

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET
 PROCUREMENT

525 W. ALLEGAN STREET
 LANSING, MI 48933

P.O. BOX 30026
 LANSING, MI 48909

CHANGE NOTICE NO. 2
 to
 CONTRACT NO. 071B2200224
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
I-Con Systems, Inc. 3100 Camp Road Oviedo FL, 32765	Edward Howell	ed.howell@i-con.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	407-365-6241	*****2931

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DOC	Ed Vallad	517-241-2361	vallade@Michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Steve Rigg	(517) 284-7043	riggs@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Water & Sewer Conservation Supplies - MDOC			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
June 1, 2012	May 31, 2015	2 - 1 Year	May 31, 2016
PAYMENT TERMS		DELIVERY TIMEFRAME	
45 Days		90 days ARO	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input checked="" type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
\$50.00			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		May 31, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$2,965,826.48		\$ 0.00	\$2,965,826.48	

DESCRIPTION: Effective May 31, 2016, the second option year available on this contract is hereby exercised. The revised contract expiration date is May 31, 2017. Effective March 1, 2016, P-Card has been added as an alternative payment option and the following discounts off-list will apply to the I-Con catalogue.

Equipment: 55.02%
 Flush Valve Repair Kits: 1 - 99 55.02%; 100 - 249 57.27%; 250 - 499 58.39%; 500+ 59.61%
 All Other Consumables: 1 - 24 55.02%; 25 - 49 57.27%; 50 - 74 58.39%; 75+ 59.51%

Please note the Contract Administrator has been changed to Steve Rigg. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 1
 to
CONTRACT NO. 071B2200224
 between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
I-Con Systems, Inc. 3100 Camp Road Oviedo, FL 32765	Edward Howell	Ed.howell@i-consystems.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	407-365-6241	2931

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DOC	Edward Vallad	517-241-2361	vallade@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Melissa Sambiagio	517-284-7016	sambiagiom@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Water & Sewer Conservation Supplies			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
06/01/2012	05/31/2015	2 – one year	05/31/2015
PAYMENT TERMS	F.O.B.	SHIPPED TO	
Net 45 days	FOB Destination within Government Premises	Various locations	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
\$50.00			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	1 year	05-31-2016
CURRENT VALUE	VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE		
2,965,826.48	\$0.00	2,965,826.48		

DESCRIPTION:
 Effective June 1, 2015, the first option year available on this contract is hereby exercised. The revised contract expiration date is May 31, 2016. Please note the Contract Administrator has been changed to Melissa Sambiagio. All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

June 19, 2012

**NOTICE
 OF
 CONTRACT NO. 071B2200224
 Between
 THE STATE OF MICHIGAN
 And**

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
I-Con Systems, Inc. 3100 Camp Road Oviedo, FL 32765	Edward Howell	Ed.howell@i-consystems.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(407) 365-6241	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	MDOC	Edward Vallad	(517) 241-2361	vallade@michigan.gov
BUYER:	DTMB	Lymon Hunter	(517) 241-1145	hunterl@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: WATER & SEWER SUPPLIES – MDOC			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Yrs.	June 1, 2012	May 31, 2015	2, 1-yr. options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Destination	90 Days ARO	Oviedo, FL
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
\$50.00			
MISCELLANEOUS INFORMATION:			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:			\$2,965,826.48

The terms and conditions of this Contract are attached.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48913

CONTRACT NO. 071B2200224
 Between
THE STATE OF MICHIGAN
 And

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
I-Con Systems, Inc. 3100 Camp Road Oviedo, FL 32765	Edward Howell	Ed.howell@i-consystems.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(407) 365-6241	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	MDOC	Edward Vallad	(517) 241-2361	vallade@michigan.gov
BUYER:	DTMB	Lymon Hunter	(517) 241-1145	hunterl@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: WATER & SEWER SUPPLIES – MDOC			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Yrs.	June 1, 2012	May 31, 2015	2, 1-yr. options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
Net 45	Destination	90 Days ARO	Oviedo, FL
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO
MINIMUM DELIVERY REQUIREMENTS:			
\$50.00			
MISCELLANEOUS INFORMATION:			
The terms and conditions of this Contract are those of ITB # 071I2200121, this Contract Agreement and the vendor's quote. 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 AT TIME OF EXECUTION:			\$2,965,826.48

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the ITB No. 071I2200121. Orders for delivery will be issued directly by the Department of Technology, Management & Budget 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:
Firm Name I-Con Systems, Inc.	Signature
Authorized Agent Signature	Name/Title Jeff Brownlee, Chief Procurement Officer
Authorized Agent (Print or Type)	Division DTMB Procurement
Date	Date



STATE OF MICHIGAN
Department of Technology, Management and Budget
Procurement

Contract No. 071B2200224
Water & Sewer Supplies – Department of Corrections

Buyer Name: Lymon C. Hunter, CPPB
Telephone Number: 517.241.1145
E-Mail Address: HunterL@michgan.gov



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Attachment A, Price Proposal
Attachment D, Standard Limited Warranty



Definitions

This section provides definitions for terms used throughout this document.

Business Day - whether capitalized or not, means any day other than a Saturday, Sunday, State employee temporary layoff day, or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am through 5:00pm Eastern Time unless otherwise stated.

Buyer – the DTMB-Procurement employee identified on the cover page of the RFP.

Chronic Failure - as defined in applicable Service Level Agreements.

Contract – based on the RFP, an agreement that has been approved and executed by the awarded bidder, the DTMB-Procurement Director, and the State Administrative Board.

Contractor – the awarded bidder after the Effective Date.

Days - Business Days unless otherwise specified.

Deleted, Not Applicable - the section is not applicable or included in the RFP. This is used as a placeholder to maintain consistent numbering.

Deliverable(s) - physical goods or commodities as required or identified in a Statement of Work.

Eastern Time – either Eastern Standard Time or Eastern Daylight Time, whichever is prevailing in Lansing, Michigan.

Effective Date - the date that a binding contract is executed by the final party.

Final Acceptance - has the meaning provided in Section 2.8.7, Final Acceptance, unless otherwise stated in Article 1.

Key Personnel - any personnel designated as Key Personnel in Sections 1.3.3, Staff, Duties, and Responsibilities, and 2.4.2, Contractor Key Personnel, subject to the restrictions of Section 2.4.2.

Post-Industrial Waste - 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.

Purchase Order - a written document issued by the State that requests full or partial performance of the Contract.

State - the State of Michigan.

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

Stop Work Order - a notice requiring the Contractor to fully or partially stop work in accordance with the terms of the notice.

Subcontractor - a company or person that the Contractor delegates performance of a portion of the Deliverable(s) to, but does not include independent contractors engaged by the Contractor solely in a staff augmentation role.

Unauthorized Removal - the Contractor's removal of Key Personnel without the prior written consent of the State.



Article 1 – Statement of Work

1.1 Project Identification

This Contract is for the Michigan Department of Corrections (MDOC) to obtain materials needed to achieve water and sewer conservation measures at correctional facilities.

1.1.1 Project Request

The Contractor shall supply parts and materials as listed in Attachment A for the installation of water conservation measures.

1.1.2 Background– [Deleted, Not Applicable]

1.2 Scope of Work and Deliverable(s)

1.2.1 In Scope – [Deleted, Not Applicable]

1.2.2 Deliverable(s)

The Contractor shall supply needed materials and support to maintenance current water conservation equipment and to supply future components needed to achieve water conservation at those correctional facilities needing water conservation upgrades.

1.2.3 Quantity

The MDOC is not obligated to purchase in any specific quantity.

1.2.4 Ordering

The MDOC will issue a Purchase Order, which must be approved by the Contract Compliance Inspector, to order any Deliverable(s).

1.2.5 Alternate Bids– [Deleted, Not Applicable]

1.3 Management and Staffing

1.3.1 Project Management– [Deleted, Not Applicable]

1.3.2 Reports– [Deleted, Not Applicable]

1.3.3 Staff, Duties, and Responsibilities– [Deleted, Not Applicable]

1.3.4 Meetings – [Deleted, Not Applicable]

1.3.5 Place of Performance– [Deleted, Not Applicable]

1.3.6 Reserved

1.3.7 Binding Commitments

The Contractor’s representative with the authority to make binding commitments on the Contractor’s behalf is Edward Howell, Customer Service Manager for I-CON Systems.

1.3.8 Training– [Deleted, Not Applicable]



1.3.9 Security– [Deleted, Not Applicable]

1.4 Delivery and Acceptance

1.4.1 Time Frames

All Deliverable(s) must be delivered within 90 days after receipt of order. The receipt of order date is governed in the same manner as notices sent under Section 2.3.6, Notices.

1.4.2 Minimum Order

The minimum order is \$50.00.

1.4.3 Packaging

Packaging and containers must meet the current requirements of state and federal law applicable to rail and motor carrier freight classifications, which will permit application of the lowest freight rate.

1.4.4 Palletizing

Shipments must be palletized whenever possible. Manufacturer's standard 4-way shipping pallets must be used.

1.4.5 Delivery Term

Unless specified otherwise below, delivery is governed by Section 2.8.2, Delivery Responsibilities.

All prices quoted are "F.O.B. Destination, within Government Premises" with transportation charges prepaid on all orders that meet the minimum order requirement specified in Section 1.4.2, Minimum Order.

Freight Charges - If the State orders below the minimum order requirement specified in Section 1.4.2, Minimum Order, or if a Contractor quotes F.O.B. Shipping Point on one-time purchases, the Contractor must specify the carrier being used.

Where the weight of the shipment is less than 150 lbs. or where shipments could be separated into smaller parcels, the Contractor must use the State's current express delivery carrier, which is United Parcel Service. If the shipment weighs less than 150 lbs., but the Deliverable costs \$3000 or more, it must be sent by an appropriate carrier.

1.4.6 Acceptance Process

The acceptance process is defined in Section 2.8.4, Acceptance of Deliverable(s), unless otherwise defined in this section.

1.4.7 Criteria

The State will use the following criteria to determine acceptance of Deliverable(s):

- 1) Delivery of Materials per contract.
- 2) On Time Delivery of Materials
- 3) Correct Invoices

1.5 Proposal Pricing

1.5.1 Pricing

See Attachment A, Pricing Proposal for pricing details.

1.5.2 Quick Payment Terms– [Deleted, Not Applicable]



1.5.3 Price Term

Prices in **Attachment A** are firm with prospective renegotiation at an agreed upon time. The criteria for a re-determination of pricing are under Section 2.3.5, Price Changes.

1.5.4 Tax Excluded from Price

(a) Sales Tax: The State is exempt from sales tax for direct purchases. The bidder's prices must not include sales tax. DTMB-Procurement will furnish exemption certificates for sales tax 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, the bidder's prices must not include the Federal Excise Tax.

1.5.5 Invoices

Invoices should include at a minimum, the following information:

- (a) Date
- (b) PO #
- (c) Quantity
- (d) Deliverable
- (e) Unit Price
- (f) Shipping Cost (if any)
- (g) Total Price

1.6 Commodity Requirements

1.6.1 Customer Service

The Contractor must confirm whether it is able to receive orders by any of the following methods: electronically, phone, facsimile transmission, or by written order.

The Contractor must have: (a) one or more knowledgeable individual(s) specifically assigned to State of Michigan accounts that will respond to State agency inquiries promptly; and (b) a statewide toll-free number for customer service calls. Contractor is able to receive order from all methods listed above.

1.6.2 Research and Development – [Deleted, Not Applicable]

1.6.3 Quality Assurance Program – [Deleted, Not Applicable]

1.6.4 Warranty for Deliverable(s)

See Attachment “D” I-CON Standard Limited Warranty.

1.6.5 Special Incentives – [Deleted, Not Applicable]

1.6.6 Energy Efficiency– [Deleted, Not Applicable]

1.6.7 Environmental Requirements– [Deleted, Not Applicable]

1.6.8 Recycled Content and Recyclability– [Deleted, Not Applicable]



1.6.9 Materials Identification and Tracking– [Deleted, Not Applicable]

(d) Environmental Permits and Requirements.

Contractor’s facility is not in violation of any environmental laws.

1.7 Extended Purchasing

1.7.1 MiDEAL[Deleted, Not Applicable]

1.7.2 State Employee Purchases [Deleted, Not Applicable]



Article 2 – Terms and Conditions

2.1 Contract Term

2.1.1 Contract Term

The Contract term begins June 1, 2012 and expires May 31, 2015. All outstanding Purchase Orders will expire upon the termination of the Contract for any of the reasons listed in Section 2.16, Termination by the State, unless otherwise agreed to in writing by DTMB-Procurement. Absent an early termination, Purchase Orders issued, but not expired, by the end of the Contract's term will remain in effect until the next September 30.

2.1.2 Options to Renew

This Contract may be renewed for up to two additional one-year period(s). Renewal must be by mutual written agreement of the parties, not less than 30 days before expiration of the Contract.

2.2 Payments and Taxes

2.2.1 Fixed Prices for Deliverable(s)

Prices are fixed for all Deliverable(s) and for all of the associated payment milestones and amounts.

2.2.2 Payment Deadlines

Undisputed invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 *et seq.*, within 45 days after receipt.

2.2.3 Invoicing and Payment – In General c

2.2.4 Pro-ration [Deleted, Not Applicable]

2.2.5 Final Payment and Waivers

The Contractor's acceptance of final payment by the State constitutes a waiver of all claims by the Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed. For other claims, final payment by the State will not constitute a waiver by either party of any rights as to the other party's continuing obligations, nor will it constitute a waiver of any claims under this Contract, including claims for Deliverable(s) not reasonably known to be defective or substandard.

2.2.6 Electronic Payment Requirement

As required by MCL 18.1283a, the Contractor must electronically register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer (EFT) payments.

2.2.7 Employment Taxes

The Contractor must collect and pay all applicable federal, state, and local employment taxes.

2.2.8 Sales and Use Taxes

The Contractor must register and remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. If the Contractor lacks sufficient presence in Michigan to be required to register and pay taxes, it must do so on a voluntary basis. The requirement to register and remit sales and use taxes extends to (a) all members of a "controlled group of corporations" as defined in § 1563(a) of the Internal Revenue Code, 26 USC 1563(a), and applicable regulations; and (b) all organizations under common control that make sales at retail for delivery into the State. Any United States Department of Treasury regulation that references "two or more trades or businesses under common control" includes organizations such as sole proprietorships, partnerships (as defined in § 7701(a)(2) of the Internal Revenue Code, 26 USC 7701(a)(2)), trusts, estates, corporations, or limited liability companies.



2.3 Contract Administration

2.3.1 Issuing Office

This Contract is issued by DTMB-Procurement on behalf of the MDOC (State). **DTMB-Procurement is the only entity authorized to modify the terms and conditions of this Contract, including the prices and specifications.** The Contract Administrator within DTMB-Procurement for this Contract is:

Lymon C. Hunter, CPPB
 Buyer Specialist
 Procurement
 Department of Technology, Management and Budget
 Mason Bldg, 2nd Floor
 PO Box 30026
 Lansing, MI 48909

2.3.2 Contract Compliance Inspector

The Contract Compliance Inspector, named below, will monitor and coordinate Contract activities on a day-to-day basis. However, monitoring of this Contract implies **no authority to modify the terms and conditions of this Contract, including the prices and specifications.**

Edward S. Vallad, Building Construction Specialist
 Physical Plant Division
 Michigan Department of Corrections
 P.O. Box 30003
 Telephone: 517-241-2361
 Fax: 517-241-5129
 Email: ValladE@michigan.gov

2.3.3 Project Manager -[Deleted, Not Applicable]

2.3.4 Contract Changes

(a) If the State requests or directs the Contractor to provide any Deliverable(s) that the Contractor believes are outside the scope of the Contractor's responsibilities under this Contract, the Contractor must notify the State before performing the requested activities. If the Contractor fails to notify the State, any activities performed will be considered in-scope and not entitled to additional compensation or time. If the Contractor begins 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 this Contract.

(b) The State or the Contractor may propose changes to this Contract. If the Contractor or the State requests a change to the Deliverable(s) or if the State requests additional Deliverable(s), the Contractor must provide a detailed outline of all work to be done, including tasks, timeframes, listing of key personnel assigned, estimated hours for each individual per Deliverable, and a complete and detailed cost justification. If the parties agree on the proposed change, DTMB-Procurement will prepare and issue a notice that describes the change, its effects on the Deliverable(s), and any affected components of this Contract (Contract Change Notice).

(c) No proposed change may be performed until DTMB-Procurement issues a duly executed Contract Change Notice for the proposed change.

2.3.5 Price Changes

If allowed by Section 1.5.3, Price Term, the State and the Contractor will complete a pricing review (Review) every 365 days following the Effective Date, to allow for changes based on actual costs incurred. Requested changes may include increases or decreases in price and must be accompanied by supporting information indicating market support of proposed modifications (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics).



- (a) The State may request a Review upon 30 days written notice that specifies what Deliverable is being reviewed. At the Review, each party may present supporting information including information created by, presented, or received from third parties.
- (b) Following the presentation of supporting information, both parties will have 30 days to review the supporting information and prepare any written response.
- (c) In the event the Review reveals no need for modifications of any type, pricing will remain unchanged unless mutually agreed to by the parties. However, if the Review reveals that changes may be recommended, both parties will negotiate in good faith for 30 days unless extended by mutual agreement of the parties.
- (d) If the supporting information reveals a reduction in prices is necessary and Contractor agrees to reduce rates accordingly, then the State may elect to exercise the next one year option, if available.
- (e) If the supporting information reveals a reduction in prices is necessary and the parties are unable to reach agreement, then the State may eliminate all remaining Contract renewal options.
- (f) Any changes based on the Review must be implemented through the issuance of a Contract Change Notice.

2.3.6 Notices

All notices and other communications required or permitted under this Contract must be in writing and will be considered given when delivered personally, by fax (if provided) or by e-mail (if provided), or by registered mail, return receipt requested, addressed as follows (or any other address that is specified in writing by either party):

If to State:

State of Michigan
 DTMB-Procurement
 Attention: Lymon C. Hunter, CPPB
 PO Box 30026
 530 West Allegan
 Lansing, MI 48909
 HunterL@Michigan.gov
 517.335.0046

If to Contractor:

I-CON Systems, Inc.
 3100 Camp Road
 Oviedo, FL 32765
 Attention: Ed Howell
 Phone: 407.365.6241
 Fax: 407.365.7944

Delivery by a nationally recognized overnight express courier will be treated as personal delivery.

2.3.7 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless otherwise provided in this Contract, the parties will not unreasonably delay, condition or withhold their consent, decision, or approval any time it is requested or reasonably required in order for the other party to perform its responsibilities under the Contract.

2.3.8 Assignments

- (a) Neither party may assign this Contract, or assign or delegate any of its duties or obligations under the Contract, to another party (whether by operation of law or otherwise), without the prior approval of the other party. The State may, however, assign this Contract to any other State agency, department, or division without the prior approval of the Contractor.
- (b) If the Contractor intends to assign this Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State and provide adequate information about the assignee at least 90 days before the proposed assignment or as otherwise provided by law or court order.



The State may withhold approval from proposed assignments, subcontracts, or novations if the State determines, in its sole discretion, that the transfer of responsibility would decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(c) If the State permits an assignment of the Contractor's right to receive payments, the Contractor is not relieved of its responsibility to perform any of its contractual duties. All payments must continue to be made to one entity.

2.3.9 Equipment

The State will not provide equipment and resources unless specifically identified in the Statement(s) of Work or other Contract exhibits.

2.3.10 Facilities [Deleted, Not Applicable]

2.4 Contract Management

2.4.1 Contractor Personnel Qualifications [Deleted, Not Applicable]

2.4.2 Contractor Key Personnel [Deleted, Not Applicable]

2.4.3 Removal or Reassignment of Personnel at the State's Request [Deleted, Not Applicable]

2.4.4 Contractor Personnel Location [Deleted, Not Applicable]

2.4.5 Contractor Identification [Deleted, Not Applicable]

2.4.6 Cooperation with Third Parties [Deleted, Not Applicable]

2.4.7 Relationship of the Parties [Deleted, Not Applicable]

2.4.8 Contractor Return of State Equipment/Resources [Deleted, Not Applicable]

2.4.9 Background Checks [Deleted, Not Applicable]

2.4.10 Compliance With State Policies [Deleted, Not Applicable]

2.5 Subcontracting by Contractor

2.5.1 Contractor Responsible [Deleted, Not Applicable]

2.5.2 State Approval of Subcontractor [Deleted, Not Applicable]



2.5.3 Subcontract Requirements [Deleted, Not Applicable]

2.5.4 Competitive Selection [Deleted, Not Applicable]

2.6 Reserved

2.7 Performance

2.7.1 Time of Performance [Deleted, Not Applicable]

2.7.2 Service Level Agreements [Deleted, Not Applicable]

2.7.3 Liquidated Damages [Deleted, Not Applicable]

2.7.4 Excusable Failure [Deleted, Not Applicable]

2.8 Acceptance of Deliverable(s) [Deleted, Not Applicable]

2.8.1 Quality Assurance [Deleted, Not Applicable]

2.8.2 Delivery Responsibilities [Deleted, Not Applicable]

2.8.3 Process for Acceptance of Deliverable(s) [Deleted, Not Applicable]

2.8.4 Acceptance of Deliverable(s) [Deleted, Not Applicable]

2.8.5 Process for Approval of Written Deliverable(s) [Deleted, Not Applicable]

2.8.6 Process for Approval of Services [Deleted, Not Applicable]

2.8.7 Final Acceptance [Deleted, Not Applicable]

2.9 Ownership [Deleted, Not Applicable]

2.10 State Standards [Deleted, Not Applicable]

2.11 Confidentiality

2.11.1 Confidential Information

As used in this Section, "Confidential Information" means all information of the parties, except information that is:

- (a) disclosable under the Michigan Freedom Of Information Act (FOIA);



- (b) now available or becomes available to the public without breach of this Contract;
- (c) released in writing by the disclosing party;
- (d) obtained from a third party or parties having no obligation of confidentiality with respect to such information;
- (e) publicly disclosed pursuant to federal or state law; or
- (f) independently developed by the receiving party without reference to Confidential Information of the furnishing party.

2.11.2 Protection and Destruction of Confidential Information

(a) Each party must use the same care to prevent unauthorized disclosure of Confidential Information as it uses to prevent disclosure of its own information of a similar nature, but in no event less than a reasonable degree of care. Neither the 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 interest or license 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.

(b) Each party will limit disclosure of the other party's Confidential Information to employees, agents, and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where: (i) use of a Subcontractor is authorized under this Contract; (ii) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility; and (iii) 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 to the State's Confidential Information may be required to execute a separate agreement to be bound by the confidentiality requirements of this Section.

(c) Upon termination of the Contract, Contractor must promptly return the State's Confidential Information or certify to the State that Contractor has destroyed all of the State's Confidential Information.

2.11.3 Exclusions

The provisions of Section 2.11, Confidentiality, will not apply where the receiving party is required by law to disclose the other party's 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.

2.11.4 No Obligation to Disclose

Nothing contained in Section 2.11, Confidentiality, will be construed as obligating a party to disclose any particular Confidential Information to the other party.

2.11.5 Security Breach Notification

If Contractor breaches this Section, it must (i) promptly cure any deficiencies in Contractor's internal security controls; 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 access, use, or disclosure. Contractor must notify the State of any unauthorized use or disclosure of Confidential Information, whether suspected or actual, within 10 days of becoming aware of the use or disclosure or a shorter time period as is reasonable under the circumstances. The State may require Contractor to purchase credit monitoring services for any individuals affected by the breach.

2.12 Records and Inspections

2.12.1 Inspection of Work Performed

The State's authorized representatives, at reasonable times and with 10 days prior notice, have the right to enter the Contractor's premises or any other places where work is being performed in relation to this Contract. The representatives may inspect, monitor, or evaluate the work being performed, to the extent the access will not reasonably interfere with or jeopardize the safety or operation of Contractor's systems or facilities. The Contractor must provide reasonable assistance for the State's representatives during inspections.



2.12.2 Retention of Records

- (a) The Contractor must retain all financial and accounting records related to this Contract for a period of seven years after the Contractor performs any work under this Contract (Audit Period).
- (b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records 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.

2.12.3 Examination of Records

The State, upon 10 days notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Contract. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract.

2.12.4 Audit Resolution

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

2.12.5 Errors

- (a) If an audit reveals any financial errors in the records provided to the State, the amount in error must be reflected as a credit or debit on the next invoice and subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried forward for more than four invoices or beyond the termination of the Contract. If a balance remains after four invoices, the remaining amount will be due as a payment or refund within 45 days of the last invoice on which the balance appeared or upon termination of the Contract, whichever is earlier.
- (b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

2.13 Warranties

2.13.1 Warranties and Representations

The Contractor represents and warrants:

- (a) It is capable of fulfilling and will fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workmanlike manner and must meet the performance and operational standards required under this Contract.
- (b) The Contract appendices, attachments, and exhibits identify the equipment, software, and services necessary for the Deliverable(s) to comply with the Contract's requirements.
- (c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by the Contractor for 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 Deliverable(s). None of the Deliverable(s) provided by Contractor to the State, nor their use by the State, will infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party.
- (d) If the Contractor procures any equipment, software, or other Deliverable(s) for the State (including equipment, software, and other Deliverable(s) manufactured, re-marketed or otherwise sold by the Contractor or under the Contractor's name), then the 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(s).
- (e) The Contract signatory has the authority to enter into this Contract on behalf of the 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, will have, or will acquire, any interest that would conflict in any manner with the Contractor's performance of its duties and responsibilities to the State or otherwise create an appearance of impropriety with respect to the award or performance of this Contract.



The Contractor must notify the State about the nature of any conflict or appearance of impropriety within two days of learning about it.

(h) Neither the Contractor nor any affiliates, nor any employee of either, has accepted or will accept anything of value based on an understanding that the actions of the Contractor, its affiliates, or its employees on behalf of the State would be influenced. The Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither the 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 the 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 Contractor arrived at its proposed prices independently, without communication or agreement with any other bidder for the purpose of restricting competition. The Contractor did not knowingly disclose its quoted prices for this Contract to any other bidder before the award of the Contract. The Contractor made no attempt to induce any other person or entity to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by the Contractor to the State in connection with the award of this Contract fairly and accurately represent the Contractor's business, properties, financial condition, and results of operations as of the respective dates covered by the financial statements, reports, or other information. There has been no material adverse change in the Contractor's business, properties, financial condition, or results of operation.

(l) All written information furnished to the State by or for the Contractor in connection with the award of this Contract is true, accurate, and complete, and contains no false statement of material fact nor omits any material fact that would make the submitted information misleading.

(m) It will immediately notify DTMB-Procurement if any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract is awarded.

2.13.2 Warranty of Merchantability

The Deliverable(s) provided by the Contractor must be merchantable.

2.13.3 Warranty of Fitness for a Particular Purpose

The Deliverable(s) provided by the Contractor must be fit for the purpose(s) identified in this Contract.

2.13.4 Warranty of Title

The Contractor must convey good title to any Deliverable(s) provided to the State. All Deliverable(s) provided by the Contractor must be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Deliverable(s) provided by the Contractor must be delivered free of any rightful claim of infringement by any third person.

2.13.5 Equipment Warranty

(a) The Contractor represents and warrants that the equipment/system(s) are in good operating condition and perform to the requirements contained in this Contract at the time of Final Acceptance, and for a period of one year following Final Acceptance.

(b) To the extent the Contractor is responsible for maintaining equipment/system(s), the 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.

(c) The Contractor must provide a toll-free telephone number for the State to report equipment failures and problems.

(d) Within ten Days of notification, 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.

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

(f) The Contractor is the sole point of contact for warranty service.



(g) All warranty work must be performed at State locations.

2.13.6 New Deliverable(s)

The Contractor must provide new Deliverable(s) where the Contractor knows or has the ability to select between new or like-new Unless specified in Article 1, Statement of Work, equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable only where the Contractor does not have knowledge or the ability to select one or the other.

2.13.7 Prohibited Products

Shipping of salvage, distressed, outdated, or discontinued goods to any State agency will be considered a material default by the Contractor. The brand and product number offered for all items will remain consistent for the term of the Contract, unless DTMB-Procurement has approved a change order under Section 2.3.4, Contract Changes.

2.13.8 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in Section 2.13, Warranties, the breach may be considered a material default.

2.14 Insurance

2.14.1 Liability Insurance

For the purpose of this Section, "State" includes its departments, divisions, agencies, offices, commissions, officers, employees, and agents.

(a) The following apply to all insurance requirements:

- (i) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.
- (ii) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits of coverage specified are not intended, and may not be construed to limit any liability or indemnity of the Contractor to any indemnified party or other persons.
- (iii) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days 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 require the Contractor to pay that cost upon demand.
- (iv) 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 Michigan Attorney General.

(b) The Contractor must:

- (i) provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that are alleged or may arise or result from the Contractor's or a Subcontractor's performance, including any person directly or indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.
- (ii) waive all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.
- (iii) ensure that all insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.
- (iv) obtain insurance, unless the State approves otherwise, from any insurer that has an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.



(v) maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three years following the termination of this Contract.

(vi) pay all deductibles.

(vii) pay for and provide the type and amount of insurance checked below:

(A) Commercial General Liability Insurance

Minimal Limits:

\$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; and
 \$1,000,000 Each Occurrence Limit.

Deductible maximum:

\$50,000 Each Occurrence

Additional Requirements:

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.

(B) Umbrella or Excess Liability Insurance

Minimal Limits:

\$10,000,000 General Aggregate

Additional Requirements:

Umbrella or Excess Liability limits must at least apply to the insurance required in (A), General Commercial Liability. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

(C) Motor Vehicle Insurance

Minimal Limits:

If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

(D) Hired and Non-Owned Motor Vehicle Coverage

Minimal Limits:

\$1,000,000 Per Accident

Additional Requirements:

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 must also provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

(E) Workers' Compensation Insurance

Minimal Limits:

The Contractor must provide Workers' Compensation coverage according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.



Additional Requirements:

The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

(F) **Employers Liability Insurance**

Minimal Limits:

- \$100,000 Each Accident;
- \$100,000 Each Employee by Disease
- \$500,000 Aggregate Disease

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

2.14.2 Subcontractor Insurance Coverage [Deleted, Not Applicable]

2.14.3 Certificates of Insurance and Other Requirements

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. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in Section 2.14.1, Liability Insurance. Each certificate must be on the standard "accord" form or equivalent and **MUST CONTAIN THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER**. Each certificate must be prepared and submitted by the insurer and must contain a provision indicating that the coverage afforded will not be cancelled, materially changed, or not renewed without 30 days prior notice, except for 10 days for nonpayment of premium, to the Director of DTMB-Procurement. The notice to the Director of DTMB-Procurement must include the applicable Contract or Purchase Order number.

2.15 Indemnification

2.15.1 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend, and hold the State harmless 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, any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.15.2 Code Indemnification [Deleted, Not Applicable]

2.15.3 Employee Indemnification

In any claims against the State, its departments, agencies, commissions, officers, employees, and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation will 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.



2.15.4 Patent/Copyright Infringement Indemnification

(a) To the extent permitted by law, the Contractor must indemnify and hold the State harmless 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) resulting from any action threatened or brought against the State to the extent that the action is based on a claim that any piece of equipment, software, commodity, or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, infringes any United States patent, copyright, trademark or trade secret of any person or entity.

(b) If, in the State's or the Contractor's opinion, any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, is likely to become the subject of an infringement claim, the Contractor must, at its expense: (i) procure for the State the right to continue using the equipment, software, commodity or service or, if this 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 this 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.

(c) 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 infringement claim based upon: (i) equipment, software, commodity or service developed based on written specifications of the State; (ii) use of the equipment, software, or commodity in a configuration other than implemented or approved by the Contractor, including any modification of the same by the State; or (iii) the combination, operation, or use of the equipment, software, or commodity with equipment, software, or commodities not supplied by the Contractor under this Contract.

2.15.5 Continuing Obligation

The Contractor's duty to indemnify under Section 2.15, Indemnification, 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.

2.15.6 Indemnification Procedures

These procedures apply to all indemnity obligations:

(a) After the State receives notice of an action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify the Contractor of the claim and take, or assist the Contractor in taking, any reasonable action to avoid a default judgment against the Contractor. Failure to notify the Contractor does not relieve the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the notification failure. Within 10 days following receipt of notice from the State relating to any claim, the Contractor must notify the State whether the Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying the Contractor of a claim and before the State receives the 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, including attorney fees, incurred by the State in defending against the claim during that period.

(b) If the 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 handling 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 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 prior 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. The State may retain control of the defense and settlement of a claim by notifying the Contractor within 10 days after the State's receipt of the 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 the Contractor does not deliver a Notice of Election relating to any claim of which it is notified, the State may defend the claim in a manner it deems appropriate, at the cost and expense of the Contractor. If it is determined that the claim was one against which the Contractor was required to indemnify the State, upon request of the State, the Contractor must promptly reimburse the State for all reasonable costs and expenses.

2.15.7 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 attorneys' fees awarded by a court in addition to damages after litigation based on this Contract.

The Contractor's liability for damages to the State is limited to two times the value of the Contract or \$500,000 which ever is higher. The foregoing limitation of liability does not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorneys' 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.

2.16 Termination by the State

2.16.1 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, the State will provide the Contractor notice of the breach and a period of at least 30 days to cure the breach. The State does not need to provide notice or an opportunity to cure for successive or repeated breaches or if the State determines, in its sole discretion, that a 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.

2.16.2 Termination for Cause

(a) The State may fully or partially terminate this Contract for cause by notifying the Contractor if the Contractor: (i) breaches any of its material duties or obligations (including a Chronic Failure to meet any SLA); or (ii) fails to cure a breach within the time period specified in a notice of breach provided by the State.

(b) The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees and court costs, and any additional costs the State incurs to procure the Deliverable(s) 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 Deliverable(s).

(c) If the State partially terminates this Contract for cause, any charges payable to the Contractor will be equitably adjusted to reflect those Deliverable(s) that are terminated. The State must pay for all Deliverable(s) for which Final Acceptance has been granted before the termination date. Any services or 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 and it is determined, for any reason, that the Contractor was not in breach of the Contract, the termination will be deemed to have been a termination under Section 2.16.3, Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in that Section.

2.16.3 Termination for Convenience

The State may fully or partially terminate this Contract for its convenience if the State determines that a termination is in the State's best interest. Reasons for the termination are within the sole discretion of the State and may include: (a) the State no longer needs the Deliverable(s) specified in this Contract; (b) a relocation of office, program changes, or changes in laws, rules, or regulations make the Deliverable(s) no longer practical or feasible for the State;



(c) unacceptable prices for Contract changes; 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 by giving Contractor notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, any charges payable to the Contractor must be equitably adjusted to reflect those Deliverable(s) that are terminated.

2.16.4 Termination for Non-Appropriation

(a) If this Contract extends for more than one fiscal year, continuation of this Contract is subject to the appropriation or availability of funds. If sufficient funds to enable the State to continue payment are not appropriated or otherwise made available, the State must fully or partially terminate this Contract at the end of the last period for which funds have been appropriated or otherwise made available. The State must give the Contractor notice at least 30 days before the date of termination, unless the State receives notice of the non-appropriation or unavailability less than 30 days before the end of the last period for which funds have been appropriated or otherwise made available.

(b) If funding for this Contract is reduced by law, or funds to pay the Contractor for the Deliverable(s) are not appropriated or are otherwise unavailable, the State may, upon 30 days notice to the Contractor, change the Deliverable(s) in the manner and for the periods of time the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any Deliverable(s) not provided because of the reduction.

(c) If the State fully or partially terminates this Contract for non-appropriation, the State must pay the Contractor for all work-in-progress performed through the effective date of the termination to the extent funds are available.

2.16.5 Termination for Criminal Conviction

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

2.16.6 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 all work-in-progress performed through the effective date of the termination. The Contract may be fully or partially terminated and will be effective as of the date stated in the notice.

2.16.7 Rights and Obligations upon Termination

- (a) If the State terminates this Contract for any reason, the Contractor must:
 - (i) stop all work as specified in the notice of termination;
 - (ii) take any action that may be necessary, or that the State may direct, to preserve and protect Deliverable(s) or other State property in the Contractor's possession;
 - (iii) return all materials and property provided directly or indirectly to the Contractor by any entity, agent, or employee of the State;
 - (iv) transfer title in and deliver to the State, unless otherwise directed, all Deliverable(s) intended to be transferred to the State at the termination of the Contract (which will be provided to the State on an "As-Is" basis except to the extent the State compensated the Contractor for warranty services related to the materials);
 - (v) to the maximum practical extent, take any action to mitigate and limit potential damages, including terminating or limiting subcontracts and outstanding orders for materials and supplies; and
 - (vi) take all appropriate action to secure and maintain State information confidentially in accordance with Section 2.11, Confidentiality.

(b) If the State terminates this Contract under Section 2.16.3, Termination for Convenience, the State must pay the Contractor all charges due for Deliverable(s) provided before the date of termination and, if applicable, as a separate item of payment, for work-in-progress, based on a percentage of completion determined by the State. All completed or partially completed Deliverable(s) prepared by the Contractor, at the option(s) of the State, become the State's property, and the Contractor is entitled to receive equitable compensation for those Deliverable(s). Regardless of the basis for the termination, the State is not obligated to pay or otherwise compensate the Contractor for any lost expected future profits, costs, or expenses incurred with respect to Deliverable(s) not actually completed.



(c) If the State terminates this Contract for any reason, the State may assume, at its option, any subcontracts and agreements for Deliverable(s), and may pursue completion of the Deliverable(s) by replacement contract or as the State deems expedient.

2.16.8 Reservation of Rights

In the event of any full or partial termination of this Contract, each party reserves all rights or remedies otherwise available to the party.

2.16.9 Contractor Transition Responsibilities

If this Contract terminates under Section 2.16, Termination by the State, the Contractor must make reasonable efforts to transition the performance of the work, including all applicable equipment, services, software, and leases, to the State or a third party designated by the State within a reasonable period of time that does not exceed 90 days from the date of termination. The Contractor must provide any required reports and documentation.

2.16.10 Transition Payments

If the transition responsibilities outlined in Section 2.16.9, Contractor Transition Responsibilities, arise based on a termination of this Contract, reimbursement will be governed by the provisions of Section 2.16, Termination by the State. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e., costs incurred after the expiration within the time period in Section 2.16.9 that result from transition operations) at the Contract rates. The Contractor must prepare an accurate accounting from which the State and the Contractor may reconcile all outstanding accounts.

2.17 Termination by the Contractor

2.17.1 Termination

If the State breaches the Contract and the Contractor, in its sole discretion, determines that the breach is curable, then the Contractor will provide the State with notice of the breach and a time period (not less than 30 days) to cure the breach.

The Contractor may terminate this Contract if the State: (a) materially breaches its obligation to pay the Contractor undisputed amounts due; (b) breaches its other obligations to an extent that makes it impossible or commercially impractical for the Contractor to complete the Deliverable(s); or (c) does not cure the breach within the time period specified in a notice of breach. The Contractor must discharge its obligations under Section 2.20, Dispute Resolution, before it terminates the Contract.

2.18 Stop Work

2.18.1 Stop Work Order[Deleted, Not Applicable]

2.18.2 Termination of Stop Work Order[Deleted, Not Applicable]

2.18.3 Allowance of the Contractor's Costs[Deleted, Not Applicable]

2.19 Reserved

2.20 Dispute Resolution

2.20.1 General

(a) The Contractor must submit any claim related to this Contract to the State under Section 2.3.6, Notices, together with all supporting documentation for the claim.

(b) The representatives of the Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information related to the claim.

(c) During the course of negotiations, each party will honor all reasonable requests made by the other for non-privileged information reasonably related to the claim.



2.20.2 Informal Dispute Resolution

(a) If, after a reasonable time following submission of a claim under Section 2.20.1, General, the parties are unable to resolve the claim, the parties must meet with the Director of DTMB-Procurement, or his or her designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings.

(b) Within 60 calendar days of the meeting with the Director of DTMB-Procurement, or such other time as agreed to by the parties, the Director of DTMB-Procurement will issue a written recommendation regarding settlement of the claim. The Contractor must notify DTMB-Procurement within 21 days after the recommendation is issued whether the Contractor accepts or rejects the recommendation. Acceptance by the Contractor constitutes the final resolution of the claim addressed in the recommendation, and the Contractor may not assert that claim in any future litigation or other proceeding between the parties.

(c) The recommendation of the Director of DTMB-Procurement is not admissible in any future litigation or other proceeding between the parties. The conduct and statements made during the course of negotiations or dispute resolution under Section 2.20, Dispute Resolution, are subject to Michigan Rule of Evidence 408 and are not admissible in any future litigation or other proceeding between the parties.

(d) This section will not be construed to prohibit either party from instituting formal proceedings to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.20.3, Injunctive Relief.

(e) DTMB-Procurement will not mediate disputes between the Contractor and any other entity, except State agencies, concerning responsibility for performance of work.

2.20.3 Injunctive Relief

A claim between the State and the Contractor is not subject to the provisions of Section 2.20.2, Informal Dispute Resolution, where a party makes a good faith determination that a breach of the Contract by the other party will result in damages so immediate, so large or severe, and so incapable of adequate redress that a temporary restraining order or other injunctive relief is the only adequate remedy.

2.20.4 Continued Performance

Each party will continue performing its obligations under the Contract while a claim is being resolved, except to the extent the claim precludes performance and without limiting either party's right to terminate the Contract as provided in Section 2.16, Termination by the State or Section 2.17, Termination by the Contractor. A claim involving payment does not preclude performance.

2.21 Disclosure Responsibilities

2.21.1 Disclosure of Litigation

(a) Within 30 days after receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "Proceeding") that arises during the term of this Contract, the Contractor must disclose the following to the Contract Administrator:

- (i) A criminal Proceeding involving the Contractor (or any Subcontractor) or any of its officers or directors;
- (ii) A parole or probation Proceeding;
- (iii) A Proceeding involving the Contractor (or any Subcontractor) or any of its officers or directors under the Sarbanes-Oxley Act; and
- (iv) A civil Proceeding to which the Contractor (or, if the Contractor is aware, any Subcontractor) is a party, and which involves (A) a claim that might reasonably be expected to adversely affect the viability or financial stability of the Contractor or any Subcontractor; or (B) a claim or written allegation of fraud against the Contractor (or, if the Contractor is aware, any Subcontractor) by a governmental or public entity arising out of the Contractor's business dealings with governmental or public entities.

(b) Information provided to the State from the Contractor's publicly filed documents will satisfy the requirements of this Section.

(c) If any Proceeding that is disclosed to the State 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 the Contractor (or a Subcontractor) to continue to perform this Contract; or (ii) whether the Contractor (or a Subcontractor) is engaged in conduct that is similar in nature to the conduct alleged in the Proceeding and would constitute a breach of this Contract or a violation of federal or state law, regulations, or public policy, then the Contractor must provide the State all requested reasonable assurances that the Contractor and its Subcontractors will be able to continue to perform this Contract.

2.21.2 Other Disclosures

The Contractor must notify DTMB-Procurement within 30 days of:

- (a) becoming aware that a change in the Contractor's ownership or officers has occurred or is certain to occur; or
- (b) any changes to company affiliations.

2.21.3 Call Center Disclosure

The Contractor and all Subcontractors involved in the performance of this Contract providing call or contact center services to the State must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information is a material breach of this Contract.

2.22 Extended Purchasing

2.22.1 MiDEAL Requirements [Deleted, Not Applicable]

2.22.2 State Administrative Fee [Deleted, Not Applicable]

2.22.3 State Employee Purchase Requirements [Deleted, Not Applicable]

2.23 Laws

2.23.1 Governing Law

This Contract is 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 another jurisdiction to the extent not inconsistent with or preempted by federal law.

2.23.2 Compliance with Laws

The Contractor must comply with all applicable federal, state, and local laws and ordinances in providing the Deliverable(s).

2.23.3 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, the Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections to this venue that it may have, such as lack of personal jurisdiction or *forum non conveniens*. The Contractor must appoint agents in the State of Michigan to receive service of process.

2.23.4 Nondiscrimination

In the performance of the Contract, the 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, or physical or mental disability. The Contractor further agrees that every subcontract entered into for the performance of this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and any breach of this provision may be regarded as a material breach of the Contract.



2.23.5 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 MCL 423.322. 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 MCL 423.324, the State may void any Contract if, after award of the Contract, the name of the Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of the Contractor appears in the register.

2.23.6 Environmental Provision

For the purposes of this section, "Hazardous Materials" include 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:

(a) The Contractor must use, handle, store, dispose of, process, transport, and transfer any Hazardous Material according to all federal, State, and local laws. The State must immediately advise the Contractor of the presence of any known Hazardous Material at the work site. If the Contractor encounters material reasonably believed to be Hazardous Material that may present a substantial danger, the Contractor must: (i) immediately stop all affected work; (ii) notify the State in accordance with Section 2.3.6, Notices; (iii) notify any entities required by law; and (iv) take appropriate health and safety precautions.

(b) The State may issue a Stop Work Order if the material is a Hazardous Material that may present a substantial danger and the Hazardous Material was not brought to the site by the Contractor, or does not wholly or partially result 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 may remove the Hazardous Material, render it harmless, or terminate the affected work for the State's convenience.

(c) If the Hazardous Material was brought to the site by the Contractor, or wholly or partially results 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.

2.23.7 Freedom of Information

This Contract and all information submitted to the State by the Contractor is subject to the Michigan Freedom of Information Act (FOIA), 1976 PA 442, MCL 15.231, *et seq.*

2.23.8 Workplace Safety and Discriminatory Harassment [Deleted, Not Applicable]

2.23.9 Prevailing Wage [Deleted, Not Applicable]

2.23.10 Abusive Labor Practices

The Contractor may not furnish any Deliverable(s) that were produced fully or partially by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

“Forced or indentured child labor” means all work or service (1) exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or (2) performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

2.24 General Provisions

2.24.1 Bankruptcy and Insolvency

The State may, without prejudice to any other right or remedy, fully or partially terminate this Contract and, at its option, take possession of the work-in-progress and finish the work-in-progress by whatever method the State deems appropriate if:



- (a) the Contractor files for bankruptcy protection;
- (b) an involuntary petition is filed against the Contractor and not dismissed within 30 days;
- (c) the Contractor becomes insolvent or 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 provide the Deliverable(s) under this Contract.

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

2.24.2 Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and this Contract or the project to which it relates will not be made without prior approval by the State, and only in accordance with the instructions from the State.

2.24.3 Contract Distribution

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

2.24.4 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 Contract.

2.24.5 Website Incorporation

The State is not bound by any content on the Contractor's website unless incorporated directly into this Contract.

2.24.6 Future Bidding Preclusion [Deleted, Not Applicable]

2.24.7 Antitrust Assignment

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

2.24.8 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as mandated by federal disaster response requirements, Contractor personnel dedicated to providing Deliverable(s) under this Contract will provide the State with priority.

2.24.9 Legal Effect

The State is not liable for costs incurred by the Contractor or for payment(s) under this Contract until the Contractor is authorized to perform under Section 1.2.4, Ordering.

2.24.10 Entire Agreement

This Contract constitutes the entire agreement between the parties and supersedes all prior agreements, whether written or oral, with respect to the subject matter. All attachments referenced in this Contract are incorporated in their entirety and form part of this Contract.

2.24.11 Order of Precedence

Any inconsistency in the terms associated with this Contract will be resolved by giving precedence to the terms in the following descending order:

- (a) Mandatory sections (2.1.1, Contract Term, 2.24.9, Legal Effect, 2.2.2, Payment Deadlines, 2.14, Insurance, 2.15, Indemnification, 2.16, Termination, 2.23, Governing Law, 2.15.7, Limitation of Liability);
- (b) The most recent Statement of Work related to this Contract;



- (c) All sections from Article 2 - Terms and Conditions, not listed in subsection (a);
- (d) Any attachment or exhibit to the Contract documents;
- (e) Any Purchase Order, Direct Voucher, or Procurement Card Order issued under the Contract; and
- (f) Bidder Responses contained in any of the RFP documents.

2.24.12 Headings

The captions and section headings used in this Contract are for convenience only and may not be used to interpret the scope and intent of this Contract.

2.24.13 Form, Function and Utility

If this Contract is for statewide use, but the Deliverable(s) does not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the Deliverable(s) from another source.

2.24.14 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract. If any provision of this Contract is held unenforceable, then the Contract will be modified to reflect the parties' original intent. All remaining provisions of the Contract remain in full force and effect.

2.24.15 Approval

Unless otherwise provided in this Contract, approval(s) must be in writing and must not be unreasonably withheld or delayed.

2.24.16 No Waiver of Default

Failure by a party to insist upon strict adherence to any term of the Contract does not waive that party's right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.24.17 Survival

The provisions of this Contract that impose continuing obligations, including warranties, indemnification, and confidentiality, will survive the expiration or termination of this Contract.



Attachment A, Price Proposal

Item Number	Description	Quantity	Unit of Measure	Unit Price	Total Price
CTR-X11-B-01-F-001	Controller; X11; 1 IO; Battery; Flush; Standard	1	Each	110.00	110.00
CTR-X11-B-01-F-103	Controller; X11; 1 IO; Battery; Flush; OMSLO	1	Each	110.00	110.00
CTR-X11-B-01-H-001	Controller; X11; 1 IO; Battery; Hot; Standard	1	Each	100.00	100.00
CTR-X11-B-01-S-001	Controller; X11; 1 IO; Battery; Shower; Standard	1	Each	110.00	110.00
CTR-X11-B-04-2L-001	Controller; X11; 4 IO; Battery; 2 Lavatory; Standard	1	Each	266.88	266.88
CTR-X11-B-04-4H-001	Controller; X11; 4 IO; Battery; 4 Hot; Standard	1	Each	266.88	266.88
CTR-X11-B-04-EF-001	Controller; X11; 4 IO; Battery; Combie, Flush; Standard	1	Each	266.88	266.88
CTR-X11-B-04-EF-101	Controller; X11; 4 IO; Battery; Combie, Flush; 6SSRT	1	Each	266.88	266.88
CTR-X11-S-01-S-001	Controller; X11; 1 IO; Standalone; Shower; Standard	1	Each	99.00	99.00
CTR-X11-S-01-S-102	Controller; X11; 1 IO; Standalone; Shower; 7MART; 15MALO; 1UCount	1	Each	99.00	99.00
CTR-X11-S-01-S-103	Controller; X11; 1 IO; Standalone; Shower; 7MART; 3MALO	1	Each	99.00	99.00
CTR-X11-S-04-4F-001	Controller; X11; 4 IO; Standalone; 4 Flush; Standard	1	Each	233.75	233.75
CTR-X11-S-04-4S-001	Controller; X11; 4 IO; Standalone; 4 Shower; Standard	200	Each	233.75	46,750.00
CTR-X11-S-04-4S-104	Controller; X11; 4 IO; Standalone; 4 Shower; 7MART; 15MALO	1	Each	233.75	233.75
CTR-X11-S-04-4S-105	Controller; X11; 4 IO; Standalone; 4 Shower; 15MART; 15MALO	1	Each	233.75	233.75



CTR-X11-S-04-EF-001	Controller; X11; 4 IO; Standalone; Combie, Flush; Standard	200	Each	213.75	42,750.00
CTR-X12-AC-08-2EFC-001	Controller; X12; 8 IO; Standalone; 2 Combie, Flush, Cold; Standard	1200	Each	354.00	424,800.00
CTR-X11-S-08-2ECF-109	Controller; X11; 8 IO; Standalone; 2 Combie, Cold, Flush; 6SSRT; 60MALO	1	Each	354.00	354.00
EC-TRS-BM-120V-40VA	Transformer; Box Mount; 120V; 40VA; RAW	1	Each	37.63	37.63
EUC-BAT-0109	Battery Pack; for 1 IO Battery Controllers	1	Each	21.67	21.67
EUC-BAT-0409	Battery Pack; for 4 IO Battery Controllers	1	Each	27.22	27.22
EUC-RKT-3701	Rebuild Kit; Complete; for 1" Flush Valve	1000	Each	27.73	27,730.00
EUC-RKT-3701-D	Rebuild Kit; Gasket & Support Cup Assembly Only; for 1" Flush Valve	200	Each	16.47	3,294.00
EUC-RKT-5775	Rebuild Kit; Complete; for 3/4" Shower Valve	1	Each	24.27	24.27
FXR-SHW-2226	Shower Head; Chrome/Brass; Swivel Head; Pilfer Proof; 1.75 to 2 GPM @ 60 PSI	1	Each	48.00	48.00
FXR-SHW-2227	Shower Head; Chrome/Brass; Institutional with Anchor Plate	1	Each	183.08	183.08
FXR-SHW-2229	Shower Head; Chrome/Brass; Fixed Head; Pilfer Proof; 1.75 to 2 GPM @ 60 PSI	1	Each	55.39	55.39
MC-SLD-BP-6068	Solenoid Component; 24 VAC; Manual Bleed Lever	1	Each	2.77	2.77
MC-SLD-BP-6069	Solenoid Component; 24 VAC; Bleed Plug; Standard	1	Each	4.24	4.24
MC-SLD-BP-7069-HF	Solenoid CMPT; Bleed Plug; High Flow; Green; (0.125"); (100 PSI Max.); With O-Ring	1	Each	6.54	6.54
MC-VLV-FVL-2416	Valve Part; Adaptor; Flush Valve to Vacuum Breaker; 1" MPT; 1-1/2" MPT; Acetal	1	Each	12.76	12.76
MC-VLV-SHW-2405	Valve Part; Shower; Strainer Assembly; 1/2" MPT; Plastic	1	Each	21.67	21.67



MHW-CDA-0390	Core Drill Part; Adaptor; I-Con Sensor to 3/8" Pipe Nipple	1	Each	9.65	9.65
MHW-CDA-1489-06	Core Drill Part; Nipple; 3/8" Pipe Size; 6" L; Black; 5/8" of thread one end, 2" of thread other end	1	Each	5.40	5.40
MHW-CDA-1489-08	Core Drill Part; Nipple; 3/8" Pipe Size; 8" L; Black; 5/8" of thread one end, 2" of thread other end	200	Each	6.37	1,274.00
MHW-CDA-1489-10	Core Drill Part; Nipple; 3/8" Pipe Size; 10" L; Black; 5/8" of thread one end, 2" of thrd. other end	1	Each	6.79	6.79
MHW-CDA-1489-12	Core Drill Part; Nipple; 3/8" Pipe Size; 12" L; Black; 5/8" of thread one end, 4" of thrd. other end	1	Each	10.45	10.45
MHW-CN-08P08P20L	Connector; 1/2" FPT; 1/2" FPT; 20" L; Braided Stainless Steel	2900	Each	21.67	62,843.00
MHW-EN-7504-TOILET	Enclosure; Toilet Valve; 14" W; 15" L; 7" D; w/o Paper Holder; Internal Mounting Bracket; S.S.	1	Each	424.62	424.62
MHW-FR-250-0.5	Flow Restrictor; 1/4" Dia.; .5 GPM; .055" Hole	1	Each	3.33	3.33
MHW-NUT-1006	Core Drill Part; Nut; 3/8" FPT; Brass	1	Each	2.78	2.78
MHW-PLT-1001	Escutcheon; Round; Washer; Backing; 7/8"	16000	Each	3.81	60,960.00
MHW-PLT-1005	Escutcheon; Round; 2-3/8"; Stainless Steel; Brushed Finish: for Lavatories/Showers	5400	Each	4.95	26,730.00
MHW-PLT-1010	Escutcheon; Round; 2-7/8"; Stainless Steel; Brushed Finish; for Toilets	2600	Each	6.00	15,600.00
MHW-PLT-1015	Escutcheon; Round; 4"; Stainless Steel; Brushed Finish	100	Each	26.11	2,611.00
MHW-PLT-1020	Escutcheon; Round; 6"; Stainless Steel; Brushed Finish	300	Each	35.00	10,500.00
MHW-PLT-4001	Escutcheon; Bar; Backing; 6" W; 1-1/4" H; with 7/8" hole; Steel	1	Each	21.67	21.67
MHW-TB-06P	Tubing; Polyethylene; 3/8" OD; 1/4" ID; 1/16" Wall	30000	Each	1.15	34,500.00
MHW-TB-08P	Tubing; Polypropylene; 1/2" OD; 3/8" ID; 1/16" Wall Foot	10000	Each	1.50	15,000.00



MHW-VB-5011-ELB	Vacuum Breaker Part; Elbow Assembly; with Nuts, Slip Joint & Friction Washers; Rough Brass	1	Each	16.47	16.47
MHW-VB-5011-SJW	Vacuum Breaker Part; Washer; Slip Joint; 1-1/2"; Rubber	2600	Each	1.50	3,900.00
MHW-VB-5011-TPN	Vacuum Breaker Part; Nut; for Elbow & Tailpiece; Rough Brass	2600	Each	6.93	18,018.00
MHW-VB-5011-VBN	Vacuum Breaker Part; Nut; Vacuum Breaker to Flush Valve; Rough Brass	2600	Each	14.39	37,414.00
MHW-VB-5011-VBR	Vacuum Breaker Part; Repair Kit; Rubber	2600	Each	5.63	14,638.00
MHW-VB-5011-VBT-13	Vacuum Breaker Part; Tube; Vacuum Breaker; 13" L; 8" Scratch Thread; Rough Brass	2600	Each	17.10	44,460.00
MHW-VB-5011-VBT-21	Vacuum Breaker Part; Tube; Vacuum Breaker; 21" L; 13" Scratch Thread; Rough Brass	100	Each	30.50	3,050.00
MHW-VLV-FVL-6010	Adaptor; Delany Stop; with O-Ring; Chrome Plated	1700	Each	17.32	29,444.00
SEN-1501-002	Sensor Assembly; Standard; with 2' Water-Tight Lead, Nut & Lock Washer	17500	Each	51.94	908,950.00
WR-SEN-WT-4C-006	Cable; Sensor; 006'; Black Water-Tight Connector	8100	Each	4.45	36,045.00
WR-SEN-WT-4C-015	Cable; Sensor; 015'; Black Water-Tight Connector	9300	Each	11.95	111,135.00
WR-SEN-WT-4C-025	Cable; Sensor; 025'; Black Water-Tight Connector	1	Each	16.95	16.95
WR-SEN-WT-4C-035	Cable; Sensor; 035'; Black Water-Tight Connector	1	Each	21.95	21.95
SLD-0914-002	Solenoid Assy; 24 VAC; 2' Lead; Blk WT Conn; W/Bleed Plug	2700	Each	24.20	65,340.00
SLD-0914-002-HF	Solenoid Assy; 24 VAC; 2' Lead; Blk WT Conn; W/High Flow Bleed Plug	1200	Each	27.20	32,640.00
WR-SLD-WT-24VAC-4C-006	Cable; 24VAC; Solenoid; 006'; Black Water-Tight Connector	13500	Each	4.45	60,075.00
WR-SLD-WT-24VAC-4C-015	Cable; 24VAC; Solenoid; 015'; Black Water-Tight Connector	3900	Each	11.95	46,605.00



WR-SLD-WT-24VAC-4C-025	Cable; 24VAC; Solenoid; 025'; Black Water-Tight Connector	1	Each	16.95	16.95
WR-SLD-WT-24VAC-4C-035	Cable; 24VAC; Solenoid; 035'; Black Water-Tight Connector	1	Each	21.95	21.95
SLD-6213-006	Solenoid Assembly; Battery; 6213 Series; with 6' Lead; includes Bleed Plug	1	Each	54.50	54.50
SLD-6213-015	Solenoid Assembly; Battery; 6213 Series; with 15' Lead; includes Bleed Plug	1	Each	64.00	64.00
TRS-BB-120V-0.50KVA-1224	Transformer Assembly; Buck & Boost; 120V; 0.50KVA; 12/24 Secondary	1	Each	323.16	323.16
TRS-BB-120V-1.00KVA-1224	Transformer Assembly; Buck & Boost; 120V; 1.00KVA; 12/24 Secondary	1	Each	428.50	428.50
TRS-PI-120V-20VA	Transformer Assembly; Plug-In; 120V; 20VA; 0.50 AMP	1	Each	24.38	24.38
TRS-PI-120V-40VA	Transformer Assembly; Plug-In; 120V; 40VA; 1.00 AMP	1	Each	26.81	26.81
TRS-PI-120V-50VA	Transformer Assembly; Plug-In; 120V; 50VA; 1.25 AMP	1750	Each	30.46	53,305.00
VLV-AUX-1302	Valve Assembly; Check Stop; with Strainer	1	Each	43.33	43.33
VLV-CMN-2191	Valve Assembly; Pneumatic Block; Bradley Retrofit; 2" Square; with O-Rings	1	Each	53.33	53.33
VLV-CMN-2701	Valve Assembly; Lavatory; Pre-Tempered Water Manifold; Single Station	1	Each	100.00	100.00
VLV-CMN-2702	Valve Assembly; Lavatory; Pre-Tempered Water Manifold; Dual Station	1	Each	160.00	160.00
VLV-FVL-3701-L	Valve Assembly; Flush; Retrofit; Left; 1"; excludes Solenoid	1300	Each	120.68	156,884.00
VLV-FVL-3701-R	Valve Assembly; Flush; Retrofit; Right; 1"; excludes Solenoid	1300	Each	120.68	156,884.00
VLV-LAV-4202-0914-006	Valve Assy; Lav; Standard "Microphone"; Complete W/ 6' 24 VAC SOL & Nut	1	Each	71.42	71.42
VLV-LAV-4203	Valve Part; Lavatory; Cartridge Assy; Retrofit; for SuperSecure B-10 Valve; with Std. O-Rings	1	Each	34.67	34.67



VLV-LAV-4601	Valve Assembly; Lavatory; Pre-Tempered Water Manifold; Single Station	1	Each	100.00	100.00
VLV-LAV-4811-0914-006	Valve Assy; Lav; Manifold; Single; W/ (2) Check Stops & (2) 0914-002 SOL & 6'Lead	200	Each	178.59	35,718.00
VLV-LAV-4811-0914-015	Valve Assy; Lav; Manifold; Single; W/ (2) Check Stops & (2) 0914-002 SOL & 15'Lead	1	Each	197.59	197.59
VLV-LAV-4812-0914-002	Valve Assy; Lav; Manifold; Dual; W/ (2) Check Stops & (4) 0914-002 SOL & 2' Lead	1250	Each	267.94	334,925.00
VLV-LAV-4812-B006	Valve Assembly; Lavatory; Manifold; Dual; with (2) Check Stops & (4) 6213-006 Battery Solenoids	1	Each	340.65	340.65
VLV-LAV-4814-B006	Valve Assembly; Lavatory; Manifold; Quad; with (2) Check Stops & (8) 6213-006 Battery Solenoids	1	Each	542.72	542.72
VLV-LAV-4814-0914-002	Valve Assy; Lav; Manifold; Quad; W/ (2) Check Stops & (2) 0914-002 SOL & 2' Lead	1	Each	421.59	421.59
VLV-SHW-5775-0000-Z	Valve Assembly; Shower; Raw; Prepped; 3/4"; excludes fittings and Solenoid	1	Each	34.99	34.99
VLV-SHW-5775-1006-Z	Valve Assembly; Shower; 5775 Series; 5/8" I x 3/8" O; No Strainer	500	Each	68.16	34,080.00
VLV-SHW-5775-1010-S	Valve Assembly; Shower; 5775 Series; 5/8" I x 5/8" O; with Strainer	1	Each	78.87	78.87

Note: The above part numbers are subject to change, and any new I-CON Systems, Inc. parts or part number shall be automatically incorporated herein.



ATTACHMENT L



I-CON Systems, Inc.
 3100 Camp Road, Oviedo, FL 32765
 Toll Free (800) 240-3578
 P (407) 365-6241
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I-CON STANDARD LIMITED WARRANTY

LIMITED WARRANTY COVERAGE

I-CON Systems, Inc. (I-CON) warrants its manufactured products to be made of first class materials, free from defects of material or workmanship under normal use and to perform the service for which they are intended in a reliable and efficient manner when properly installed by I-CON or an I-CON Certified Contractor, for a period of one (1) year from the date of purchase (the "Warranty Period"). Coverage under this Limited Warranty is limited to the product's materials and workmanship only and no claims shall be allowed for labor, transportation, or other incidental costs.

If a valid claim is received within the Warranty Period, I-CON will, at its option, (1) repair the defect at no charge, using new replacement parts, or (2) replace the product with a product that is a new similar product or which has been manufactured from new or serviceable used parts and is at least functionally equivalent to the original product. I-CON shall have a reasonable time after determining that a defective product exists to repair or replace such defective product. **THE EXCLUSIVE REMEDY FOR ANY DEFECTIVE PRODUCT IS LIMITED TO THE REPAIR OR REPLACEMENT OF THE DEFECTIVE PRODUCT.** A replacement product or part that has been installed in accordance with instructions provided by I-CON, assumes the remaining warranty of the original product.

EXCLUSIONS AND LIMITATIONS

This Limited Warranty applies only to products manufactured by I-CON and installed by a Certified I-CON Contractor or Representative, unless otherwise expressly agreed to by I-CON, for the products intended use. I-CON does not warrant that the operation of the product will be uninterrupted or error-free.

This warranty does not apply: (a) to damage caused by use with non-I-CON products; (b) to damage caused by "Acts of God" such as lightning strikes, flood, fire, earthquake or other external causes; (c) to damage caused by operating the product outside the permitted or intended uses described by the manufacturer; (d) to damage caused by servicing (including upgrades and expansions) performed by anyone except an I-CON employee; (e) to a product or part that has been modified to alter functionality or capability without the written permission of I-CON; (f) to any I-CON product has been damaged during service or during removal from service by any person other than an I-CON employee or I-CON Certified Contractor, and only then, while warranty coverage is in effect; or (g) items that fall under misuse, improper or uncertified installation, alteration (including removing or obliterating labels), accident or mishandling.

THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. IN NO EVENT IS I-CON RESPONSIBLE FOR ANY CONSEQUENTIAL DAMAGES OR LOSS OF USE CLAIMS OF ANY MEASURE WHATSOEVER. THIS LIMITED WARRANTY SUPERCEDES ALL PREVIOUS VERSIONS AND IS SUBJECT TO CHANGE AT THE SOLE DISCRETION OF I-CON SYSTEMS, INC.

OBTAINING WARRANTY SERVICE

Please read and review any documentation accompanying the product, including, but not limited to, an operating manual documentation, this Limited Warranty, and troubleshooting guides before contacting I-CON. If the product is still not functioning properly after making use of these resources, please contact I-CON or the representatives listed in the provided documentation. An I-CON representative will help determine whether your product requires return service and, if it does, will inform you how I-CON will provide it. No Product may be returned directly to I-CON without first contacting I-CON for a Return Material Authorization ("RMA") number. An unauthorized return, i.e. one for which an RMA number has not been issued, may be returned to you at your expense. If it is determined that the product may be defective, you will be given an RMA number and instructions for product return. The defective item shall be returned to I-CON, at the customer's expense, and shall clearly display the RMA number on the outside of the package. The claimed defective item shall be properly packaged to ensure no additional damage shall occur during shipping.

I-CON will provide warranty service on products only during the Warranty Period. Service options, parts availability and response times may vary according to conditions and parts availability. Any product not found to be covered under warranty by I-CON may include a minimum service charge and shipping expenses back to the user. All parts found not to be under warranty, but are serviceable to a functioning condition, will be repaired only after the customer has authorized the service to be performed and provided proper payment arrangements.