post-industrial waste)



Certification

I, Jimmie Alan Adams (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.

(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) 134A Freon (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.

_____ (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.

(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)
Manufacturer of Buses	45% - 65% Varies	Coach & Equipment Manufacturing Corp. Penn Yan, NY

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](mailto:gyorkosL@michigan.gov)
 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
 frezellm@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
 frezellm@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: Shepard Bros., Inc.
 Name: Jim Adams
 Address: 942 Surrey Way
 Cincinnati, OH 45245

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 this 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.

http://www.michigan.gov/documents/dmb/ttrateJan2009_259895_7.pdf

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 INSUREDS on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

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

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

- 3. Workers’ compensation coverage must be provided 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 (CWHSSA) 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 Contract order 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:

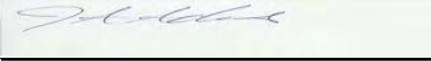
Waste Reduction Program - Contractor shall establish a program to promote cost-effective waste reduction in all operations and facilities covered by this contract. The Contractor's programs shall comply with applicable Federal, State, and local requirements, specifically including Section 6002 of the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



**APPENDIX A
COST MODEL
MICHIGAN SMALL BUS SPECIFICATION
5 Years/150,000 Miles**

18 Passenger Nonlift Bus – Lift Bus With Alternate Seating

Body Manufacturer: Coach & Equipment Manufacturing Corp.
Vendor Name: Shepard Bros., Inc.
Vendor Address: Midwest Office: 942 Surrey Way, Cincinnati, Ohio 45245
Corporate Office: 20 Eastern Blvd., Canandaigua, NY 14424

Vendor Signature 

I. COST MODEL

<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	<u>\$43,774.71</u>	\$ 700,395.36
<u>38</u> Ea	B.	11+1 passenger bus with front passive lift	<u>\$47,278.67</u>	\$1,796,589.46
<u>18</u> Ea	C.	8+2 passenger bus with front passive lift	<u>\$47,077.53</u>	\$ 847,395.54
<u>8</u> Ea	E.	4+2 passenger bus with rear passive lift	<u>\$48,592.39</u>	\$ 388,739.12
		Passenger seats with <u>fabric</u> seat covers		
<u>9</u> Ea	F.	18 passenger bus without lift	<u>\$44,020.68</u>	\$ 396,186.12
<u>21</u> Ea	G.	11+1 passenger bus with front passive lift	<u>\$47,485.22</u>	\$ 997,189.62
<u>10</u> Ea	H.	8+2 passenger bus with front passive lift	<u>\$47,243.80</u>	\$ 472,438.00
<u>5</u> Ea	J.	4+2 passenger bus with rear passive lift	<u>\$48,811.79</u>	\$ 244,058.95
		<u>Options – Alternate Quote Prices</u>		
<u>60</u> Ea	1a.	Air Conditioning System skirt mount	<u>\$5,808.15</u>	\$348,488.70
<u>55</u> Ea	1b.	Air Conditioning System roof mount	<u>\$6,594.87</u>	\$362,717.91
<u>60</u> Ea	2.	Manual entrance door (deduct)	<u>\$ (633.88)</u>	\$ (38,032.80)
<u>60</u> Ea	3.	Diesel engine 6.0ℓ, minimum	<u>\$7,735.12</u>	\$464,106.96
<u>30</u> Ea	4a.	Auxiliary air heater system-gas	<u>\$2,239.64</u>	\$ 67,189.05
<u>10</u> Ea	4b.	Auxiliary air heater system-diesel	<u>\$2,239.64</u>	\$ 22,396.35
<u>15</u> Ea	5.	Power seat base for driver’s seat	<u>\$ 374.00</u>	\$ 5,610.00
<u>5</u> Ea	6.	Destination Sign	<u>\$ 3,030.94</u>	\$ 15,154.70
<u>5</u> Ea	7.	Ceiling Handrails	<u>\$ 327.96</u>	\$ 1,639.80
<u>60</u> Ea	8.	Engine shutdown system	<u>\$ 84.99</u>	\$ 5,099.40
<u>25</u> Ea	9.	Donation box	<u>\$ (650.02)</u>	\$ (16,250.55)
<u>25</u> Ea	10.	Farebox Electrical Prep	<u>\$ 31.43</u>	\$ 785.63
<u>25</u> Ea	11.	Rear emergency exit window	<u>\$ (450.34)</u>	\$ (11,258.50)
<u>10</u> Ea	12a.	Paint - One stripe	<u>\$ 310.24</u>	\$ 3,102.40
<u>10</u> Ea	12b.	Paint - Roof second color	<u>\$ 603.21</u>	\$ 6,032.12
<u>10</u> Ea	12c.	Paint - Different Full body	<u>\$2,321.64</u>	\$ 23,216.40
<u>20</u> Ea	13.	Folding Platform Passive Lift	<u>\$ 233.88</u>	\$ 4,677.54
<u>25</u> Ea	14.	Rear five place passenger seat	<u>\$ 321.04</u>	\$ 8,025.93
<u>20</u> Ea	15.	Two-way radio prep package	<u>\$ 208.69</u>	\$ 4,173.80
<u>25</u> Ea	16.	Smooth Anti-slip Flooring	<u>\$ 455.66</u>	\$ 11,391.50
<u>10</u> Ea	17.	Entrance Stepwell heater	<u>\$ 169.41</u>	\$ 1,694.10

TOTAL EVALUATION PRICE OF A, B, C, D, E, F, G, H, I, J, AND K ABOVE \$7,132,952.61



**APPENDIX A
EVALUATION FORM**

Size, Material Type, and Model Bid

II. BODY SPECIFICATIONS

<p>A. General design and construction</p> <p>B. Body structure and exterior panels</p> <p> 1. Rollover frame, steel cage type</p> <p> 1a. Body section thickness</p> <p> 2. Fiberglass composite type</p> <p> 2a. Body section thickness</p> <p> 3. Exterior panels</p> <p> 4. Interior panels</p> <p> 5. Interior length</p> <p> 6. Interior width</p> <p> 7. Interior height</p> <p> 8. Exterior length</p> <p> 9. Exterior width</p> <p> 10. Exterior height</p> <p> 11. Rubrails</p> <p> 12. Body overhang</p> <p>C. Passenger door</p> <p> 1. Opening size</p> <p>D. Stepwell – Material</p> <p>E. Interior, Material, Color</p> <p>F. Flooring</p> <p>G. Emergency exits</p> <p>H. Gauges</p> <p>I. Fare box</p> <p>J. Bumpers</p> <p>K. Mud Flaps</p> <p>L. Towing</p> <p>M. 1. Undercoating</p> <p> 2. Rustproofing</p> <p>N. 1. Interior mirrors</p> <p> 2. Sunvisors</p> <p>O. Exterior mirrors</p> <p>P. Seats</p> <p> 1. Driver</p> <p> 2. Passenger</p> <p> 3. Fold-up</p> <p>Q. Handrails, stanchions</p> <p>R. Interior lighting</p> <p>S. Exterior lighting</p> <p>T. Safety equipment</p> <p>U. Heating / ventilating</p> <p> 1. Front system</p> <p> 2. Rear system</p> <p>V. Windows</p> <p>W. Paint</p> <p>X. Insulation</p> <p>Y. Lift (platform type), passive</p>	<p>Body: <u>FRP sidewalls, rear panel, roof panels & Laminated FRP Interior</u></p> <p><u>1.5" x 1.5" 16 Ga. Galvanized Steel on 25" centers</u></p> <p><u>18 gauge Galvannealed steel transitional and skirt panels</u></p> <p><u>Not Applicable</u></p> <p><u>Not Applicable</u></p> <p><u>[FRP] .085" thickness</u></p> <p><u>Fiberglass Reinforced Plastic [FRP]</u></p> <p><u>Per spec: 169" back wall to driver area</u></p> <p><u>Per spec: 90"</u></p> <p><u>Per spec: 80"</u></p> <p><u>263"</u></p> <p><u>95"</u></p> <p><u>115"</u></p> <p><u>Per spec: 1.5" wide extruded plastic each side</u></p> <p><u>Per spec: 72" rear</u></p> <p><u>Power C&E: Frame Aluminum, Panels Glass</u></p> <p><u>Height: 80" Width: 30" and 32"</u></p> <p><u>Stainless Steel</u></p> <p><u>Per spec: FRP light gray</u></p> <p><u>Per spec. 3/4" marine plywood and RCA colors</u></p> <p><u>Per spec: Side Windows & E-Door 56"x 35"</u></p> <p><u>Per spec: Ford OEM</u></p> <p><u>Per spec: Main M4, spare vault & keys</u></p> <p><u>Per spec: FT: Chrome Ford, RR: Romeo Rim</u></p> <p><u>Per spec: Front & Rear rubber composite w/brkts.</u></p> <p><u>Per spec: Two rear tow hooks</u></p> <p><u>Per spec: Dolphin</u></p> <p><u>Per spec: Dolphin and DuPont Corlar 825</u></p> <p><u>Per spec: Rosco 1 Interior Mirror above Driver</u></p> <p><u>Per spec: Ford OEM Driver's side only</u></p> <p><u>Per spec: Rosco Eurostyle remote & LT. crossview</u></p> <p><u>Per spec: Ford OEM cloth</u></p> <p><u>Per spec: Freedman Feather Weight – Mid-Hi</u></p> <p><u>Per spec: Freedman 3-Step Fold Away & Flip</u></p> <p><u>Per spec: Dura-Diamond yellow and stainless</u></p> <p><u>Per spec: LED lighting system.</u></p> <p><u>Per spec: Std. C&E LED Truck Lite Lighting</u></p> <p><u>Per spec: 5# fire ext., ICC triangles, Belt Cutter</u></p> <p><u>Per spec: Ford OEM & Driver Fan</u></p> <p><u>Per spec: ProAir: 65,000 Btu Floor Heater</u></p> <p><u>Per spec: Upper "t" Top Sliders, Sampler</u></p> <p><u>Per spec: PPG White with optional colors</u></p> <p><u>Exceeds spec: R-7 Factor 1 1/2" Styrene</u></p> <p><u>Per spec: Ricon S Series Lift</u></p>
--	--



**APPENDIX A
EVALUATION FORM**

Size, Material Type, and Model Bid

III. WHEELCHAIR SECUREMENT AREA

- A. Wheelchair securement Per spec: Sure-Lok L-Track Retraktor or Q'Straint MAX
- B. Wheelchair restraints Per spec: FF627S-4C Retraktor or Q'Straint Max
- C. Restraint storage Per spec: Vinyl Pouch C&E Standard

IV. CHASSIS SPECIFICATIONS

- A. Chassis Per spec: Ford E450 – 158" wheelbase 6.8L
- B. Tilt wheel/power steering Per spec: Chassis OEM
- C. Wheelbase Per spec: 158" OEM
- D. Engine – gasoline Per spec: 6.8L OEM
- E. Transmission Per Spec: TorqShift OEM
- F. Alignment Per Spec: Ford Dealership Alignment
- G. Gross Vehicle Weight Rating (GVWR) Per spec: 14,500 lbs.
 - 1. Front axle rating Per spec: 5000 lbs.
 - 2. Rear axle rating Per spec: 9500 lbs.
- H. Differential Dana – Ford Chassis OEM Std. Ratio
- I. Battery Per spec: Dual batteries Maintenance Free
- J. Battery Cables and Grounds Per spec: Approved by OEM/Ford QVM
- K. Alternator
 - 1. Gasoline Per spec: Ford OEM 195 Amp
 - 2. Diesel Per spec: Ford OEM dual alternators 140/120Amps
- L. Engine fast idle control Per spec: Inter Motive
- M. Brakes Per spec: Ford OEM 4-Wheel Disc with ABS
- N. Fuel tank Per spec: Ford OEM 55 gallon
- O. Hazard flashers Per spec: 4-Way Flashers w/ Dash mounted switch)
- P. Shock absorbers Per spec: Ford OEM Gas Type
- Q. Suspension Per spec: Ford OEM with rear assist
 - 1. Front Per spec: Ford OEM Coil Twin I Beam
 - 2. Rear Per spec: Ford OEM Leaf with added assist
- R. Stabilizer Per spec: Front and Rear Ford OEM bars
- S. Wheels Per spec: Ford OEM steel white 16" x 7"
- T. Tires Per spec: Steel Belted Radial Ford OEM
- U. Drive shaft Per spec: With guards Ford OEM
- V. Wipers / Horn Per spec: Ford OEM dual horns/intermittent wipers
- W. Radiator and cooling system Per spec: Ford OEM
- X. Fluids Per spec: Full fluids and fuel tank min. 1/2 full
- Y. Engine cover Per spec: Ford OEM
- Z. Exhaust system Per spec: Ford OEM w/ C&E added street side exit

V. OTHER ITEMS

- A. Safety
 - 1. Reverse alarm Per spec: C&E standard Ecco 510
 - 2. Rear door alarm Per spec: C&E standard Cole Hersee [CH] A099
 - 3. Lift master switch and light Per spec: C&E std. CH 59024-100 Trucklite 80360
 - 4. Lift door open indicator Per spec: C&E Standard Arrow 054 00-722
 - 5. Lift interlock Per spec: Intermotive ILIS
 - 6. Headlight control Per spec: Ford OEM
 - 7. Strobe light Per spec. C&E Standard, Signal Stat



**APPENDIX A
EVALUATION FORM**

Size, Material Type, and Model Bid

- | | | |
|-----|-----------------------------|---|
| B. | Electrical | |
| 1. | Lift circuit breaker | Per spec: <u>70 Amp protection</u> |
| 2. | 12-volt power point | Per spec: <u>Ford OEM</u> |
| 3. | Wire coding and harnesses | Per spec: <u>Number stamped, C&E standard</u> |
| 4. | Electrical panel | Per Spec: <u>C & E std. See wiring diagrams</u> |
| 5. | Wiring support | Per spec: <u>P clamps, ties & loom</u> |
| 6. | Wiring grounds and capacity | Per spec: <u>Approved by Ford OEM/QVM</u> |
| 7. | Constant run solenoid | Per spec: <u>See C&E wiring diagrams</u> |
| 8. | Circuit capacity & function | Per spec: <u>we certify to sufficient capacity & function</u> |
| 9. | Wiring protection | Per spec: <u>Loom and Grommets</u> |
| 10. | Wiring routing | Per spec: <u>C&E standard</u> |
| 11. | Wiring connections | Per spec: <u>Plug & Play {See description w/ questions}</u> |

VI. OPTIONS – ALTERNATE QUOTES

- | | | |
|----|-----------------------------------|--|
| A. | Air conditioning system | |
| 1. | Option A | <u>Carrier 513T 53,000 Btu single compressor</u> |
| 2. | Option B | <u>Carrier 5R13T 53K Btu w/roof condenser</u> |
| B. | Manual entrance door | Per spec: <u>C&E Standard</u> |
| C. | Diesel engine 6.0l, minimum | Per spec: <u>Ford OEM 6.0L Power Stroke</u> |
| D. | Auxiliary air heater system | Per spec: _____ |
| 1. | Gas | Per spec: <u>Espar or Webasto</u> |
| 2. | Diesel | Per spec: <u>Espar or Webasto</u> |
| E. | Power seat base for driver's seat | Per spec: <u>Ford OEM 6-Way</u> |
| F. | Destination sign | Per spec: <u>Luminator Vista</u> |
| G. | Ceiling Handrails | Per spec: <u>C & E Standard Stainless Steel</u> |
| H. | Engine shutdown system | Per spec: <u>Murphy or Ford OEM</u> |
| I. | Donation Box | Per spec: <u>Main or Diamond</u> |
| J. | Farebox Electrical Prep | Per spec: <u>C&E Electrical Design</u> |
| K. | Rear emergency exit window | Per spec: <u>C&E standard rear exit window w/fresnal</u> |
| L. | Paint – Optional Designs | Per spec: <u>C&E paint booth PPG or DuPont</u> |
| M. | Folding platform passive lift | Per spec: <u>Ricon Klearview</u> |
| N. | Rear five place passenger seat | Per spec: <u>Freedman Feather Weight Mid-Hi</u> |
| O. | Two way radio prep package | Per spec: <u>Coach & Equipment standard electrical</u> |
| P. | Smooth anti-slip flooring | Per spec: <u>Altro META</u> |
| Q. | Entrance stepwell heater | Per spec: <u>Lighthouse Warm Welcome</u> |

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 <input type="checkbox"/> NO <input checked="" type="checkbox"/> | _____ |



**APPENDIX A
EVALUATION FORM**

VII. VENDOR / MANUFACTURER REQUIREMENTS

- | | | |
|----|---|--|
| A. | Bus information furnished | <u>As required and additional if requested</u> |
| B. | Manufacturer quality control (name/title) | <u>George D'Amato/Quality Manager</u> |
| C. | Air conditioning certification | <u>We certify compliance & to pilot bus requirements</u> |
| D. | Heating/Ventilating certification | <u>We certify compliance & to pilot bus requirements</u> |
| E. | Purchaser inspection | <u>We certify compliance w/ inspection requirements</u> |
| F. | Warranty | <u>We exceed specs & request a favorable evaluation</u> |
| G. | Miscellaneous | |
| | 1. Turning radius wheel to wheel | <u>Curb-to-Curb 27.5'</u> |
| | 2. Turning radius wall to wall | <u>Wall-to-Wall 28.35'</u> |

VIII. BID DOCUMENTS

Please mark (X) as completed.

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

CONTRACTOR COMMENTS:

Note that we have not included "P. Dealer Agreement" since Michigan withdrew this requirement from the RFP in their responses to questions.



APPENDIX B
Small Bus Specifications

See Separate Link



APPENDIX C
Federal Contract Clauses

APPENDIX C – FEDERAL CONTRACT CLAUSES
FEDERAL TRANSIT ADMINISTRATION
Governing Documents

Federally Required Contract Clauses (Rolling Stock)

Instructions: Return copies of these pages with your bids. Fill in parts 1, 5, 6, 7, and 21.

Table of Contents:

1. BUY AMERICA REQUIREMENTS 67

2. CARGO PREFERENCE REQUIREMENTS 68

3. ENERGY CONSERVATION REQUIREMENTS 69

4. CLEAN WATER REQUIREMENTS 69

5. BUS TESTING..... 70

6. PRE-AWARD AND POST DELIVERY AUDITS REQUIREMENTS 71

7. LOBBYING..... 73

8. ACCESS TO RECORDS AND REPORTS 74

9. FEDERAL CHANGES..... 76

10. CLEAN AIR 77

11. RECYCLED PRODUCTS 77

12. NO GOVERNMENT OBLIGATION TO THIRD PARTIES..... 77

13. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS 78

14. TERMINATION 79

15. GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT) 82

16. PRIVACY ACT REQUIREMENTS..... 82

17. CIVIL RIGHTS REQUIREMENTS 83

18. BREACHES AND DISPUTE RESOLUTION 84

19. TRANSIT EMPLOYEE PROTECTIVE AGREEMENTS 85

20. DISADVANTAGED BUSINESS ENTERPRISE (DBE) 86

21. DBE TRANSIT VEHICLE MANUFACTURER CERTIFICATION 87

22. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS 87



1. BUY AMERICA REQUIREMENTS

The contractor agrees to comply with 49 U.S.C. 5323(j) and 49 C.F.R. Part 661, which provide that Federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 C.F.R. 661.7, and include final assembly in the United States for 15 passenger vans and 15 passenger wagons produced by Chrysler Corporation, and microcomputer equipment and software. Separate requirements for rolling stock are set out at 49 U.S.C. 5323(j)(2)(C) and 49 C.F.R. 661.11. Rolling stock must be assembled in the United States and have a 60 percent domestic content.

A bidder or offeror must submit to the FTA recipient the appropriate Buy America certification (below) with all bids or offers on FTA-funded contracts, except those subject to a general waiver. Bids or offers that are not accompanied by a completed Buy America certification must be rejected as nonresponsive. This requirement does not apply to lower tier subcontractors.

Certification requirement for procurement of steel, iron, or manufactured products.

Certificate of Compliance with 49 U.S.C. 5323(j)(1)

The bidder or offeror hereby certifies that it will meet the requirements of 49 U.S.C. 5323(j)(1) and the applicable regulations in 49 C.F.R. Part 661.5.

Date 11/24/08

Signature 

Company Name Shepard Bros., Inc.

Title Midwest Sales Manager



Certificate of Non-Compliance with 49 U.S.C. 5323(j)(1)

The bidder or offeror hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j)(1) and 49 C.F.R. 661.5, but it may qualify for an exception pursuant to 49 U.S.C. 5323(j)(2)(A), 5323(j)(2)(B), or 5323(j)(2)(D), and 49 C.F.R. 661.7.

Date _____

Signature _____

Company Name _____

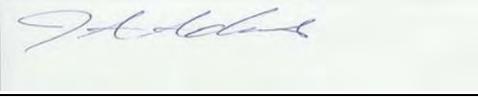
Title _____

Certification requirement for procurement of buses, other rolling stock and associated equipment.

Certificate of Compliance with 49 U.S.C. 5323(j)(2)(C).

The bidder or offeror hereby certifies that it will comply with the requirements of 49 U.S.C. 5323(j)(2)(C) and the regulations at 49 C.F.R. Part 661.11.

Date 11/24/08

Signature 

Company Name Shepard Bros., Inc.

Title Midwest Sales Manager

Certificate of Non-Compliance with 49 U.S.C. 5323(j)(2)(C)

The bidder or offeror hereby certifies that it cannot comply with the requirements of 49 U.S.C. 5323(j)(2)(C) and 49 C.F.R. 661.11, but may qualify for an exception pursuant to 49 U.S.C. 5323(j)(2)(A), 5323(j)(2)(B), or 5323(j)(2)(D), and 49 CFR 661.7.

Date _____

Signature _____

Company Name _____

Title _____

2. CARGO PREFERENCE REQUIREMENTS 46 U.S.C. 1241/46 CFR Part 381

Use of United States-Flag Vessels - The contractor agrees:

- a. to use privately owned United States-Flag commercial vessels to ship at least 50 percent of the



gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for United States-Flag commercial vessels;

- b. to furnish within 20 working days following the date of loading for shipments originating within the United States or within 30 working days following the date of leading for shipments originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in the preceding paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to the FTA recipient (through the contractor in the case of a subcontractor's bill-of-lading.)
- c. to include these requirements in all subcontracts issued pursuant to this contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

3. ENERGY CONSERVATION REQUIREMENTS 42 U.S.C. 6321 et seq./49 CFR Part 18

The contractor agrees to comply with mandatory standards and policies relating to energy efficiency which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

4. CLEAN WATER REQUIREMENTS 33 U.S.C. 1251

- (1) The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.
- (2) The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.



5. BUS TESTING 49 U.S.C. 5323(c)/49 CFR Part 665

The Contractor [Manufacturer] agrees to comply with 49 U.S.C. A 5323(c) and FTA's implementing regulation at 49 CFR Part 665 and shall perform the following:

- 1) A manufacturer of a new bus model or a bus produced with a major change in components or configuration shall provide a copy of the final test report to the recipient at a point in the procurement process specified by the recipient which will be prior to the recipient's final acceptance of the first vehicle.
- 2) A manufacturer who releases a report under paragraph 1 above shall provide notice to the operator of the testing facility that the report is available to the public.
- 3) If the manufacturer represents that the vehicle was previously tested, the vehicle being sold should have the identical configuration and major components as the vehicle in the test report, which must be provided to the recipient prior to recipient's final acceptance of the first vehicle. If the configuration or components are not identical, the manufacturer shall provide a description of the change and the manufacturer's basis for concluding that it is not a major change requiring additional testing.
- 4) If the manufacturer represents that the vehicle is "grandfathered" (has been used in mass transit service in the United States before October 1, 1988, and is currently being produced without a major change in configuration or components), the manufacturer shall provide the name and address of the recipient of such a vehicle and the details of that vehicle's configuration and major components.

CERTIFICATION OF COMPLIANCE WITH FTA'S BUS TESTING REQUIREMENTS

The undersigned [Contractor/Manufacturer] certifies that the vehicle offered in this procurement complies with 49 U.S.C. A 5323(c) and FTA's implementing regulation at 49 CFR Part 665.

The undersigned understands that misrepresenting the testing status of a vehicle acquired with Federal financial assistance may subject the undersigned to civil penalties as outlined in the Department of Transportation's regulation on Program Fraud Civil Remedies, 49 CFR Part 31. In addition, the undersigned understands that FTA may suspend or debar a manufacturer under the procedures in 49 CFR Part 29.

Date 11/24/08

Signature 

Company Name Shepard Bros., Inc.

Title Midwest Sales Manager



6. PRE-AWARD AND POST DELIVERY AUDITS REQUIREMENTS 49 U.S.C. 5323/49 CFR Part 663

The Contractor agrees to comply with 49 U.S.C. § 5323(l) and FTA's implementing regulation at 49 C.F.R. Part 663 and to submit the following certifications:

- (1) Buy America Requirements: The Contractor shall complete and submit a declaration certifying either compliance or noncompliance with Buy America. If the Bidder/Offeror certifies compliance with Buy America, it shall submit documentation which lists 1) component and subcomponent parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs; and 2) the location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly.
- (2) Solicitation Specification Requirements: The Contractor shall submit evidence that it will be capable of meeting the bid specifications.
- (3) Federal Motor Vehicle Safety Standards (FMVSS): The Contractor shall submit 1) manufacturer's FMVSS self-certification sticker information that the vehicle complies with relevant FMVSS or 2) manufacturer's certified statement that the contracted buses will not be subject to FMVSS regulations.

BUY AMERICA CERTIFICATE OF COMPLIANCE WITH FTA REQUIREMENTS FOR BUSES, OTHER ROLLING STOCK, OR ASSOCIATED EQUIPMENT

(To be submitted with a bid or offer exceeding the small purchase threshold for Federal assistance programs, currently set at \$100,000.)

Certificate of Compliance

The bidder hereby certifies that it will comply with the requirements of 49 U.S.C. Section 5323(j)(2)(C), Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended, and the regulations of 49 C.F.R. 661.11:

Date 11/24/08

Signature 

Company Name Shepard Bros., Inc.

Title Midwest Sales Manager



Certificate of Non-Compliance

The bidder hereby certifies that it cannot comply with the requirements of 49 U.S.C. Section 5323(j)(2)(C) and Section 165(b)(3) of the Surface Transportation Assistance Act of 1982, as amended, but may qualify for an exception to the requirements consistent with 49 U.S.C. Sections 5323(j)(2)(B) or (j)(2)(D), Sections 165(b)(2) or (b)(4) of the Surface Transportation Assistance Act, as amended, and regulations in 49 C.F.R. 661.7.

Date: _____

Signature: _____

Company Name: _____

Title: _____



7. LOBBYING 31 U.S.C. 1352/49 CFR Part 19/49 CFR Part 20

Byrd Anti-Lobbying Amendment, 31 U.S.C. 1352, as amended by the Lobbying Disclosure Act of 1995, P.L. 104-65 [to be codified at 2 U.S.C. § 1601, et seq.] - Contractors who apply or bid for an award of \$100,000 or more shall file the certification required by 49 CFR part 20, "New Restrictions on Lobbying." Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contacts on its behalf with non-Federal funds with respect to that Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

APPENDIX A, 49 CFR PART 20--CERTIFICATION REGARDING LOBBYING
 Certification for Contracts, Grants, Loans, and Cooperative Agreements
(To be submitted with each bid or offer exceeding \$100,000)

The undersigned [Contractor] certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for making lobbying contacts to an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form--LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions [as amended by "Government wide Guidance for New Restrictions on Lobbying," 61 Fed. Reg. 1413 (1/19/96). Note: Language in paragraph (2) herein has been modified in accordance with Section 10 of the Lobbying Disclosure Act of 1995 (P.L. 104-65, to be codified at 2 U.S.C. 1601, et seq.)]
- (3) The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.



This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by 31, U.S.C. § 1352 (as amended by the Lobbying Disclosure Act of 1995). Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

[Note: Pursuant to 31 U.S.C. § 1352(c)(1)-(2)(A), any person who makes a prohibited expenditure or fails to file or amend a required certification or disclosure form shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such expenditure or failure.]

The Contractor, Shepard Bros., Inc., certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. A 3801, *et seq.*, apply to this certification and disclosure, if any.

Signature of Contractor's Authorized Official

Jimmie Alan Adams

Midwest Sales Manager _____ Name and Title of Contractor's Authorized Official

11/24/08 _____ Date

8. ACCESS TO RECORDS AND REPORTS 49 U.S.C. 5325/18 CFR 18.36 (i)/49 CFR 633.17

The following access to records requirements apply to this Contract:

1. Where the Purchaser is not a State but a local government and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 18.36(i), the Contractor agrees to provide the Purchaser, the FTA Administrator, the Comptroller General of the United States or any of their authorized representatives access to any books, documents, papers and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions. Contractor also agrees, pursuant to 49 C.F.R. 633.17 to provide the FTA Administrator or his authorized representatives including any PMO Contractor access to Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311.



2. Where the Purchaser is a State and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 633.17, Contractor agrees to provide the Purchaser, the FTA Administrator or his authorized representatives, including any PMO Contractor, access to the Contractor's records and construction sites pertaining to a major capital project, defined at 49 U.S.C. 5302(a)1, which is receiving federal financial assistance through the programs described at 49 U.S.C. 5307, 5309 or 5311. By definition, a major capital project excludes contracts of less than the simplified acquisition threshold currently set at \$100,000.

3. Where the Purchaser enters into a negotiated contract for other than a small purchase or under the simplified acquisition threshold and is an institution of higher education, a hospital or other non-profit organization and is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 C.F.R. 19.48, Contractor agrees to provide the Purchaser, FTA Administrator, the Comptroller General of the United States or any of their duly authorized representatives with access to any books, documents, papers and record of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts and transcriptions.

4. Where any Purchaser which is the FTA Recipient or a subgrantee of the FTA Recipient in accordance with 49 U.S.C. 5325(a) enters into a contract for a capital project or improvement (defined at 49 U.S.C. 5302(a)1) through other than competitive bidding, the Contractor shall make available records related to the contract to the Purchaser, the Secretary of Transportation and the Comptroller General or any authorized officer or employee of any of them for the purposes of conducting an audit and inspection.

5. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed.

6. The Contractor agrees to maintain all books, records, accounts and reports required under this contract for a period of not less than three years after the date of termination or expiration of this contract, except in the event of litigation or settlement of claims arising from the performance of this contract, in which case Contractor agrees to maintain same until the Purchaser, the FTA Administrator, the Comptroller General, or any of their duly authorized representatives, have disposed of all such litigation, appeals, claims or exceptions related thereto. Reference 49 CFR 18.39(i)(11).

7. FTA does not require the inclusion of these requirements in subcontracts.



Requirements for Access to Records and Reports by Types of Contract

Contract Characteristics	Operational Service Contract	Turnkey	Construction	Architectural Engineering	Acquisition of Rolling Stock	Professional Services
<u>I State Grantees</u> a. Contracts below SAT (\$100,000) b. Contracts above \$100,000/Capital Projects	None None unless ¹ non-competitive award	Those imposed on state pass thru to Contractor	None Yes, if non-competitive award or if funded thru ² 5307/5309/5311	None None unless non-competitive award	None None unless non-competitive award	None None unless non-competitive award
<u>II Non State Grantees</u> a. Contracts below SAT (\$100,000) b. Contracts above \$100,000/Capital Projects	Yes ³ Yes ³	Those imposed on non-state Grantee pass thru to Contractor	Yes Yes	Yes Yes	Yes Yes	Yes Yes

Sources of Authority:

¹ 49 USC 5325 (a)

² 49 CFR 633.17

³ 18 CFR 18.36 (i)

9. FEDERAL CHANGES 49 CFR Part 18

Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Master Agreement between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.



10. CLEAN AIR 42 U.S.C. 7401 et seq/40 CFR 15.61/49 CFR Part 18

- (1) The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §§ 7401 et seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.
- (2) The Contractor also agrees to include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

11. RECYCLED PRODUCTS 42 U.S.C. 6962/40 CFR Part 247/Executive Order 12873

The contractor agrees to comply with all the requirements of Section 6002 of the Resource Conservation and Recovery Act (RCRA), as amended (42 U.S.C. 6962), including but not limited to the regulatory provisions of 40 CFR Part 247, and Executive Order 12873, as they apply to the procurement of the items designated in Subpart B of 40 CFR Part 247.

12. NO GOVERNMENT OBLIGATION TO THIRD PARTIES

No Obligation by the Federal Government.

- (1) The Purchaser and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal Government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Purchaser, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.
- (2) The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.



13. PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENTS AND RELATED ACTS

31 U.S.C. 3801 et seq. /49 CFR Part 31 18 U.S.C. 1001/49 U.S.C. 5307

- (1) The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. § 3801 et seq. and U.S. DOT regulations, "Program Fraud Civil Remedies," 49 C.F.R. Part 31, apply to its actions pertaining to this Project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the Contractor to the extent the Federal Government deems appropriate.
- (2) The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under the authority of 49 U.S.C. § 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. § 5307(n)(1) on the Contractor, to the extent the Federal Government deems appropriate.
- (3) The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.



14. TERMINATION 49 U.S.C. Part 18/FTA Circular 4220.1E

a. Termination for Convenience (General Provision) The (Recipient) may terminate this contract, in whole or in part, at any time by written notice to the Contractor when it is in the Government's best interest. The Contractor shall be paid its costs, including contract close-out costs, and profit on work performed up to the time of termination. The Contractor shall promptly submit its termination claim to (Recipient) to be paid the Contractor. If the Contractor has any property in its possession belonging to the (Recipient), the Contractor will account for the same, and dispose of it in the manner the (Recipient) directs.

b. Termination for Default [Breach or Cause] (General Provision) If the Contractor does not deliver supplies in accordance with the contract delivery schedule, or, if the contract is for services, the Contractor fails to perform in the manner called for in the contract, or if the Contractor fails to comply with any other provisions of the contract, the (Recipient) may terminate this contract for default. Termination shall be effected by serving a notice of termination on the contractor setting forth the manner in which the Contractor is in default. The contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner of performance set forth in the contract.

If it is later determined by the (Recipient) that the Contractor had an excusable reason for not performing, such as a strike, fire, or flood, events which are not the fault of or are beyond the control of the Contractor, the (Recipient), after setting up a new delivery of performance schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.

c. Opportunity to Cure (General Provision) The (Recipient) in its sole discretion may, in the case of a termination for breach or default, allow the Contractor [an appropriately short period of time] in which to cure the defect. In such case, the notice of termination will state the time period in which cure is permitted and other appropriate conditions

If Contractor fails to remedy to (Recipient)'s satisfaction the breach or default of any of the terms, covenants, or conditions of this Contract within [ten (10) days] after receipt by Contractor of written notice from (Recipient) setting forth the nature of said breach or default, (Recipient) shall have the right to terminate the Contract without any further obligation to Contractor. Any such termination for default shall not in any way operate to preclude (Recipient) from also pursuing all available remedies against Contractor and its sureties for said breach or default.

d. Waiver of Remedies for any Breach In the event that (Recipient) elects to waive its remedies for any breach by Contractor of any covenant, term or condition of this Contract, such waiver by (Recipient) shall not limit (Recipient)'s remedies for any succeeding breach of that or of any other term, covenant, or condition of this Contract.

e. Termination for Convenience (Professional or Transit Service Contracts) The (Recipient), by written notice, may terminate this contract, in whole or in part, when it is in the Government's interest. If this contract is terminated, the Recipient shall be liable only for payment under the payment provisions of this contract for services rendered before the effective date of termination.



f. Termination for Default (Supplies and Service) If the Contractor fails to deliver supplies or to perform the services within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, the (Recipient) may terminate this contract for default. The (Recipient) shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. The Contractor will only be paid the contract price for supplies delivered and accepted, or services performed in accordance with the manner or performance set forth in this contract.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Recipient.

g. Termination for Default (Transportation Services) If the Contractor fails to pick up the commodities or to perform the services, including delivery services, within the time specified in this contract or any extension or if the Contractor fails to comply with any other provisions of this contract, the (Recipient) may terminate this contract for default. The (Recipient) shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of default. The Contractor will only be paid the contract price for services performed in accordance with the manner of performance set forth in this contract.

If this contract is terminated while the Contractor has possession of Recipient goods, the Contractor shall, upon direction of the (Recipient), protect and preserve the goods until surrendered to the Recipient or its agent. The Contractor and (Recipient) shall agree on payment for the preservation and protection of goods. Failure to agree on an amount will be resolved under the Dispute clause.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the (Recipient).

h. Termination for Default (Construction) If the Contractor refuses or fails to prosecute the work or any separable part, with the diligence that will insure its completion within the time specified in this contract or any extension or fails to complete the work within this time, or if the Contractor fails to comply with any other provisions of this contract, the (Recipient) may terminate this contract for default. The (Recipient) shall terminate by delivering to the Contractor a Notice of Termination specifying the nature of the default. In this event, the Recipient may take over the work and compete it by contract or otherwise, and may take possession of and use any materials, appliances, and plant on the work site necessary for completing the work. The Contractor and its sureties shall be liable for any damage to the Recipient resulting from the Contractor's refusal or failure to complete the work within specified time, whether or not the Contractor's right to proceed with the work is terminated. This liability includes any increased costs incurred by the Recipient in completing the work.

The Contractor's right to proceed shall not be terminated nor the Contractor charged with damages under this clause if-

1. the delay in completing the work arises from unforeseeable causes beyond the control and without the fault or negligence of the Contractor. Examples of such causes include: acts of God,



acts of the Recipient, acts of another Contractor in the performance of a contract with the Recipient, epidemics, quarantine restrictions, strikes, freight embargoes; and

2. the contractor, within [10] days from the beginning of any delay, notifies the (Recipient) in writing of the causes of delay. If in the judgment of the (Recipient), the delay is excusable, the time for completing the work shall be extended. The judgment of the (Recipient) shall be final and conclusive on the parties, but subject to appeal under the Disputes clauses.
 - a. If, after termination of the Contractor's right to proceed, it is determined that the Contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the Recipient.

i. Termination for Convenience or Default (Architect and Engineering) The (Recipient) may terminate this contract in whole or in part, for the Recipient's convenience or because of the failure of the Contractor to fulfill the contract obligations. The (Recipient) shall terminate by delivering to the Contractor a Notice of Termination specifying the nature, extent, and effective date of the termination. Upon receipt of the notice, the Contractor shall (1) immediately discontinue all services affected (unless the notice directs otherwise), and (2) deliver to the Contracting Officer all data, drawings, specifications, reports, estimates, summaries, and other information and materials accumulated in performing this contract, whether completed or in process.

If the termination is for the convenience of the Recipient, the Contracting Officer shall make an equitable adjustment in the contract price but shall allow no anticipated profit on unperformed services.

If the termination is for failure of the Contractor to fulfill the contract obligations, the Recipient may complete the work by contract or otherwise and the Contractor shall be liable for any additional cost incurred by the Recipient.

If, after termination for failure to fulfill contract obligations, it is determined that the Contractor was not in default, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of the Recipient.

j. Termination for Convenience of Default (Cost-Type Contracts) The (Recipient) may terminate this contract, or any portion of it, by serving a notice or termination on the Contractor. The notice shall state whether the termination is for convenience of the (Recipient) or for the default of the Contractor. If the termination is for default, the notice shall state the manner in which the contractor has failed to perform the requirements of the contract. The Contractor shall account for any property in its possession paid for from funds received from the (Recipient), or property supplied to the Contractor by the (Recipient). If the termination is for default, the (Recipient) may fix the fee, if the contract provides for a fee, to be paid the contractor in proportion to the value, if any, of work performed up to the time of termination. The Contractor shall promptly submit its termination claim to the (Recipient) and the parties shall negotiate the termination settlement to be paid the Contractor.

If the termination is for the convenience of the (Recipient), the Contractor shall be paid its contract close-out costs, and a fee, if the contract provided for payment of a fee, in proportion to the work performed up to the time of termination.



If, after serving a notice of termination for default, the (Recipient) determines that the Contractor has an excusable reason for not performing, such as strike, fire, flood, events which are not the fault of and are beyond the control of the contractor, the (Recipient), after setting up a new work schedule, may allow the Contractor to continue work, or treat the termination as a termination for convenience.

15. GOVERNMENT-WIDE DEBARMENT AND SUSPENSION (NONPROCUREMENT)

49 CFR Part 29/Executive Order 12549/Executive Order 12689/31 U.S.C. 6101 note (Section 2455, Public Law 103-355, 108 Stat. 3327)

Suspension and Debarment

This contract is a covered transaction for purposes of 49 CFR Part 29. As such, the contractor is required to verify that none of the contractor, its principals, as defined at 49 CFR 29.995, or affiliates, as defined at 49 CFR 29.905, are excluded or disqualified as defined at 49 CFR 29.940 and 29.945.

The contractor is required to comply with 49 CFR 29, Subpart C and must include the requirement to comply with 49 CFR 29, Subpart C in any lower tier covered transaction it enters into.

By signing and submitting its bid or proposal, the bidder or proposer certifies as follows:

The certification in this clause is a material representation of fact relied upon by the **Michigan Department of Transportation (MDOT)**. If it is later determined that the bidder or proposer knowingly rendered an erroneous certification, in addition to remedies available to **MDOT**, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. The bidder or proposer agrees to comply with the requirements of 49 CFR 29, Subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

16. PRIVACY ACT REQUIREMENTS 5 U.S.C. 552

The following requirements apply to the Contractor and its employees that administer any system of records on behalf of the Federal Government under any contract:

(1) The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5 U.S.C. § 552a. Among other things, the Contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil



and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

(2) The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

17. CIVIL RIGHTS REQUIREMENTS 29 U.S.C. § 623, 42 U.S.C. § 2000/42 U.S.C. § 6102, 42 U.S.C. § 12112/42 U.S.C. § 12132, 49 U.S.C. § 5332/29 CFR Part 1630/41 CFR Parts 60 et seq.

The following requirements apply to the underlying contract:

(1) Nondiscrimination - In accordance with Title VI of the Civil Rights Act, as amended, 42 U.S.C. § 2000d, section 303 of the Age Discrimination Act of 1975, as amended, 42 U.S.C. § 6102, section 202 of the Americans with Disabilities Act of 1990, 42 U.S.C. § 12132, and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees that it will not discriminate against any employee or applicant for employment because of race, color, creed, national origin, sex, age, or disability. In addition, the Contractor agrees to comply with applicable Federal implementing regulations and other implementing requirements FTA may issue.

(2) Equal Employment Opportunity - The following equal employment opportunity requirements apply to the underlying contract:

(a) Race, Color, Creed, National Origin, Sex - In accordance with Title VII of the Civil Rights Act, as amended, 42 U.S.C. § 2000e, and Federal transit laws at 49 U.S.C. § 5332, the Contractor agrees to comply with all applicable equal employment opportunity requirements of U.S. Department of Labor (U.S. DOL) regulations, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor," 41 C.F.R. Parts 60 et seq., (which implement Executive Order No. 11246, "Equal Employment Opportunity," as amended by Executive Order No. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," 42 U.S.C. § 2000e note), and with any applicable Federal statutes, executive orders, regulations, and Federal policies that may in the future affect construction activities undertaken in the course of the Project. The Contractor agrees to take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, creed, national origin, sex, or age. Such action shall include, but not be limited to, the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(b) Age - In accordance with section 4 of the Age Discrimination in Employment Act of 1967, as amended, 29 U.S.C. § § 623 and Federal transit law at 49 U.S.C. § 5332, the Contractor agrees to refrain from discrimination against present and prospective employees for reason of age. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(c) Disabilities - In accordance with section 102 of the Americans with Disabilities Act, as amended, 42 U.S.C. § 12112, the Contractor agrees that it will comply with the requirements of U.S. Equal Employment Opportunity Commission, "Regulations to Implement the Equal Employment Provisions of



the Americans with Disabilities Act," 29 C.F.R. Part 1630, pertaining to employment of persons with disabilities. In addition, the Contractor agrees to comply with any implementing requirements FTA may issue.

(3) The Contractor also agrees to include these requirements in each subcontract financed in whole or in part with Federal assistance provided by FTA, modified only if necessary to identify the affected parties.

18. BREACHES AND DISPUTE RESOLUTION 49 CFR Part 18/FTA Circular 4220.1E

Disputes - Disputes arising in the performance of this Contract which are not resolved by agreement of the parties shall be decided in writing by the authorized representative of (Recipient)'s [title of employee]. This decision shall be final and conclusive unless within [ten (10)] days from the date of receipt of its copy, the Contractor mails or otherwise furnishes a written appeal to the [title of employee]. In connection with any such appeal, the Contractor shall be afforded an opportunity to be heard and to offer evidence in support of its position. The decision of the [title of employee] shall be binding upon the Contractor and the Contractor shall abide by the decision.

Performance During Dispute - Unless otherwise directed by (Recipient), Contractor shall continue performance under this Contract while matters in dispute are being resolved.

Claims for Damages - Should either party to the Contract suffer injury or damage to person or property because of any act or omission of the party or of any of his employees, agents or others for whose acts he is legally liable, a claim for damages therefor shall be made in writing to such other party within a reasonable time after the first observance of such injury or damage.

Remedies - Unless this contract provides otherwise, all claims, counterclaims, disputes and other matters in question between the (Recipient) and the Contractor arising out of or relating to this agreement or its breach will be decided by arbitration if the parties mutually agree, or in a court of competent jurisdiction within the State in which the (Recipient) is located.

Rights and Remedies - The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder shall be in addition to and not a limitation of any duties, obligations, rights and remedies otherwise imposed or available by law. No action or failure to act by the (Recipient), (Architect) or Contractor shall constitute a waiver of any right or duty afforded any of them under the Contract, nor shall any such action or failure to act constitute an approval of or acquiescence in any breach thereunder, except as may be specifically agreed in writing.



19. TRANSIT EMPLOYEE PROTECTIVE AGREEMENTS 49 U.S.C. § 5310, § 5311, and § 5333/29 CFR Part 215

(1) The Contractor agrees to comply with applicable transit employee protective requirements as follows:

(a) General Transit Employee Protective Requirements - To the extent that FTA determines that transit operations are involved, the Contractor agrees to carry out the transit operations work on the underlying contract in compliance with terms and conditions determined by the U.S. Secretary of Labor to be fair and equitable to protect the interests of employees employed under this contract and to meet the employee protective requirements of 49 U.S.C. A 5333(b), and U.S. DOL guidelines at 29 C.F.R. Part 215, and any amendments thereto. These terms and conditions are identified in the letter of certification from the U.S. DOL to FTA applicable to the FTA Recipient's project from which Federal assistance is provided to support work on the underlying contract. The Contractor agrees to carry out that work in compliance with the conditions stated in that U.S. DOL letter. The requirements of this subsection (1), however, do not apply to any contract financed with Federal assistance provided by FTA either for projects for elderly individuals and individuals with disabilities authorized by 49 U.S.C. § 5310(a)(2), or for projects for nonurbanized areas authorized by 49 U.S.C. § 5311. Alternate provisions for those projects are set forth in subsections (b) and (c) of this clause.

(b) Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C. § 5310(a)(2) for Elderly Individuals and Individuals with Disabilities - If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C. § 5310(a)(2), and if the U.S. Secretary of Transportation has determined or determines in the future that the employee protective requirements of 49 U.S.C. § 5333(b) are necessary or appropriate for the state and the public body subrecipient for which work is performed on the underlying contract, the Contractor agrees to carry out the Project in compliance with the terms and conditions determined by the U.S. Secretary of Labor to meet the requirements of 49 U.S.C. § 5333(b), U.S. DOL guidelines at 29 C.F.R. Part 215, and any amendments thereto. These terms and conditions are identified in the U.S. DOL's letter of certification to FTA, the date of which is set forth Grant Agreement or Cooperative Agreement with the state. The Contractor agrees to perform transit operations in connection with the underlying contract in compliance with the conditions stated in that U.S. DOL letter.



- (c) Transit Employee Protective Requirements for Projects Authorized by 49 U.S.C. § 5311 in Nonurbanized Areas - If the contract involves transit operations financed in whole or in part with Federal assistance authorized by 49 U.S.C. § 5311, the Contractor agrees to comply with the terms and conditions of the Special Warranty for the Nonurbanized Area Program agreed to by the U.S. Secretaries of Transportation and Labor, dated May 31, 1979, and the procedures implemented by U.S. DOL or any revision thereto.
- (2) The Contractor also agrees to include the any applicable requirements in each subcontract involving transit operations financed in whole or in part with Federal assistance provided by FTA.

20. DISADVANTAGED BUSINESS ENTERPRISE (DBE) 49 CFR Part 26

- a. The contractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of this U.S. DOT-assisted contract. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the **Michigan Department of Transportation (MDOT)** deems appropriate. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (*see* 49 CFR 26.13(b)).
- b. This contract is subject to the requirements of Title 49, Code of Federal Regulations, Part 26, *Participation by Disadvantaged Business Enterprises in Department of Transportation Financial Assistance Programs*. Each subcontract the contractor signs with a subcontractor must include the assurance in this paragraph (*see* 49 CFR 26.13(b)).
Accordingly, as a condition of permission to bid, a certification must be completed and submitted with the bid. A bid which does not include certification may not be considered.



21. DBE TRANSIT VEHICLE MANUFACTURER CERTIFICATION

Coach & Equipment / Shepard Bros., Inc. (Name of Firm), a TVM, hereby certifies that it has complied with the requirement of Section 26.49 of 49 CFR, Part 26 by submitting a current annual DBE goal to FTA. The goals apply to Federal Fiscal Year 2009 (October 1, 2008 to September 30, 2009) and have been approved or not disapproved by FTA.

Shepard Bros., Inc. (Name of Firm), hereby certifies that the manufacturer of the transit vehicle to be supplied Coach & Equipment Manufacturing Corp. (Name of Manufacturer) has complied with the above referenced requirement of Section 26.49 of 49 CFR Part 26.

Signature: 

Date: November 24, 2008

Title: Midwest Sales Manager

Firm: Shepard Bros., Inc.

22. INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

FTA Circular 4220.1E

The preceding provisions include, in part, certain Standard Terms and Conditions required by U.S. DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by U.S. DOT, as set forth in FTA Circular 4220.1E, are hereby incorporated by reference. Anything to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests which would cause (name of grantee) to be in violation of the FTA terms and conditions.



**APPENDIX D
Transit Agency Address/Phone Numbers**

7/3/2008

Transit Agency Address/Phone Numbers

Lenawee

MS. MARCIA BOHANNON
Adrian Dial-A-Ride
100 E. Church Street
Adrian, MI 49221

Telephone No.: (517) 264-4849 Fax No.:(517) 265-8133 Email: MarciaB@ci.adrian.mi.us

Allegan

MR. DANIEL WEDGE
Allegan County - Transportation Services
3255 122nd Avenue, Suite 200
Allegan, MI 49010

Telephone No.: (269) 686-4529 Fax No.:(269) 673-4172 Email: dwedge@allegancounty.org

Allegan

MS. WENDY ADRIANSON
Allegan County CMH
3283 122nd Ave.
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Allegan, MI 49010

Telephone No.: (269) 673-3400 Fax No.:(269) 686-5201 Email:

Gratiot

MR. RANDY SUMNER
Alma Dial-A-Ride
City of Alma Transit Center, 219 N. State Street, PO Box 278
Alma, MI 48801-0278

Telephone No.: 989 463-6016 Fax No.:989 466-5307 Email: rsumner@ci.alma.mi.us

Alger

MS. ROCHELLE COTEY
ALTRAN Transit Authority
P.O. Box 69
Munising, MI 49862

Telephone No.: (906) 387-4845 Fax No.:(906) 387-2963 Email: altranco@jamadots.com

Kent

MS. LISA MARKS
American Red Cross Of West Central Michigan
1050 Fuller NE
Grand Rapids, MI 49503

Telephone No.: (616) 456-8661 Fax No.:(616) 235-2355 Email: tslaughter@ggr.redcross.org

Muskegon

MS. LOIS BRINKS
American Red Cross Serving Muskegon, Oceana and Newaygo Counti
313 W. Webster Avenue
Muskegon, MI 49440

Telephone No.: 231 726-3555 Fax No.:231 722-4126 Email: brinksl@arcmon.org



7/3/2008

Transit Agency Address/Phone Numbers

Washtenaw

MS. DAWN GABAY
Ann Arbor Transportation Authority
2700 S. Industrial Hwy.
Ann Arbor, MI 48104

Telephone No.: (734) 973-6500 Fax No.:(734) 973-6338 Email: cwhite@theride.org

Antrim

MR. SHERIDAN RHOADS
Antrim County Transportation
P.O. Box 120
Bellaire, MI 49615

Telephone No.: (231) 533-8644 Fax No.:(231) 533-8504 Email: rhoods@antrimcounty.org

Kent

MS. BEVERLY DRAKE
Area Community Service Employ. and Trng.
215 Straight St.N.W.
Grand Rapids, MI 49504

Telephone No.: 616 336-4104 Fax No.:616-336-4193 Email: gpattok@acset.org

Houghton

MS. JEAN LABERGE
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Baraga

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Baragaland Senior Citizen, Inc.
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Telephone No.: (906) 524-6711 Fax No.:(906) 524-6922 Email: bscinc@up.net

Barry

MR. JOSEPH BLEAM
Barry County Transit
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Calhoun

MR. JERRY HUTCHISON
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7/3/2008

Transit Agency Address/Phone Numbers

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Bay Area Transportation Authority
 3233 Cass Road
 Traverse City, MI 49684

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Bay

MR. MIKE STONER
Bay Metro Transportation Authority
 1510 North Johnson
 Bay City, MI 48708

Telephone No.: 989 894-2900 Fax No.:989 894-2621 Email: mstoner@baymetro.com

Charlevoix

MS. BARBARA SCHWARTZFISHER
Beaver Island Transportation Authority
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Ionia

MS. SUZANNE CHRISTENSEN
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 Pere Marquette Depot
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 Belding, MI 48809

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Benzie

MS. DEBBIE SEVER
Benzie County COA
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 Honor, MI 49640

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Benzie

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Berrien

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7/3/2008

Transit Agency Address/Phone Numbers

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St. Clair

MR. JIM WILSON
Blue Water Transportation Commission
 2021 Lapeer Avenue
 Port Huron, MI 48060

Telephone No.: (810) 987-7381 Fax No.:(810) 987-2431 Email: jwilson@bwbus.com

Branch

MS. KARA DERRICKSON
Branch Area Transit Authority
 306 South Clay Street, P.O. Box 979
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Livingston

MS. MARCY HOSKING
Brighton Community Education
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 Brighton, MI 48116

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Berrien

MS. KIMBERLY O'HAVER
Buchanan Dial-A-Ride
 310 Main Street
 St. Joseph, Michigan 49085

Telephone No.: (269) 983-8990 Fax No.:(269) 983-4248 Email: tmikim@parrett.net

Calhoun

MS. JOLENE ENGLISH
Burnham Brook Center
 200 W. Michigan Ave.
 Battle Creek, MI 49017

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Calhoun

MS. JESSICA RUSSELL
CAA of South Central Michigan
 P.O. Box 1026
 Battle Creek, MI 49016

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7/3/2008

Transit Agency Address/Phone Numbers

Wexford

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Cadillac/Wexford Transit Authority
1202 North Mitchell
Cadillac, MI 49601

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Genesee

MS. SANDY PARRA
Campbell Lewellyn Montrose Senior Center Advisory Council
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Montrose, MI 48457

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Ingham

MS. SANDRA DRAGGOO
Capital Area Transportation Authority
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Genesee

MS. LINDA MOORE
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Flint, MI 48532

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Tuscola

MS. LOIS SUTTON
Caro Transit Authority
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Cass

Cass Co Council on Aging

Telephone No.: Fax No.: Email:

Cass

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7/3/2008

Transit Agency Address/Phone Numbers

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Charlevoix

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Cheboygan

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Cheboygan County COA
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Mackinac

MR. KEN STOTT
Chippewa-Luce- Mackinac Comm Action . .
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Clare

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Clare County Transit Corporation
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Clinton

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Calhoun

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7/3/2008

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Delta

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Wayne

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Wayne

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Wayne

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Cass

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Chippewa

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7/3/2008

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Emmet

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Genesee

MS. GLORIA MCCRACKEN
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Genesee

MR. ROBERT FOY
Flint Mass Transportation Authority
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Emmet

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Genesee

MR. MAX GALANTER
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Ottawa

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7/3/2008

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Gogebic

MR. JAMES MILDREN
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Kent

MS. KATHY CROSBY
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Lapeer

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Greater Lapeer Transportation Authority
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Montcalm

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Lapeer

MR. BOB SHEMANSKI
Growth and Opportunity, Inc.
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 Lapeer, MI 48446

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Houghton

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7/3/2008

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Ottawa

MR. TOM MANDERSCHIED
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Livingston

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Saginaw

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 Saginaw, MI 48603-9622

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Genesee

MS. GAYLE I. REED
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Hillsdale

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 Hillsdale, MI 49242-1695

Telephone No.: (517) 437-7312 Fax No.:(517) 437-2944 Email: hdfindpt@ci.hillsdale.mi.us

Kent

MS. JOAN KONYNDYK
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7/3/2008

Transit Agency Address/Phone Numbers

Houghton

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Huron

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**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

1. Q: Will the State consider including the Azure Dynamics Hybrid Electric Drive system as an option for this RFP? Or any hybrid vehicles?

A: MDOT is not considering a hybrid option at this time.

2. Q: Pg 55, Terms & Conditions, Section 2.243 Liquidated Damages - In the first paragraph, we agree with the intent of this section and the penalty of \$100 per day for late or improper completion of work. However, please delete the additional \$5000 penalty clause. We believe this amount to be excessive and well beyond the reasonable “loss and damage” an agency could suffer. This appears to be a penalty amount that is found in construction type contracts.

A: Section 2.243 Liquidated Damages has been replaced with the following language:

D. 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.

E. 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.

F. 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.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

3. **Q: Pg 55, Terms & Conditions, Section 2.243 Unauthorized Removal - Please delete paragraphs 2, 3 and 4 of section 2.243. This also appears to be a penalty clause more typical of construction contracts. We have never seen a clause of this type in any other state contracts for similar products.**

A: This language has been deleted and replaced by the revised language in the answer to question # 2.

4. **Q: Page 1, Specifications, Section I, Weight Calculation - In the 4th paragraph, please delete the statement about not exceeding 95% of front and rear spring capacity for the following reasons: 1.) Ford QVM does not require this, 2.) Ford and Chevy have safety factors already built into their designs. Adding a 95% limitation is adding a safety factor on top of a safety factor. 3.) Michigan is the only state we are aware of that has this requirement.**

A: This specification will not be deleted and will remain as specified.

5. **Q: Page 1, Specifications, Overall Length of Single Wheelchair Buses - In the 4th paragraph, it is requested that single wheelchair buses not exceed 21' 11" in length (measured bumper to bumper excluding the energy absorbing portion of the bumpers) in order to meet ADA requirements. This would apply to floor plans B and D. But as you can see from the attached floor plans, it is not possible to meet this requirement. Part of the reason is that the front end of the Ford chassis grew almost 5" in 2008. Drawings are attached of the 2007 and 2008 Ford chassis for reference. The overall length is also driven by the five (5) rows of seats on the street side with 27" hip-to-knee spacing. To keep these floor plans under the ADA requirement, a row of seats will need to be removed, or the hip-to-knee spacing would have to be decreased considerably, coupled with other changes such as deleting the top grab handles from the foldaway seats so they don't hit the seats in front of them when folding, and possibly decreasing the 54" L-track spacing.**

A: In Appendix B, Small Bus Specifications, page 48, delete floor plan D in the specifications. Floor plan B will remain as specified. Also, on the Cost Model sheet, remove "D" under "passenger seats with vinyl seat covers." Add the quantity of 10 to "B" bringing the total to 38. Also, on the Cost Model sheet, remove "I" under "passenger seat with fabric seat covers." Add the quantity of six (6) to "G" bringing the total to 21. These items have been crossed on the cost model sheet and a revised one is attached to show the



deletions. Please complete this revised version of the cost model and include in your bid submittal.

**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

6. **Q: Page 4, Section B.1.f., Fender Splash Guards - In lieu of rubber fender splash guards, please accept our standard mud flaps on the front and rear wheel openings. In addition, our rear wheel openings are enclosed in a custom formed, highly-flexible and durable plastic material called TPO as seen in the attached photo. This material is scratch and dent resistant, even in cold temperatures.**

A: This specification will remain as specified.

7. **Q: Page 8 and 26, Section E.1.and I., Door Latches - In lieu of South Co brand latches, please accept our standard latch. We use a simple and reliable, quarter-turn thumb latch device, as seen in the attached literature, for all our compartment doors.**

A: This specification will remain as specified.

8. **Q: Page 8, Section E. 2., Interior Panels - Please also accept our standard, padded light gray vinyl as an acceptable interior material for the modesty panels, door headers (for head protection), and in the driver’s cab area for sound absorption. This material is durable, easily cleanable, and repairable if damaged. Sample available upon request.**

A: This specification will remain as specified.

9. **Q: Page 9, Section F. 4., Wheelchair Area Flooring - Please accept ribbed rubber flooring in the wheelchair area for added protection against slipping.**

A: This specification will remain as specified.

10. **Q: Page 15, Section P.4.a.7., Seat Material - Please be advised that CMI Nanocide Dimensions is a vinyl fabric, and does not meet Federal Register dated October 20, 1993. This product should be deleted from the bid spec.**

A: The reference to CMI Nanocide Dimensions is deleted from the specification. All other sources remain as specified.

11. **Q: Page 16, Section P.5.a., Retractors - Please delete the word “emergency” from the description of locking retractors. Emergency locking retractors are not commonly used in bus seats, except for the driver’s position. They cannot be used to secure child seats.**



A: This specification will not be deleted and will remain as specified.

APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS

12. Q: Page 17, Section Q.7., Entrance Step Guardrail - The first sentence of the section asks for a horizontal guardrail on the right side of the entrance steps. The previous paragraph asks for an entry handrail running parallel to the steps on the right side of the entrance steps. Please accept that this parallel handrail on the right side will also serve as a guardrail.

A: This specification will remain as specified.

13. Q: Page 17, Section Q.7, Wheelchair Modesty Panel - In addition to the description provided for the modesty panel behind the chair lift, please also accept our standard design that extends the padded-vinyl panel full height.

A: This specification will remain as specified.



14. Q: Page 20, Section W, Paint - When optional painting is called for, such as painted stripes or full-body color other than white, please accept that the painting is done at a specialized supplier at an off-site location, and as such the body must be complete with all body mounted accessories (rubrails, fenders, lights, etc) in place. Care will be taken to professional mask-off any components not to be painted.

A: This specification will remain as specified

15. Q: Page 25, Section I, Battery - Delco is the brand name of batteries used by GM. Please also accept the standard Ford Motorcraft brand batteries rated at a minimum of 650 CCA each.

A: Alternate batteries will be accepted if they meet or exceed the specifications.

16. Q: Page 26, Section K, Alternator - Ford now offers a 195 amp OEM alternator on its gas engine chassis. Please accept this alternator's rating in lieu of 200 amps.

A: A Ford extra, heavy-duty 195 amp alternator is acceptable providing it meets or exceeds the bus's electrical specifications.

17. Q: Page 27, Section P., Hazard Flasher - Please accept the Ford OEM hazard flasher in its standard location. Ford has upgraded the hazard flasher in 2009 to a transistorized assembly and is now a part of its "Smart Box" module.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

18. Q: Page 31, Section B.1., Lift Circuit Breaker - Because the batteries are mounted in a slide out tray, please accept that the lift circuit breaker is also mounted in the slide out tray (in lieu of under the hood) since it has to be close to the batteries.

A: This specification will remain as specified.

19. Q: Page 31, Section B.4, Fuses - In second sentence, please delete "...when expressly required by the component manufacturer". Several manufacturers use blade type fuses as standard. See attached information on the type of system we use.

A: This specification will not be deleted and will remain as specified.

20. Q: Page 31, Section B.7, Quiet Switch - Please accept an alternative location for the "Quiet Switch", located in the base of the driver's seat, out of the way so it cannot be accidentally activated. This is a heavy-duty rotary style switch with a heavy electrical cable running to it, and doesn't fit in the driver's control panel very well.

A: This specification will remain as specified.

21. Q: Page 24, Section A.1.5., AC Fittings - In lieu of EZ Clip or Quick Klik, please accept our standard ATCO Air-O-Crimp system of hoses and fittings for the AC system, as described in the attached literature. This is the system recommended by Pro-Air, our AC installer.

A: This specification will remain as specified.

22. Q: Page 35, Section C., Cold Climate Package - In the first sentence, please define "Cold Climate Package".

A: As specified – block heater with cord and covered receptacle. Contact chassis manufacturer for further information.

23. Q: Page 37, Section H, Engine Shutdown System - To the best of our knowledge, there is no commercially available engine shutdown system for the Ford gasoline engine.

A: This specification will remain as specified.

24. Q: Page 41, Section A.6, Manual - Please define what is a "drivability and emissions manual".

A: The Drivability and Emissions manual could also be referred to as a diagnostic manual. These manuals show vehicle diagnostic procedures for a diagnostic trouble code (DTC) through diagnostic charts and functional checks. Many of the chassis manufacturers publish this manual.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

25. Q: Page 43, Section C, Air Conditioning Certification - In lieu of an independent agency, please allow the AC testing to be performed by the AC manufacturer in their facility designed for this type of testing.

A: This specification will remain as specified.

26. Q: Page 43, Section D, Heating Certification - Please clarify whether both pilot buses (a gas model and a diesel model) will need to be tested, and that all vendors will have to perform the same testing. The testing is elaborate and will need to be conducted in a very specialized facility at considerable expense.

A: Only the diesel bus is required to be tested. All vendors are required to perform this test.

**27. Q: 1) Section VI.A OPTION A ONLY – AIR CONDITIONING SYSTEM:
Sub-section 3. – “*The condenser coil shall be copper tube..*” Carrier’s new Microchannel condenser coil consists of ALUMINUM tubing which is superior in heat transfer (more primary surface area), and corrosion resistance (due to the removal of the galvanic couple and the inclusion of the zinc plasma coating) to the specified copper tubing. CTD will require an exception to this wording and requests the inclusion of: “*copper or aluminum tube...*” into the specification.**

A: Aluminum is acceptable. The sentence shall read: “The condenser coil shall be a copper or aluminum tube expanded into aluminum fins and vinyl-coated.”

28. Q: Clarification requests are as follows: Sub-section 2.- Compressor ; Sub-section 3.- Condenser, and Sub-section 4.a.- Evaporators: Please change the listed suggested source company name from A.C. Industries to Carrier Transicold. A.C. Industries was purchased by Carrier Corporation in 1991.

A: All references to A.C. Industries shall be changed to Carrier Transicold.

29. Q: OPTION B- Sub-section 2.- If we provide our new model K- 410 roof mounted condenser; which is only 5.71” high vs. our old KR- 3 model which is 10.58” high, do we still need to bid a separate branch guard?

A: Yes, a separate branch guard is required.

30. Q: As most of the State of Michigan representatives know that have worked with us on previous contracts, we have complied with the requirement to establish a:

“factory dealer with repair facilities and personnel in Michigan, or may be a factory dealer...” [See page 37 Section 2.111 Inspection of Work Performed, page 1 Para. I Purpose of Specifications and various other locations in RFP].

However, in light of recent federal law we respectfully request that Michigan reconsider and delete any requirement from the terms and conditions and evaluation process in this solicitation for an in-state dealer. Provided for your convenience we submit an excerpt from the new SAFETEA legislation that



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

President Bush recently signed into law. The requirement for an in-state dealer is addressed in Section 5325. Contract requirements and reads in part:

“(h) GRANT PROHIBITION.—A grant awarded under this chapter or Federal Public Transportation Act of 2005 may not be used to support a procurement that uses an exclusionary or discriminatory specification.

(i) BUS DEALER REQUIREMENTS.—No State law requiring buses to be purchased through in-State dealers shall apply to vehicles purchased with a grant under this chapter.”

A: Delete the following sentences from the RFP document, Section 2.111:
“Final inspection will be made at a Michigan location. The successful contract shall have a factory dealer with repair facilities and personnel in Michigan, or may be a factory dealer with repair facilities and personnel in Michigan capable of handling final inspections, corrections, and warranty follow-up.”

In Appendix B, Small Bus Specifications, delete the following sentences from page 1, Section I, Purpose of Specifications, paragraph 3:

“The bidder shall have a factory dealer with repair facilities and personnel in Michigan or the bidder may be a factory dealer with repair facilities (including a bus lift) and personnel in Michigan. Any in-state facility shall be capable of handling final inspection and corrections required by the State prior to acceptance of the buses after a contract is awarded.”

31. Q: Liquidated Damages: We request that liquidated damages be deleted from this contract. Liquidated damages increase the risk and thus can impact the final price of the buses to the State of Michigan. The Federal Transit Administration discourages the use of liquidated damages unless a quantifiable loss can be calculated. We have not seen the extent of damages specified in these procurement documents before where this a large lump sum and an additional daily charge. Please delete the requirement for liquidated damages. This section is found on page 55 Section 2.243 and referenced elsewhere in the procurement documents.

A: Please refer to the answer to Question #2.

32. Q: 3.031 Reciprocal Preference [page 65] [and elsewhere in the procurement documents]: Please note that the Federal Transit Administration prohibits geographic preference for the acquisition of buses when federal funds are involved. Reciprocal preference should not be a factor in our case since our corporate offices are located in the State of New York and our Midwest office is located in Ohio and preference is not granted or practiced in the States of New York or Ohio. Please note that the State of Indiana where some of our competitors and their bus manufacturers may be domiciled do encourage geographic preference. Go to this web link to review the Buy Indiana Initiative <http://www.in.gov/idoa/2736.htm>.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

A: Per the FTA, in-state or local geographical preferences in the evaluation of bids or proposals shall be excluded except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Therefore, in the RFP document Section 3.031 Reciprocal Preference is deleted.

33. Q: **3.032 Qualified Disabled Veteran Preference page 65 [and elsewhere in the procurement documents]:** This provision appears to be a State of Michigan and not a federal provision. Because the FTA in most cases will provide up to 80% of the funding for bus purchases, we request that this provision be deleted from the procurement. While we appreciate all that our veterans have done for us and this country's freedom, we do not believe that allowing a bidding preference meets the spirit of: a maintaining a level playing field in free and open competition, FTA regulations against bidding preferences, nor does it ensure the best price to Michigan customers.

A: This is not a State or local preference. This preference applies to a bidder's status and is not a geographical preference. This section will not be deleted.

34. Q: I. PURPOSE OF SPECIFICATIONS [page 1]: 5-years/150,000 miles. The Phoenix model bus we are proposing was tested at Altoona using the 7-years/200,000 miles criteria in November 2007. The FTA has ruled that a bus model that has been tested at a higher mileage and time interval is acceptable and will not impact the funding replacement cycle. Provided below are excerpts from and two FTA web links:
http://www.fta.dot.gov/funding/thirdpartyprocurement/fag/grants_financing_6087.html
http://www.fta.dot.gov/funding/grants/grants_financing_7706.html

a. Under Subpart B 665.11 Testing Requirements (5)(f) states that "the use of a bus model in a service application higher than it has been tested for may make the bus subject to the bus testing requirements".

Does this mean that even though a bus fits into the testing category of 4 year/ 100,000 mile by definition, If MDOT requires a minimum service life of 5 years/150,000 miles.....must the bus be tested in that category?

Bus manufacturers self-select which service life category they test their buses in. However, FTA funds may not be used to procure a bus in an application requiring a higher service life category than the highest service life category in which that bus has been tested. For example, if a bus has been tested in the 7-year category, it may be sold using FTA funds in the 7, 5, and 4-year categories, but it may not be sold using FTA funds in the 10 or 12-year service life categories."

b. Who determines the useful life standards for transit vehicles, and where can this information be accessed? For subrecipients of Section 5310 and 5311 funds, the useful life of vehicles is determined by the State Agency. This information should be contained in each State's Management Plan. For direct recipients of Section 5309 and 5307 funds, FTA determines the useful life of vehicles.



FTA minimum normal service lives for buses and vans are:

Large, heavy-duty transit buses (approximately 35'-40', and articulated buses): at least 12 years of service or an accumulation of at least 500,000 miles.

Medium-size, heavy-duty transit buses (approximately 30'): 10 years or 350,000 miles.

Medium-size, medium-duty transit buses (approximately 30'): 7 years or 200,000 miles.

Medium-size, light-duty transit buses (approximately 25'-35'): 5 years or 150,000 miles.

Other light-duty vehicles, such as small buses and regular and specialized vans: 4 years or 100,000 miles.”

A: A 7-year/200,000 mile bus is acceptable and can be submitted for bid.

35. Q: I. PURPOSE OF SPECIFICATIONS [page 1] second paragraph: Please change the requirement from requiring a “quick title” to providing a “manufacturer’s statement of origin”. A quick title may only be issued by a dealer in the State of Michigan. FTA regulations prohibit the requirement of specifying an in state dealer. Please see references above in earlier request.

A: This specification will remain as specified. Quick (instant) titles can also be issued at designated State of Michigan Secretary of State branch offices. Please refer to the website link below:

<http://www.michigan.gov/sos/0,1607,7-127-1585-76317--,00.html>

36. Q: Paragraph b, Page 3 & M. Undercoating/Rust proofing page 12 [corrosion protection]: Our standard body construction includes undercoating that meets Ford QVM standards including the exposed sub-floor and body structure. All exposed and concealed structural steel body members are galvanized steel and body skins utilize galvanealed steel. We request that our standard construction be accepted as the corrosion resistant coating required in this paragraph.

A: This specification will remain as specified. Corrosion problems are an issue with Michigan transit agencies.

37. Q: Paragraph c, page 3, stainless steel door frame: We request approval of our standard door frame which is constructed of galvanized steel, primed and painted white.

A: This specification will remain as specified. Only stainless steel is accepted due to past corrosion problems.

38. Q: Paragraph f, page 4: Our standard bus comes with rubber fender splash guards on rear wheel openings. Ford does not offer standard rubber fender splash guards on the front wheel openings with their cutaway chassis. We do install front mud flaps that serve as splash guards against tire spray. We request that the requirement for front rubber fender splash guards that cover the wheel well perimeter be deleted or clarified that mud flaps are acceptable.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

39. Q: C. Passenger Door, Para. 1, page 7: We request approval to provide our standard door frame which is constructed of galvanized steel, primed and painted white, in lieu of stainless steel.

A: This specification will remain as specified. Only stainless steel is accepted due to past corrosion problems.

40. Q: C. Passenger Door, Para. 2, page 7: In lieu of a “hinged access door we request approval to provide our standard closure panel at the entrance door header for accessing the door motor and linkage. The panel can be removed totally for ease of access and is secured in place by automotive grade fasteners that can be removed without hand tools.

A: This specification will remain as specified.

41. Q: C. Passenger Door, Para. 2, page 7: We request in addition to Excell and Vapor that the Coach & Equipment [C&E] and A&M electric door operators be accepted as equal. The C&E is our own design. The A&M door operator can be viewed at this web link <http://www.anmsystems.com/electric.htm>.

A: Yes, A&M Door Systems are acceptable. The Coach & Equipment door is not acceptable.

42. Q: C. Passenger Door, Para. 3, page 7: Please accept our standard front door toggle switch that meets these specifications in every regard except that it is not a different color. It is clearly identified and labeled.

A: This specification will remain as specified.

43. Q: D. Passenger Step well, page 7: We request approval to provide our standard galvanized steel step well in lieu of stainless steel.

A: This specification will remain as specified. Only stainless steel is accepted due to past corrosion problems.

44. Q: E. Interior, Para. 1, Page 8: In lieu of South CO Model #M1-61-1 latch, we request approval to provide our standard latch to hold the door positively closed. There are two [2] metal, knurled dial handles that can be turned/tensioned to tighten down the door. See photo below of compartment with two knobs.

A: This specification will remain as specified. The State has received complaints from transit agencies over the use of knurled dial handles as they had problems closing the door.

45. Q: E. Interior, Para. 2, Page 8: We request approval to offer our standard “white” FRP interior bus body walls skins, in lieu of the light grey color requirement.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

46. Q: F. Flooring, Para. 4, page 9: We request approval of our standard flooring design where the RCA rubber floor meets the side wall at floor level in lieu of the design used by our competitor where the flooring extends up the sidewall to the seat rail. Our flooring is properly sealed and trimmed to make a water tight transition.

A: This specification will remain as specified.

47. Q: F. Flooring, Para. 8, page 9: Due to changes on the Ford Chassis for model year 2009 we will "NOT" be able to offer a fuel sender access panel in the floor. Ford has moved the gas tank and fuel sender directly between the frame pucks for mounting cross members. We would be in violation of Ford QVM if we were to change the cross member mounting points. Please delete this requirement.

A: The State verified this change with Ford Motor Company. The access panel to the fuel tank sending unit can be removed; however, bidders are still required to provide an access panel to the reservoir fill/check areas.

48. Q: G. Emergency Exits, Para. 2, page 9 & 10: We request approval of our standard galvanized steel door frame in lieu of stainless steel. Our emergency door design has evolved over the last several years to include new hinges, seals and construction to ensure proper corrosion protection.

A: This specification will remain as specified. Only stainless steel is accepted due to past corrosion problems.

49. Q: K. Mud Flaps, page 11: We request approval to provide our standard front and rear mud flaps that do not include the inverted "T" bracket. We also request approval of our standard design which includes rear body but not front chassis wheel well rubber fender splash guards [see earlier request regarding splash aprons].

A: This specification will remain as specified.

50. Q: N. Paragraph 1. Interior Mirror, page 12: Please accept our standard interior "convex mirror" which exceeds the 4" x 12" minimum requirements in lieu of the specified "flat mirror".

A: This specification will remain as specified.

51. Q: 1. Driver's Seat, page 13: Please confirm that the Ford OEM driver's seat is also acceptable.

A: Yes, a Ford OEM driver's seat is acceptable if it meets or exceeds the RFP specifications.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

52. Q: 4. All Seats, page 14: To minimize misinterpretation please clarify what Level [Ex. 1, 2, 3, 4, 5, 6] fabric, cloth and vinyl, Michigan requires. It is our interpretation of these specifications that Level 4 Docket 90 fabric for the vinyl seats is required and that the seat bottom and back must be fully encapsulated. However, we have two concerns with this specification. We are told by our seat supplier that the CMI Dimensions cloth fabric specified does not meet Docket 90 as your specification requires. Synergy Level 6 cloth does meet Docket 90. Also, we wish to clarify that it is customary for the seat manufacturer to use its standard encapsulation backing fabric underneath the seat cushion bottom to completely enclose the cushion instead of using the same material all the way around the seat cushion. We request approval to provide standard Docket 90 seat backing material for encapsulation. Please confirm or clarify.

A: The reference to CMI Nanocide Dimensions is deleted. Yes, Synergy Level 6 is acceptable if it meets or exceeds specifications. Yes, the State will accept the manufacturer's standard encapsulation backing fabric underneath the seat cushion if it meets or exceeds Docket 90.

53. Q: 8. Exterior Lighting, Para. 2, page 18: Please accept our C&E standard license plate light in lieu of the specified Peterson Model M143C-MV with Peterson Model 150-40 bracket.

A: This specification will remain as specified.

54. Q: 8. Exterior Lights, Para. 3 Marker Lights, page 18: Please accept our standard armor protected LED oblong marker lights in lieu of the 2" diameter specified lights. Please see photo below.

A: This specification will remain as specified.

55. Q: 8. Exterior Lighting, License Plate Mounting Para. 7, page 18: Please accept our standard license plate mounting. See photo above in request 20.

A: This specification will remain as specified.

56. Q: U. HVAC, Rear Heater Para.3, page 19: Please accept our standard floor mounting arrangement of rear heater in lieu of requiring rubber or nylon insulators between the mounting base and the bus floor. See photo below.

A: This specification will remain as specified.

57. Q: U. HVAC, Rear Heater Hose Paras.4 & 7, page 19 & 20: In lieu of EPDM material hose, please accept our automotive grade rubber heater hose that does not require insulation and has sufficiently inherent insulating properties to not require an additional level of insulation as required in paragraph 7.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

58. Q: U. HVAC, Rear Heater Shut Off Valves Para.5, page 19: Please accept our standard shut off valve location. Valves are accessed from underneath the vehicle inside the frame rail about two feet behind the driver’s seat mounting location.

A: This specification will remain as specified.

59. Q: V. Windows, Para. 1, page 20: Please accept our standard windows which meet all applicable FMVSS requirements for automotive safety glass. We are not clear what is meant by “double density”. Our windows are upper “T” sliders and are a single pane thick. Please also accept our driver’s right side window which is single piece automotive safety glass meeting specifications but is not provided by Hehr or Kinro.

A: This specification will remain as specified. Please contact the glass manufacturer as referenced.

60. Q: W. Paint: Please accept our white bus paint process as meeting the requirements of this entire section. We believe our process exceeds these requirements. Our paint process is described in a narrative enclosed with these requests.

A: This is acceptable if it meets or exceeds specifications.

61. Q: X. Insulation, Para.1: Our passenger and driver floor areas are not insulated. Our entire bus has an R7 insulation rating. Our floor structure consists of a metal belly pan, overlaid with ¾” plywood and then the floor covering material. Please approve.

A: This specification will remain as specified.

62. Q: Y. Type I Lift, Door Frame Para.3, page 22: We request approval of our standard galvanized steel door frame in lieu of stainless steel.

A: This specification will remain as specified. Only stainless steel is accepted due to past corrosion problems.

63. Q: I. Battery, page 24 & 25: We request approval to provide:

- a. Two [2] Ford chassis OEM fully charged batteries in lieu of the specified Delco batteries, and**
- b. Our gasoline powered bus one battery is located under the hood in the engine compartment and the other in the skirt mounted battery box in a stainless steel roll out tray, in lieu of both batteries in the skirt mounted battery box. For the diesel engine bus both batteries are located in the skirt mounted battery box with stainless steel slide out tray.**
- c. The inside of our battery box is painted galvanized steel in lieu of being covered with an insulating material.**
- d. Out standard D Ring pull style battery compartment door latches in lieu of the specified SouthCo Model #M1-61-1. See photo below.**



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

- A:** a. Please refer to the answer for Question #15.
 b. This specification will remain as specified. All batteries are to be located in the stainless steel slide-out tray.
 c. This specification will remain as specified. Only stainless steel is accepted.
 d. The specification for latches will remain as specified.

64. Q: J. Battery Cable and Grounds, page 25: We request approval of our standard cabling and grounding which meets the intent of these specifications and as provided in previous contracts. A description of our electrical system is enclosed with these requests. We are able to provide detailed wiring diagrams upon request.

A: This is acceptable if it meets or exceeds specifications.

65. Q: K. Alternator, Page 26 & 27: We request approval to provide a 195 Amp alternator that will meet the power requirements of this bus as specified. Effective with model year 2009, Ford introduced a high capacity 195 amp alternator compatible with the 6.8L gasoline engine that is warranted by Ford. Requiring a 200 Amp alternator would require bidders to use an aftermarket alternator. Reducing the requirements for the alternator by 5 amps gives them the full coverage of the ford bumper to bumper warranty.

A: Please refer to the answer to Question #16.

66. Q: L Fast Idle, Page 27: We propose to offer the InterMotive AFIS listed in the specifications. Please note that this system does not include a manual switch as specified but is instead fully automatic.

A: This is acceptable if it meets or exceeds specifications.

67. Q: O. Hazard Flasher, page 27: We request approval to provide the Ford chassis standard location on the column and Ford OEM flasher in lieu of the specified dash location and suggested sources.

A: Please refer to the answer to Question #17.

68. Q. Suspension, MorRyde Para.2, page 28: Please delete the requirement for an aftermarket add on rear suspension system and accept the Ford OEM suspension system. We are experiencing an inordinate number of warranty claims when using any of the aftermarket add-on rear suspension systems that offer little if any advantage in ride quality. To assist with load leveling of the vehicle we are able to offer in lieu of an after market rear suspension system, our C&E spacer block that is added to the lift side of the buses rear suspension.

A: This specification will remain as specified.

69. Q: S. Wheels, page 28: Please accept Ford OEM standard valve stems in lieu of the stainless or brass specified.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

70. Q: W. Radiator and Cooling System, page 28: Please accept the standard cooling system that comes on the Ford OEM chassis which is a belt driven fan, in lieu of a clutch-type fan.

A: This specification will remain as specified.

71. Q: B. Electrical, Lift Protection Para. 1, page 31: Please accept our fuse protected lift circuit in lieu of requiring a manual reset circuit breaker. This fuse is located in the battery box and not under the hood.

A: This specification will remain as specified.

72. Q: B. Electrical, Panels Para.4, page 31: We do not use the RC Tronics system. Our electrical engineers have designed our own electrical system. Please see an explanation of our electrical system attached.

A: Yes, if it has a lifetime warranty and meets or exceeds specifications, then it is acceptable. The RC Tronics system has a lifetime warranty.

73. Q: B. Electrical, Panels Para.7, page 31: We do not use a constant solenoid or a master switch in our electrical system. We request approval of our electrical system. See wiring diagrams attached. Please approve.

A: This specification will remain as specified.

74. Q: Option F. Engine Shutdown System, page 37: We request that this requirement be deleted. The Murphy system is an aftermarket system not supported by the chassis OEM. The diesel engine has its own built in protection system that is standard on the Ford OEM diesel chassis.

A: This specification will remain as specified.

75. Q: A. Vehicle Information Furnished, Para. 7 DVD, page 41: We request that this requirement be deleted.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

76. Q: B Manufacturer Quality Control: In this section of the specifications we appreciate that the ISO 9001:2000 Certification is cited as an example of a quality control program but is not a requirement. Our manufacturer is in the process of ISO certification. We estimate that it will take us approximately 9 - 10 months to receive our certification. Until then we will continue to use the excellent quality program that the State of Michigan has seen first hand in our most recent contract. Also, the fact that we are actively in the certification process and that we have such a high QVM rating from Ford indicates our commitment to quality. As you know ISO alone does not involve any judgment of a company's product quality -- only that the company has certain processes in place and are trying to follow their own processes, even if those processes are ineffective in assuring product quality. Many companies not certified by ISO build a much higher quality product, and just not have taken the time and gone to the expense of ISO certification. We shall submit our quality control plan with our bid.

A: The State has acknowledged your comment.

77. Q: This letter is being written to request an approved equal status for the A&M door actuator/control and the A&M door leafs. This change is being requested by EIDorado National as a result of Vapor Industries 2005 decision to eliminate the model that they had been providing to EIDorado National. This change was allowed for both of the following prior contracts and the product has performed well: Medium Duty Bus Contract No. 071B4200165 and Small Bus Contract No. 071B5200049.

A: Please refer to the answer to Question #41.

78. Q: Pages 14 & 15 of the specification: The Specifications call for the seat foam to be encapsulated. Does the State require the bottom of the seat cushion to match the seat fabric or can a more cost effective material be utilized? If matching is required, this is an increased cost dependent upon which fabric/vinyl chosen.

A: Please refer to the answer to Question #52.

79. Q: Pages 14 & 15 of the specification: This is just a point of clarification from Freedman regarding Section 4(a)(7) – CMI Nanocide Dimensions is a vinyl not fabric and is not Docket 90 material. This should be removed as a cloth suggested source according to Freedman Seating.

A: Please refer to the answer to Question #10.

80. Q: Pages 14 & 15 of the specification: Is Synergy an acceptable D-90 fabric for this procurement? Supporting information attached.

A: Please refer to the answer to Question #52.

81. Q: Page 17 of the specification: Does the State require LED interior courtesy lights?

A: Yes, LED interior courtesy lights are required.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

82. Q: This is a request for an approved equal status for the new Eldorado National battery box latches: Eldorado is continually making product improvements. Such is the case with our new Battery Box Latches. Part number is E3-57-52. Our new latches are still a SouthCo product as stated in the specification, however the new latches provide a superior functionality and longer life expectancy than the M1-61-1 due to the material used (Stainless Steel) and its corrosion resistant properties. We would like to request that the State specification include the new and improved latches we are now using as standard equipment on our buses as an approved equal.

A: This specification will remain as specified.

83. Q: Section VI.A OPTION A ONLY – AIR CONDITIONING SYSTEM:

a. Q: Sub-section 3: “The condenser coil shall be copper tube” Carrier’s new Microchannel condenser coil consists of ALUMINUM tubing which is superior in heat transfer (more primary surface area), and corrosion resistance (due to removal of the galvanic couple and the inclusion of the zinc plasma coating) to the specified copper tubing. We will require an exception to this wording and request the inclusion of: “copper or aluminum tube...” into the specification. (supporting documentation attached)

A: Please refer to the answer to Question #27.

b. Q: Sub-section 2. – Compressor; Sub-section 3. – Condenser, and Sub-section 4.a. – Evaporators: change the listed suggested source company name from A.C. Industries to Carrier Transicold. A.C. Industries was purchased by Carrier Corporation in 1991.

A: Please refer to the answer to Question #28.

c. Q: OPTION B – Sub-section 2. – if we provide our new model K-410 roof mounted condenser; which is only 5.71” high vs the old KR-3 model which is 10.58” high, do we still need to bid a separate branch guard?

A: Please refer to the answer to Question #29.

d. Q: Section VII. C. Air Conditioning Certification: We are requesting that the State revise the requirement for an INDEPENDENT lab test for the heating/cooling in favor of one done at ENC or Carrier. This would provide a cost savings since an independent test costs approximately \$5,000 and would require contracting, scheduling, etc with an outside firm which might hold up pilot completion/sign off.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

84. Q: This is a request for clarification on Article 1.0708 Security: The driver security background check has not been a requirement in the past for the delivery of buses and represents a significant expense to the contractor. As the drivers are not entering government buildings/facilities, but simply delivering the vehicle(s), we are asking that the security background check requirements be waived.

A: Article 1.0708 Security has been deleted from the RFP document.

85. Q: Page 15, Section 1.062 Price Term: Will you consider an escalation clause on the body in addition to the changes in the chassis equipment? Prices have been extremely volatile recently and almost impossible to project. We ask that you consider an escalation clause based on the PPI that would allow a price adjustment after a period of time. Proposed language is attached for your consideration.

A: This clause will remain as stated.

86. Q: Page 41, Section 2.125 Equipment Warranty: The last paragraph notes that warranty work must be performed at a mutually agreed upon location. Please acknowledge that warranty work on the chassis has to be done at the chassis manufacturer's service center.

A: This is acceptable to the State.

87. Q: Page 1, Section I. Purpose: Will you consider allowing buses to exceed 95% of the spring capacity as long as the bus will not exceed the GAWR and GVWR of the chassis? Some of the seating plans will exceed the 95% of the spring capacity if all of the options were selected, however, the bus weights will not exceed either the GAWR or the GVWR limitations.

A: This specification will remain as specified.

88. Q: Page 1, Section I. Purpose: As chassis front ends have increased in length, seating plans B and D will exceed 21' 11", excluding the energy absorbing portion of the bumper. Will you accept these seat plans on longer buses, as long as two wheelchair securement spaces are provided? Sample plans are attached.

A: Please refer to the answer to Question #5.

89. Q: Page 3, Section B. Body Structure and Exterior Panels, sub-sections b, c, d, f, and h.:

a. We use both galvanized and aluminized steel in our structure. Is this acceptable?

A: This is acceptable if it meets or exceeds the specifications.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

b. We request approval to coat only the welded areas of the structure with a corrosion resistant coating.

A: This specification will remain as specified.

c. Box tubing used in our floor structure is either galvanized or aluminized on the interior. We request that this treatment be accepted in lieu of the coating requirements in Section II. M.

A: This specification will remain as specified.

d. Will you accept our standard steel skin that is .020 (25-gauge) steel, two sides galvanized, in lieu of 20-gauge galvanized steel? The use of 20-gauge material will add unnecessary weight to the bus.

A: This specification will remain as specified. There have been issues with warping/bowing in the siding in the past.

e. We use coated screws for fastener retention in panels and screws and battens on ceiling panels. Approval is requested.

A: This specification will remain as specified.

f. We use self-threading screws to retain the rubrail and No. 8 plated, self-threading bolts for the splash guards. Is this acceptable?

A: Yes these are acceptable if it meets or exceeds the specifications.

g. We request approval for a 3/16", +/- 1/16", frame clearance. This installation is acceptable to our window supplier.

A: This specification will remain as specified.

90. Q: Page 7, Section C. Passenger Door, 2.: We request approval to provide a door system supplied by A&M. The system meets all specification requirements.

A: Please refer to the answer to question #41.

91. Q: Page 9, Section Flooring, 4.: We haven't been able to develop a method of running the flooring up the rear wall that will look finished and seal properly in the corners. Therefore, we suggest stopping the flooring at the rear wall and using caulk to seal the area where the flooring meets the rear wall. An ABS trim strip would be used to finish the area and prevent water from reaching this area.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

- 92. Q: Page 10. Section G. Emergency Exits, 2.: We request approval to provide a gas prop in lieu of a sliding door stop to maintain the door in the open position. Is this acceptable?**
- A:** This specification will remain as specified.
- 93. Q: Page 10. Section G. Emergency Exits, 2.: We use a purchased door that has an FRP skin on both side of the door. Please approve.**
- A:** This is acceptable if it meets or exceeds the specifications.
- 94. Q: Page 12. M. Undercoating/Rustproofing 2.: All box tubing will be either aluminized or galvanized steel on the interior and exterior. We propose this method of rustproofing in lieu of an alternate corrosion resistant material. Approval is requested.**
- A:** This specification will remain as specified.
- 95. Q: Page 13. Section P. Driver’s Seat, 1a: The driver’s seat will be mounted on the chassis OEM seat base. We cannot modify the base, so it will provide the adjustments as supplied by the chassis manufacturer. Please acknowledge.**
- A:** This is acceptable if it meets or exceeds the specifications.
- 96. Q: Page 15. Section 4. All Seats, (7): The suggested CMI Nanocide Dimensions is a vinyl that does not meet Docket 90. We propose to use LaFrance Synergy fabric which can be seen on the Freedman Seating Co. web site.**
- A:** Please refer to the answer to question #10.
- 97. Q: Page 15. Section 4. C. Seats General, (2): Is the integrated child restraint to have two child restraints, or a single CRS and a companion seat?**
- A:** The integrated child restraint has a single child restraint with a companion seat.
- 98. Q: Page 16, Section Q. Handrails, Stanchions, 1.: We propose to use fittings and brackets constructed of stainless steel rather than yellow coated steel. Please approve.**
- A:** This specification will remain as specified.
- 99. Q: Page 18, Section S. Exterior Lighting: Please delete the requirement for voltage regulated lamps as this feature is only available from one of the suggested sources listed.**
- A:** This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

100. Q: Page 22, Section Lift, 6.: Is it your intent that manufacturer's are to provide a lift padding kit?

A: The State's intention is for the vendor to pad sharp corners and edges. If padding is needed, please do not cover the lift counter.

101. Q: Page 23, Section Lift, g.: A lift manufacturer has asked for clarification of the requirement for controls on a flexible, cut resistant cable. They offer a shielded pendant, but suggest using their standard (coiled) pendant. They will send a sample for review if you would like to evaluate this material.

A: A cut-resistant, coiled pendant is acceptable.

102. Q: Page 24, Section IV Chassis Specifications: We request approval to have the chassis pre-delivery inspection performed by our mechanic who is authorized by the chassis manufacturer to perform this inspection.

A: This is acceptable to the State.

103. Q: Page 24, Section A. Chassis: We request approval to provide a cutaway Shuttle Bus chassis.

A. This specification will remain as specified.

104. Q: Page 25, Section I. Battery:

a. We request approval to provide the chassis OEM batteries which have a combined CCA rating of 650 for the gas chassis and 750 for the diesel chassis.

A: This specification will remain as specified. The combined CCA rating is 1250 minimum.

b. We request approval to provide a battery tray as shown on the attached drawing, 0410430. Please advise if this meets your requirement for a "totally enclosed" compartment.

A: This tray is acceptable if its stainless steel and meets or exceeds specifications.

c. We request approval to provide our standard thumb locks.

A: This specification will remain as specified.

105. Q: 26, Section J. Battery Cable and Grounds.: In addition to the OEM chassis ground straps (engine and frame), we provide two gauge bonding grounds at the front and rear of our welded cage structure. This meets all grounding requirements necessary for this application. Approval is requested.

A: This is acceptable if it meets or exceeds specifications.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

106. Q: Page 27, N. Fuel Tanks: In lieu of a protective cage, we request approval to provide a tank that is inboard on the frame rails. Approval is requested.

A: This specification will remain as specified.

107. Q: Page 27, Section O. Hazard Flashers: We request approval for the chassis OEM flasher and control. It is both reliable, and covered by the chassis warranty.

A: Please refer to the answer in Question #17.

108. Q: Page 31, Section B. Electrical, 4.: We request approval to mount the heater module on the back of the electrical panel. It is easily accessible in this location.

A: This specification will remain as specified.

109. Q: Page 33. Air Conditioning System:

a. Our supplier has requested that the suggested source company name be changed from A.C. Industries to Carrier Transicold. Carrier purchased A. C. Industries.

A: Please refer to the answer in Question #27.

b. Carrier requests approval of their new Microchannel condenser coil made of aluminum tubing which is superior in heat transfer (more primary surface area), and corrosion resistance (due to the removal of the galvanic couple and the inclusion of the zinc plasma coating) to the specified copper tubing. Reference the attached information.

A: Please refer to the answer in Question #28.

c. Carrier's new K-410 roof mounted condenser is only 5.71" high vs. their old KR-3 model which is 10.58" high. Is a separate branch guard still required with the new lower profile condenser?

A: Please refer to the answer in Question #29.

110. Q: Page 35., Manual Entrance Door: The manual door control rod impinges into the door opening, resulting in a 28" clear opening in this area. We request an exception to the 30" opening in this one area.

A: This specification will remain as specified.

111. Q: Page 36, Section D. Auxiliary Air Heater System: Espar is requesting confirmation that a 7 day timer is required with the air heater. This heater is normally installed with a dash mounted rheostat control in lieu of a 7 day timer. The rheostat is much easier to operate, although diagnostics are not automatically displayed.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

112. Q: Page 36, Section E. Power Seat Base for Driver’s Seat: We request approval to provide an aftermarket seat base supplied by Adnik. This will eliminate the need to special order a chassis for this feature.

A: This is acceptable if it meets or exceeds the specifications.

113. Q: Page 39, Section O. Two-way Radio Power: We request approval to provide metal Greenleaf conduit rather than plastic conduit. It is more durable and provides better RF shielding.

A: This is acceptable if it meets or exceeds the specifications.

114. Q: 42. Section B. Manufacturer’s Quality Control: We request approval to conduct the water test on the completed bus. We have no way to conduct water testing prior to the installation of interior trim and insulation.

A: This specification will remain as specified.

115. Q: Page 43. Section C. Air Conditioning Certification: We request approval to have the performance testing conducted by representatives of the a/c supplier.

A: Please refer to the answer in Question #25.

116. Q: Page 43. Section D.: Please delete the requirement for a chassis dynamometer. There is no way to provide this feature if the test is conducted in natural cold climate conditions and very few facilities offer this feature.

A: This specification will remain as specified.

117. Q: Page 44. Section F. Warranty: The chassis warranty is provided and administered by the chassis manufacturer. The body will be provided and installed by a manufacturer qualified by the chassis manufacturer. However, the chassis manufacturer remains responsible for their warranty.

A: This is acceptable to the State.

118. Q: Page 1, Section 1, Specifications: The specs state, “The successful contract shall have a factory dealer with repair facilities and personnel in Michigan”. Mandating that the factory have a dealer in the state is showing a geographic preference. FTA regulations prohibit geographic preference for bus procurements. We recommend changing this section to state “ representative” instead of “factory dealer” for companies without a dealer in the state.

A: Please refer to the answer in Question #30.

119. Q: Page 1, Section 1, Specifications: Please accept that our single wheelchair buses may exceed 21’ 11” in length to meet proposed floor plan requirements and ADA requirements.

A: Please refer to the answer in Question #5.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

120. Q: Page 2, Section II, Welding: Please accept that our welds will be treated with primer but will not then be painted.

A: This specification will remain as specified.

121. Q: Page 2 and 7, Section B & D, Body Specs & Stepwell: Please accept that our attachment hardware meets the salt spray test but has not been tested for humidity.

A: This specification will remain as specified.

122. Q: Page 3 & 12, Section B & M, Undercoating: Please accept the interior of the box type tubing will not be coated with corrosion resistant material.

A: This specification will remain as specified.

123. Q: Page 3, Section B, C, D & F, Body Structure:

a. Please accept that the primer used on structural members will not be zinc based. Information provided.

A: This specification will remain as specified.

b. Please accept that most major bus manufacturers use a luan substrate in the manufacture of their buses. By not allowing the use of a wood substrate, restricts the competitive bidding of this RFP.

A: This specification will remain as specified.

c. Please accept the exterior side panels will be .040 aluminum and the roof panel will be .040 FRP.

A: This specification will remain as specified.

d. Please clarify the following: The specs state that “All exposed door frame structure shall be made of 304 stainless steel, acid –etched, coated with zinc based primer and powder coated OEM white (including fasteners)” What exactly is a door frame structure? Are you referring just to the dormer for the lift door? In regards to the fasteners, do you mean the piano hinges?

A: The entire door frame structure including the dormer for the lift door and the hinges.

e. Please accept that the rear cap will be ABS plastic not fiberglass or FRP.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

f. Please delete requirement for fender flares added to the Ford front wheel wells.

A: This specification will remain as specified.

124. Q: Page 7, Section 1-3, Passenger Door:

a. Please clarify the following: The spec states that “any door with an exposed (metal showing) outer frame shall be made of 304 stainless steel, acid etched, coated with zinc based primer and powder coated OEM white (including fasteners)” What exactly is an “exposed outer frame”? What part of entry way has to be 304 stainless?

A: This specification will remain as specified. Stainless steel is required for any area where metal is visible and exposed to the elements. The goal is to eliminate any areas of corrosion.

b. Please accept that the clear opening of the entry door when measured between the open door panels will be 32”. When measured between entry grabs it will be 29 ¾”.

A: This specification will remain as specified.

c. Please accept that the entry door header will be from A&M. Information provided.

A: Please refer to the answer in Question #41.

d. Please accept the switch for the entry door will be a different color (back light will be red instead of green), but it will not be labeled open and closed.

A: This specification will remain as specified.

125. Q: Page 7, Section D, Passenger Stepwell:

a. Please clarify the following: The spec states that “all metal trim hardware in the stepwell area shall be stainless steel” What part of the entry way has to be 304 stainless?

A: This specification will remain as specified. All steps, step wells, fasteners, and trim shall be stainless steel. The goal is to eliminate any areas of corrosion.

b. Please accept that our ground to first step will range between 11 ½” and 12 ½” depending on where the measurement is taken and if the bus is loaded or not.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

c. Please clarify the following: The spec states that “any interior stainless steel except for exposed door frames shall be brushed, not painted”. What are you exactly referring to?

A: A shiny finish is not acceptable. A brushed texture is required to dull the stainless steel finish.

126. Q: Page 8 and 10, Section E & G5, Interior: Please approve mounting some interior decals on clear plexiglass plates in lieu of metal plates.

A: This specification will remain as specified.

127. Q: Page 9, Section G 1, 2 & 4, Emergency Exits:

a. Please clarify the following: The specs states that “all exposed exit door frame/jamb structure shall be made of 304 stainless steel, acid –etched, coated with zinc based primer and powder coated OEM white (including fasteners)” What exactly is a “door frame/jamb structure”? By fasteners, do you mean the piano hinges?

A: The frame/jamb is the structure where the emergency exit door is attached to. It included the all fasteners and hinges.

b. Please accept that the glass in the emergency door will be AS-3, which is the industry standard, in lieu of AS-2.

A: This specification will remain as specified.

c. Please clarify the following: The specs states that “any door with an exposed (metal showing) outer frame/jamb shall be made of 304 stainless steel, acid –etched, coated with zinc based primer and powder coated OEM white (including fasteners)” What exactly is an “ exposed outer frame”? What part has to be 304 stainless?

A: The frame/jamb that is visible and exposed to the elements that could potentially cause a corrosion issue. All material shall be 304 stainless steel.

d. Please clarify the following: What is a non-closing static exhaust vent?

A: Please contact DMA 1122, Specialty Manufacturing Co, or Transpec Inc. as they can provide the exact product details.

128. Q: Page 12, Section M.1, Undercoating: Please accept Tectyle 517 undercoating in lieu of Tectyle 121-B. Information provided.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

129. Q Page 12, Section M.2, Rustproofing: Please accept Nanochem gray primer in lieu of Waxoly or Ziebart. Information provided.

A: This specification will remain as specified.

130. Q: Page 12, Section O, Exterior Mirrors: Please clarify the following: Does the crossover mirror have to be remote adjustable?

A: Yes, as specified, it is required to be remote adjustable.

131. Q: Page 13, Section P.2., Passenger Seats: Please accept, per Freedman, seats for small buses do not have to meet complete white book standards. They do however, meet all applicable federal standards.

A: This specification will remain as specified.

132. Q: Page 14, Section P.4., All Seats: Please clarify the following: The specs states that the seat cushions have to be completely enclosed with cloth type fabric. Does it need to be the same fabric the seat is covered in or can it be a different fabric that has the same flame and smoke characteristics as the seat fabric?

A: Please refer to the answer in Question #52 .

133. Q: Page 14, Section 2c., Seats: Please clarify the following: page 14 item (C) requires grab handles on the top of the seat for single passenger. Page 13 item (B) states that grab handles are NOT required on seats that have a back against a wall. All of your floor plans that have a single seat show flip seats, and have a back against the wall.

A: Handles are not required on single seats that have a back against the wall.

134. Q: Page 14, Section 2e., Arm Rests: Please verify that you only want arm rests on aisle facing seats and not arm rests on forward facing seats next to the aisle.

A: As specified, arm rests are required on the aisle facing seats only.

135. Q: Page 15, Section P. 4.3., All Seats: Please accept that the seat back depth for Freedman Featherweight seat is 4” at some points in lieu of the 3 ½” overall.

A: This is acceptable providing all seats meet the 27” minimum knee to hip room as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

136. Q: Page 17, Section Q. 7, Handrails, Stanchions: Please accept that there will not be a vertical stanchion or horizontal grab on the front side of the entry steps. This is the cab area and the requested items are not necessary for ADA or safe entry into the bus and they will impede view through the transition window.

A: This specification will remain as specified.

**137. Q: Page 18, Section S, Exterior Lighting:
a. Please accept that Maxxima LED lights in lieu of Trucklite or Peterson. Information provided.**

A: This is acceptable if meets or exceeds the specifications.

b. Please accept our surface mounted LED clearance and marker lights form Trucklite in lieu of 2” round flush mount lights. Photo provided.

A: This is acceptable if meets or exceeds the specifications.

c. Please accept that a jack nut will not be used to secure the license plate mount, however, stainless steel screws will be used.

A: This specification will remain as specified.

138. Q: Page 19, Section U, Heating: Please accept that Ford does not state the performance data regarding the front heat system. It is unknown if the criteria stated under U.2 will be met by the chassis heater.

A: This specification will remain as specified.

139. Q: Page 20, Section V, Windows: Please clarify the following: What is “double density “safety glass? Is a Thermopane window being required? If not, define “double density”.

A: Please refer to the answer in Question #59.

**140. Q: Page 22, Section Y, Type 1 Lift:
a. Please clarify the following: The spec states that the successful bidder shall deliver the lift-equipped bus with the type of lift equipment requested by the state. What manufacture do you prefer?**

A: Suggested sources are listed in the specifications.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

b. Please clarify the following: The specs states that “all exposed exit door frame/jamb structure shall be made of 304 stainless steel, acid –etched, coated with zinc based primer and powder coated OEM white (including fasteners)” What exactly is a “door frame structure”? Are you referring just to the dormer for the lift door? By fasteners, do you mean the piano hinges?

A: The entire door frame structure includes the dormer for the lift door and the hinges.

c. Please accept that the W/C lift will be mounted to the floor only, per the manufactures instructions. It will not be mounted to the wall.

A: Accepted if it meets manufacturer’s instructions.

g. Please accept that the lift control cord will be pig tailed, not enclosed in protective conduit.

A: Please refer to the answer in Question #101.

h. Please accept that the lift comes in one color only. There is no choice of colors.

A: This specification will remain as specified.

141. Q: Page 24, Section III.3., Wheel Chair Securement: Please accept the securement wall anchorage point for the shoulder belt will be 11-gauge cold-rolled steel, which will be fully enclosed and will not be subject to corrosion in lieu of stainless steel.

A: This specification will remain as specified.

142. Q: Page 25, Section H, Differential: Please clarify how the axle must be marked if synthetic oil is used.

A: This specification will remain as specified.

143. Q: Page 25, Section I, Battery: Please accept that the dual batteries will be standard from Ford and will be Motorcraft batteries in lieu of Delco.

A: Please refer to the answer in Question #15.

144. Q: Page 26, Section J, Battery Cables: Please accept that some ground straps will be secured with self tapping screws combined with W star washers which meets QVM requirements and some will be bolted as specified.

A: This is acceptable if it meets or exceeds specifications.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

145. Q: Page 27, Section K, Alternator: Please accept that Ford does not offer a 200 AMP alternator. We will provide a 155 AMP alternator with a 5.4L engine and a 195 AMP alternator with a 6.8L engine.

A: The 155 amp alternator is not acceptable. The 195 amp alternator is accepted as previously answered in Question #16.

146. Q: Page 27, Section O, Hazard Flasher: Please accept that the standard hazard control switch from Ford is located on the top the steering column.

A: Please refer to the answer in Question #17.

147. Q: Page 28, Section T, Tires: Please accept that the tires will be LT225/75Rx16E as specified. They will not be the largest size available from Ford.

A: The LT225/75Rx16E tire is acceptable providing it meets the GVW rating and meets or exceeds the specifications.

148. Q: Page 30, Section Z, Exhaust System: Please note that the exhaust pipe will terminate as specified, however, this may not provide maximum ground clearance, and departure angle.

A: This specification will remain as specified.

149. Q: Page 31-32, Section B, Electrical:

a. Please accept that the breaker for the lift will be installed in the battery box for easier access in lieu of under the hood.

A: Please refer to the answer in Question #18.

b. Please accept the wiring for the Trans/Air will be color coded only.

A: This specification will remain as specified.

c. Please accept that we use an over molded, rubber sealed, positive lock connector in lieu of the heat shrink tubing.

A: This specification will remain as specified.

150. Q: Page 32, Section A.1-4, Air Conditioning:

a. Please accept that the specified tie-in system from Trans/Air will not meet performance specifications. A dual compressor ‘Super System’ will meet the specs.

A: This specification will remain as specified.

b. Please accept that the Trans/Air fittings are tested to ASTM B117 for 360 hours in lieu of ASTM D117.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

c. Please accept that the Trans/Air condenser is not vinyl coated.

A: This specification will remain as specified.

d. Please accept our Trans/Air proposed evaporator (TA73) will meet specs at 1600cfm.

A: This specification will remain as specified.

e. Please accept that the Trans/Air drain pan is ABS.

A: This specification will remain as specified.

151. Q: Page 32, Option A, Air Conditioning:

a. Please accept ACC Climate Control as an approved equal to Trans Air and Carrier.

A: This specification will remain as specified.

b. Please accept that ACC uses an orifice and accumulator in lieu of expansion valve and dryer and puts the low-pressure switch between the evaporator and accumulator and high-pressure switch between the condenser and evaporator.

A: This specification will remain as specified.

c. Please accept that ACC will use (2) 14” fans in lieu of (3) 10” fans, which produces comparable performance with less amp draw.

A: This specification will remain as specified.

d. Please accept that ACC uses fuses and manual re-set breakers in lieu of automatic breakers as a safety precaution.

A: This specification will remain as specified.

e. Please accept that ACC will use Atco “AN” style Air-O-Crimp fittings that features a 1 piece design and multiple deep grooves in lieu of elastomeric seals to create a leak free seal (Atco’s current design does meet the specification and may be available if required).

A: This specification will remain as specified.

152. Q: Page 36, Section B, Manual Entrance Door: Please accept that the flexible seal on the entry door is not 12” in width as specified. Each door panel has a cushion of 2 ½”.

A: This specification will remain as specified.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

153. Q: Page 36, Section D, Auxiliary Air Heater System: Please accept that the plug for the engine heater will be located in the grill and will not be moved.

A: This specification will remain as specified.

154. Q: Page 37, Section H, Engine Shutdown System: Please delete this option. Ford does not recommend these systems or do they offer one of its own. Installation of such a system could void the Ford warranty.

A: This specification will remain as specified.

155. Q: Page 37, Section K, Rear Emergency Exit Window: Please accept that the glass in the optional rear egress window will be 1054 Sq. inches in lieu of 1200 Sq. inches. The rear emergency window meets FMVSS Part 38 “ADA” and FMVSS 217 “Bus Window Retention and Release requirements”.

A: This specification will remain as specified.

156. Q: Page 38, Section N, Rear Five Place Passenger Seat: Please accept that the optional center seat on the rear row will not have an under seat retractor seat belt as there is not enough room. Seat belt will have a lap retractor.

A: This specification will remain as specified.

157. Q: Page 41, Section VII, Manufacturer Requirements:

a. Please clarify the following: What is a standard manufacturer’s production option sheet/decal for chassis and body?

A: This is a standard production tag on every chassis usually mounted near the radiator. Contact the chassis manufacturer for further information.

b. Please clarify the following: What is a service broadcast sheet?

A: The service broadcast sheet is standard with the chassis manufacturer and similar to the Ford QVM. Contact the chassis manufacturer for further information.

158. Q: Page 44, Section F.7., Chassis Warranty: Please accept the chassis will be warranted by the chassis manufacture.

A: This is acceptable to the State.

159. Q: Page 45, Section G., Miscellaneous: Please clarify the following: Two pilot buses are required. One gas and one diesel. Does the A/C pull down test have to be performed on both buses or just one? If one, which one?

A: The A/C pull down test must be performed on the diesel bus only.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

160. Q: Page 45, Section VIII, Bid Documents: Please accept that the floor plan drawings will not be to scale, but will show the required details.

A: Not to scale drawings are acceptable providing they meet or exceed the specifications. Drawings shall have the appropriate measurements and a notation “drawing not scale.”

161. Q: Page 37, Section 2.1.1.1. RFP: The specs state, “The successful contract shall have a factory dealer with repair facilities and personnel in Michigan”. Mandating that the factory have a dealer in the state is showing a geographic preference. FTA regulations prohibit geographic preference for bus procurements. We recommend changing this section to state “ representative” instead of “factory dealer” for companies without a dealer in the state.

A: Please refer to the answer in Question #30.

162. Page 55, Section 2.243, Liquidated Damages: Please remove the liquidated damages of \$5,000 for late delivery. This is excessive in comparison to other state contracts.

A: Please refer to the answer in Question #2.

163. Page 76, Section 4.044, Certification of MI. Business: Please remove this section as it shows a geographic preference. FTA regulations prohibit geographic preference for bus procurements.

A: This section is for data collection purposes and still shall be completed and submitted with bidder’s proposals. However, per the FTA, in-state or local geographical preferences in the evaluation of bids or proposals shall be excluded except in those cases where applicable Federal statutes expressly mandate or encourage geographic preference. Therefore, any Michigan preference as stated in Public Act 431 of 1948 does not apply to this RFP.

164. Q: Page 82, Section 5.04 Past Performance: Please remove “with the State” as it shows a geographic preference.

A: The reference to “with the State” is deleted. However, the State is still interested in evaluating information on vendor’s experiences with other states and/or projects with the same size, scope, and complexity as this RFP.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

165. Q: Page 84, Appendix A, Cost Model:

a. Please clarify the following: Are the options included in the evaluation price?

A: Yes.

b. Please clarify the following: Where is item K on the price form?

A: “K” is the options section.

166. Q: Page 2, Section B.1.a: The roadside and curbside wall structures shall be constructed of 1 ½” x 1 ½” 18 ga. “Flow Coat” galvanized wall bows welded on 24” centers, modified galvanized C-Channel bottom rail and 1 ½” galvanized angle top rail.

A: This specification will remain as specified.

167. Q: Page 3, Section B.1.b: The floor structure shall be constructed of 2” x 2” 13 ga. “Flow Coat” galvanized cross members welded on 24” centers. A galvanized longitudinal hat channel shall run entire length of floor welded to cross members.

A: This specification will remain as specified.

168. Q: Page 3, Section B.1.c: Exterior skin shall be made up of .024 galvanized steel laminated to 2.4mm lauan. Interior panels shall be gray vinyl covered lauan.

A: This specification will remain as specified.

169. Q: Page 3, Section B.1.c: Request exterior door frames to be: 1/8” aluminum

A: This specification will remain as specified.

170. Q: Page 3, Section B.1.c: Request exterior panel substrate to be: Luan

A: This specification will remain as specified.

171. Q: Page 4, Section B.1.f: Request rubber fender splash guards to be: standard ABS Material

A: Please refer to the answer in Question #6.

172. Q: Page 4, Section B.1.f: Request rubber fender splash guards to be installed at the Front wheel openings to be: standard OEM fender

A: Please refer to the answer in Question #6.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

173. Q: Page 4, Section B.1.f: Request rubber fender splash guards to be installed after the finish coat of paint is applied to the bus.

A: This specification will remain as specified.

174. Q: Page 7, Section C.1: Request outer frame to be: 1/8” aluminum

A: This specification will remain as specified.

175. Q: Page 7, Section D: Request: Step Height from Ground: 12 ½”

A: This specification will remain as specified.

176. Q: Page 8, Section E.1: Request: Door latch to be: Austin Hardware AH1200SS

A: This specification will remain as specified.

177. Q: Page 8, Section E.2: Cannot guarantee damage from graffiti removing chemicals unless we know what is being used.

A: This specification will remain as specified.

178. Q: Page 9, Section F.4: Request: Flooring in wheelchair area to be “ribbed” rubber Not “smooth” rubber

A: Please refer to the answer in Question #9.

179. Q: Page 9, Section G.1: Request: exterior door frames to be: 1/8” aluminum

A: This specification will remain as specified.

180. Q: Page 9, Section G.2: Request: exterior door frames to be: 1/8” aluminum

A: This specification will remain as specified.

181. Q: Page 15, Section 4.a.7: CMI Nanocide Dimensions does not meet Doc 90 and is also not a “cloth” material

A: Please refer to the answer in Question #10.

182. Q: Page 15, Section 4.b.3: CMI Nanocide Dimensions does not meet Doc 90

A: Please refer to the answer in Question #10.

183. Q: Page 18, Section 8.2: Exterior LED Lights to be “Sound Off” brand

A: This is acceptable if it meets or exceeds the specifications.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

184. Q: Page 18, Section 8.3: Exterior LED Lights to be “Sound Off” brand

A: This is acceptable if it meets or exceeds the specifications.

185. Q: Page 18, Section 8.4: Exterior LED Lights to be “Sound Off” brand

A: This is acceptable if it meets or exceeds the specifications.

186. Q: Page 20, Section V.1: Request: 20% light transmitting tint

A: This specification will remain as specified.

187. Q: Page 20, Section W.2: Request: Paint to be applied after all manufacturing is completed.

A: This is acceptable if it meets or exceeds the specifications.

188. Q: Page 25, Section I: Battery box door to have full length hinge from door Manufacture.

A: This is acceptable if it meets or exceeds the specifications.

189. Q: Page 27, Section K: Request: Alternator warranty to be vendor “standard” which is 2 years

A: This specification will remain as specified.

190. Q: Page 27, Section P: Request: Standard OEM shock absorbers-gas 35 type millimeter

A: This is acceptable if it meets or exceeds the specifications.

191. Q: Page 30, Section B.1: Request: Circuit breaker for lift will be located in the Battery box

A: Please refer to the answer in Question #18.

192. Q: Page 34, Section B.1: Request: outer frame to be: 1/8” aluminum

A: This specification will remain as specified.

193. Q: Page 34, Section C.Par 1: Request: Cold Climate Package to be aftermarket not OEM

A: This is acceptable if it meets or exceeds the specifications.



**APPENDIX E
ADDENDUM #3 – QUESTIONS AND ANSWERS**

194. Q: Page 40, Section A.6: Request: Request deletion of this manual

A: This specification will remain as specified.

195. Q: Page 41, Section A.15: Request: Towing instructions will be for “rear” end towing only

A: This specification will remain as specified.

196. Q: Page 1, 4th paragraph: Cannot do a rear lift application on a 21’ 11” body due to the fact that there is not enough room between the Rear wheel and end of bus to place a lift.

A: Please refer to the answer in Question #5.

197. Q: In the RFP boiler plate language it appears to me that proposers are requested to submit one original and four paper copies of our proposal. What is not clear to me is if one electronic copy is also required. The language seems to indicate that an electronic copy “may” be required. Does Michigan want either: 1) a scanned electronic copy on CD of every thing we submit in hard copy, 2) the RFP section that you made available in Word format only, or 3) nothing needs to be submitted in electronic format?

A: Bidders are to submit 1 original and 3 copies. In addition, all information included in the proposal shall be included on one floppy disc or CD. The responses to the RFP document shall be in Word format.



APPENDIX F
Small Bus (Cutaway bid)
#07119200053
Bidder Clarifications
Page 1 of 3

Shepard Brothers:

1. Coach and Equipment specifies 1.5" x 1.5" square 18 gauge galvanized steel tube for the entire tube structure of the roll cage. The MDOT specification has a 16 gauge minimum steel for the structure. Can Coach and Equipment upgrade the structure with 16 gauge steel?

See answer below question 2.

2. Coach and Equipment specifies a 24 gauge steel skin. The MDOT specification specifies a 20 gauge minimum for all exterior side and roof panel material. Can Coach and Equipment upgrade the skin to 20 gauge steel skin?

Coach and Equipment can and will make the necessary changes to sheet and tube gauges for a \$700.00 per unit price increase if required.

That being said, C&E strongly recommends that MDOT consider the proposal as offered. C&E feels that the metal gauges as proposed are an integral part of their body structure, which is a fine balance between strength, service life, and weight and gas mileage. The structural integrity of the proposed design has been proven via rigorous and repeated testing. A 7-year Altoona test in which the C&E vehicle didn't experience a single structural failure, a rarity in the industry, and a particular point of pride for Coach and Equipment. An industry first FMVSS 214 Side Impact crash test during which a 4000 lbs test sled was driven directly into the side of the body. The damage was so minimal that the vehicle was driven from Wisconsin back to western New York with out needing repair. At the behest of long-time and current customer NYC MTA, C&E has submitted their structure to a comprehensive finite element analysis resulting in the use of high strength, low alloy steel in all C&E floor cross members. At no point did the analysis determine that our tube structure or side wall sheet metal was inadequate for the heavy stresses encountered when going through large pot holes or running up on curbs and other twisting or jerking road environments. . C&E is currently, and has been for over 20 years building buses specifically for the harsh environments and duty cycles that MDOT agencies experience. Almost every major transit authority in the North East currently runs C&E vehicle bodies in their fleets, specifically due to the benefits associated with their already heavy-duty body design. Lastly, we have received numerous anecdotal accounts of accidents in which our vehicles had either received heavy damage or rolled over completely and the body structure still maintained its intended integrity.



APPENDIX F
Small Bus (Cutaway bid)
#07119200053
Bidder Clarifications
Page 2 of 3

C&E feels that changing gauges will offer little improved performance from a service life standpoint and will only make units heavier thus negatively impacting fuel mileage. Thus, ultimately leading to a vehicle that is more expensive to operate on a per mile basis. Additionally, C&E prides itself on the smooth running of its material delivery and routing processes to the build line. Adding more metal gauges beyond our standard design adds complexity to the product which increases both mistakes and delays. The requested changes will add cost to our operation without providing commensurate benefits to you the customer. Steel mills also traditionally set large minimum quantities on what they will sell, driving up our inventory costs.

As you can see, C&E firmly believes that the body as offered is best solution for MDOT and its agencies. We therefore request relief from these specifications, but if they cannot be waived, we will comply for the price stated above.

We would also like to offer for the State of Michigan's consideration the use of fiberglass reinforced plastic [FRP] sidewalls, rear panel and roof panels. Should the State of Michigan prefer FRP panels in these areas please add \$400.00 per bus to our original proposal price. This \$400 price includes our standard gauge steel structure which will be coated per Michigan specifications. If Michigan wants the 16 gauge structure and FRP panels the price is an additional \$700.00 per bus. Again, we believe our original offering will meet and exceed performance and life expectancy requirements. To clarify and provide further details to this original FRP proposal the standard Phoenix model bus equipped with our optional FRP panels still relies on the following steel exterior panels:

- 1) lift door and optional emergency door panels constructed of 18 gauge sub-structure and 22 gauge skins ,*
- 2) non-structural 24 gauge steel skirt panels/skins,*
- 3) right side [curbside] 24 gauge steel transition panel, and*
- 4) left side [road side] 18 gauge steel transition panel.*

As a result of our March 5, 2009 discussions, should the State of Michigan desire for an additional \$100 we are willing to upgrade both our standard non-structural 24 gauge steel skirt panels and the curbside 24 gauge transition panel to 18 gauge steel.

3. The MDOT specifications and question # 81, as clarified in the addendum # 3, specifies all interior lighting for stepwells, overhead entrance, and courtesy lights as LED. Can Coach and Equipment upgrade to all LED interior lighting?

Our bus as originally proposed included LED dome lights in the entry area which was our understanding and interpretation of the Michigan requirement as addressed in the specifications and answers to bidders. If Michigan wants the interior passenger compartment dome lights to also be LED instead of our standard incandescent lights then we will need to add \$126.00 dollars to our proposal price.



APPENDIX F
Small Bus (Cutaway bid)
#07119200053
Bidder Clarifications
Page 3 of 3

4. On Appendix A Evaluation form, section IV.Q.2 Rear Suspension, Shepard Brothers lists “per spec: Ford OEM leaf with added assist. Please clarify the product name that Coach and Equipment is providing the added assist?”

Mor Ryde System: Pursuant to Michigan specifications we are offering the MorRyde RL rear suspension system. This is the system suggested by Michigan in the specifications. If you refer to the Equipment Lists in our proposal, Appendix Tab 6 [and alternative proposal Appendix Tab 10], you will see this suspension system listed under chassis modifications.

5. MDOT accepts the Ford OEM electronically controlled circuit for the hazard flasher. As specified, can Coach and Equipment provide a dash mounted hazard flasher switch in addition to the column mounted Ford OEM hazard switch?

Yes, this can be done for an additional \$75 per unit. However The OEM switch on the steering column will perform this function reliably and any changes we make to add a second switch will make the OEM system that much less reliable (and could cause a DTC -- diagnostic trouble code -- to be set in the vehicle's computer each time the auxiliary dash hazard switch is actuated) C&E feels that adding a redundant switch for flashers adds unneeded complexity and ultimately results in a product that is more difficult to maintain.