



# STATE OF MICHIGAN

Janitorial Services for University Region Office

## EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

### Background

This is a Contract for janitorial service for the University Region Office, at 4701 W. Michigan Ave. Jackson, MI 49201 for a three year time period, with two, one year options available.

### Requirements

The Contractor must provide cleaning services five-days a week, which include trash removal, cleaning of restrooms, conference rooms, break room and general work areas. See cleaning details within the Location Specification Sheet document.

#### 1.0 Training

The Contractor must provide documentation of training employees, as well as training materials used for employees, to MOOT's Contract Administrator when requested.

#### 2. Acceptance

##### 2.1 Acceptance, Inspection and Testing

The State will use the following criteria to determine acceptance of the Contract Activities: Visual inspections completed by the Contract Administrator, for all locations defined under contract activities and specifications within this contract.

#### 3.0 Staffing Requirements

##### 3.1 Contractor Representative

Rick Rawlings, 269-832-0487. rrawlings@hitec-services.com

The Contractor must notify the Contract Administrator at least 7 calendar days before removing or assigning a new Contractor Representative.

##### 3.2 Work Hours

Work hours of Contractor servicing this contract for Daily, Weekly, and most Monthly Services must be after 4:30p.m., Monday through Friday.

Work hours of Contractor servicing this contract for specific pre-approved Monthly Services, and for all Quarterly and Semi-Annual Services must be between 8:00a.m. and 8:00p.m. on weekends.

The State of Michigan will not pay for services not performed. The Contractor will not be paid for State holidays unless requested to perform such services. State holidays include, but are not limited to: New Year's Day, Martin Luther King Jr.'s birthday, Presidents Day, Memorial Day, Independence Day, Labor Day, Veterans Day, Election Day, Thanksgiving Day (2 days), Christmas Eve, Christmas Day, New Year's Eve and New Year's Day. For specific dates, contact the Contract Administrator.

##### 3.3 Key Personnel

Rick Rawlings, 269-832-0487. rrawlings@hitec-services.com

Contractor's Key Personnel must be on-site for all pre bid meetings, acceptance meetings as well as when requested for on-site meetings to discuss potential concerns.

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the

State of the proposed assignment, introduce the individual to the State's Project Administrator, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor's removal of Key Personnel without the prior written consent of the State is an unauthorized removal ("Unauthorized Removal"). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel's employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under Termination for Cause in the Standard Terms.

It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an "Unauthorized Removal Credit"):

For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$25,000.00 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30 calendar days before the Key Personnel's removal.

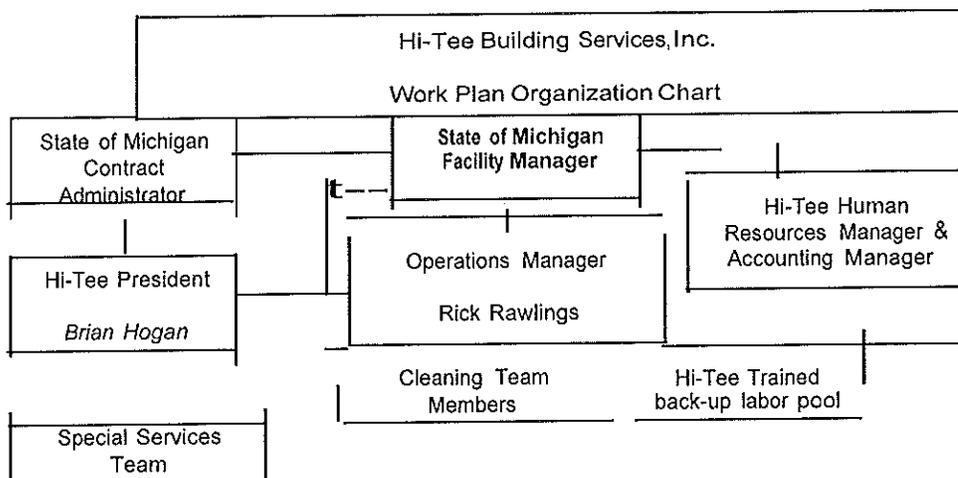
(ii)

If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30 calendar days, in addition to the \$25,000.00 credit specified above, Contractor will credit the State \$833.33 per calendar day for each day of the 30 calendar-day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$25,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30 calendar days of shadowing will not exceed \$50,000.00 per individual.

Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State's option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

The Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological resumes.

### 3.4 Organizational Chart



### 3.5 Disclosure of Subcontractors

There will be NO Subcontractor or partnering with another company.

### 3.6 Security

The Contractor will be subject the following security procedures:

The Contractor must lock and secure the building each night when leaving. Lock-up procedures consist of the following before leaving building:

1. Turn *off* bathroom exhaust fans.
2. Turn *off* all interior lights.
3. Check and lock all entrance doors, gates or any other access to the building.
4. Properly set security alarm system (where applicable).

In locations that include a security alarm system, the Contractor must also properly set the security alarm when leaving the building. Failure to maintain a secure environment, properly lock the building or set the security alarm (where applicable) will result in a complaint to vendor and possible cancellation of the contract. Any cost incurred from a security service or local police for false alarms caused by failure of the Contractor to properly set the security alarm will be the responsibility of the Contractor.

In addition, should the contract be cancelled by default of Contractor, the cost of changing the building locks, providing new keys and re-ceding the security alarm, where applicable, will be charged to the Contractor. These costs may be deducted from the final payment due the contractor.

The State may require the Contractor's personnel to wear State issued identification badges.

## 4. Project Management

### 4.1 Project Plan

The Contractor will carry out this project under the direction and control of the Michigan Department of Transportation. Within 30 calendar days of the Effective Date, the Contractor must submit a project plan to the Contract Administrator for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

### 4.2 Meetings

The Contractor must attend the following meetings:

Mandatory Pre-Bid Meeting

Acceptance Meeting – 1 week prior to beginning of contract.

The State may request other meetings, as it deems appropriate.

### 4.3 Reporting

#### Quality Assurance Programs

At Hi-Tee, quality assurance is of utmost importance. We understand that consistency and reliability in services performed are dependent upon an efficient and effective quality assurance program. This includes thorough training, proactive **communication, key performance indicators and inspections.**

Operations personnel go through extensive quality assurance training to provide daily, weekly and monthly control of cleanliness.

One of the key ingredients to a successful quality assurance program is communication.

**24 hour phone service is provided to management personnel to ensure communication channels are open at all times.**

Our evaluations are conducted on a cleanliness rating scale of 1 to 4 which determines whether a quality problem exists (see quality form). Quality control checklists will be completed on an on-going daily and weekly basis. This identifies problems immediately allowing them to be addressed appropriately.

Quality assurance visits are scheduled and unscheduled to review quality in the facilities and findings are reviewed to determine if a course of action needs to commence. This dual approach to quality allows us to eliminate most quality issues before they become problems. All quality reports will be maintained in our files as required during the term of the contract.

## Hot Sheets

Hot sheets are a daily quality control report that the Site Supervisors execute during shift quality control checks. The Site Supervisors focus on items such as: high/low dusting, baseboard vacuum and cleaning, light switches, vents, kick plates, door handles, chair bases, trash cans, walls and floor care cleaning. This report is explained to the cleaner responsible for the area and directions given for completion the following day

## 5. Ordering

### 5.1 Authorizing Document

The appropriate authorizing document for the Contract will be a Blanket purchase order.

## 6. Invoice and Payment

### 6.1 Invoice Requirements

Contractor is to submit billing for Daily, Weekly, and Monthly Services at the close of each calendar month. Contractor is to submit separate billings for Quarterly and/or Semi-Annual Services upon completion of the service. Submit invoices to:

Michigan Department of Transportation

University Region Office, Attn: Jessica Price

4701 West Michigan Ave.

Jackson, MI 49201

Pricej9@michigan.gov

All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price. Overtime, holiday pay, and travel expenses will not be paid.

### 6.2 Payment Methods

The State will make payment for Contract Activities. The Contractor will be paid by purchase order for each approved billing received.

### 6.3 Procedure

Electronic invoicing via e-mail.

## 7. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$5,000 and an additional \$200 per day for each day Contractor fails to remedy the late or improper completion of the Work.

**MAINTENANCE, REPAIR & OPERATIONS (MRO)  
LOCATION SPECIFICATION SHEET (LSS)- JANITORIAL  
SERVICE**

PART I- PLACE OF PERFORMANCE

**CONTRACT INFORMATION**

CONTRACT START DATE:	02/01/15	CONTRACT END DATE:	1/31/18
NUMBER OF EXTENSION OPTIONS:	One (3) Year Contract with two, one year options to extend.		
CONTRACTING AGENCY NAME:	Michigan Department of Transportation		
BUILDING NAME AND NUMBER:	University Region Office		
BUILDING ADDRESS:	4701 W. Michigan Ave., Jackson, MI 49201		
TERRITORY / REGION / COUNTY:	University/Jackson		

**PROCUREMENT CONTACT INFORMATION**

PROCUREMENT OFFICE NAME:	Mark Morrison		
PROCUREMENT OFFICE CONTACT NAME:	Mark Morrison	PHONE No.:	517-241-2343
PROCUREMENT OFFICE CONTACT E-MAIL:	Morrisonm@Michigan.gov	FAX No.:	517-373-9466
PROGRAM MANAGER / CONTRACT ADMINISTRATOR (CA) NAME:	Jessica Price	PHONE No.:	517-750-0432
PROGRAM MANAGER CONTACT E-MAIL:	pricej@michigan.gov	FAX No.:	517-750-4397

**BUILDING LOCATION INFORMATION**

OFFICIAL WORKING DAYS OF BUILDING OCCUPANTS:	Mon- Fri	OFFICIAL WORKING HOURS OF BUILDING OCCUPANTS:	6:00 am- 5:00 pm
NUMBER OF WORKSTATIONS AND/OR EMPLOYEES:	56	APPROXIMATE VISITOR POPULATION:	60/wk

IDENTIFY DAYS OF CLEANING SERVICE: DAILY/WEEKLY/MONTHLY SERVICES:	Mon-Fri	IDENTIFY HOURS OF CLEANING SERVICE:	5x per week: after 4:30pm
IDENTIFY DAYS OF CLEANING SERVICE: SEMI-ANNUAL SERVICES:	Sat/Sun	IDENTIFY HOURS OF CLEANING SERVICE:	8:00 am - 8:00 pm
TOTAL BUILDING SQ. FT. TO BE CLEANED:		NUMBER OF STORIES:	One
TOTAL SQ. FT. OF CARPET TO BE CLEANED:	13,126 sq ft	LIST AREA(S): all carpeting less HIGH TRAFFIC: 11,600 sq ft	
TOTAL SQ. FT. OF "HIGH TRAFFIC" CARPET AREA(S) TO BE CLEANED:	1526sqft	LIST AREA(S): walkways between partitions, entryways to rooms, walkway past reception	
TOTAL SQ. FT. OF VINYL TO BE CLEANED:	520 sq ft	LIST AREA(S): break room, closet	
TOTAL SQ. FT. OF CERAMIC TO BE CLEANED:	719 sq ft	LIST AREA(S): restrooms, vestibules	
TOTAL SQ. FT. OF CEMENT TO BE CLEANED:	340 sq ft	LIST AREA(S): furnace room	
NUMBER OF RESTROOMS IN BUILDING:	2	NUMBER OF TOTAL UNITS FOR BUILDING RESTROOM(S):	10
Is window cleaning to be included on this contract?	YES		
Is light fixture cleaning to be included on this contract?	YES		
Is carpet cleaning, hard surface floor strip, seal, wax & buff included on this contract?	YES		
Does location have child play area(s), gymnasium, and locker room? If so, please identify along with cleaning standard.	No		
What is the RECOMMENDED Level of Insurance Risk for this Contract?	See Request for Proposal attachment for insurance requirements. Proof of insurance due prior to contract award.		

ADDITIONAL INFORMATION: Include additional building information, including but not limited to known building environmental issues that Bidder should be aware of in performing janitorial services for this location.

N/A

## PART II – CLEANING TASK FREQUENCIES

### A. DAILY SERVICES: Monday through Friday

#### ROOM CLEANING (All areas excluding furnace room)

1. Empty waste receptacles and remove waste to designated area
2. Empty individual blue recycle bins into cardboard dumpster.
3. Wash or damp wipe, inside and outside, all waste receptacles presenting a soiled or odorous condition.
4. Replace liners when torn or soiled.
5. Dust mop all non-carpeted floors. Damp mop all spills.
6. Damp mop and shine all high traffic vinyl floors.
7. Thoroughly vacuum all high traffic carpeted floors and carpeted mats and other areas as needed. (Refer to General Definitions for quality of care expected.)
8. Spot clean all carpeted areas.
9. Clean and disinfect drinking fountains. Wipe dry.
10. Clean and polish all entrance glass and pass-thru glass at reception.
11. Move all lobby chairs and clean floor area underneath. Replace chairs in proper place.
12. Remove all mats and runners and clean floor underneath.
13. Clean by most appropriate means all lobby furniture and counters.
14. Disinfect all table surfaces and counter tops.
15. Conference Rooms: As needed, damp wipe table tops, arrange chairs in orderly fashion, vacuum.

#### RESTROOMS

1. Clean and sanitize all units.
2. Clean mirrors and counters. Sanitize and polish chrome fixtures.
3. **\*\*Refill dispensers as needed.\*\*** (See section: Replenishable Supplies)
4. Empty and disinfect all sanitary napkin receptacles.

5. Sweep and damp mop floors with a germicidal solution paying special attention around wash bowls, toilets and urinals.
6. Empty waste receptacles.
7. Clean switch, door, and kick plates.
8. Maintain floor traps free of odor.

#### BREAK ROOM

1. **\*\*Refill towel dispensers as needed.\*\*** (See section: Replenishable Supplies)
2. Sweep and damp mop vinyl floor.
3. Disinfect wipe counter tops and table tops.
4. Clean and sanitize sink, polish fixtures.
5. Check chairs for spills/stains; Vacuum chairs and spot clean when needed.
6. Wipe off coffee machine and serving area, and wall behind coffee machine.
7. Clean all visible spots from front of cabinet and outer surface of refrigerator.
8. Empty waste and recycle receptacles and place in appropriate dumpster.
9. **Clean inside and outside of microwaves.**

#### B. WEEKLY SERVICES

##### ROOM CLEANING (All areas, excluding furnace room)

1. Dust high and low, including tops of cubicles, clocks, all surfaces on which dust gathers.
2. Thoroughly vacuum all carpeted floors, including corners and underneath partitions.
3. Clean all mats and runners by best means. Replace all mats and runners.
4. Clean all cleared desk and counter top areas with approved desk/counter cleaner on Fridays.
5. Remove all cobwebs, clean baseboards.
6. Wet mop, scrub, and shine all vinyl floors.
7. Clean switches and kick plates.

##### RESTROOMS

1. Clean partition walls and doors with germicidal solution, making sure to thoroughly rinse.
2. Thoroughly clean floors with germicidal solution, with special attention to grouting, corners of floor, baseboards, and stalls.
3. With germicidal solution, spot clean walls around sinks, waste receptacles, behind urinals and toilets. Also wipe handicap rails.
4. Dust all surfaces, ledges, etc.

C. MONTHLY SERVICES

Monthly services will generally be performed concurrently with daily and weekly services, Monday through Friday. Contractor may request pre-approval to perform specific monthly services on weekends. The State reserves the right to approve or disapprove these requests. All monthly services not pre-approved for weekends must be performed Monday through Friday.

ROOM CLEANING (All areas, excluding furnace room)

1. Dust/vacuum window blinds.
2. Spot clean walls, doors, etc., removing all cobwebs, finger prints, smears and stains.
3. Clean partition glass.
4. Move chairs and vacuum all carpet in conference room.
5. Vacuum exposed air bars and heating outlets.

RESTROOMS

1. Wash with germicidal solution entrance doorways, ledges, etc.

FURNACE ROOM

1. Sweep/vacuum concrete floors.
2. Dust/clean all cleared surfaces, including shelving areas.

E. SEMI-ANNUAL SERVICES

Schedule to be set up with Facility Manager at beginning of contract period. Any deviation from established schedule must be pre-approved by Facility Manager. Each of the following services is to be priced separately from general janitorial (housekeeping) services.

1. Clean indoor light fixtures lens.
2. Vacuum fabric partition walls.
3. Shampoo or steam clean carpets by commercial method. Full contract area.
4. Strip, seal, wax and buff all vinyl and ceramic floors. Full contract area. Pay special attention to grouting, corners of floor, baseboards and stalls.
5. Wash all windows inside and outside.

\*\* RESPONSIBILITY FOR FURNISHING REPLENISHABLE SUPPLIES\*\*

Paper towels	.1L by agency	Toilet tissue	__S__ by agency
Hand soap	.1L by agency	Plastic liners	.1L by agency

III. GENERAL DEFINITIONS

The following definitions outline minimum acceptable standards for the activity to be performed:

A. Sweeping, Dust Mopping, and Damp Mopping

1. Sweeping consists of using a broom to remove visible dirt and debris from all vinyl and tiled floors. Leave no dirt in corners, behind radiators, under furniture, behind doors, on stairs or landings. Leave no dirt where sweepings were picked up.
2. Dust mopping must be performed with a treated mop. Thoroughly dust mop all vinyl and tiled areas. Move and dust mop under all easily movable objects (chairs, waste receptacles, etc.), and replace all items moved. Vacuum accumulated dust and dirt or place in to plastic trash bag.
3. Damp mopping: Use clean water at all times (change water often). Mop head must be only damp. No excess water can be left behind. Finished floor must be clean and streak free. Move and damp mop under all easily movable objects (chairs, waste receptacles, etc.), and replace all items moved after floor has completely dried.
4. After sweeping, dust mopping, and damp mopping operations, all floors must be clean and free from strings, bristles and dirt streaks.
5. Leave no dirt, trash or foreign matter under desks, tables or chairs.

B. Wet Mopping and Scrubbing

1. Prior to wet mopping and scrubbing the floors must be properly prepared, thoroughly swept to remove visible dirt and debris, wads of gum, tar and foreign substances from the floor surfaces.
2. All furniture readily movable by one person and intended to be moved frequently must be moved during all floor cleaning operations and replaced in original position upon completion.
3. Chairs, wastebaskets and other similar items must not be stacked on desks, tables or window sills, and not used in place of a step ladder.
4. Baseboards, walls, furniture and equipment must in no way be splashed, disfigured or damaged during these operations, but rather left in a clean condition.
5. Approved proper cleaning chemicals at proper dilution must be used at all times when wet mopping and scrubbing. Mop head must be thoroughly wet with cleaning solution during the mopping and scrubbing process.
6. Apply floor shine after mopping and scrubbing, unless cleaning solution contains floor shine.
7. Upon completion of the wet mopping or scrubbing, the floor must be properly rinsed, dry mopped, clean and free of dirt, residue from cleaning solution, water streaks, mop marks, strings; to present an overall clean and shiny appearance. All surfaces must be dry and corners and cracks clean.

C. Carpeting and Mats

1. Thoroughly vacuum all carpeted areas, including carpeted floor mats.
2. After vacuuming, leave all carpeting clean, free from dust balls, dirt and other debris. Prior to vacuuming, broom all edges not reached by vacuum. Leave nap on all carpeting lying in one direction, if applicable.
3. Perform vacuuming, steam cleaning and shampooing with commercial grade equipment only.
4. As part of the vacuuming process, spot cleaning of carpet is required for small spots, such as spilled coffee or dirt.

D. Dusting

1. Do not move dusting residue from spot-to-spot, but remove directly from the areas in which it lies by the most effective means appropriate; treated dusting cloths or vacuum tools.
  - a. Leave no dust streaks.
  - b. Leave corners, crevices, molding and ledges free of dust and cobwebs.
  - c. Leave no oil spots or smudges on dusted surfaces caused by dusting tools.
2. Horizontal surfaces include, but are not limited to, counter tops, file cabinets, tables, coat racks, etc. Telephones, etc., must be lifted and dusted under. Do not disturb work papers.
3. Dusting high and low includes, but is not limited to, partition tops, pictures, etc.
4. Window hangings are blinds. Dust blinds.

E. Damp Wiping

This task consists of using a clean damp cloth or sponge to remove all dirt spots, streaks from walls, glass and other specified surfaces and then drying to provide a polished appearance.

1. The wetting solution must contain an appropriate cleaning agent.

2. When damp wiping in toilet areas, use a multi-purpose disinfectant/deodorizer.

F. Floor Maintenance

1. All vinyl floor covering must be maintained so as to provide safe ANTI-SLIP walking conditions.
2. At the stated frequencies, floors must be damp mopped. Prepare the floor by sweeping to remove all visible dirt and debris.
3. Chairs, wastebaskets and other similar items must not be stacked on desks, tables, or window sills, nor used in place of stepladder.
4. All furniture readily movable by one person and intended to be moved frequently must be moved during all floor cleaning operations and replaced in original positions upon completion.
5. Baseboards, walls, furniture and equipment must in no way be splashed, disfigured or damaged during these operations, but rather left in a clean condition.

G. Empty Waste/ Recycle Receptacles

1. Empty all containers that are provided for the disposal of waste (i.e., waste baskets, sanitary napkin disposal bins, boxes, etc.) into plastic bags, tie off and remove to dumpster.
2. Dispose of items in waste containers only if clearly marked for disposal. When in doubt do not remove.
3. Liners must be used in all waste receptacles and must be changed as needed and no less than once per month.
4. Waste containers in restrooms, break rooms and conference rooms must be inspected daily and changed as needed.

H. Restroom Cleaning

1. When the Facility Manager requests restroom cleaning during regular office hours, an approved sign must be placed at the entrance warning tenants that the restroom is closed.
2. Dispensers of all types must be checked daily and filled when necessary (soap, toilet tissue, paper towels, etc.)
3. Completely dust all fixtures, ledges, edges, shelves, exposed pipes, partitions, door frames, ceiling vents, lighting devices, etc. Pay particular attention to tops of objects.
4. Thoroughly clean all sinks, including faucets and spigots. Rinse cleanser residues, then wipe each item with approved disinfectant solution and allow to air dry.
5. Thoroughly clean toilets, toilet seats, and urinals with approved acid free bowl cleaner, rinse thoroughly. (Approved acid cleaner may not be used more than once per month and should be used on the interior of toilet or urinal only. Great care must be taken to avoid any chrome when acid cleaner is used).
6. Wipe each toilet, toilet seat and urinal completely with approved disinfectant solution. Buff dry to a streak, smear, and smudge free shine.

I. Miscellaneous

1. Contractor must bag all waste material and place inside dumpster provided for that purpose. Disposal of rubbish placed in dumpsters is the responsibility of the State.
2. Restroom units consist of washbowls, toilets and urinals. Clean and sanitize each unit by washing, inside and outside, with germicidal solution.

- J. All hazardous conditions, such as burned out lights, loose railings, etc., must be reported by janitorial staff to contract supervisor, who must then notify building manager in writing.

V. GENERAL PROVISIONS

A. MATERIALS, TREATMENT, ETC.

1. Contractor must supply all cleaning supplies needed in fulfilling this contract. This includes cleaners, finishes, etc., for the treatment of the various types of flooring, carpeting, furniture, etc. Use only such materials as recommended and approved by the appropriate manufacturer.
2. The Contractor's prime responsibility is to protect owner's property at all times, and to use only such materials and treatments as will enhance appearance of flooring, etc., and preserve the surface against deterioration.
3. The Contractor may be required to submit a complete list by brand names and product number of all supplies to be used in fulfilling this contract and a Materials Safety Data Sheet (MSDS) prior to starting any work. Right is reserved by State to accept or reject these items. An acceptable substitute must be immediately furnished for any rejected item.

#### B. MECHANICAL AND OTHER EQUIPMENT

1. The Contractor must furnish all power equipment such as floor machines, vacuum systems and all other equipment. All equipment must be commercial grade. Right is reserved by the State to accept or reject these items.
2. The Contractor is allowed to keep their janitorial equipment on site. There is space allocated in the furnace room for this purpose.
3. The Contractor will be held solely responsible for all items stored on the premises.

#### VI. SPECIAL PROVISIONS

##### A. PRICING

All costs for supplying required insurances, employee fringe benefits, social security or other governmental business taxes must be incorporated into bid price quoted for this service. Such costs may not be billed separately.

##### B. REFERENCES

In the event of an award, the successful bidder may be required to furnish references from recognized companies for whom they are now rendering comparable service.

##### C. SUPERVISION

Competent supervision is to be furnished by the Contractor, and these services must be satisfactory to the State.

Keys to the building will be furnished by the State. Any such keys must not be duplicated.

Contractor must maintain a secure environment while cleaning the facility. No one is allowed into the facility other than those individuals responsible for performing janitorial services. The Contractor must lock the building when leaving. In locations that include a security alarm system, the Contractor must also properly set the security alarm when leaving the building. Failure to maintain a secure environment, properly lock the building or set the security alarm (where applicable) will result in a complaint to vendor and possible cancellation of contract. Any cost incurred from a security or local police for false alarms caused by failure of the Contractor to properly set the security alarm will be the responsibility of the Contractor.

In addition, should the contract be cancelled for failure to lock the building or properly set the security alarm, the cost of changing the building locks and re-ceding the security alarm, if applicable, will be charged to the Contractor. These costs may be deducted from the monthly payment due the Contractor.

D. **CONTRACTOR CLEAN-UP**

The Contractor is responsible for repair, replacement or clean-up as necessary due to carelessness or negligence on the part of the contractor or his/her employees.

E. **HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION**

The Contractor shall conform to all applicable federal, state and local laws and to the requirements of this contract. In performing work under this contract at State of Michigan facilities, the Contractor shall:

Take all reasonable precautions to prevent the release of hazardous chemicals into the environment; and

Take such additional precautions as the Facility Manager may reasonably require for health, safety, and environmental protection.

Any violation of these health, safety, and environmental rules and regulations, unless promptly corrected as directed by the Facility Manager, shall be grounds for termination of this contract in accordance with the Default Clause of this contract.

- a. Damage Reports. In all instances where State property or equipment is damaged, the Contractor shall submit to the Facility Manager a full report of the facts and extent of such damage-verbally within one hour and in writing within 24 hours of the occurrence.
- b. Accident Reports. The Contractor shall comply with State of Michigan, OSHA and other regulatory agency requirements for record keeping and reporting of all accidents resulting in death, trauma, or occupational illness. The Contractor shall provide a verbal report to the Facility Manager within one hour of occurrence and a written follow-up report to the Facility Manager within 24 hours of occurrence.

F. **RECORD KEEPING**

The Contractor must be able to provide a monthly time sheet to the Facility Manager showing the names, dates, areas and hours actually worked including slatting and quitting times for all employees used at this facility when requested. If requested the Contractor will have 10 business days to submit records to Facility Manager or Facility Manager's designee with the Contractor's invoice or payment may be delayed.

Upon award of the contract, the Contractor must schedule a meeting with the Facility Manager between the hours of 7 a.m. and 3:30 p.m. Supervisor must also be available to meet for consultation with the Facility Manager on an emergency basis during the same hours.

The Contractor must supply the Facility Manager a list of all employees and supervisors to be used at each facility. Such list must include each employee's name, address, social security number and date of birth. Alternate employees may not be used until such list has been updated to include them, and the above such data for alternates has been provided to the Facility Manager.

G. **INSPECTION AND CORRECTION OF DEFICIENCIES**

1. Performance evaluations will be given to the vendor noting exception in performance to the required specifications.

2. Contractor must correct these deficiencies as follows:
  - a. Within 24 hours for any activity listed as daily, weekly or monthly.
  - b. Within 48 hours for any activity listed as quarterly or semi-annual.
3. Should the vendor fail to correct his deficiency within the time stated, a complaint to the vendor (Vendor Performance) will be filed by the Facility Manager.
4. Repeated failure to correct deficiencies resulting in issuance of subsequent complaints to the vendor may result in cancellation of the contract by the Office of Purchasing.

NOTE: FAILURE TO NOTIFY THE OFFICE OF PURCHASING AND AGENCY OF CURRENT ADDRESS AND TELEPHONE NUMBER COULD RESULT IN CANCELLATION OF THE CONTRACT.

#### H. SERVICE REVIEW

The State agency may request an audit of the services provided under the terms of this contract. The audit will be a joint activity of the using agency and the Office of Purchasing, DTMB.

An unsatisfactory audit will result in cancellation of the contract under terms of the Cancellation Clause in this contract. Further, should this contract be cancelled for cause, the Contractor so cancelled will not be allowed to participate in request(s) for continuation of this service.

The audit will consist of an evaluation of the total service quality, including responsiveness, timeliness of required reporting, and any other specifics as required under the terms of this contract. The results of the audit, along with contract recommendations, will be published by the Office of Purchasing, DTMB and distributed to the using agency and the contractor(s).

Should the Contractor desire, a meeting will be arranged between all concerned parties within 10 calendar days of the date the Contractor received or could have reasonably been expected to receive their copy of the audit. This meeting will provide an opportunity for the Contractor to present his/her reactions to audit recommendations.

#### I. CONFIDENTIALITY

Contractor shall be bound to confidentiality of any information its employees may become aware of during the course of performance of contracted tasks. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of the contract.

#### J. LEIN AND OTHER SECURITY CHECKS

Upon request of the State:

- I. The contractor shall only appoint employees or prospective employees to work at the location of where they have cleared the LEIN and other security checks and do not have a felony conviction or misdemeanor drug offense.

2. The Contractor shall obtain permission for LEIN checks of all prospective workers for the location. The permission slip is to include:
  - a) Employee's legal name
  - b) Social security number
  - c) Michigan driver's license number or State ID number
  - d) Date of birth
  - e) Employee signature
  
3. The Contractor shall replace the janitorial worker assigned immediately at the State's request if the janitorial worker is found with contraband in his/her possession.
  
4. The Contractor shall maintain an adequate pool of trained and LEIN cleared relief personnel to substitute for absent regular employees.

**PRICING SHEET SUMMARY**

Michigan Department of Transportation South  
Haven Maintenance Garage 09235 Blue Star  
Highway, South Haven, Michigan 49090

**Weekly Services**

Quoted prices are to include weekly services only as outlined in the specifications:

Description:	Estimated ermonth	Multiply estimated monthly price times 12 months
General Janitorial Services	888.00	10,656.00

**Periodic Services**

Quote your price to perform these periodic services as outlined in the attached specifications. The prices for periodic services are not to be included in the monthly price above. The vendor is required to submit a separate billing as services are performed. Payment will be issued only after services are satisfactorily completed.

Description and Schedule of Periodic Services:	Number of Times Service Performed Per Year	Price Per Service	Multiply price per service times number of services
<b>Semi-Annual Services:</b>			
1. Vacuum heating outlets and air diffusers.	2	NC	C: < < . . . . .
2. Strip, seal, buff, wax and buff all hard surface floors.	2	140.00	C . . . . . 280.00
3. Clean all interior light fixture lenses.	2	NC	C . . . . .
4. Vacuum all fabric partition walls.	2	NC	NC . . . . .
5. Wash all interior and exterior windows.	2	80.00	160.00 > . . . . .
6. Bathroom wall and floor scrub.	2	50.00	100.00 . . . . .

TOTAL ESTIMATED ONE YEAR CONTRACT PRICE: \$ 1,196,00 -----

(Add price for General Janitorial plus price for all Periodic Services in shaded areas above).

Company Name: Hi-Tec Building Services

VendorIDorSS#: 3W8 -3 0w8 66 0 8 -----



Vendor **Signature:** -----

Date: 1-21-15 Telephone #: 616-437-3234

Cell Phone # 616-437-3234

E-Mail: bhogan@hjtec-servjces.com

Date: 1-21-15

*--gJ(j)\_*

Authorized **signature:** -----

\*Signature indicates acceptance to specifications, terms and conditions.



# STATE OF MICHIGAN

## STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("Contract") is agreed to between the State of Michigan (the "State") and Hi-Tee Building Services, Inc. ("Contractor"), a Michigan corporation. This Contract is effective on February 1, 2015("Effective Date"), and unless terminated, expires on January 31,2018.

This Contract may be renewed for up to [2] additional years with [1] year period(s) renewal option. Renewal must be by written agreement of the parties.

The parties agree as follows:

1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in Exhibit A- Statement of Work (the "Contract Activities"). An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities, and meet operational standards, unless otherwise specified in Exhibit A.

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State's operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State's quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever making contact with the State.

2. Notices. All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Mark Morrison 425 W. Ottawa P.O. Box 30050 Lansing, MI 48909 MorrisonM@michigan.gov 517-241-2343	Rick Rawlings 6578 Roger Dr. Jenison, MI 49428 rrawlings@hitec-services.com (616) 437-3234

3. Contract Administrator. The Contract Administrator for each party is the only person authorized to modify any terms and conditions of this Contract (each a "Contract Administrator"):

If to State:	If to Contractor:
Mark Morrison 425 W. Ottawa P.O. Box 30050 Lansing, MI 48909 MorrisonM@michigan.gov 517-241-2343	Brian Hogan 6578 Roger Dr. Jenison, MI 49428 Bhogan@hitec-services.com (616) 437-3234

4. Program Manager. The Program Manager for each party will monitor and coordinate the day-to-day activities of the Contract (each a "Program Manager"):

If to State:	If to Contractor:
<p>Jessica Price</p> <p>University Region Office</p> <p>4701 W. Michigan Ave</p> <p>Jackson, MI 49201</p> <p>PriceJ9@michigan.gov</p> <p>(517) 750-0432</p>	<p>Rick Rawlings</p> <p>6578 Roger Dr.</p> <p>Jenison, MI 49428</p> <p>rrawlings@hitec-services.com</p> <p>(616) 437-3234</p>

5. Performance Guarantee. Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Exhibit A) if, in the opinion of the State, it will ensure performance of the Contract.
6. Insurance Requirements. Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by an company with an A.M. Best rating of "A" or better and a financial size of VII or better.

Insurance Type	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<p>Minimal Limits:</p> <p>\$1,000,000 Each Occurrence Limit</p> <p>\$1,000,000 Personal &amp; Advertising Injury Limit</p> <p>\$2,000,000 General Aggregate Limit</p> <p>\$2,000,000 Products/Completed Operations</p> <p>Deductible Maximum:</p> <p>\$50,000 Each Occurrence</p>	<p>Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04; (2) include a waiver of subrogation; and (3) for a claims-made policy, provide 3 years of tail coverage.</p>
<b>Umbrella or Excess Liability Insurance</b>	
<p>Minimal Limits:</p> <p>\$5,000,000 General Aggregate</p>	<p>Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and</p>

	agents" as additional insureds, and (2) include a waiver of subrogation.
Motor Vehicle Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	
Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u> \$100,000 Each Accident \$100,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Property Insurance	
Property <b>Insurance</b> covering any loss or damage to the State-owned office space used by Contractor for any <b>reason</b> under this Contract, and the State-owned equipment, software and other contents of the office space, including without limitation, those contents used by Contractor to provide the Services to the State, up to its replacement value, where the office space and its contents are under the care, custody and control of Contractor. The State must be endorsed on the policy as a loss payee as its interests appear.	

If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c)

---

notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

7. Reserved.
8. Reserved.
9. Independent Contractor. Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.
10. Subcontracting. Contractor may not delegate any of its obligations under this Contract.
11. Staffing. The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
12. Background Checks. Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
13. Assignment. Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Contract.
14. Change of Control. Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.  
  
In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.
15. Ordering. Contractor is not authorized to begin performance until receipt of authorization as identified in Exhibit A.
16. Acceptance. Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("State Review Period"), unless otherwise provided in Exhibit A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted, but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 20, Termination for Cause.

Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or

---

rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

If Contractor is unable or refuses to correct the deficiency within the time response standards set forth in this Contract, the State may cancel the order in whole or in part. The State, or a third party identified by the State, may perform the Contract Activities and recover the difference between the cost to cure and the Contract price plus an additional 10% administrative fee.

17. **Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities performed as specified in Exhibit A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all prices are inclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.

The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities. Contractor's acceptance of final payment by the State constitutes a waiver of all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment.

Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

18. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Exhibit A.
19. **Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or purchase order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.
20. **Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If

---

it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

21. Termination for Convenience. The State *may* immediately terminate this Contract in whole or in part without penalty and for *any* reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 22, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
22. Transition Responsibilities. Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance *may* include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "Transition Responsibilities"). This Contract will automatically be extended through the end of the transition period.
23. General Indemnification. Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

The State will notify Contractor in writing if indemnification is sought; however, failure to do so will not relieve Contractor, except to the extent that Contractor is materially prejudiced. Contractor must, to the satisfaction of the State, demonstrate its financial ability to carry out these obligations.

The State is entitled to: (i) regular updates on proceeding status; (ii) participate in the defense of the proceeding; (iii) employ its own counsel; and to (iv) retain control of the defense if the State deems necessary. Contractor will not, without the State's written consent (not to be unreasonably withheld), settle, compromise, or consent to the entry of any judgment in or otherwise seek to terminate any claim, action, or proceeding. To the extent that any

---

State employee, official, or law may be involved or challenged, the State may, at its own expense, control the defense of that portion of the claim.

Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. An attorney designated to represent the State may not do so until approved by the Michigan Attorney General and appointed as a Special Assistant Attorney General.

24. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
25. **Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
26. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "Proceeding") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
27. **State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("State Data"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data *may* be used for any marketing purposes.
28. **Non-Disclosure of Confidential Information.** The parties acknowledge that each party *may* be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.
  - a. **Meaning of Confidential Information.** For the purposes of this Contract, the term "Confidential Information" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

- 
- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any non-State Data Confidential Information is not feasible, such party must destroy the non-State Data Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.
29. Records Maintenance, Inspection, Examination, and Audit. The State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain, and provide to the State or its designee and the auditor general upon request, all financial and accounting records related to the Contract through the term of the Contract and for 7 years after the latter of termination, expiration, or final payment under this Contract or any extension ("Audit Period"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed, the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.

- 
30. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 20, Termination for Cause.
31. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
32. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
33. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
34. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
35. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive **service of process.**
36. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
37. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

---

38. Dispute Resolution. The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

39. Media Releases. News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
40. Website Incorporation. The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
41. Order of Precedence. In the event of a conflict between the terms and conditions of the Contract, the exhibits, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) the amendment; (c) Exhibit A; (d) any other exhibits; and (e) the Contract.
42. Severability. If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
43. Waiver. Failure to enforce any provision of this Contract will not constitute a waiver.
44. Survival. The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
45. Entire Contract and Modification. This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "Contract Change Notice").