

September 16, 2015



Michigan Department of Natural Resources – Procurement Services
 P.O. Box 30028, Lansing, MI 48909
 OR
 525 W. Allegan, Lansing, MI 48933

CHANGE NOTICE NO. 2 TO CONTRACT NO. 751B3200011
Between
STATE OF MICHIGAN
and

Required by authority of 1984 PA 431, as amended.

Name and Address of Contractor Earthworks Enterprises Inc. 5584 East M-32 Gaylord, MI 49735	Primary Contact Jackie Mason or Mike Mason	
	Email earthworks@freeway.net	
	Telephone (989) 732-4343	Contractor #, Mail Code 2XXXXX8813 / 001

State Contact	Agency	Name	Telephone	Email
Contract Administrator	DNR-Finance & Operations	Dave Graham	(989) 732-3541 x 5006	grahamd1@michigan.gov
Buyer	DNR Procurement Services	Ruth Thole	(517) 284-5973	tholer@michigan.gov

Initial Contract Summary

Snow & Ice Removal Services - for Gaylord Customer Service Center

Effective Date 11/01/2012	Initial Expiration Date 09/30/2015	Initial Available Options Two 1-year	Expiration Date Prior to Change 09/30/2015
Payment Terms .5%/10; Net 30 Days	F.O.B. N/A	Delivery N/A	Shipped From N/A
Minimum Delivery Requirements N/A	Alternate Payment Options <input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV)		Extended Purchasing <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Description of Change Notice

Option Exercised: Yes No If Yes, New Expiration Date: **09/30/2016**

- Effective immediately the following changes are made to this Contract:
- The first renewal option is exercised and this Contract is hereby EXTENDED through September 30, 2016.
 - The Contract value is increased \$8,281.00.

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

Per Agency request, Contractor agreement, and Procurement Services approval.

Current Contract Value \$23,148.00	Value/Cost of Change Notice \$8,281.00	Estimated Revised Aggregate Contract Value \$31,429.00
--	--	--

FOR THE CONTRACTOR:

Earthworks Enterprises Inc.

Jacqueline Mason
 Authorized Agent Signature

Jacqueline Mason

Authorized Agent and Title (Print or Type)

9/15/15
 Date

FOR THE STATE:

Department of Natural Resources

Ruth Thole
 Authorized Buyer Signature

Ruth Thole / Buyer

Authorized Buyer (Print or Type)

9/16/15
 Date

October 3, 2014



Michigan Department of Natural Resources – Procurement Services
 P.O. Box 30028, Lansing, MI 48909
 OR
 525 W. Allegan, Lansing, MI 48933

CHANGE NOTICE NO. 1 TO CONTRACT NO. 751B3200011
Between
STATE OF MICHIGAN
and

Required by authority of 1984 PA 431, as amended.

Name and Address of Contractor Earthworks Enterprises Inc. 5584 East M-32 Gaylord, MI 49735	Primary Contact Jackie Mason or Mike Mason	
	Email earthworks@freeway.net	
	Telephone (989) 732-4343	Contractor #, Mail Code 2XXXXX8813 / 001

State Contact	Agency	Name	Telephone	Email
Contract Administrator	DNR Finance & Operations	Dave Graham	(989) 732-3541 x 5006	grahamd1@michigan.gov
Buyer	DNR Procurement Services	Ruth Thole	(517) 284-5973	tholer@michigan.gov

Initial Contract Summary

Snow & Ice Removal Services - for Gaylord Customer Service Center

Effective Date 11/01/2012	Initial Expiration Date 09/30/2015	Initial Available Options Two 1-year	Expiration Date Prior to Change 09/30/2015
Payment Terms .5%/10; Net 30 Days	F.O.B. N/A	Delivery N/A	Shipped From N/A
Minimum Delivery Requirements N/A		Alternate Payment Options <input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV)	Available to MiDeal Participants <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

Description of Change Notice

Option Exercised: Yes No If Yes, New Expiration Date: _____

Effective immediately the following changes are made to this Contract:

- The Contract value is increased ~~\$1,300.00~~ **\$3,096.00** *pt*
- The name of the worksite facility is changed to Gaylord Customer Service Center.
- The Buyer's telephone number is changed to 517-284-5973.
- The Issuing Office (DNR) physical address is changed to 525 W. Allegan St., Lansing, MI 48933.

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

Per Agency request, Contractor agreement, and Procurement Services approval.

Value/Cost of Change Notice \$3,096.00	Estimated Revised Aggregate Contract Value \$23,148.00
--	--

FOR THE CONTRACTOR:

FOR THE STATE:

Earthworks Enterprises Inc.

Department of Natural Resources

Jacqueline Mason
 Authorized Agent Signature

Ruth Thole
 Authorized Buyer Signature

Jacqueline Mason

Authorized Agent and Title (Print or Type)

Ruth Thole / Buyer

Authorized Buyer (Print or Type)

Oct 2, 2014
 Date

10/3/14
 Date

October 25, 2012



Michigan Department of Natural Resources – Procurement Services
P.O. Box 30028, Lansing, MI 48909
OR
530 W. Allegan, Lansing, MI 48933

**NOTICE
OF
CONTRACT NO. 751B3200011
Between
STATE OF MICHIGAN
and**

Required by authority of 1984 PA 431, as amended.

Name and Address of Contractor Earthworks Enterprises Inc. 5584 East M-32 Gaylord, MI 49735	Primary Contact Jackie Mason or Mike Mason	
	Email earthworks@freeway.net	
	Telephone (989) 732-4343	Contractor #, Mail Code XXXXX8813 / 001

State Contact	Agency	Name	Telephone	Email
Contract Compliance Inspector	DNR-Finance & Operations	Dave Graham	(989) 732-3541 x 5006	Grahamd1@michigan.gov
Buyer	DNR-Procurement Services	Ruth Thole	(517) 335-1553	tholer@michigan.gov

Contract Summary			
Description Snow & Ice Removal Services - for Gaylord Operations Service Center			
Initial Term Approx. 3 Years	Effective Date 11/01/2012	Initial Expiration Date 09/30/2015	Available Options Two 1-year
Payment Terms .5%/10; Net 30 Days	F.O.B. N/A	Shipped N/A	Shipped From N/A
Minimum Delivery Requirements N/A	Alternate Payment Options <input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV)		Available to MiDeal Participants <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Miscellaneous Information The terms and conditions of this Contract are those of solicitation # ITB-RT-FO-751R2201515, 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: \$ 20,052.00			

The terms and conditions of this Contract are attached.



Michigan Department of Natural Resources – Procurement Services
 P.O. Box 30028, Lansing, MI 48909
 OR
 530 W. Allegan, Lansing, MI 48933

CONTRACT NO. 751B3200011
 Between
STATE OF MICHIGAN
 and

Required by authority of 1984 PA 431, as amended.

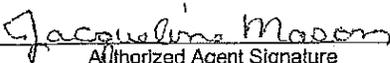
Name and Address of Contractor Earthworks Enterprises Inc. 5584 East M-32 Gaylord, MI 49735	Primary Contact Jackie Mason or Mike Mason
	Email earthworks@freeway.net
	Telephone (989) 732-4343
	Contractor #, Mail Code XXXXX8813 / 001

State Contact	Agency	Name	Telephone	Email
Contract Compliance Inspector	DNR-Finance & Operations	Dave Graham	(989) 732-3541 x 5006	Grahamd1@michigan.gov
Buyer	DNR-Procurement Services	Ruth Thole	(517) 335-1553	tholer@michigan.gov

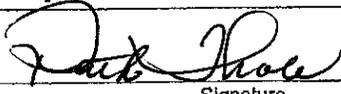
Contract Summary			
Description Snow & Ice Removal Services - for Gaylord Operations Service Center			
Initial Term Approx. 3 Years	Effective Date 11/01/2012	Initial Expiration Date 09/30/2015	Available Options Two 1-year
Payment Terms .5%/10; Net 30 Days	F.O.B. N/A	Shipped N/A	Shipped From N/A
Minimum Delivery Requirements N/A	Alternate Payment Options <input type="checkbox"/> P-Card <input type="checkbox"/> Direct Voucher (DV)		Available to MiDeal Participants <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Miscellaneous Information The terms and conditions of this Contract are those of solicitation # ITB-RT-FO-751R2201515, 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: \$ 20,052.00			

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation No. ITB-RT-FO-751R2201515. Orders for delivery will be issued directly by the Michigan Department of Natural Resources through the issuance of a Purchase Order Form.

FOR THE CONTRACTOR:

Earthworks Enterprises Inc.
 Firm Name

 Authorized Agent Signature
Jacqueline Mason
 Authorized Agent (Print or Type)
October 20, 2012
 Date

FOR THE STATE:

Department of Natural Resources

 Signature
Ruth Thole, Buyer
 Name/Title
10/25/12
 Date



STATE OF MICHIGAN
Department of Natural Resources
Procurement Services

Contract No. 751B3200011
Snow and Ice Removal Services
Gaylord Operations Service Center

Buyer Name: Ruth Thole
Telephone Number: 517.335.1553
E-Mail Address: tholer@michigan.gov

TABLE OF CONTENTS

ARTICLE 1	STATEMENT OF WORK.....	1
1.1.	<i>Project Identification</i>	1
1.2.	<i>Scope of Work and Deliverables</i>	1
1.2.1.	<i>In Scope.....</i>	1
1.2.2.	<i>Work and Deliverable</i>	1
1.3.	<i>Roles and Responsibilities</i>	3
1.3.1.	<i>Contractor Staff Roles and Responsibilities</i>	3
1.4.	<i>Project Plan.....</i>	3
1.4.1.	<i>Project Plan Management.....</i>	3
1.4.2.	<i>Reports.....</i>	3
1.5.	<i>Acceptance</i>	3
1.5.1.	<i>Criteria.....</i>	3
1.6.	<i>Proposal Pricing</i>	3
1.6.1.	<i>Proposal Pricing.....</i>	4
1.6.2.	<i>Quick Payment Terms.....</i>	4
1.6.3.	<i>Price Term.....</i>	4
1.6.4.	<i>Tax Excluded from Price.....</i>	4
ARTICLE 2	TERMS AND CONDITIONS.....	5
2.1.	<i>Contract Structure and Term</i>	5
2.1.1.	<i>Contract Term.....</i>	5
2.1.2.	<i>Options to Renew</i>	5
2.1.3.	<i>Legal Effect.....</i>	5
2.1.4.	<i>Ordering</i>	5
2.1.5.	<i>Order of Precedence</i>	5
2.1.6.	<i>Headings</i>	5
2.1.7.	<i>Reformation and Severability.....</i>	5
2.1.8.	<i>Consents and Approvals.....</i>	5
2.1.9.	<i>No Waiver of Default.....</i>	5
2.1.10.	<i>Survival.....</i>	6
2.2.	<i>Contract Administration</i>	6
2.2.1.	<i>Issuing Office.....</i>	6
2.2.2.	<i>Contract Administrator.....</i>	6
2.2.3.	<i>Modification of the Contract.....</i>	6
2.2.4.	<i>Relationship of the Parties</i>	6
2.2.5.	<i>Covenant of Good Faith</i>	6
2.2.6.	<i>Assignments.....</i>	6
2.3.	<i>General Provisions.....</i>	7
2.3.1.	<i>Media Releases</i>	7
2.3.2.	<i>Freedom of Information</i>	7
2.4.	<i>Financial Provisions.....</i>	7
2.4.1.	<i>Services/Deliverables Covered.....</i>	7
2.4.2.	<i>Invoicing and Payment – In General.....</i>	7
2.4.3.	<i>Electronic Payment Requirement.....</i>	7

2.5.	<i>Taxes</i>	7
2.5.1.	Employment Taxes	7
2.5.2.	Sales and Use Taxes	7
2.6.	<i>Contractor Responsibilities</i>	8
2.6.1.	Contractor Personnel Qualifications	8
2.6.2.	Contract Management Responsibilities	8
2.7.	<i>Subcontracting by Contractor</i>	8
2.7.1.	Contractor Full Responsibility	8
2.7.2.	State Consent to Delegation	8
2.7.3.	Subcontractor Bound to Contract	8
2.8.	<i>State Responsibilities</i>	8
2.8.1.	Equipment	8
2.9.	<i>Records and Inspections</i>	9
2.9.1.	Accounting Records	9
2.9.2.	Audit	9
2.10.	<i>Insurance</i>	9
2.10.1.	Liability Insurance	9
2.10.2.	Certificates of Insurance and Other Requirements	10
2.11.	<i>Indemnification</i>	10
2.11.1.	General Indemnification	10
2.11.2.	Continuation of Indemnification Obligations	11
2.12.	<i>Termination/Cancellation</i>	11
2.12.1.	Notice and Right to Cure	11
2.12.2.	Termination for Cause	11
2.12.3.	Termination for Convenience	11
2.12.4.	Termination for Non-Appropriation	12
2.12.5.	Termination for Criminal Conviction	12
2.12.6.	Termination for Approvals Rescinded	12
2.13.	<i>Termination by Contractor</i>	12
2.13.1.	Termination by Contractor	12
2.14.	<i>Federal and State Contract Requirements</i>	12
2.14.1.	Nondiscrimination	12
2.14.2.	Unfair Labor Practices	12
2.14.3.	Workplace Safety and Discriminatory Harassment	13
2.14.4.	Health, Safety, and Environmental Protection	13
2.15.	<i>Governing Law</i>	13
2.15.1.	Governing Law	13
2.15.2.	Compliance with Laws	13
	ATTACHMENT A – PRICE SHEET	14
	ATTACHMENT B – SITE MAP	15

Article 1 STATEMENT OF WORK

1.1. Project Identification

This is a Contract for Snow and Ice Removal Services for Michigan Department of Natural Resources (DNR), Gaylord Operations Service Center.

1.2. Scope of Work and Deliverables

1.2.1. In Scope

The Contractor shall provide all personnel, equipment, tools, materials, supervision, and other items and services necessary to perform the snow and ice removal services as described in the specifications detailed herein. The required objective is to maintain the facility(s) in such a manner that provides a safe environment for occupants and visitors of state owned facilities.

1.2.2. Work and Deliverable

The Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

The Contractor shall provide all snow removal services and related items and services necessary for, or incidental, to the performance of work in accordance with this Contract, including, but not limited to:

- A. All personnel;
- B. Equipment;
- C. Tools;
- D. Supplies;
- E. Materials;
- F. Training; and
- G. Supervision of Staff.

The Contractor shall provide services at Gaylord Operations Service Center located at 1732 W. M-32, Gaylord, MI 49735.

Definite Specifications - All services to be furnished hereunder shall conform to the specifications as noted herein.

Description Of Work

Snow and ice shall be removed from the Service Center parking lots, driving areas, and entrance drives from Murner Road and M-32. (see blackened area on Attachment B – Site Map). The Contract will not include services for the Repair Shop entrance and parking area.

Snow and ice removal services shall be considered as both “automatic” and “on-call”. The Contract Administrator shall provide the Contractor with a list of DNR contacts authorized to approve snow and ice removal activities. The Contractor shall furnish the Contract Administrator with a name and telephone number to be used as a 24-hour contact.

The exact number of occasions for snow and ice removal services required are unknown. The Contractor will be responsible to provide any services as described when requested. The State is not obligated to purchase these services in any specific amounts.

- A. Snow and Ice Removal – Parking Lots, Driving areas and Sidewalk Areas

1. The Contractor shall provide “automatic” snow removal/plowing services for snowfalls of three (3) inches or more.
2. The Contract Administrator or designee will request “on-call” snow removal/plowing services as needed. The Contractor must respond within two (2) hours of request for service.
3. The Contractor must plow snow from all parking lots and driving areas. All parking spaces in parking lots are to be continuously available.
4. The Contractor must remove snow (via shovel or snow blower) from entrances and sidewalks.
5. The Contractor shall spread de-icing material (ice-melt) on walkways when a snowfall occurs and/or icy conditions exist. The Contractor as part of the Contract shall provide ice-melt product. The Contractor must utilize best judgment when providing spreading of ice-melt in order to prevent slip and falls, assuring the safety and security of the public and employees are taken into consideration at all times.

NOTE: Spreading of ice-melt will be required on a frequent basis, and as often as necessary, and as requested by the Contract Administrator or designee. The Contractor and the Contract Administrator should discuss spreading of de-icing material prior to start of snow removal season.

6. Sanding of the parking lots and driving areas shall be considered an “on-call” service and shall be performed when requested by the Contract Administrator or designee. Upon request, the Contractor shall apply sand to the parking lots and driving areas. The Contractor as part of the Contract shall provide sand.
7. If snow accumulates to the point where snow banks interfere with traffic, parking, and/or clear vision to roadways, the Contract Administrator will request the Contractor to push snow banks to clear areas. Service typically requires use of heavy equipment (i.e. front end loader). Services requiring use of heavy equipment will be performed only upon request of the Contract Administrator. The Contractor must respond within 24 hours of request for service.
8. The Contractor must use equipment of sufficient size and type to ensure all services are done in a timely and efficient manner.
9. Any damage to parking lot, office building, curbs, pavements, shrubs, fences, lawn, etc., caused by snow removal services will be repaired and/or replaced the following spring by the Contractor.
10. Parking curbs or bumper blocks located in parking areas must not be moved or damaged. Upon completion of the plowing season, if curbs are moved or damaged, the Contractor will be responsible for returning them to their original positions or replacing the damaged ones.
11. The Contractor must use continuous care and caution at all times while performing snow plowing, snow shoveling, and de-icing services, especially when operating heavy machinery near parked vehicles and pedestrians in order to avoid personal bodily injury and damages to property.

B. Hours

All snow removal services shall be completed prior to 7:30 a.m. Monday through Friday, excluding state holidays. Holiday service, if required, shall be requested at least 24 hours in advance by the Contract Administrator or designee. No snow removal services shall be performed on Saturdays or Sundays.

The Contractor shall respond to on-call requests for service within two (2) hours of the Contract Administrator’s or designee’s initial contact.

Equipment

The Contractor must have equipment and staff to adequately perform the specified services. In the event of mechanical breakdown, the Contractor will be expected to provide backup service so that snow and ice removal services are performed as requested. Equipment failure WILL NOT constitute an acceptable reason for not performing the snow plowing/removal service

1.3. Roles and Responsibilities

1.3.1. Contractor Staff Roles and Responsibilities

A. Personnel

1. The State reserves the right to approve personnel for this project and to require replacement of personnel found to be unacceptable at any time during the project.
2. The Contractor shall be responsible for repair, replacement or cleanup as necessary due to carelessness or negligence on the part of the Contractor and its personnel.

B. Supervision

The Contractor shall provide all supervision as may be necessary to oversee its personnel. The Contractor's site supervisor or superintendent shall be a qualified and trained person whom, on a full time basis, is designated as the Contractor's representative.

1.4. Project Plan

1.4.1. Project Plan Management

- A. The Contractor will carry out this project under the direction and control of the Contract Administrator.
- B. The Contractor shall meet with the Contract Administrator as needed to review progress and provide necessary guidance to the Contractor in solving problems that arise.

1.4.2 Reports

The Contractor shall provide the Contract Administrator a '**Notice of Service Provided Slip**' to verify service was performed. Within 24 hours of each service call, a slip shall be left at the receptionist's desk at the Gaylord Operations Center to the attention of the Contract Administrator or faxed to the Contractor Administrator at 989-732-0794.

1.5. Acceptance

1.5.1. Criteria

The Contract Administrator will determine acceptance based upon the Contractor performance of timely removal of snow and services meeting specifications stated in Section 1.2.2 Work and Deliverables. All work must be performed to the satisfaction of the Contract Administrator or payment will not be authorized.

1.6. Proposal Pricing

1.6.1. Proposal Pricing

For authorized Services and Price List, see Attachment A – Price Sheet.

1.6.2. Quick Payment Terms

The Contractor will offer a quick payment discount of 1/2% (.5%) off invoice amount if paid within ten (10) days from invoice date. The number of days must not include processing time for payment to be received by the Contractor’s financial institution

1.6.3. Price Term

Prices quoted are the maximum for a period of 365 days from the date the Contract becomes effective.

Prices are subject to change at the end of each 365 day period. Such changes shall be based on changes in actual costs incurred. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. The DNR reserves the right to consider various pertinent information sources to evaluate price increase requests (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics). The DNR also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Changes may be either increases or decreases, and may be requested by either party. Approved changes shall be firm for the remainder of the Contract period unless further revised at the end of the next 365 day period.

Requests for price changes shall be RECEIVED IN WRITING BY DNR PROCUREMENT SERVICES AT LEAST THIRTY DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the Contract may be cancelled. The continued payment of any charges due after September 30th of any fiscal year will be subject to the availability of an appropriation for this purpose

1.6.4. Tax Excluded from Price

- A. Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.
- B. Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State’s exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices must not include the Federal Excise Tax.

Article 2 TERMS AND CONDITIONS

2.1. Contract Structure and Term

2.1.1. Contract Term

The Contract is for a period of approximately three years beginning November 1, 2012 and ending September 30, 2015. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in Section 2.12.) or expiration of the Contract, unless otherwise extended under the Contract.

2.1.2. Options to Renew

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

2.1.3. Legal Effect

The Contractor must show acceptance of the Contract by signing the Contract and returning it to the DNR Buyer. The Contractor must not proceed with the performance of the work to be done under the Contract, including the purchase of necessary materials, until both parties have signed the Contract to show acceptance of its terms, and the Contractor receives a Contract release/purchase order that authorizes and defines specific performance requirements.

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

2.1.4. Ordering

Each year of the contract term, the State will issue a written Purchase Order to order any Services under the Contract. All orders are subject to the terms and conditions of the Contract. Exact quantities to be purchased are unknown, however the Contractor must furnish all such services as may be ordered during the Contract period. Quantities specified, if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities.

2.1.5. Order of Precedence

The Contract constitutes the complete and exclusive agreement and understanding of the parties as it relates to this transaction. The Contract supersedes all proposals, or other prior agreements, and all other communications between the parties relating to this transaction.

2.1.6. Headings

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

2.1.7. Reformation and Severability

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

2.1.8. Consents and Approvals

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

2.1.9. No Waiver of Default

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

2.1.10. Survival

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

2.2. Contract Administration

2.2.1. Issuing Office

The Contract is issued by the Department of Natural Resources, Procurement Services. Procurement Services is the sole point of contact in the State with regard to all procurement and contractual matters relating to the Contract. The Buyer within Procurement Services for the Contract is:

Ruth Thole
Procurement Services
Department of Natural Resources
Mason Bldg, 6th Floor
PO Box 30028
Lansing, MI 48909
tholer@michigan.gov
517-335-1553

2.2.2. Contract Administrator

The Contract Administrator will monitor and coordinate the activities for the Contract on a day-to-day basis during its term. However, monitoring of the Contract implies **no authority to change, modify, clarify, amend, or otherwise alter the prices, terms, conditions and specifications of the Contract.** The Contract Administrator for the Contract is:

Dave Graham, Administrative Manager
Gaylord Operations Service Center
1732 W. M-32
Gaylord, MI 49735
grahamd1@michigan.gov
(989) 732-3541 ext 5006

2.2.3. Modification of the Contract

The Contract may be modified provided that any changes proposed by either party are requested in writing and mutually agreed to by the official representative of the Contractor shown in the contract and the DNR Buyer. The request is not valid until it is signed by all parties, a Contract Change Notice is issued by the Department of Natural Resources and a Purchase Order is issued. A Change Authorization shall accompany any request for change,

2.2.4. Relationship of the Parties

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

2.2.5. Covenant of Good Faith

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

2.2.6. Assignments

- A. Neither party may assign the Contract, or assign or delegate any of its duties or obligations under the Contract, to any other party (whether by operation of law or otherwise), without the prior written consent of the other party.
- B. The Contractor may not assign its right to receive payments due under the Contract without the prior written approval of the State. If the State permits an assignment, the Contractor is not relieved of its responsibility to perform any of its contractual duties.

2.3. General Provisions

2.3.1. Media Releases

News releases (including promotional literature and commercial advertisements) pertaining to the ITB and 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 from the State. No results of the activities associated with the ITB and Contract are to be released without prior written approval of the State and then only to persons designated.

2.3.2. Freedom of Information

All information in any proposal submitted to the State by Contractor and the Contract is subject to the provisions of the Michigan Freedom of Information Act, 1976 PA 442, MCL 15.231, et seq (the "FOIA").

2.4. Financial Provisions

2.4.1. Services/Deliverables Covered

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

2.4.2. Invoicing and Payment – In General

- A. Invoices shall be rendered on a monthly basis. All invoices must list each instance of service during the invoiced month with date service performed. Invoiced amounts shall be per Contract prices only; **no additional or miscellaneous charges (administrative fees, fuel surcharges, etc.) are allowed.** All invoices must reference a correct purchase order number.
- B. Correct 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. If agreed net payment term is less than 45 days, payments made within 45 days after receipt of invoice are not subject to penalty.

2.4.3. Electronic Payment Requirement

Public Act 533 of 2004 requires that payments under the Contract be processed by electronic funds transfer (EFT).

2.5. Taxes

2.5.1. Employment Taxes

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

2.5.2. Sales and Use Taxes

Contractors are required to be registered and to remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. Contractors that lack sufficient presence in Michigan to be required to register and pay tax must do so as a volunteer. This requirement extends to: (1) all members of any controlled group as defined in § 1563(a) of the Internal Revenue Code and applicable regulations of which the company is a member, and (2) all organizations under common control as defined in § 414(c) of the Internal Revenue Code and

applicable regulations of which the company is a member that make sales at retail for delivery into the State are registered with the State for the collection and remittance of sales and use taxes. In applying treasury regulations defining “two (2) or more trades or businesses under common control” the term “organization” means sole proprietorship, a partnership (as defined in § 701(a)(2) of the Internal Revenue Code), a trust, an estate, a corporation, or a limited liability company.

2.6. Contractor Responsibilities

2.6.1. Contractor Personnel Qualifications

All persons assigned by the Contractor to the performance of Services under the Contract must be employees of Contractor or a State-approved Subcontractor and must be fully qualified to perform the work assigned to them. The Contractor must include a similar provision in any subcontract entered into with a Subcontractor.

2.6.2. Contract Management Responsibilities

The Contractor must assume responsibility for all contractual activities, whether or not that Contractor performs them. Further, the State considers the Contractor to be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the anticipated Contract. If any part of the work is to be subcontracted, the Contract must include a list of Subcontractors, including firm name and address, contact person and a complete description of work to be subcontracted. The State reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of the Contract. Any change in Subcontractors must be approved by the State, in writing, prior to such change.

2.7. Subcontracting by Contractor

2.7.1. Contractor Full Responsibility

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

2.7.2. State Consent to Delegation

Contractor must not delegate any duties under the Contract to a Subcontractor unless DNR Procurement Services has given written consent to such delegation. The DNR reserves the right to approve Subcontractors and to require the Contractor to replace Subcontractors found to be unacceptable. The Contractor is totally responsible for adherence by the Subcontractor to all provisions of this Contract. Any change in Subcontractors must be approved by the DNR, in writing, prior to such change..

2.7.3. Subcontractor Bound to Contract

In any subcontracts entered into by the Contractor for the performance of the Services, the Contractor must require the Subcontractor to be bound by the terms of the Contract and to assume all of the obligations and responsibilities that Contractor, by the Contract, assumes toward the State. The management of any Subcontractor is the responsibility of Contractor, and Contractor must remain responsible for the performance of its Subcontractors to the same extent as if Contractor had not subcontracted such performance.

2.8. State Responsibilities

2.8.1. Equipment

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

2.9. Records and Inspections

2.9.1. Accounting Records

The Contractor is required to maintain all pertinent financial and accounting records and evidence pertaining to the Contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Michigan. Financial and accounting records shall be made available, upon request, to the State of Michigan, its designees, or the Michigan Auditor General at any time within the duration of the Contract and any extension thereof, and for three (3) years from the expiration date and final payment on the Contract or extension thereof.

2.9.2. Audit

The Contractor agrees that the State may, upon 24-hour notice, perform an audit at the Contractor's location(s) to determine if the Contractor is complying with the requirements of the Contract. The Contractor agrees to cooperate with the State during the audit and produce all records and documentation that verifies compliance with the contract requirements.

2.10. Insurance

2.10.1. Liability Insurance

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

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

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

The insurance shall be written for not less than any minimum coverage specified in the Contract or required by law, whichever is greater. (Note: for low risk projects, minimum coverage may be negotiable with State.)

Before both parties sign the Contract, the Contractor must furnish to the DNR Buyer, certificate(s) of insurance verifying insurance coverage ("Certificates"). The Certificate must be on the standard "Acord" form or equivalent. **The contract number must be shown on the certificate of insurance to assure correct filing.** All Certificate(s) are to be prepared by the insurance provider. All Certificate(s) shall contain a provision indicating that coverage's afforded under the policies **will not be cancelled, materially changed, or not renewed** without thirty (30) days prior written notice, except for ten (10) days for non-payment of premium, having been given to the DNR Buyer.

The Contractor is required to provide the type and amount of insurance listed below:

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

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

- B. If a motor vehicle is used to provide services or products under the Contract, the Contractor must have vehicle liability insurance for bodily injury and property damage as required by law.

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

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

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

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

- D. Employers liability insurance with the following minimum limits:
\$100,000 each accident
\$100,000 each employee by disease
\$500,000 aggregate disease

(Please note: minimum insurance requirements for low risk projects may be negotiable with the State.)

2.10.2. Certificates of Insurance and Other Requirements

The Contractor shall furnish to the DNR Buyer certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor shall provide evidence that the State and its agents, officers and employees are listed as additional insured's under each commercial general liability and commercial automobile liability policy.

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

2.11. Indemnification

2.11.1. General Indemnification

For purposes of indemnification as set forth in the Contract, State means the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees and agents.

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

2.11.2. Continuation of Indemnification Obligations

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

2.12. Termination/Cancellation

2.12.1. Notice and Right to Cure

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

2.12.2. Termination for Cause

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

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

In the event the State chooses to partially terminate the Contract for cause, charges payable under the contract will be equitably adjusted to reflect those services that are terminated.

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

2.12.3. Termination for Convenience

The State may terminate the Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make performance of the services under the Contract no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may terminate the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of termination. If the State chooses to

terminate the Contract in part, the charges payable under the contract shall be equitably adjusted to reflect those services that are terminated.

2.12.4. Termination for Non-Appropriation

The State may terminate the Contract in the event that funds to enable the State to effect continued payment under the contract are not appropriated or otherwise made available. The Contractor acknowledges that, if the Contract extends for several fiscal years, continuation of the contract is subject to annual appropriation or availability of funds for the contract. If funds are not appropriated or otherwise made available, the State shall have the right to terminate the Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.

2.12.5. Termination for Criminal Conviction

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

2.12.6. Termination for Approvals Rescinded

The State may terminate the 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 must pay the Contractor for only the work completed to that point under the Contract. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in the written notice.

2.13. Termination by Contractor

2.13.1. Termination by Contractor

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 written notice of the breach and a time period (not less than 30 days) to cure the breach. The Notice of Breach and opportunity to cure is inapplicable for successive and repeated breaches.

The Contractor may terminate the Contract if the State (i) materially breaches its obligation to pay the Contractor undisputed amounts due and owing under the Contract, (ii) breaches its other obligations under the Contract to an extent that makes it impossible or commercially impractical for the Contractor to perform the Services, or (iii) does not cure the breach within the time period specified in a written notice of breach.

2.14. Federal and State Contract Requirements

2.14.1. Nondiscrimination

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

2.14.2. Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, et seq., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under

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

2.14.3. Workplace Safety and Discriminatory Harassment

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

2.14.4. Health, Safety, and Environmental Protection

The Contractor shall conform to all applicable Federal, State and local laws, and to the requirements of the Contract.

- A. **Damage Reports.** In all instances where State property or equipment is damaged, the Contractor shall submit to the Contract Administrator a full report of the facts and extent of such damage--verbally within one hour, and in writing within 24 hours of 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 Contract Administrator within one hour of occurrence and a written follow-up report to the Contract Administrator within 24 hours of occurrence.
- C. **Chemical Spills.** The Contractor shall take all reasonable precautions to prevent the release of hazardous chemicals into the environment. The Contractor shall follow appropriate procedures for incidental and emergency spills of any chemicals. Up-to-date Material Safety Data Sheets shall be available for all chemicals and cleaners brought on-site.

2.15. Governing Law

2.15.1. Governing Law

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

2.15.2. Compliance with Laws

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

ATTACHMENT A – PRICE SHEET

Description	Unit Price	Estimated Yearly Usage	Total Cost per Year
Plow Parking Lots and Driving Areas. 3 inches or more SNOW ACCUMULATION	\$ <u>225.00</u> Per Occasion	20 Occasions	\$ <u>4,500.00</u>
Shovel/Blow Entrances to Buildings and Sidewalks surrounding all Parking Lots and Buildings. Apply ice-melt as needed. 3 inches or more SNOW ACCUMULATION	\$ <u>56.00</u> Per Occasion	20 Occasions	\$ <u>1,120.00</u>
Apply sand to all parking lots and driving areas	\$ <u>170.00</u> Per Occasion	4 Occasions	\$ <u>680.00</u>
Clear (push back) snow banks utilizing heavy equipment.	\$ <u>96.00</u> Per Hour	4 Hours	\$ <u>384.00</u>
1.	TOTAL COST FOR ONE YEAR		\$ <u>6,684.00</u>
2.	YEARS IN CONTRACT TERM		3
3. (Multiply line 1 and 2)	TOTAL COST FOR CONTRACT TERM		\$ <u>20,052.00</u>

ATTACHMENT B – SITE MAP GAYLORD OPERATIONS SERVICE CENTER

