



STATE OF MICHIGAN PROCUREMENT

Department Of State

430 W. Allegan St.
Lansing, MI 48918

CONTRACT CHANGE NOTICE

Change Notice Number **3**

to

Contract Number **MA230000000185**

CONTRACTOR	CJK INVESTMENTS, LLC
	14855 Sheldon Rd.
	Plymouth MI 48170
	Charles Knoll
	734-453-0500
	CKNoll@BMWmotomichigan.com
	CV0005464

STATE	Program Manager	Brandon Cannon	MDOS
		517-256-8977	
		CannonB2@michigan.gov	
	Contract Administrator	Jon Khon	MDOS
		517-241-3886	
		khonj@michigan.gov	

CONTRACT SUMMARY				
BMW of Southeast MI/MI-REP Training Motorcycles				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
November 22, 2022	November 21, 2027	3 - 1 Year	November 21, 2027	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		20 Days, assuming inventory is available		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-Card ☐ Direct Voucher (PRC) ☐ Other			☐ Yes ☒ No	
MINIMUM DELIVERY REQUIREMENTS				
Per Contract				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		
CURRENT VALUE	VALUE OF CHANGE NOTICE		ESTIMATED AGGREGATE CONTRACT VALUE	
\$249,999.99	\$0.00		\$249,999.99	
DESCRIPTION				
Please note the Program Manager or Contract Administrator may have changed, and are reflected on this Change Notice.				
Effective 2/19/2026, the Schedule B Pricing has been updated with available models and associated costs. All other terms, conditions, and specifications remain unchanged per contractor and agency agreement, and DTMB Central Procurement Services approval.				

SCHEDULE B - PRICING

Contract 231 230000000185

Michigan Rider Education Program (MI-REP) – Training Motorcycles

1. The pricing schedule should be submitted in a modifiable format (e.g. Microsoft Word or Excel); however, you may also submit an additional pricing schedule in a non-modifiable format (e.g., PDF).
2. Price proposals must include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
3. The Contractor is encouraged to offer quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.

Quick payment terms: 0% discount off invoice if paid within 7 days after receipt of invoice.

4. By submitting its proposal, the Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.
5. If submitting pricing for more than one motorcycle, please copy the matrix below for each motorcycle.

Model Year- 2025	Pricing
Training Motorcycle – 2025 BMW R310R seat height 30.9” (Itemize below)	optional seat lowering of 2.1” for an additional \$580.00 Inventory available for 1 week delivery
Motorcycle:	\$5,390.00
MSRP:	\$5,390.00
Document Fees:	\$50.00
Additional Cost Breakdown:	
Title Fee	\$15.00
Shipping and handling fee	\$595.00
Fuel fee	\$0
Palletizing fee	\$0
Grand Total Per Motorcycle (not including final shipping)	\$5,455.00

Model Year- 2025	Pricing
Training Motorcycle – 2025 BMW R310GS seat height 32.8” (Itemize below)	optional seat lowering of 2.1” for an additional \$580.00 Inventory available for 1 week delivery
Motorcycle:	\$5,895.00
MSRP:	\$5,895.00
Document Fees:	\$50.00
Additional Cost Breakdown:	
Title Fee	\$15.00
Shipping and handling fee	\$595.00
Fuel fee	\$0
Palletizing fee	\$0
Grand Total Per Motorcycle (not including final shipping)	\$5,960.00



STATE OF MICHIGAN PROCUREMENT

Department of State

430 W. Allegan
Lansing, MI 48933

CONTRACT CHANGE NOTICE

Change Notice Number 2
to
Contract Number 230000000185

CONTRACTOR	BMW Motorcycles of Southeast Michigan
	14855 Sheldon Rd.
	Plymouth, MI 48170
	Charles Knoll
	734.453.0500
	CKNoll@BMWMotoMichigan.com
	CV0005464

STATE	Program Manager	MIREP Coordinator	MDOS
		517.243.2122	
		Motorcycling@Michigan.gov	
	Contract Administrator	Jonathon Khon	MDOS
		517.241.3886	
		KhonJ@Michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Michigan Rider Education Program (MI-REP) – Training Motorcycles				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
11/22/2022	11/21/2027	3, 1-year		
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		20 Days, assuming inventory is available		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card ☐ Payment Request (PRC) ☐ Other			☐ Yes ☒ No	
MINIMUM DELIVERY REQUIREMENTS				
Per Contract				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$249,999.99		\$0	\$249,999.99	
DESCRIPTION: Effective 2/13/2023 pricing on this Contract is updated per the Schedule B Attachment. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement Services approval.				

FOR THE CONTRACTOR:

BMW Motorcycles of Southeast Michigan

Company Name

E-SIGNED by Charles Knoll
on 2025-02-14 15:24:07 EST

Authorized Agent Signature

Charles Knoll

Authorized Agent (Print or Type)

2025-02-14 15:24:07

Date

FOR THE STATE:

E-SIGNED by Chad Bassett
on 2025-02-14 15:24:52 EST

Signature

Chad Bassett Director

Name & Title

Michigan Department of State

Agency

2025-02-14 15:24:52

Date

SCHEDULE B - PRICING

Contract 231 230000000185

Michigan Rider Education Program (MI-REP) – Training Motorcycles

1. The pricing schedule should be submitted in a modifiable format (e.g. Microsoft Word or Excel); however, you may also submit an additional pricing schedule in a non-modifiable format (e.g., PDF).
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Quick payment terms: 0% discount off invoice if paid within 7 days after receipt of invoice.

4. By submitting its proposal, the Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.
5. If submitting pricing for more than one motorcycle, please copy the matrix below for each motorcycle.

Model Year- 2025	Pricing
Training Motorcycle – BMW 310R - ABS (Itemize below)	
Motorcycle:	\$4,995.00
MSRP:	\$4,995.00
Document Fees:	
Additional Cost Breakdown:	
Title Fee	
Shipping and handling fee	\$595.00
Fuel fee	\$15.00
Palletizing fee	\$0
Grand Total Per Motorcycle (not including final shipping)	\$5,010.00



STATE OF MICHIGAN PROCUREMENT

Department of State

430 W. Allegan
Lansing, MI 48933

CONTRACT CHANGE NOTICE

Change Notice Number 1
to
Contract Number 230000000185

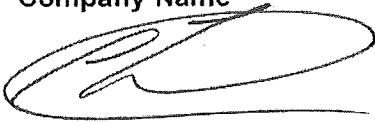
CONTRACTOR	BMW Motorcycles of Southeast Michigan
	14855 Sheldon Rd.
	Plymouth, MI 48170
	Charles Knoll
	734.453.0500
	CKNoll@BMWMotoMichigan.com
	CV0005464

STATE	Program Manager	MIREP Coordinator	MDOS
		517.243.2122	
		Motorcycling@Michigan.gov	
	Contract Administrator	Jonathon Khon	MDOS
		517.241.3886	
		KhonJ@Michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Michigan Rider Education Program (MI-REP) – Training Motorcycles				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
11/22/2022	11/21/2027	3, 1-year		
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		20 Days, assuming inventory is available		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card ☐ Payment Request (PRC) ☐ Other			☐ Yes ☒ No	
MINIMUM DELIVERY REQUIREMENTS				
Per Contract				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☐		☐		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$249,999.99		\$0	\$249,999.99	
DESCRIPTION: Effective 1/10/2024 pricing on this Contract is updated per the Schedule B Attachment. Pricing remained the same, just updating the model year to 2023. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, and DTMB Central Procurement Services approval.				

FOR THE CONTRACTOR:

BMW Motorcycles SE American
Company Name



Authorized Agent Signature

CHARLES KNOLL

Authorized Agent (Print or Type)

1/10/24
Date

FOR THE STATE:



Signature

Chad Bassett / Procurement Director
Name & Title

MDOS
Agency

1/11/2024
Date

SCHEDULE B - PRICING

Contract 231 230000000185

Michigan Rider Education Program (MI-REP) – Training Motorcycles

1. The pricing schedule should be submitted in a modifiable format (e.g. Microsoft Word or Excel); however, you may also submit an additional pricing schedule in a non-modifiable format (e.g., PDF).
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4. By submitting its proposal, the Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.
5. If submitting pricing for more than one motorcycle, please copy the matrix below for each motorcycle.

Year- 2023	Pricing
Training Motorcycle – BMW 310R - ABS (Itemize below)	
Motorcycle:	\$4,995
MSRP:	\$4,995
Document Fees:	\$220
Additional Cost Breakdown:	
Title Fee	
Shipping and handling fee	\$495
Fuel fee	\$15
Palletizing fee	\$0
Grand Total Per Motorcycle (not including final shipping)	\$5,230

 1/10/24



STATE OF MICHIGAN PROCUREMENT

Department of State

430 W. Allegan
Lansing, MI 48933

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **231 230000000185**

between

THE STATE OF MICHIGAN

and

CONTRACTOR	BMW Motorcycles of Southeast Michigan
	14855 Sheldon Rd.
	Plymouth, MI 48170
	Charles Knoll
	734.453.0500
	CKNoll@BMWMotoMichigan.com
	CV0005464

STATE	Program Manager	MIREP Coordinator	MDOS
		517.243.2122	
		Motorcycling@Michigan.gov	
	Contract Administrator	Jonathon Khon	MDOS
		517.241.3886	
		KhonJ@Michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION:			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
11/22/2022	11/21/2027	3, 1-year	
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		20 Days, assuming inventory is available	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☐ P-card ☐ Payment Request (PRC) ☐ Other			☐ Yes ☒ No
MINIMUM DELIVERY REQUIREMENTS			
Per Contract			
MISCELLANEOUS INFORMATION			
Purchase orders will come from the sponsor			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			249,999.99

FOR THE CONTRACTOR:

BUN NOTARYLLS OF MICHIGAN
Company Name

[Signature]

Authorized Agent Signature

CHARLES KJOLL
Authorized Agent (Print or Type)

11/21/22
Date

FOR THE STATE:

[Signature]
Signature

Chad Bassett / Procurement Director
Name & Title

MDOS
Agency

11/22/22
Date

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

Contract 231 230000000185

Resulting from (RFP) No. 220000002855

Michigan Rider Education Program (MI-REP) – Training Motorcycles

BACKGROUND

The Michigan Department of State assumed oversight of the Michigan Motorcycle Safety Program per Michigan Vehicle Code as amended by Public Act 103 of 2003. Through this program, grant monies are provided to Public Program Sponsor Institutions, such as school districts, colleges, law enforcement agencies and military organizations in support of motorcycle training programs certified by the Motorcycle Safety Foundation. Orders will be issued to Contractors based upon price, availability, and delivery schedule for motorcycles.

SCOPE

Contractor agrees to provide the motorcycles listed on Schedule B to any sponsor listed on Schedule C, Sponsor List. Motorcycles must meet all specifications listed below in General Requirements. If sponsor requests, the contractor will provide agreed upon training motorcycles for purchase and delivery if requested to any of the identified sponsors listed in Schedule C (attached) and follow all requirements and Contract activities listed in this contract.

REQUIREMENTS

- a) The Contractor must provide a copy of their **Michigan Dealer License**.
- b) The Contractor must provide a copy of their signed **Franchise Agreement** with respective manufacturer of motorcycles.

1. General Requirements

1.1. Product Specifications

The Contractor must provide motorcycles that meet the following specifications:

- a) ENGINE SIZE RANGE: Greater than 120cc and less than 500cc.
- b) ENGINE TYPE: Four stroke fuel injection or carbureted.
- c) COOLING SYSTEM: Liquid cooled or air cooled.
- d) STARTING SYSTEM: Electric.
- e) ELECTRICAL SYSTEM: 12-volt electrical system with electronic ignition.
- f) TRANSMISSION: Manual with clutch 5 or 6 speed.
- g) WEIGHT: 490 lbs. or less.

- h) SEAT HEIGHT: Approximately 30 inches, unladen.
- i) BRAKES: Disk in front, disk, or drum in rear.
- j) STAND: A side kickstand (center stand optional).
- k) FUEL CAPACITY: At least 2 U.S. gallons.
- l) MIRRORS: Rearview mirrors on each side.

1.2. Warranties

Contractor must provide a new Manufacturer's warranty that passes through to the state and any other party.

All motorcycles must come with a 36-month or 36,000 miles warranty.

Sponsors will be responsible for contacting the Contractor.

BMW Motorcycles of Southeast Michigan

14855 Sheldon Rd., Plymouth, MI 48170

Chris Thorsen

201.785.4573

Chris.Thorsen@BMWNA.com

The State may require additional warranties other than those identified by the Contractor in its response to this RFP.

1.3. Recall Requirements and Procedures

Federal recalls will be communicated to sponsors immediately and a plan of action submitted by the sponsor. Plan of action may vary based on complexity of recall. Recalls must be completed / fixed on sponsor site or arranged with sponsor.

1.4. Quality Assurance Program

Contractor will properly assemble, prep, and test each unit per manufacturer procedures. Contractor must also provide a copy of the prep sheet report and owner's manual, with each motorcycle.

1.5. Incentives

If prior year motorcycles become available, contractor will provide motorcycle at agreed upon price in Schedule B. These prior year motorcycles must be new and have the same warranty as the prior year. All national and regional available incentives will be passed on the State.

2. Service Requirements

2.1. Timeframes

All Contract Activities must be delivered within 20 business days from receipt of order. The receipt of order date is pursuant to the **Notices** section of the *Standard Contract Terms*.

2.2. Delivery

Delivery will be expected within 20 calendar days upon date of order, assuming inventory is available at that time. Delivery of assembled motorcycle will be made during normal business hours at sponsors designated locations (See Schedule C – 2022 Public Sponsor List Motorcycle Distribution List) unless sponsor requests to pick up the motorcycle from the contractor.

2.3. Technical Support and Repairs

The Contractor must specify its number for the State to contact the Contractor for customer service, technical support, repairs, and maintenance. The Contractor must be available for calls and service during the following hours.

Winter Hours, November - February

Tuesday – Saturday, 9am – 6pm

Summer Hours, March – October

Monday – Saturday, 9am – 6pm

734.453.0500 (Option 2)

2.4. Reporting

When Sponsor provides a delivery order to the Contractor. Contractor must submit the following to the Program Manager upon request

- a) Scheduled delivery dates, quantities, and locations.
- b) Written confirmation of delivery, quantities, and locations.

2.5. Meetings

The Contractor must attend the following meetings:

If requested by the MDOS Coordinator, the Contractor must attend a meeting at vendor facility with MDOS Coordinator prior to acceptance of the bid and must have offered model(s) on hand at the meeting site. The State may request other meetings as it deems appropriate.

3. Staffing

3.1. Contractor Representative

The Contractor must appoint a Contractor Representative specifically assigned to State of Michigan accounts who will respond to State inquiries regarding the Contract Activities, answer questions related to ordering and delivery, etc. (the “Contractor Representative”).

- **Charles Knoll**

CKNoll@BMWotoMichigan.com

734.453.0500

The Contractor must notify the Contract Administrator at least 30 calendar days before or after removing or assigning a new Contractor Representative.

3.2. Organizational Chart

RAINA BELL – OFFICE MANAGER
JEFF KOENIG – SALES MANAGER
MIKE GLINSKI – SERVICE MANAGER
GARY SZCZPANSKI – MASTER TECHNICIAN
KIRK GROESBECK – MASTER TECHNICIAN
STEVE EARL – MASTER TECHNICIAN
DAN PUZ – TECHNICIAN
JOE FOOTE – PARTS
KEVIN HILLER – SALES
NICK CISCO – FACILITY MANAGER

3.3. Disclosure of Subcontractors

The Contractor will not be utilizing subcontractors. If the Contractor decides to use subcontractors, it must be disclosed and approved by the State prior to use.

3.4. Security

The Contractor will be subject to the following security procedures:

The Contractor's staff may be required to make deliveries to or enter State/Educational facilities. The State may require the Contractor's personnel to wear State issued identification badges. The State reserves the right to add additional security requirements as needed.

- a) Delivery driver must have proper ID, Letter of Authorization, and dealership paperwork.

4. Pricing

4.1. Price Term

Pricing is firm for a 365-day period ("Pricing Period"). The first pricing period begins on the Effective Date. Adjustments may be requested in writing by either party and will take effect no earlier than the next Pricing Period. Final motorcycle pricing must include all applicable dealer fees and title issued to Sponsor prior to delivery.

4.2. Price Changes

Adjustments will be based on changes in actual Contractor costs. Any request must be supported by written evidence documenting the change in costs. The State may consider sources, such as the MSRP; Consumer Price Index; Producer Price Index; other pricing indices as needed; economic and industry data; manufacturer or supplier letters noting the increase in pricing; and any other data the State deems relevant.

Following the presentation of supporting documentation, both parties will have 30 days to review the information and prepare a written response. If the review reveals no need for modifications, pricing will remain unchanged unless mutually agreed to by the parties. If the review reveals that changes are needed, both parties will negotiate such changes, for no longer than 30 days, unless extended by mutual agreement.

The Contractor remains responsible for Contract Activities at the current price for all orders received before the mutual execution of a Change Notice indicating the start date of the new Pricing Period.

5. Ordering

5.1. Authorizing Document

The appropriate authorizing document for the Contract will be a purchase order issued to the dealer by the Sponsor.

5.2. Order Verification

The Contractor must have internal controls approved by MDOS Coordinator to verify abnormal orders and to ensure that only authorized individuals from the sponsor list place orders.

6. Delivery

6.1. Delivery Programs

The Contractor will use enclosed transportation with company owned vehicles and trailers for delivery of the Contract Activities.

6.2. Packaging and Palletizing

Packaging must be optimized to permit the lowest freight rate. Shipments must be transported in the safest method possible to prevent damage.

7. Acceptance

7.1. Acceptance, Inspection and Testing

The State will use the following criteria to determine acceptance of the Contract Activities:

A representative of the Michigan Rider Education Program must inspect all motorcycles upon delivery, to ensure that units are in accordance with Section 1.1 Product Specifications. Units failing this inspection must not be accepted and the dealer/manufacturer must repair, service or replace the unit(s) within 10 working days.

8. Invoice and Payment

8.1. Invoice Requirements

All invoices submitted per Sponsor's request must include:

- a) Contractor name
- b) Contractor address
- c) Sponsor name

- d) Date
- e) Purchase order number
- f) Quantity
- g) VIN number
- h) Unit price
- i) Shipping cost (if any)
- j) Total price

8.2. Payment Methods

The Sponsor will make payment to the contractor for Contract Activities.

9. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State, and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$500 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work.

10. Additional Requirements

10.1. Environmental and Energy Efficiency Product Standards

The Contractor must identify any energy efficient, bio-based, or otherwise environmentally friendly products used in the products. Contractor must include any relevant third-party certification, including the verification of a United States Department of Agriculture certified bio-based product label. Contractor must describe how products that meet these requirements are identified or otherwise labelled.

10.2. Hazardous Chemical Identification

In accordance with the federal Emergency Planning and Community Right-to-Know Act, 42 USC 11001, *et seq.*, as amended, the Contractor must provide a Material Safety Data Sheet listing any hazardous chemicals as defined in 40 CFR §370.2, to be delivered. Each hazardous chemical must be properly identified, including any applicable identification number, such as a National Stock Number or Special Item Number.

The Contractor must identify any hazardous chemicals that will be provided under any resulting contract.

10.3. Mercury Content

Pursuant to MCL 18.1261d, mercury-free products must be procured when possible. The Contractor must explain if it intends to provide products containing mercury, the amount or concentration of mercury, and whether cost competitive alternatives exist. If a cost competitive alternative does exist, the Contractor must provide justification as to

why the particular product is essential. All products containing mercury must be labeled as containing mercury.

10.4. Brominated Flame Retardants

The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible. The Contractor must disclose whether the products contain BFRs. Contractor must describe how products that meet these requirements are identified or otherwise labelled.

10.5 Perfluoroalkyl and Polyfluoroalkyl Substances (PFAS)

The Contractor must disclose whether a product or its components contain intentionally added PFAS. If the product or its components contain intentionally added PFAS the Contractor must:

- a. provide an explanation with respect to the intentionally added PFAS contents, including the purpose for which PFAS are used in the product or its components, the types of PFAS used in the product or its components, and the amount of each PFAS used in the product or its components.
- b. indicate whether the product will be labeled or packaged with information about the intentionally added PFAS contents.
- c. identify any alternative products that do not contain intentionally added PFAS.
- d. provide any additional information that would further the Department's implementation of [ED 2021-08](#).

SCHEDULE B - PRICING

Contract 231 230000000185

Michigan Rider Education Program (MI-REP) – Training Motorcycles

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Quick payment terms: 0% discount off invoice if paid within 7 days after receipt of invoice.

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5. If submitting pricing for more than one motorcycle, please copy the matrix below for each motorcycle.

Year- 2022	Pricing
Training Motorcycle – BMW 310R - ABS (Itemize below)	
Motorcycle:	\$4,995
MSRP:	\$4,995
Document Fees:	\$220
Additional Cost Breakdown:	
Title Fee	
Shipping and handling fee	\$495
Fuel fee	\$15
Palletizing fee	\$0
Grand Total Per Motorcycle (not including final shipping)	\$5,230

BMW MOTORCYCLES OF MICHIGAN

SCHEDULE C – SPONSOR LIST

Public Sponsor	Address	Phone	Contact	Email
Delta College	1961 Delta Road, University Center, MI 48710	989-686-9176	DAWN JURIK	dawnjurik@delta.edu
Glen Oaks Community College	62250 Shimmel Road, Centreville, MI 49032- 9719	269-294-4276	Paul Aivars	paivars@glenoaks.edu
Grand Rapids Community College	622 Godfrey Ave SW, Grand Rapids, MI 49503	616-234-3714	Julie Parks	jparks@grcc.edu
Iosco Regional Educational Service	27 N Rempert Tawas City, 48763	989-362-3006	Jo Allen	jallen@ioscoresa.net
Lansing Community College	5708 Cornerstone Drive Suite M-105 Lansing, MI 48917	517-483-5250	Nancy Dietrich	dietrin@star.lcc.edu
Lenawee Intermediate School District	1372 N. Main Street, Adrian, Michigan 49221	517-265-1713	Amy Hinkley	amy.hinkley@lisd.us
Mott Community College	2100 W. Thompson Rd Fenton, MI 48430	810-762-5004	Renee David	renee.david@mcc.edu
Northern Michigan University	1401 Presque Isle Ave., Marquette, MI 49855	906-227-1514	Lori Malnor	lmalnor@nmu.edu
Otsego County Sheriff	1254 Energy Dr. Gaylord, MI	231-546-3142	Tim McPherson	iridebmw@freeway.net
Schoolcraft College	Schoolcraft College Manufacturing Center, 13001 Merriman Rd. Livonia, MI 48150.	734-462-4594	Sean McGlinn	smcglinn@schoolcraft.edu
Washtenaw Community College	4800 East Huron River Drive Ann Arbor, MI 48105	734-677-5060	James Lindsey Higginbottom	lindseyh@wccnet.edu

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and CJK INVESTMENTS, LLC (“**Contractor**”), a MICHIGAN LIMITED LIABILITY COMPANY. This Contract is effective on November 22, 2022 (“**Effective Date**”), and unless terminated, will expire on November 21, 2027 (the “**Term**”).

This Contract may be renewed for up to 3 additional 1-year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.]

The parties agree as follows:

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

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

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (i) comply with all State physical and IT security policies and standards which will be made available upon request; and (j) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

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

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

If to State:	If to Contractor:
See Contract Administrator information shown below.	CHARLES KNOLL 14855 SHELDON RD. PLYMOUTH, MI 48170 CKNOLL@BMWOTOMICHIGAN.COM 734-453-0500

3. **Contract Administrator.** The Contract Administrator, or the individual duly authorized for each party, is the only person authorized to modify any terms of this Contract, and approve and execute any change under this Contract (each a “Contract Administrator”):

State:	Contractor:
Jonathon Khon 430 W. Allegan Lansing, MI, 48933 KhonJ@Michigan.gov 517.241.3886	CHARLES KNOLL 14855 SHELDON RD. PLYMOUTH, MI 48170 CKNOLL@BMWOTOMICHIGAN.COM 734-453-0500

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

State:	Contractor:
MIREP Coordinator 430 W. Allegan Lansing, MI 48933 Motorcycling@Michigan.gov 517.243.2122	CHARLES KNOLL 14855 SHELDON RD. PLYMOUTH, MI 48170 CKNOLL@BMWOTOMICHIGAN.COM 734-453-0500

5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Schedule A – Statement of Work) if, in the opinion of the State, it will ensure performance of the Contract.

6. **Insurance Requirements.**

Contractor, at its sole expense, must maintain the insurance coverage identified below. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or otherwise result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating of "A-" or better, and a financial size of VII or better.

TABLE 6.1

Required Limits	Additional Requirements
Commercial General Liability Insurance	

Required Limits	Additional Requirements
Minimum Limits: \$1,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$2,000,000 Products/Completed Operations \$2,000,000 General Aggregate	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 20 10 12 19 and CG 20 37 12 19.
Automobile Liability Insurance	
Minimum Limits: \$1,000,000 Per Accident	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	
Minimum Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
Minimum Limits: \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease	
Minimum Limits: \$1,000,000 Employee Theft Per Loss	
Minimum Limits: \$1,000,000 Each Occurrence \$2,000,000 Annual Aggregate	Contractor must have their policy: (1) be applicable to the work being performed, including completed operations equal to or exceeding statute of repose; (2) not have exclusions or limitations related to Transportation (upset overturn, spills during loading or unloading, Hazardous Materials Handling, and Non Owned disposal site liability; and (3) endorsed to add "the State of Michigan, its departments, division, agencies, offices, commissions, officers, employees, and agents" as additional insured.

If any of the required policies provide **claims-made** coverage, the Contractor must:
 (a) provide coverage with a retroactive date before the Effective Date of the Contract

or the beginning of Contract Activities; (b) maintain coverage and provide evidence of coverage for at least 3 years after completion of the Contract Activities; and (c) if coverage is cancelled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Contract Effective Date, Contractor must purchase extended reporting coverage for a minimum of 3 years after completion of work.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or delivery order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurance contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

This Section is not intended to and is not to be construed in any manner as waiving, restricting, or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

7. Reserved

8. Reserved

9. Relationship of the Parties. The relationship between the parties is that of independent contractors. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor. Neither party has authority to contract for nor bind the other party in any manner whatsoever.

10. Intellectual Property Rights. If Schedule A, Statement of Work, requires Contractor to create any intellectual property, Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.

11. Subcontracting. Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation and provide the State any information it requests to determine whether the delegation is in its best interest.

If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.

- 12. Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel providing services by providing a notice to Contractor.
- 13. Background Checks.** Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and Subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or Subcontractors with the result of such background check. For more information, please see Michigan Public Act 427 of 2018. Upon request, or as may be specified in Schedule A, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
- 14. Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.
- 15. Change of Control.** Contractor will notify the State, within 30 days of any public announcement or otherwise once legally permitted to do so, of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

In the event of a change of control, Contractor must require the successor to assume this Contract and all of its obligations under this Contract.

- 16. Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Schedule A.
- 17. Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 24, Termination for Cause.

Within 10 business days from the date of Contractor's receipt of notification of acceptance with deficiencies or rejection of any Contract Activities, Contractor must cure, at no additional cost, the deficiency and deliver unequivocally acceptable Contract Activities to the State. If acceptance with deficiencies or rejection of the Contract Activities impacts the content or delivery of other non-completed Contract Activities, the parties' respective Program Managers must determine an agreed to number of days for re-submission that minimizes the overall impact to the Contract. However, nothing herein affects, alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

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

- 18. Delivery.** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Schedule A. All containers and packaging become the State's exclusive property upon acceptance.
- 19. Risk of Loss and Title.** Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.

20. Warranty Period. The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Schedule A. If the Contract Activities do not function as warranted during the warranty period, the State may return such non-conforming Contract Activities to the Contractor for a full refund.

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

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

The State will only disburse payments under this Contract through Electronic Funds Transfer (EFT). Contractor must register with the State at <http://www.michigan.gov/SIGMAVSS> to receive electronic fund transfer payments. If Contractor does not register, the State is not liable for failure to provide payment. Without prejudice to any other right or remedy it may have, the State reserves the right to set off at any time any amount then due and owing to it by Contractor against any amount payable by the State to Contractor under this Contract.

Excluding federal government charges and terms, Contractor warrants and agrees that each of the fees, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent fees, economic or product term or warranty being offered to any commercial or government customer (including any public educational institution within the State of Michigan) of Contractor. If Contractor enters into any arrangements with another customer of Contractor to provide the products or services, available under this Contract, under more favorable prices, as the prices may be indicated on Contractor's current U.S. and International price list or comparable document, then this Contract will be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Contractor will immediately notify the State of such fee and formally memorialize the new pricing in a change notice.

22. Liquidated Damages. Liquidated damages, if applicable, will be assessed as described in Schedule A. The parties understand and agree that

any liquidated damages (which includes but is not limited to applicable credits) set forth in this Contract are reasonable estimates of the State's damages in accordance with applicable law. The parties acknowledge and agree that Contractor could incur liquidated damages for more than 1 event. The assessment of liquidated damages will not constitute a waiver or release of any other remedy the State may have under this Contract for Contractor's breach of this Contract, including without limitation, the State's right to terminate this Contract for cause under Section 24 and the State will be entitled in its discretion to recover actual damages caused by Contractor's failure to perform its obligations under this Contract. However, the State will reduce such actual damages by the amounts of liquidated damages received for the same events causing the actual damages. Amounts due the State as liquidated damages may be set off against any fees payable to Contractor under this Contract, or the State may bill Contractor as a separate item and Contractor will promptly make payments on such bills.

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

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 25, Termination for Convenience.

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

court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

25. **Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason or no reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 26, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
26. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed **90** calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.
27. **Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of

Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

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

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

The State is constitutionally prohibited from indemnifying Contractor or any third parties.

28. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
29. **Limitation of Liability and Disclaimer of Damages.** **IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
30. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil

Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (3) any complaint filed in a legal or administrative proceeding alleging the Contractor or its subcontractors discriminated against its employees, subcontractors, vendors, or suppliers during the term of this Contract; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.

31. State Data. All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing or commercial purposes.

32. Reserved

33. Non-Disclosure of Confidential Information. The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties.

a. Meaning of Confidential Information. For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; or, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was or is: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential

Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.

- c. **Cooperation to Prevent Disclosure of Confidential Information.** Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. **Remedies for Breach of Obligation of Confidentiality.** Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. **Surrender of Confidential Information upon Termination.** Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

34. Reserved

35. Reserved

36. Reserved

- 37. Records Maintenance, Inspection, Examination, and Audit.** Pursuant to MCL 18.1470, the State or its designee may audit Contractor to verify compliance with this Contract. Contractor must retain and provide to the State or its designee and the auditor general upon request, all records related to the Contract through the term of the Contract and for 4 years after the latter of termination, expiration, or final payment under this Contract or any extension ("**Audit Period**"). If an audit, litigation, or other action involving the records is initiated before the end of the Audit Period, Contractor must retain the records until all issues are resolved.

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

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

- 38. Representations and Warranties.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 24, Termination for Cause.

- 39. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
- 40. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
- 41. Reserved**
- 42. Reserved**
- 43. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and [Executive Directive 2019-09](#). Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.
- 44. Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 45. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint an agent in Michigan to receive service of process.
- 46. Non-Exclusivity.** Nothing contained in this Contract is intended nor is to be construed as creating any requirements contract with Contractor, nor does it provide Contractor with a right of first refusal for any future work. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.

47. Force Majeure. Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.

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

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

49. Media Releases. News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without the prior written approval of the State, and then only in accordance with the explicit written instructions of the State.

50. Schedules. All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work
Schedule B	Pricing
Schedule C	Sponsor List

51. Entire Agreement and Order of Precedence. This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of

the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES, OR DOCUMENTATION HEREUNDER, EVEN IF ATTACHED TO THE STATE'S DELIVERY OR PURCHASE ORDER, WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.

- 52. Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
- 53. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 54. Survival.** Any right, obligation or condition that, by its express terms or nature and context is intended to survive, will survive the termination or expiration of this Contract; such rights, obligations, or conditions include, but are not limited to, those related to transition responsibilities; indemnification; disclaimer of damages and limitations of liability; State Data; non-disclosure of Confidential Information; representations and warranties; insurance and bankruptcy.
- 55. Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

