September 16, 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. 751B3200029
Between
STATE OF MICHIGAN
and

Required by authority of 1984 PA 431, as amended.

Name and Address of Contractor	Primary Contact	
Gary Bauer **dba Beaver's Firewood** **361 N. Francisco Rd.** **Grass Lake, MI 49240**	**Gary Bauer**	
	Email **beaversfirewood@gmail.com**	
	Telephone **517-937-1126**	Contractor #, Mail Code **3XXXXX8974 / 001**

State Contact	Agency	Name	Telephone	Email
Project Manager	Parks & Recreation	Gary Jones	734-475-4307	jonesg@michigan.gov
Buyer	DNR Procurement Services	Ruth Thole	517-284-5973	tholer@michigan.gov

Initial Contract Summary

Bundled Firewood for Re-sale at Waterloo Recreation Area

Effective Date	Initial Expiration Date	Initial Available Options	Expiration Date Prior to Change
01/25/2013	**12/31/2014**	**Two 1-year**	**12/31/2014**
Payment Terms **Net 45 days**	F.O.B. **Destination**	Delivery **N/A**	Shipped From **N/A**
Minimum Delivery Requirements **25 bundles**		Alternate Payment Options ☐ P-Card ☐ Direct Voucher (DV)	Available to MiDeal Participants ☐ Yes ☒ No

Description of Change Notice

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

Effective immediately, the following changes are made to this Contract:

1. **The Contract value is increased $6,000.00.**
2. **The Buyer's telephone number is changed to 517-284-5973.**
3. **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.

Value/Cost of Change Notice	Estimated Revised Aggregate Contract Value
$6,000.00	**$38,500.00**

FOR THE CONTRACTOR:

Gary Bauer

Gary Bauer
Authorized Agent Signature

Gary Bauer
Authorized Agent and Title (Print or Type)

8-16-14
Date

FOR THE STATE:

Department of Natural Resources

Ruth Thole
Authorized Buyer Signature

Ruth Thole / Buyer
Authorized Buyer (Print or Type)

9/16/14
Date

January 22, 2013

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. 751B3200029
Between
STATE OF MICHIGAN
and

Required by authority of 1984 PA 431, as amended.

Name and Address of Contractor	Primary Contact	
Gary Bauer **dba Beaver's Firewood** **361 N. Francisco Rd.** **Grass Lake, MI 49240**	Gary Bauer	
	Email beaversfirewood@gmail.com	
	Telephone 517-937-1126	Contractor #, Mail Code **XXXXX8974 / 001**

State Contact	DNR Agency	Name	Telephone	Email
Contract Administrator	Parks and Recreation	Gary Jones	734-475-8307	jonesg@michigan.gov
Buyer	Procurement Services	Ruth Thole	517-335-1553	tholer@michigan.gov

Contract Summary

Description

Bundled Firewood for Re-sale at Waterloo Recreation Area

Initial Term	Effective Date	Initial Expiration Date	Available Options
Approx 2 years	**01/25/2013**	**12/31/2014**	**Two 1-year**
Payment Terms **Net 45 Days**	F.O.B. **Destination**	Shipped **N/A**	Shipped From **N/A**
Minimum Delivery Requirements **25 bundles of firewood**		Alternate Payment Options ☐ P-Card ☐ Direct Voucher (DV)	Available to MiDeal Participants ☐ Yes ☒ No

Miscellaneous Information

The terms and conditions of this Contract are those of solicitation #ITB-RT-PRD-751R3200400, 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: $32,500.00

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. 751B3200029

Between

STATE OF MICHIGAN

and

Required by authority of 1984 PA 431, as amended.

Name and Address of Contractor	Primary Contact	
Gary Bauer **dba Beaver's Firewood** **361 N. Francisco Rd.** **Grass Lake, MI 49240**	Gary Bauer	
	Email beaversfirewood@gmail.com	
	Telephone 517-937-1126	Contractor #, Mail Code XXXXX3974 / 001

State Contact	DNR Agency	Name	Telephone	Email
Contract Administrator	Parks and Recreation	Gary Jones	734-475-6307	jonesg@michigan.gov
Buyer	Procurement Services	Ruth Thole	517-335-1553	tholer@michigan.gov

Contract Summary

Description

Bundled Firewood for Re-sale at Waterloo Recreation Area

Initial Term	Effective Date	Initial Expiration Date	Available Options
2 ~~2~~ years	01/25/2013	12/31/2014	Two 1-year
Payment Terms	**F.O.B.**	**Shipped**	**Shipped From**
Net 45 Days	Destination	N/A	N/A
Minimum Delivery Requirements		**Alternate Payment Options**	**Available to MiDeal Participants**
25 bundles of firewood		☐ P-Card ☐ Direct Voucher (DV)	☐ Yes ☒ No

Miscellaneous Information

The terms and conditions of this Contract are those of solicitation #ITB-RT-PRD-751R3200400, 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: $32,500.00

THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation No.ITB-RT-PRD-751R3200400. 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:

Gary Bauer
Firm Name

Gary Bauer
Authorized Agent Signature

GARY BAUER
Authorized Agent (Print or Type)

1-22-2013
Date

FOR THE STATE:

Department of Natural Resources

Ruth Thole
Signature

Ruth Thole, Buyer
Name/Title

1/22/13
Date

STATE OF MICHIGAN
Department of Natural Resources
Procurement Services

Contract 751B3200029
Bundled Firewood for Re-sale at Waterloo Recreation Area

Buyer Name: Ruth Thole
Telephone Number: 517-335-1553
E-Mail Address: tholer@michigan.gov

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Article 1 – Statement of Work

1.1 Project Identification

1.1.1 Project Request

This is a Contract for Bundled Firewood for Resale at Michigan Department of Natural Resources, Waterloo Recreation Area. The Contractor will carry out the Contract under the direction and control of the Department of Natural Resources (DNR). The State expects that the Contractor will work in cooperation with the State to furnish quality firewood bundles at the lowest price available in a timely and efficient manner.

1.1.2 Background

Due to restrictions on transporting wood to prevent the spread of insect pests and plant disease, park patrons are discouraged from bringing firewood into State Parks. To provide safe, pest-free wood for campfires, DNR offers bundles of firewood for sale at the parks. The sale of firewood is also a source of revenue for each park.

Firewood is to be split log wood only; no slabwood. Both split log and slabwood bundles have been offered for sale at Waterloo Recreation Area in past years. Historically, split log bundles have recorded higher sales and produced more revenue than slabwood bundles.

1.2 Scope of Work and Deliverables

1.2.1 In Scope

The Contractor must deliver Bundled Firewood as specified and provide delivery services as required by the Department of Natural Resources, Waterloo Recreation Area.

1.2.2 Deliverables

All Bundled Firewood must conform to the following specifications.

(a) All firewood must have had one (1) full year to dry (seasoned) to remove the threat of oak wilt transmission and avoid wood infestation by exotic and native insects.

(b) All firewood must be transported in accordance with restrictions under Act 72 of the Public Acts of 1945, as amended, and the Michigan Department of Agriculture Emerald Ash Borer Quarantine. The Contractor agrees not to move firewood out of the Emerald Ash Borer quarantined counties. For maps with specific boundaries of site quarantines, visit www.michigan.gov/mdard.

(c) Firewood bundles must be a minimum size of 12”x12”x16” once settled.

(d) Firewood must be split log:

- (1) Each bundle must contain at least 60 percent hardwood, **excluding poplar**.
- (2) Each bundle must not contain more than 10 percent bark.
- (3) Each bundle must contain wood pieces of varying size.
- (4) Although reasonable variances are acceptable, the bundle of firewood shall be comprised of:
  - (i) A minimum of 10 pieces of wood.
  - (ii) Largest piece of wood no larger than 5”x5”x16”.
  - (iii) Smallest piece of wood no smaller than 1”x2”x16”.

(e) Bundles must be securely banded with natural sisal twine. On each bundle a separate handle or handle formed from the wrapping material is desired.

- (1) Twine must be new.
- (2) Twine must have a minimum tensile strength of 110 pounds and minimum knot strength of 60 pounds.

(f) Delivery services:

- (1) Bundled Firewood must be delivered to two campground office locations within Waterloo Recreation Area – 1) campground office for Portage Lake Campground, located in Grass Lake; and 2) campground office for Sugarloaf Lake Campground located in Chelsea.
- (2) To insure park staff is available to receive goods, Contractor must notify the Headquarters at least three (3) hours prior to delivery and advise with a delivery time window not to exceed three (3) hours.
- (3) All bundled firewood must be unloaded by the Contractor and stacked/placed in the storage areas of each campground.

1.2.3 Quantity

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

1.2.4 Ordering

Each year of the contract term, a Purchase Order will be issued for an estimated quantity to cover the current year's camping season. Quantities specified are estimates and the State is not obligated to purchase in these or any other quantities. Deliveries against the purchase order will occur according to delivery schedules agreed between the Contractor and the DNR Project Manager. The Contractor is not authorized to begin performance until receipt of a Purchase Order.

1.3 Delivery and Acceptance

1.3.1 Time Frames

Delivery of firewood bundles will be conducted according to schedules which have been agreed upon by the DNR Project Manager and the Contractor.

(a) DNR will place orders by 12:00 noon on Tuesdays for delivery by 12:00 noon on Friday the same week.

(b) Contractor must acknowledge orders and provide park with anticipated delivery date/time within 24 hours of receipt of orders.

1.3.2 Minimum Order

The minimum order requirement is 25 bundles of firewood.

1.3.3 Packaging

See **Section 1.2.2(e), Deliverables** for acceptable banding materials and specifications.

1.3.4 Palletizing - Deleted, Not Applicable

1.3.5 Delivery Term

Quoted prices are "F.O.B. Destination" with free delivery on all orders that meet the minimum order requirement.

1.3.6 Acceptance Process

(a) Deliveries will be accepted:

(1) Seven days a week (Sunday through Saturday) from 8:00 am to 10:00 pm during "camping season" - between Memorial Day and Labor Day.

(2) Monday through Friday from 8:00 am to 4:00 pm during off season – between Labor Day and Memorial Day.

(b) Delivery may be made only when a Park employee is available to inspect condition of bundles and verify number of bundles delivered. Contractor must obtain Park employee's signature on delivery ticket. A list of Park employees authorized to sign delivery tickets will be conveyed to the Contractor upon issuance of a purchase order.

(c) Any wood which, in the opinion of the DNR Project Manager, does not meet the specification(s) in **Section 1.2.2(c), Deliverables** will not be accepted. All such unapproved wood must be promptly removed from the park by the Contractor.

1.4 Proposal Pricing

1.4.1 Pricing

Price is $3.25 per bundle of firewood. If and/or when the price the Contractor pays for gasoline exceeds $5.00 per gallon, the price per bundle of firewood will be $3.50. When DNR is charged $3.50 per bundle, invoice must be accompanied with documentation (invoice or sales receipt) verifying the Contractor's cost of gasoline exceeds $5.00 per gallon. Gasoline invoice or sales receipt must be dated within seven (7) days of date of firewood delivery being invoiced.

See **Attachment B – Price Sheet**.

1.4.2 Quick Payment Terms

No quick payment discount is offered; payment terms are Net 45 Days.

1.4.3 Price Term

Prices quoted are the maximum for a period of 365 days from the date this 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 term 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 30 DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, this Contract may be cancelled. The continued payment of any charges due after September 30th of any fiscal year shall be subject to the availability of an appropriation for this purpose.

Any price change must be implemented through the issuance of a Contract Change Notice.

1.4.4 Tax Excluded from Price

The State is exempt from sales tax for direct purchases. The Contractor's prices must not include sales tax. DNR will furnish an exemption certificate for sales tax upon request.

1.4.5 Invoices

Invoice billings must be rendered on a monthly basis. Itemized invoice must clearly indicate date of delivery, number of bundles delivered, unit cost and extended cost. A copy of the receipt for each delivery during the month, signed by a Park employee, must accompany the invoice.

Article 2 – Terms and Conditions

2.1 Contract Term

2.1.1 Contract Term

The term of the Contract will be approximately two (2) years beginning January 25, 2013 and ending December 31, 2014.

2.1.2 Options to Renew

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

2.2 Payments

2.2.1 Fixed Prices for Deliverables

Prices are fixed for all Deliverables; no additional or miscellaneous charges (administrative fees, handling fees, fuel surcharges, etc.) are allowed.

2.2.2 Payment Deadlines

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

2.2.3 Electronic Payment Requirement

As required by Public Act 533 of 2004, payments under the Contract must be processed by electronic funds transfer (EFT).

2.3 Contract Administration

2.3.1 Issuing Office

The Contract will be issued by Department of Natural Resources, Procurement Services on behalf of Parks and Recreation Division. **Procurement Services is the only entity authorized to modify the terms and conditions of the Contract, including the prices and specifications.** The Contract Administrator within Procurement Services for the Contract is:

Ruth Thole, Buyer
Department of Natural Resources
Procurement Services
P. O. Box 30028
Lansing, MI 48909
517-335-1553
E-mail: tholer@michigan.gov
Fax: 517-373-6507

2.3.2 Project Manager

The Project Manager will monitor and coordinate Contract activities on a day-to-day basis. However, monitoring of this Contract implies **no authority to modify the terms and conditions of this Contract, including the prices and specifications.** The Project Manager for the Contract is:

Gary Jones, Unit Manager
Waterloo Recreation Area
16345 McClure Road
Chelsea, MI 48118
734-475-8307
E-mail: jonesg@michigan.gov

2.4 Contract Management

2.4.1 Contractor Responsible

The Contractor shall have full responsibility for the completion of all Deliverables. The State shall consider the 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 Deliverables. The Contractor shall not delegate any duties under the Contract to a subcontractor unless the State has given written consent to such delegation. The State shall have the right to approve all subcontractors and to require the Contractor to replace any subcontractors deemed unacceptable by the State. 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.

2.4.2 Contractor Personnel Qualifications

All persons assigned by the Contractor to perform work must be employees of the Contractor or its majority-owned subsidiaries, and must be fully qualified to perform the work assigned to them. The Contractor must include this requirement in any subcontract.

2.4.3 Contractor Identification

The Contractor's employees must be clearly identifiable while on State property and must clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.4.4 Relationship of the Parties

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

2.5 General Contract Provisions

2.5.1 Entire Agreement

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

2.5.2 Contract Changes

The Contract may be modified provided that any changes proposed by either party are requested in writing and mutually agreed to by the Contractor and the Contract Administrator. A 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 will accompany any request for change.

2.5.3 No Waiver of Default

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

2.5.4 Reformation and Severability

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

2.5.5 Headings

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

2.5.6 Governing Law

This Contract is governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of another jurisdiction to the extent not inconsistent with or preempted by federal law.

2.5.7 Compliance with Laws

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

2.5.8 Jurisdiction

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

2.5.9 Legal Effect

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

2.5.10 Media Releases

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

2.5.11 Freedom of Information

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

2.5.12 Retention of Records

(a) The Contractor must retain all financial and accounting records related to this Contract for a period of seven years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.5.13 Examination of Records

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

2.5.14 Employment Taxes

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

2.5.15 Nondiscrimination

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

2.5.16 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, *et seq*., the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under MCL 423.322. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under MCL 423.324, the State may void any Contract if, after award of the Contract, the name of the Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of the Contractor appears in the register.

2.5.17 Survival

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

2.5.18 Performance Reviews

DNR may review with the Contractor their performance under the Contract. Performance reviews may be conducted quarterly, semi-annually or annually depending on the Contractor's past performance with the State. Performance reviews may include, but are not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the contract.

Upon a finding of poor performance, which has been documented by DNR Procurement Services, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by DNR Procurement Services, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of contract subject to the cancellation provisions contained herein.

2.6 Insurance

2.6.1 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.)

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

(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 State.)

2.6.2 Certificates of Insurance and Other Requirements

Contractor must furnish to DNR Procurement Services, certificate(s) of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in this Section (the "Certificates"). The Certificate must be on the standard "Acord" form or equivalent. All Certificate(s) must contain a provision indicating that coverages afforded under the policies MUST NOT BE CANCELLED, MATERIALLY CHANGED, OR NOT RENEWED without 30 days prior written notice, except for 10 days for non-payment of premium, having been given to DNR Procurement Services. The notice must include the Contract or Purchase Order number affected. Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy.

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.

2.7 Indemnification

2.7.1 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 this Contract and that are attributable to the negligence or tortious acts of the Contractor or any of its Subcontractors, or by anyone else for whose acts any of them may be liable.

The Contractor's duty to indemnify continues in full force and effect, not withstanding the expiration or early cancellation of this Contract, with respect to any claims based on facts or conditions that occurred prior to expiration or cancellation.

2.8 Termination by the State

2.8.1 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, the State will provide the Contractor notice of the breach and a period of at least 30 days to cure the breach. The State does not need to provide notice or an opportunity to cure for successive or repeated breaches or if the State determines, in its sole discretion, that a breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.8.2 Termination for Cause

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

(b) The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees and court costs, and any additional costs the State incurs to procure the Deliverables from other sources. Re-procurement costs are not consequential, indirect, or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Deliverables.

(c) If the State partially terminates this Contract for cause, any charges payable to the Contractor will be equitably adjusted to reflect those Deliverables that are terminated. The State must pay for all Deliverables for which Final Acceptance has been granted before the termination date. Any services or related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause and it is determined, for any reason, that the Contractor was not in breach of the Contract, the termination will be deemed to have been a termination under Section 2.16.3, Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in that Section.

2.8.3 Termination for Convenience

The State may fully or partially terminate this Contract for its convenience if the State determines that a termination is in the State's best interest. Reasons for the termination are within the sole discretion of the State and may include: (a) the State no longer needs the Deliverables specified in this Contract; (b) a relocation of office, program changes, or changes in laws, rules, or regulations make the Deliverables no longer practical or feasible for the State; (c) unacceptable prices for Contract changes; or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any ITB issued by the State. The State may terminate this Contract for its convenience by giving Contractor notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, any charges payable to the Contractor must be equitably adjusted to reflect those Deliverables that are terminated.

2.8.4 Termination for Non-Appropriation

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

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

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

2.8.5 Termination for Criminal Conviction

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

2.8.6 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for all work-in-progress performed through the effective date of the termination. The Contract may be fully or partially terminated and will be effective as of the date stated in the notice.

2.8.7 Rights and Obligations upon Termination

(a) If the State terminates this Contract for any reason, the Contractor must:

(i) stop all work as specified in the notice of termination;

(ii) take any action that may be necessary, or that the State may direct, to preserve and protect Deliverables or other State property in the Contractor's possession;

(iii) return all materials and property provided directly or indirectly to the Contractor by any entity, agent, or employee of the State;

(iv) transfer title in and deliver to the State, unless otherwise directed, all Deliverables intended to be transferred to the State at the termination of the Contract (which will be provided to the State on an "As-

Is" basis except to the extent the State compensated the Contractor for warranty services related to the materials);

(v) to the maximum practical extent, take any action to mitigate and limit potential damages, including terminating or limiting subcontracts and outstanding orders for materials and supplies; and

(vi) take all appropriate action to secure and maintain State information confidentially in accordance with Section 2.11, Confidentiality.

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

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

ITB-RT-PRD-751R3200400

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8:00 am
T.S.

ATTACHMENT A – STATEMENT OF WOOD ORIGIN

REQUIRED UNDER AUTHORITY OF ACT 72, P.A. 1945

PREVENTING THE SPREAD of EMERALD ASH BORER (EAB):
To prevent and control the spread of EAB, the Michigan Department of Agriculture has issued a quarantine on all ash trees, ash materials, and all species of hardwood firewood, for the affected counties.

Under Land Use Order 8.2 as issued by the Director of the Department of Natural Resources on February 3, 2005, a person shall not do any of the following upon state-owned lands administered by the department:

(1) Possess ash wood upon any state lands unless that ash wood is without bark attached.
(2) Transport ash wood from a regulated area unless that ash wood is without bark attached.
(3) Transport any deciduous cut firewood from a regulated area.
(4) A regulated area means those areas as defined by the emerald ash borer interior quarantine, Level I, Level II, and Level III; published by the Michigan Department of Agriculture under the authority of insect pests and plant diseases, 1945 PA 72.
(5) Firewood harvested within the Level I area may be transported anywhere within Level I area, but may not be transported into the Upper Peninsula.
(6) Firewood harvested within the Level II area may not be transported anywhere outside of the Level II area, except for Mackinac County which may be transported to the Lower Peninsula.
(7) Firewood harvested within the Level III area may only be transported within the Level II and Level III areas of the Upper Peninsula.

The regulated areas include the following Counties in **Level I**: all of the Lower Peninsula.

Additionally, the regulated areas include the following Counties in **Level II**: portions of Mackinac, Chippewa, Delta, Schoolcraft, Houghton, and Isle Royale.

Additionally, the regulated areas include the following Counties in **Level III**: portions of Mackinaw, Chippewa, Delta, Schoolcraft, and Houghton; and all of Keweenaw.

VIOLATIONS AND PENALTIES:
Any regulated article from the quarantined area, moved within Michigan in violation of this quarantine shall be removed from the non-regulated area immediately or destroyed at the expense of the owner or owners, under the direction of the Director.

Any violation of this quarantine is subject to the full authority of Act No. 72, Public Acts of 1945, as amended.

Under penalty of law, I certify that the firewood products offered for sale at: Waterloo Recreation Area
Location

were obtained from : Jackson & Washtenaw.
County(s)

I also certify that the firewood products offered for sale do not include ash wood containing bark.

Signed: Gary Bauer
Contractor

Dated: 12-20-2012

ATTACHMENT B – PRICE SHEET

Delivery Location	County	Est. quantity purchased during Contract Term	Price	Price if cost of gasoline exceeds $5/gal*
Waterloo Recreation Area: **Portage Lake Campground** **10300 Seymour Road** **Grass Lake MI 49240** **Sugarloaf Lake Campground** **8400 Loveland Road** **Chelsea, MI 49240**	**Jackson & Washtenaw**	**10,000 bundles**	**$ 3.25** **Per bundle**	**$ 3.50** **Per bundle**

***See Article 1, Section 1.4.1 Pricing Proposal**