



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget

525 W. ALLEGAN ST., LANSING, MICHIGAN 48913

P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number **8**

to

Contract Number **071B4300126**

<b>CONTRACTOR</b>	J & B MEDICAL SUPPLY INC
	50496 West Pontiac Trail
	Wixom, MI 48393
	Julian Shaya
	(248) 896-6205
	jshaya@jandbmedical.com
*****1174	

<b>STATE</b>	<b>Program Manager</b>	Various	SW
		<b>Contract Administrator</b>	Sue Ciecwa
(517) 284-7007			
		cieciwas@michigan.gov	

CONTRACT SUMMARY				
MEDICAL SUPPLIES AND EQUIPMENT - STATEWIDE				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
July 1, 2014	June 30, 2017	0 - 0 Year	June 30, 2017	
PAYMENT TERMS		DELIVERY TIMEFRAME		
See contract-multi terms		3 Business Days ARO		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input checked="" type="checkbox"/> P-Card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
No Minimum Order Requirement				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		June 30, 2017
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$11,663,418.17	\$4,100,000.00	\$15,763,418.17		
DESCRIPTION				
Effective November 15, 2016, this Contract is increased by \$4,100,000.00 for statewide use. All other terms, conditions, specifications and pricing remain the same. Per DTMB Procurement request, Contractor agreement, and State Administrative Board approval on November 15, 2016.				

Program Managers  
for  
Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
MDOC	Lori Kissau	(906) 495-5674	kissaul1@michigan.gov
MDHHS	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number 7  
to  
Contract Number 071B4300126

<b>CONTRACTOR</b>	J & B MEDICAL SUPPLY INC
	50496 West Pontiac Trail
	Wixom, MI 48393
	Julian Shaya
	(248) 896-6205
	jshaya@jandbmedical.com
	*****1174

<b>STATE</b>	Program Manager	See Attached Listing	
	Contract Administrator	Sue Ciecwa	DTMB
		(517) 284-7007	
	CiecwaS@michigan.gov		

CONTRACT SUMMARY				
DESCRIPTION: Medical Supplies and Equipment - Statewide				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
July 1, 2014	June 30, 2017	None	June 30, 2017	
PAYMENT TERMS		DELIVERY TIMEFRAME		
See contract-multi terms		3 Business Days ARO		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
No Minimum Order Requirement				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		June 30, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$11,663,418.17		\$ 0.00	\$11,663,418.17	
DESCRIPTION: Please note, effective August 22, 2016, the Accounts Receivable contact has been changed to:				
Monica Figueroa, Accounts Receivable Specialist Email: mfigueroa@jandbmedical.com Phone: (248) 896-6291				
All other terms, conditions, specifications and pricing remain the same. Per contractor request and DTMB Procurement approval.				

Revised 5/4/2016

**Program Managers  
for  
Multi-Agency & Statewide Contracts**

	AGENCY	NAME	PHONE	EMAIL
1	DOC	Lori Kissau	(906) 495-5674 ext. 52415	kissaul1@michigan.gov
2	DHHS	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
3	DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov

Revised 4/7/2016



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management, and Budget  
525 W. ALLEGAN ST., LANSING, MICHIGAN 48913  
P.O. BOX 30026 LANSING, MICHIGAN 48909

## CONTRACT CHANGE NOTICE

Change Notice Number **6**  
to  
Contract Number **071B4300126**

<b>CONTRACTOR</b>	J & B MEDICAL SUPPLY INC
	50496 West Pontiac Trail
	Wixom, MI 48393
	Julian Shaya
	(248) 896-6205
	jshaya@jandbmedical.com
	*****1174

<b>STATE</b>	Program Manager	See Attached Listing	
	Contract Administrator	Sue Ciecwa	DTMB
		(517) 284-7007	
		ciecwas@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Medical Supplies and Equipment - Statewide				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
July 1, 2014	June 30, 2017	None	June 30, 2017	
PAYMENT TERMS		DELIVERY TIMEFRAME		
See contract-multi terms		3 Business Days ARO		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
No minimum Order Requirement				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		June 30, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$11,663,418.17		\$ 0.00	\$11,663,418.17	

**DESCRIPTION:** Effective July 6, 216, the following item is revised, per revised Attachment A Pricing attached. Manufacturer SKU Number is changed for the following item, from WEL05031-150 to WEL05031-750. WEL05031-150 is discontinued by the manufacturer. The unit price of \$9.67 remains the same:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU
472	WELCH ALLYN SPOT VITAL SIGNS ACCESSORIES Disposable Probe Covers, 250/bx	Box of 250	Welch Allyn	WEL05031-750

All other terms, conditions, specifications, and pricing remain the same. Per Contractor request and DTMB Procurement approval.

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**Program Managers  
for  
Multi-Agency & Statewide Contracts**

	AGENCY	NAME	PHONE	EMAIL
1	DOC	Lori Kissau	(906) 495-5674 ext. 52415	kissaul1@michigan.gov
2	DHHS	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
3	DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov

**STATE OF MICHIGAN**  
**DEPARTMENT OF TECHNOLOGY, MANAGEMENT & BUDGET**  
**PROCUREMENT**

525 W. ALLEGAN STREET  
 LANSING, MI 48933

P.O. BOX 30026  
 LANSING, MI 48909

**CHANGE NOTICE NO. 5**  
 to  
**CONTRACT NO. 071B4300126**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
J & B Medical Supply Inc.	Julian Shaya	jshaya@jandbmedical.com
50496 West Pontiac Trail	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
Wixom MI, 48393	(248) 896-6205	*****1174

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	DOC DHHS DMVA	Lori Kissau	(906) 495-5674 ext. 52415	kissaul1@michigan.gov
		Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
		Kimberly Graham	(517) 481-7643	grahamk@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Sue Cieciva	(517) 284-7007	ciecivas@michigan.gov

CONTRACT SUMMARY			
DESCRIPTION: Medical Supplies And Equipment - Statewide			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2014	June 30, 2017	None	June 30, 2017
PAYMENT TERMS		DELIVERY TIMEFRAME	
.5% - 10 Days .35% - 15 Days .25% - 20 Days .1% - 30 Days		3 Business Days ARO	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
☒ P-card      ☒ Direct Voucher (DV)      ☐ Other			☒ Yes      ☐ No
MINIMUM DELIVERY REQUIREMENTS			
No Minimum Order Requirement			

DESCRIPTION OF CHANGE NOTICE				
EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		June 30, 2017
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$11,663,418.17		\$ 0.00	\$11,663,418.17	

**DESCRIPTION:**

The following items on this contract are updated, per revised Attachment A Pricing attached. Effective February 3, 2016, the following items are added to this contract:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number	Unit Price Per UOM
543	DEX-4 Glucose Tablet Orange, 10ct/bottle	Bottle	Perigo	PER70030051091	\$1.60
544	Glucose Fast Acting Tablets Orange, 50ct/Bottle	Bottle	Nipro Diagnostics	NIP87701042600	\$4.85

All other terms, conditions, specifications, and pricing remain the same. Per agency and contractor agreement and DTMB, Procurement approval.

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

**CHANGE NOTICE NO. 4**  
 to  
**CONTRACT NO. 071B4300126**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
J & B Medical Supply Co., Inc. 50496 West Pontiac Trail Wixom, MI 48393	Julian Shaya	jshaya@jandbmedical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 896-6205	1174

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROJECT MANAGER	DOC	Lori Kissau	(906) 495-5674 ext 52415	kissaul1@michigan.gov
PROJECT MANAGER	DCH	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
PROJECT MANAGER	DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov
BUYER	DTMB	Sue Cieciva	(517) 284-7007	ciecivas@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: <b>Medical Supplies and Equipment - Statewide</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2014	June 30, 2017	None	June 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
.5% - 10 Days .35% - 15 Days .25% - 20 Days .1% - 30 Days	Delivered	3 Business Days ARO	Wixom, MI
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MI DEAL PARTICIPANTS
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
No Minimum Order Requirement			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$11,663,418.17		

The following items on this contract are updated, per revised Attachment A Pricing attached. Effective August 12, 2015, the following items are added to this contract:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number	Unit Price Per UOM
541	Peri Stoma Cleanser and Adhesive Remover, Alcohol Free, 50 individual Wrap Wipes/Box, 12 boxes/case	Box of 50	Safe N' Simple	SNS00550	\$7.67
542	No-Sting Barrier Film 2.4" x 2.4", Alcohol Free, 25 Wipes/Box	Box of 25	Safe N' Simple	SNS80725	\$4.42

All other terms, conditions, specifications, and pricing remain the same. Per agency and contractor agreement and DTMB, Procurement approval.



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

**CHANGE NOTICE NO. 3**  
 to  
**CONTRACT NO. 071B4300126**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
J & B Medical Supply Co., Inc. 50496 West Pontiac Trail Wixom, MI 48393	Julian Shaya	jshaya@jandbmedical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 896-6205	1174

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROJECT MANAGER	DOC	Lori Kissau	(906) 495-5674 ext 52415	kissaul1@michigan.gov
PROJECT MANAGER	DCH	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
PROJECT MANAGER	DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov
BUYER	DTMB	Sue Ciecwa	(517) 284-7007	ciecwas@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: <b>Medical Supplies and Equipment - Statewide</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2014	June 30, 2017	None	June 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
.5% - 10 Days .35% - 15 Days .25% - 20 Days .1% - 30 Days	Delivered	3 Business Days ARO	Wixom, MI
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
No Minimum Order Requirement			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$11,663,418.17		
The following items on this contract is updated, per revised Attachment A Pricing attached. Effective March 2, 2015, the description and Manufacturer SKU Number are changed for the following item. The unit price of \$158.39 remains the same:				

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number
341	NESTLE Compat Enfit Administration Sets, Dualflo SpikeRight Plus, 1000mL Water Vinyl Bag, Pre-Attached ENFit Transitional Connector, 30/case	Case of 30	Nestle USA, Inc.	NES1225056

Effective June 5, 2015, the following item is added to this contract:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number	Unit Price Per UOM
540	Ambitex Vinyl Exam Gloves Powder-Free Small 100/Box	Box of 100	Tradex International Inc.	TDXVSM200	\$2.15

Effective July 1, 2015, the monthly Fill Rate Report specified in Section 1.3.2 Reports and Section 1.4.6 Acceptance Process will be calculated as follows:

- Report will be calculated based on dollars fulfilled, e.g. \$95 fulfilled on time of \$100 would be 95%.
- Report will be calculated based on contracted "core items" minus those excluded core items mutually agreed upon, e.g. non-stock equipment items, items with no demand.
- Report will be calculated for each agency for DOC and DCH. DMVA's report will be calculated for each facility. In addition individual fill rate reports would be available by request to each ordering entity.

All other terms, conditions, specifications, and pricing remain the same. Per contractor request and DTMB, Procurement approval.

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

**CHANGE NOTICE NO. 2**  
to  
**CONTRACT NO. 071B4300126**  
between  
**THE STATE OF MICHIGAN**  
and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
J & B Medical Supply Co., Inc. 50496 West Pontiac Trail Wixom, MI 48393	Julian Shaya	jshaya@jandbmedical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 896-6205	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROJECT MANAGER	DOC	Lori Kissau	(906) 495-5674 ext 52415	kissaul1@michigan.gov
PROJECT MANAGER	DCH	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
PROJECT MANAGER	DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov
BUYER	DTMB	Sue Cieciva	(517) 284-7007	ciecivas@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: <b>Medical Supplies and Equipment - Statewide</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2014	June 30, 2017	None	June 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
.5% - 10 Days .35% - 15 Days .25% - 20 Days .1% - 30 Days	Delivered	3 Business Days ARO	Wixom, MI
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
No Minimum Order Requirement			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:			ESTIMATED REVISED AGGREGATE CONTRACT VALUE:	
\$0.00			\$11,663,418.17	
Effective February 1, 2015, the following items on this contract are updated, per revised Attachment A attached.				

The following items have been added to replace discontinued items as noted. Covidien syringes UOM has increased from Box of 20 to Box of 30; Both syringe items are available in cases of 360 each and are "Soft Pack"; per syringe price has not changed:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number	Unit Price	Comments
537	WELCH ALLYN CONNEX® VITAL SIGNS MONITOR 6400 SERIES Vital Signs Monitor, Blood Pressure (BP), Pulse Rate, MAP, Nellcor SpO2, SureTemp Plus	Each	Welch Allyn	WEL64NTXX-B	\$3,718.00	Replaces Item No. 485 WEL53NT0-E1
538	COVIDIEN/MEDICAL SUPPLIES MONOJECT™ SOFTPACK 60ML SYRINGES Syringe Regular Tip with Wide Finger Flange, 60mL, 30/bx, 12 bx/cs	Box of 30	Covidien	1186000555T	\$23.13	Replaces Item No. 159 COV8881560224
539	COVIDIEN/MEDICAL SUPPLIES MONOJECT™ SOFTPACK 60ML SYRINGES Syringe Catheter Tip with Wide Finger Flange, 60mL, 30/bx, 12 bx/cs	Box of 30	Covidien	1186000444T	\$12.78	Replaces Item No. 158 COV8881560141

The following items have been added to the contract:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number	Unit Price	Category
528	PRINCIPLE BUSINESS TRANQUILITY OVERNIGHT DISPOSABLE ABSORBENT UNDERWEAR Medium Overnight DAU, 34" - 48" w/ h, 120-175 lbs, 18/pk, 4 pk/cs	Case of 72	Tranquility/Principle Business	PBE2115	\$47.25	Incontinence
529	PRINCIPLE BUSINESS TRANQUILITY OVERNIGHT DISPOSABLE ABSORBENT UNDERWEAR Large Overnight DAU, 44" - 54" w/ h, 170-210 lbs, 16/pk, 4 pk/cs	Case of 64	Tranquility/Principle Business	PBE2116	\$47.25	Incontinence
530	PRINCIPLE BUSINESS TRANQUILITY OVERNIGHT DISPOSABLE ABSORBENT UNDERWEAR X-Large Overnight DAU, 48" - 66" w/ h, 210+ lbs, 14/pk, 4 pk/cs	Case of 56	Tranquility/Principle Business	PBE2117	\$47.25	Incontinence
531	PRINCIPLE BUSINESS TRANQUILITY OVERNIGHT DISPOSABLE ABSORBENT UNDERWEAR X-Large Overnight DAU, 48" - 66" w/ h, 210+ lbs, 14/pk, 4 pk/cs	Case of 56	Tranquility/Principle Business	PBE2118	\$47.25	Incontinence
532	Tranquility SmartCore Briefs, Medium, 12/bag	Case of 96	Tranquility/Principle Business	PBE2312	\$52.10	Incontinence
533	Tranquility SmartCore Briefs, Large, 12/bag	Case of 96	Tranquility/Principle Business	PBE2313	\$56.25	Incontinence
534	Tranquility SmartCore Briefs, X-Large, 12/bag	Case of 72	Tranquility/Principle Business	PBE2314	\$56.25	Incontinence
535	Tranquility SmartCore Briefs, XX-Large, 8/bag	Case of 32	Tranquility/Principle Business	PBE2315	\$48.85	Incontinence
536	SELECT DISPOSABLE CONTEMPORARY UNDERPAD, 22.5"x30", 30/Bag	Case of 150	Tranquility/Principle Business	PBE2717	\$25.50	Incontinence

The following items have been discontinued by the manufacturer and are deleted from this contract:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number
485	Welch Allyn 300 Series Vital Signs Monitors With Nellcor pulse oximetry and SureTemp Plus thermometer	Each	Welch Allyn	WEL53NT0-E1
159	COVIDIEN MONOJECT SYRINGES 60mL Syringe Only, Regular Tip, 5cc & ¼ oz. Increment Graduations	Box of 20	Covidien	COV8881560224
158	COVIDIEN MONOJECT SYRINGES 60mL Syringe Only, Catheter Tip, 5cc & ¼ oz. Increment Graduations	Box of 20	Covidien	COV8881560141

All other terms, conditions, specifications, and pricing remain the same. Per contractor request and DTMB, Procurement approval.

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

**CHANGE NOTICE NO. 1**  
 to  
**CONTRACT NO. 071B4300126**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
J & B Medical Supply Co., Inc. 50496 West Pontiac Trail Wixom, MI 48393	Julian Shaya	jshaya@jandbmedical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 896-6205	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROJECT MANAGER	DOC	Lori Kissau	(906) 495-5674 ext 52415	kissaul1@michigan.gov
PROJECT MANAGER	DCH	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
PROJECT MANAGER	DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov
BUYER	DTMB	Sue Ciecwa	(517) 284-7007	ciecwas@michigan.gov

CONTRACT SUMMARY:			
DESCRIPTION: <b>Medical Supplies and Equipment - Statewide</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
July 1, 2014	June 30, 2017	None	June 30, 2017
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
.5% - 10 Days .35% - 15 Days .25% - 20 Days .1% - 30 Days	Delivered	3 Business Days ARO	Wixom, MI
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS:			
No Minimum Order Requirement			

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$0.00		\$11,663,418.17		
Effective October 20, 2014, contractor contacts are revised, per attached.				
In addition, the following items on this contract are updated, per revised Attachment A attached.				

The Manufacturer SKU Number is changed for the following item:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number
140	TENS ELECTRODES UNI-PATCH 2.25" X 2.5" 40/BAG	Bag of 40	Covidien	<b>COVEC89685</b>

The Unit of Measure (UOM) and Unit Price are changed for the following item:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number	Unit Price
212	Dynarex Bacitracin Zinc Ointment 1oz tube, 72 per case	<b>Case of 72</b>	Dynarex, Inc.	DYN1173	<b>\$102.96</b>

The following item has been discontinued by the manufacturer, replaced with same product, new Manufacturer SKU Number, \$13.10 unit price remains the same, same UOM 200/box, case count changes from 800/case to 1000/case:

Item No.	Description	UOM	Manufacturer	Current Manufacturer SKU Number	Replacement Manufacturer SKU Number	New UOM
473	WELCH ALLYN EAR THERMOMETER PROBE COVERS Accessories: Probe Covers, 200/box	Box of 200	Welch Allyn	WEL05075-800	<b>WEL05075-001</b>	Box of 200

The following items have been discontinued by the manufacturer and are deleted from this contract:

Item No.	Description	UOM	Manufacturer	Manufacturer SKU Number
157	COVIDIEN MONOJECT 12ML SAFETY SYRINGES Safety Syringe Only, 50/bx	Box of 50	Covidien	COV8881522000
338	SPILL KIT QWIK-KLOR	Each	Medtrol Inc.	MTLQC119
339	SPILL KIT QWIK-KLOR 24/case	Case of 24	Medtrol Inc.	MTLQC119
506	ENSURE HIGH PROTEIN - CHOCOLATE ROYALE 8oz cans, 24/cs	Case of 24, 8 oz.	Abbott Nutrition	ABB52098

All other terms, conditions, specifications, and pricing remain the same. Per contractor request and DTMB, Procurement approval.



Contract: 071B4300126  
Medical Supplies & Equipment - Statewide

### ***J & B Medical Points of Contact***

#### **Customer Service/Ordering**

Chris Respondek	Customer Service Manager	248-896-6211	crespondek@jandbmedical.com
Amanda Eggert	Customer Service	800-737-0045 ext. 114	aeggert@jandbmedical.com

**Customer Service Fax: 248-960-7985**

#### **Online Ordering Access/Questions**

Kat Miller	Online Ordering Setup/Assistance	800-737-0045 ext. 138	kkmillerr@jandbmedical.com
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#### **Contract Administration**

Julian Shaya	Vice President	248-896-6205	jshaya@jandbmedical.com
Loren Bennett	Director of Government Affairs	734-748-0298	lbennett@jandbmedical.com

#### **Reporting**

Ray Shepard	General Manager	248-896-6212	rshepard@jandbmedical.com
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**Orders can be placed by the following methods.**

Contractor's Ordering Website: **www.jandbmedical.com**

Phone: (800) 737-0045 x 114

Fax: (800) 737-0012; (248) 960-7985

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

**NOTICE OF CONTRACT NO. 071B4300126**

(Supersedes Contract No. 071B7200163)

Between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
J & B Medical Supply Co., Inc. 50496 West Pontiac Trail Wixom, MI 48393	Julian Shaya	jshaya@jandbmedical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 896-6205	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROJECT MANAGER:	DOC	Lori Kissau	(906) 495-5674 ext 52415	kissaul1@michigan.gov
PROJECT MANAGER:	DCH	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
PROJECT MANAGER:	DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov
BUYER:	DTMB	Sue Ciecwa	(517) 284-7007	ciecwas@michigan.gov

CONTRACT SUMMARY:			
<b>DESCRIPTION: Medical Supplies and Equipment - Statewide</b>			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three Years	July 1, 2014	June 30, 2017	None
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
.5% - 10 Days .35% - 15 Days .25% - 20 Days .1% - 30 Days	Delivered	3 Business Days ARO	Wixom, MI
<b>ALTERNATE PAYMENT OPTIONS:</b>			AVAILABLE TO MiDEAL PARTICIPANTS
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
No Minimum Order Requirement			
<b>MISCELLANEOUS INFORMATION:</b>			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			\$11,663,418.17



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

**CONTRACT NO. 071B4300126**

(Supersedes Contract No. 071B7200163)

Between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
J & B Medical Supply Co., Inc. 50496 West Pontiac Trail Wixom, MI 48393	Julian Shaya	jshaya@jandbmedical.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(248) 896-6205	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROJECT MANAGER:	DOC	Lori Kissau	(906) 495-5674 ext 52415	kissaul1@michigan.gov
PROJECT MANAGER:	DCH	Kevin Dunn	(517) 335-5096	dunnk3@michigan.gov
PROJECT MANAGER:	DMVA	Kimberly Graham	(517) 481-7643	grahamk@michigan.gov
BUYER:	DTMB	Sue Cieciva	(517) 284-7007	ciecivas@michigan.gov

CONTRACT SUMMARY:			
<b>DESCRIPTION: Medical Supplies and Equipment - Statewide</b>			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three Years	July 1, 2014	June 30, 2017	None
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
.5% - 10 Days .35% - 15 Days .25% - 20 Days .1% - 30 Days	Delivered	3 Business Days ARO	Wixom, MI
<b>ALTERNATE PAYMENT OPTIONS:</b>			AVAILABLE TO MiDEAL PARTICIPANTS
<input checked="" type="checkbox"/> P-card <input checked="" type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
No Minimum Order Requirement			
<b>MISCELLANEOUS INFORMATION:</b>			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			\$11,663,418.17

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #0071141114B0000893. Orders for delivery will be issued directly by the State Agencies through the issuance of a Purchase Order Form.



**STATE OF MICHIGAN**  
**Department of Technology, Management and Budget**  
**Procurement**

Contract No.071B4300126  
Medical Supplies and Equipment - Statewide

Buyer Name: Sue Ciecwa  
Buyer Direct Telephone Number: (517) 284-7007  
Toll-Free Office Number: 855-MI-PURCH (855-647-8724)  
E-Mail Address: [ciecwas@michigan.gov](mailto:ciecwas@michigan.gov)



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## Definitions

**This section provides definitions for terms used throughout this document.**

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

**Buyer** – the DTMB-Procurement employee identified on the cover page of this Contract.

**Chronic Failure** - as defined in applicable Service Level Agreements.

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

**Contractor** – the awarded bidder after the Effective Date.

**Days** - Calendar Days unless otherwise specified.

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

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

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

**Extended Purchasing Participant** – any authorized city, township, village, county, school district, university, community college, non-profit hospital, other states or their political subdivisions.

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

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

**Ordering Entity** - any State agency or authorized Extended Purchasing Participant.

**Post-Industrial Waste** - industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

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

**State** - the State of Michigan.

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

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

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

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





## **Article 1 – Statement of Work**

### **1.1 Project Identification**

#### **1.1.1 Project Request**

This Contract is for delivery of medical supplies and equipment to various State Agencies, on a statewide basis. The Contract also serves Extended Purchasing Participants.

The State reserves the right to modify the products and services on Contract to serve its needs or those of Extended Purchasing Participants.

#### **1.1.2 Background**

Medical supplies and equipment are used by State Agencies and Extended Purchasing Participants on a daily basis for individuals who are under their care and supervision.

### **1.2 Scope of Work and Deliverable(s)**

#### **1.2.1 Scope**

The scope of this Contract is to provide medical supplies and equipment to each Ordering Entity as needed. The type and quantities of those medical supplies and equipment will vary based upon the needs of the Ordering Entity.

#### **1.2.2 Deliverable(s)**

The Contractor must provide the following Deliverable(s):

All commodities and/or services to be furnished hereunder shall conform to the specifications as noted on **Attachment A, Pricing**.

#### **1.2.3 Quantity**

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

#### **1.2.4 Ordering**

The State will issue a Purchase Order or procurement card purchase to order any Deliverable(s). The Contractor is not authorized to begin performance until receipt of a purchase order or procurement card order.

#### **Backorders**

When orders are placed by the State or Extended Purchasing Participant, the Contractor's customer service staff shall immediately notify the Ordering Entity at the time of order, via email or fax, of any item(s) that are not in stock and will provide a date when the item(s) will be in stock, or will offer alternative product(s). The Ordering Entity reserves the right to wait for the item(s) to return to stock and place as a backorder or cancel the item(s) and order from an alternate Contractor.

#### **1.2.5 Reserved**

### **1.3 Management and Staffing**

#### **1.3.1 Project Management**

##### **A. Implementation Plan**

1. The Contractor shall achieve timely implementation with minimal operational disruption, to ensure successful implementation.



Contractor's Project Management Team

Mary E. Shaya <i>President/CEO</i>	Ensure efficient execution of the terms of the contract.
Stephen Shaya, M.D. M.S. <i>Medical Director</i>	Ensure proper collection of prescriptions and compliance with HIPAA, and high standards in patient care. Also oversees all quality assurance matters.
Loren Bennett <i>Director of Government Affairs</i>	Ensure timely resolution of issues and proper reporting. Ensure overall operation is in full compliance with the contract. Also handles any modifications/revisions of the contract.
Julian Shaya <i>VP/Director of Operations</i>	Ensure proper acquisition and warehousing, and oversee order fulfillment, including picking, packaging, labeling and shipping.
Michelle Ott <i>Director of Customer Service and Billing</i>	Manage Customer Service and Billing operations. Oversee the training of the customer service and billing personnel. Oversees Implementation Team.
Terry Decoster, R.N. <i>Director of Nursing</i>	Oversee the training of the staff to complete the assessments in a timely and accurate manner. Ensures proper assessment and product selection
Daniel Gladys <i>Director of Shipping and Logistics</i>	Liaison with FedEx. Coordinates warehouse logistics and ensures proper shipping schedules.
Abu Sheikh CFO	Provides financial oversight for the company, including accounts receivable, accounts payable and all bank auditing requests.
Donald Hudock <i>Director of Technology and Systems</i>	Provides technical support and oversight of all computer software issues and all reports that the company needs. Oversees J & B's in-house IT and programming staff.
Ray Shepard <i>General Manager of Medical Surgical Division</i>	Handles all reporting for the State of Michigan Medical Supply contract ensures entire team is in compliance with contract. In addition, Ray oversees all accounts receivable and payable and reporting for this contract.
Chris Respondek <i>Project Manager—State of Michigan Medical Supplies</i>	Oversees all day to day operations on the Michigan Medical Supplies Contract and provides inside and outside sales.
Carly Bupte <i>Team Lead—State of Michigan Medical Supplies</i>	Works with Project Manager to ensure all day to day functions are completed according to the terms of the contract and provides inside sales.
Jill Metz <i>Michigan Medical Supplies Team</i>	Works with Michigan medical supplies team on servicing the contract and provides inside sales.

2. The Contractor will communicate with the State and receive ongoing information during the implementation of the Contract. Communications be sent and received between the State and the Contractor via phone and email.

Contractor's Primary Contact During Contract Implementation

Chris Respondek

Phone: (248) 896-6211

Email: [crespondek@jandbmedical.com](mailto:crespondek@jandbmedical.com)



Contractor's Alternate Contacts During Contract Implementation:

Julian Shaya

Phone: (248) 896-6205

Email: [jshaya@jandbmedical.com](mailto:jshaya@jandbmedical.com)

Loren Bennett

Phone: (734) 748-0298

Email: [lbennett@jandbmedical.com](mailto:lbennett@jandbmedical.com)

3. The Contractor will initially establish Ordering Entity accounts. The Contractor will manage the Ordering Entity accounts with respect to additions, deletions and modifications of accounts during the life of the Contract.

B. Contract Administration

Discontinued Products

1. The Contractor must notify the State of discontinued products and will offer alternate product(s) which are of equal or better quality for equal or less price.
  - A. The State must be notified 30 days in advance of any item that will be discontinued during the term of the Contract and the item that replaces the discontinued item shall be added to the Contract at the fixed price or lower and be of equal or greater quality/specification. The Contractor may be required to submit samples for the State's evaluation, at no cost to the State. The State reserves the right to consider approval of the alternate in its sole discretion. Pricing for any item added to the Contract at a later date will be negotiated before the item is added to the Contract via a Contract change notice, as specified in Section 1.5.1 Pricing.

**1.3.2 Reports**

- A. The Contractor will be required to submit to the State or Extended Purchasing Participant reports as requested. The reports may include but are not limited to: monthly usage by Ordering Entity, outstanding invoices, backorder reports, etc.
- B. The Contractor should suggest methods by which the Ordering Entity can save at least 3% of its total medical supply expense during the next year. Cost savings proposed must include products of equal or greater quality/specification. Contractor should also include any process efficiencies in the report. This report should be submitted annually to the Buyer and Project Managers specified in Section 2.3.3, 60 days prior to the Contract anniversary date.
- C. The Contractor shall provide a monthly fill rate report to the Project Manager of the Ordering Entity. Refer to section 1.4.6 Acceptance Process.
- D. The Contractor must document and transfer data files electronically in Excel format, via email for items in Section 1.5.1 Pricing.
- E. The State and/or Ordering Entity reserves the right to request additional reports, which shall be at no charge.
- F. Contractor will provide Ordering Entities with dashboard capabilities from Contractor's online ordering website, [www.jandbmedical.com](http://www.jandbmedical.com). This tool will allow Ordering Entities to analyze and report on purchases, monitor overall volumes, volumes by product category, and view and export usage reports.



### **1.3.3 Staff, Duties, and Responsibilities**

The Contractor will provide the following personnel who will be assigned to this Contract.

Position	Name	Phone	Email
Customer Service Representative	Carly Bupte	(800) 737-0045 x 575	cbupte@jandbmedical.com
Customer Service Management	Chris Respondek	(800) 737-0045 x 205	crespondek@jandbmedical.com
General Manager	Ray Shepard	(800) 737-0045 x 206	rshepard@jandbmedical.com
Accounts Receivable	Kristy Hunley	(800) 737-0045 x 211	khunley@jandbmedical.com
Director of Government Affairs	Loren Bennett	(734) 748-0298	lbennett@jandbmedical.com
EVP of Operations	Julian Shaya	(248) 896-6205	jshaya@jandbmedical.com
Medical Director	Stephen Shaya	(248) 896-6204	sshaya@jandbmedical.com

### **1.3.4 Meetings**

The State will request a kick-off meeting with the Contractor within thirty (30) days of the Effective Date. The State may request other meetings as it deems appropriate. In addition, individual agencies may request the Contractor's sales representatives to visit facilities on a regular basis.

### **1.3.5 Place of Performance**

The following is a list of all Contractor facilities that will be involved in performing this Contract including the call center:

Full address of place of performance	Owner/operator of facility to be used	Percent (%) of Contract value to be performed at listed location
50496 West Pontiac Trail, Wixom, MI 48393	J & B Medical Supply	100%

### **1.3.6 Reserved**

### **1.3.7 Reserved**

### **1.3.8 Training**

The Contractor shall provide training to individual agencies, when necessary, on aspects of ordering, shipping, billing, and receiving. The Contractor shall provide ordering process training on site or through webinars. At the request of the Contract Compliance Inspector or Project Manager, the Contractor shall provide in-service training to agency personnel on products, installation, and product safety issues. The Contractor shall also provide agency training jointly with the State as needed during the period covered by the Contract at no additional charge.

### **1.3.9 Security**

The Contractor may be required to make frequent deliveries to State facilities. The Contractor shall ensure the security and safety of these facilities, including, but not limited to, performance of background checks on its personnel. The Contractor will routinely perform security background checks on all employees. Records of those checks are maintained, allowing Contractor to provide records upon request. Contractor conducts a search of the Federal OIG as well as a State of Michigan criminal background check. If there are any records of felony offense or criminal activity aside from minor traffic violations, the candidate is turned down for employment. If any criminal activity is identified after the start of employment, that employee would be subject to termination. If background checks are performed, the Contractor must



provide a document stating that its personnel have satisfactorily completed a background check and are suitable for State work. Refer to Section 1.4.5 Delivery Term, paragraph 3. for Law Enforcement Information Network (L.E.I.N.) clearance requirement of the delivery driver and rider(s).

The State may issue State ID badges to the Contractor's delivery personnel or accept the ID badge issued to delivery personnel by the Contractor. The State may decide to perform an additional background check under Section 2.4.9, Background Checks. If so, the Contractor must provide a list of all personnel, including name and date of birth, who will be assigned to State work.

## **1.4 Delivery and Acceptance**

### **1.4.1 Time Frames**

#### **Delivery Program**

The Contractor will utilize FedEx, the Contractor's own fleet of delivery vehicles, as well third party carriers as the transportation methods for delivery of the Contract Deliverables. The Contractor will ship in bulk (palletized) and package deliveries directly from the Contractor's warehouse located in Wixom, MI. Contractor must notify the Ordering Entity immediately if a shipment fails to be delivered, for any reason.

#### **Standard Delivery**

All orders must be delivered within three (3) Business Days after receipt of order. The majority of orders placed are delivered the next day. Contractor will establish mutually agreed upon delivery processes and weekly schedules for large facilities and warehouses with the Project Managers.

#### **Quick Ship Program**

For emergency orders, Contractor will utilize FedEx as the transportation method for their quick ship program. Emergency shipments are delivered the next business day from the Contractor's facility. There are no overnight freight fees assessed to the State of Michigan for emergency shipments for next business day delivery from Contractor's warehouse via FedEx.

In addition, the Contractor will utilize FedEx Customer Critical for emergency shipments to deliver anywhere in the State of Michigan within four (4) hours. There are no freight fees assessed to the State of Michigan for emergency shipments for delivery within four (4) hours via FedEx Customer Critical.

### **1.4.2 Minimum Order**

There is no minimum order requirement.

### **1.4.3 Packaging**

A. Each order delivered shall be individually packaged and shall contain a packing slip that provides the following information:

1. Billing Address.
2. Shipping Address.
3. Purchase Order Number of the Ordering Entity.
4. Stock number and brief description of each item.
5. Unit of issue.
6. Quantity of each item ordered, shipped and/or backordered.
7. Order Date – date Contractor received order from Ordering Entity.



B. Each order will utilize the box size that is the most appropriate for the quantity of items being shipped. Each box being shipped must be properly sealed and secured to assure the order has not been tampered once the order has been packed from the Contractor's facility.

C. If orders are being shipped by a commercial carrier, packaging, containers, etc., shall be in accordance with Contractor's commercial practice and shall meet the requirements of Department of Transportation (D.O.T.) and rail and motor carrier freight classifications in effect at time of shipment, which will permit application of the lowest freight rate.

#### **1.4.4 Palletizing**

Shipments shall be palletized whenever possible and shall conform to the following:

- Manufacturer's standard 4-way shipping pallets are acceptable.
- Maximum height: 5'6", including pallet.
- Maximum weight: 3000 pounds, including pallet.
- Pallets are to be securely banded or shrink-wrapped.
- The cost of palletizing must be included in the unit price.

#### **1.4.5 Delivery Term**

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

Prices are "F.O.B. Destination, within Government Premises" with freight allowed on all orders. Responsibility and liability for loss or damage shall remain with the Contractor until final inspection and acceptance.

An updated department list of locations, including delivery hours is available from the Project Manager during the Contract period.

A. For deliveries of medical supplies and equipment being made to Michigan Department of Corrections (MDOC) facilities, the following delivery terms apply:

1. The Contractor will be required to ship the items to various facilities as noted on each individual purchase order.
2. Deliveries shall be Monday through Friday 8:00 a.m.-2:30 p.m. No deliveries will be accepted on State of Michigan holidays. The State of Michigan holidays are New Year's Day, Martin Luther King, Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, Election Day (even years only), Veterans Day, Thanksgiving (and the day after), Christmas Eve, Christmas and New Year's Eve.

NOTE: There are State Facilities on this Contract which operate 24/7 and do not close on any holidays. The Contractor may be required to deliver emergency orders per Contract "emergency" delivery requirements.

3. If delivering to a location inside a correctional facility's secure perimeter, the carrier must call the correctional facility at least 24 hours prior to delivery of the order and provide the information for Law Enforcement Information Network (L.E.I.N.) clearance of the delivery driver and rider(s). Minors under the age of 17 will not be allowed to enter the correctional facility.
4. Contractors should be aware that there is a possibility of a mobilization and/or delay at any of the correctional facilities which prohibits delivery carriers entering the facility at time of arrival. The State will not be responsible for any additional charges which





may arise due to delivery delays. The Contractor is only required to coordinate with the receiving facility 24 hours prior to delivery when the Contractor will be delivering within the inside of the secure perimeter. The majority of the deliveries will be outside the secure perimeter of the facility. In the event of an uncontrollable circumstance within the facility, the MDOC will work diligently with the Contractor to ensure that goods are unloaded from the truck as quickly as possible to get the truck off facility grounds.

5. All tobacco products are prohibited at all correctional facilities. This includes vendors/drivers who will be prohibited from bringing in personal tobacco products to these locations.
  6. All cellular devices are prohibited from all correctional facilities.
  7. Correctional facilities will provide a lock box for cellular devices and personal tobacco products in the vehicle sallyport. If the Contractor comes into the Administration Building of a correctional facility, the Contractor will need to secure their cellular devices and personal tobacco products in their vehicle prior to entrance. If the Contractor arrives with such products, the Contractor will be requested to return the item to their vehicle. Delivery vehicles that carry tobacco products for other organizations will not be allowed to bring such products into correctional facilities.
  8. If the Contractor's vehicle is equipped with video equipment, the Contractor must have locking capability of interior and exterior facing lenses. Video equipment cannot be used within correctional facilities.
  9. Weapons and explosives are prohibited from all State facilities.
- B. For deliveries of medical and surgical supplies or equipment being made to the Department of Community Health (DCH) Walter Reuther Hospital, the following special term applies:
1. The Contractor is required to deliver products ordered by Walter Reuther Hospital to be wrapped and specially identified by floor and delivered to each floor at that facility.

#### **1.4.6 Acceptance Process**

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

#### **Fill Rate**

The Contractor shall provide a monthly fill rate report to the Project Manager of the Ordering Entity, as specified in Section 1.3.2 Reports. If the fill rate falls below 94% for three consecutive months and the Contractor fails to provide an explanation for the reduction which is satisfactory to the State, the State reserves the right to issue a notice to cure or cancel the Contract with a 30 day written notice to the Contractor.

#### **Damaged Orders/Shipping Errors**

Within three (3) Business Days of notification by the Ordering Entity of damaged orders or a shipping error, the Contractor must ship correct item(s) and issue call tag and/or make arrangements to pick up incorrect item(s) at the Contractor's expense.



#### Return Procedure

The Ordering Entity must notify the Contractor of any issues with their order within 10 days of delivery of the product. The return will be completed within 30 days.

All returns for incorrect orders are at no cost to the Ordering Entity, including re-stocking fees.

The Contractor agrees to replace or issue credit within seven calendar days of the receipt of return for all manufacturer and shipping defects at no cost to the Ordering Entity. If the Contractor does not issue a call tag and/or make arrangements to pick up the damaged or incorrect product within 30 days, the Ordering Entity may dispose of the product and will not be billed for the damaged or incorrect product.

#### Packing Slips

Packing slips must accompany all deliveries and deliveries must be signed for by receiving staff.

#### 1.4.7 Criteria

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

1. Itemized packing slip
2. Detailed invoice
3. Order shipment is complete and correct

### 1.5 Proposal Pricing

#### 1.5.1 Pricing

- A. Prices are fixed for the items included in **Attachment A, Pricing**.
- B. Medical supplies and equipment items not identified on **Attachment A, Pricing** can be purchased by the Ordering Entity at a 20% discount off the manufacturer's list price. Refer to **Attachment B, Percentage of Discount Off List Per Category**.
- C. Pricing for any item added to the Contract at a later date will be negotiated before the item is added to the Contract via a Contract change notice.
- D. Contractor agrees to allow the State to add, subtract or modify items in **Attachment A, Pricing** during the term of the Contract.
- E. The Contractor will be required to submit an Administrative Fee (see Section 2.6) on all payments remitted under the Contract. The Contractor must include the Administrative Fee in their prices.

#### 1.5.2 Quick Payment Terms

The Contractor offers the following quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution.

0.5% for payment within 10 days  
 0.35% for payment within 15 days  
 0.25% for payment within 20 days  
 0.1% for payment within 30 days

#### 1.5.3 Price Term

Prices in **Attachment A, Pricing** are firm for the term of the Contract.





**1.5.4 Tax Excluded from Price**

(a) Sales Tax: The State is exempt from sales tax for direct purchases. The Contractor's prices must not include sales tax. The Ordering Entity will furnish exemption certificates for sales tax upon request.

(b) Federal Excise Tax: The Ordering Entity may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the Ordering Entities exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, the Contractor's prices must not include the Federal Excise Tax.

**1.5.5 Invoices**

The Contractor's invoice should include the following:

- (a) Date
- (b) Invoice Number
- (c) Purchase Order Number of the Ordering Entity
- (d) Quantity
- (e) Deliverable
- (f) Unit Price
- (g) Total Price
- (h) Sales Order Number
- (i) Customer Number
- (j) Billing Address
- (k) Shipping Address

**1.6 Commodity Requirements**

**1.6.1 Customer Service**

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

The Contractor must have internal controls to: (a) ensure that only authorized individuals place orders; and (b) verify any orders that appear to be abnormal or excessive.

The Contractor must have: (a) one or more knowledgeable individual(s) specifically assigned to Ordering Entities accounts that will respond to inquiries promptly; (b) a sales representative assigned to provide product information and ordering questions and concerns and (c) a statewide toll-free number for customer service calls.

**Orders:**

Orders can be placed by the following methods.

Contractor's Ordering Website: [www.jandbmedical.com](http://www.jandbmedical.com)

Phone: (800) 737-0045 x 114

Fax: (800) 737-0012; (248) 960-7985

TTY (866) 520-9624

Email: HIPAA compliant e-mail. Orders can be sent via email to the following customer service contacts.

**Customer Service Contacts:**

Carly Bupte

Customer Service Representative

Phone: (800) 737-0045 x 575



Fax: (800) 737-0012, (248) 960-7985  
Email: [cbupte@jandbmedical.com](mailto:cbupte@jandbmedical.com)

Chris Respondek  
Customer Service Management  
Phone: (800) 737-0045 x 205  
Fax: (800) 737-0012, (248) 960-7985  
Email: [crespondek@jandbmedical.com](mailto:crespondek@jandbmedical.com)

Jill Metz  
Customer Service (Backup)  
Phone: (800) 737-0045 x 207  
Fax: (800) 737-0012, (248) 960-7985  
Email: [jmetz@jandbmedical.com](mailto:jmetz@jandbmedical.com)

Hours of Operation:  
8:00 a.m. to 6:00 p.m. EST

The expected call back time by the customer service representative is the same business day.

#### After-Hours Emergencies

After normal business hours, the Contractor's phone lines will automatically transfer callers to their live answering services where messages are taken for their staff. If the Ordering Entity states that there is an urgent medical situation, the Contractor's on-call staff is contacted and will immediately call back the Ordering Entity.

#### E-Procurement System

The State is in the process of implementing an E-Procurement system. The State will notify the Contractor when they will be required able to migrate all electronic catalog and online ordering functions to the State's E-Procurement system, within 60 days of notice.

#### **1.6.2 Research and Development**

The Contractor shall explore new product development and research to stay current with ongoing demands. The Contractor has a full-time medical director on staff that constantly ensures that products are meeting or exceeding the needs of the State agencies.

#### **1.6.3 Quality Assurance Program**

The Contractor shall have a Quality Assurance Program currently in place within their organization. Contractor has a full time compliance officer and a Quality Assurance Team which reviews issues regularly. The Contractor shall have a Quality Assurance Department to identify, clarify, track, and resolve any training needs or opportunities that arise. The Contractor has implemented and conducted training on the steps for logging, escalating, resolving, and reporting any complaints, from staff, members, referral sources, or payer sources. This information is disseminated to all managing and directing staff members immediately upon arising and upon resolution. This ensures that as a whole, the Contractor's staff is unified in its understanding and protocols as they relate to every important issue as it develops.

#### Product Recalls

Contractor must immediately notify the Ordering Entity of products recalled by the manufacturer. The Contractor will pick up the product at no cost to the State. The Contractor will offer replacement product at no cost to the Ordering Entity.



**1.6.4 Warranty for Deliverable(s)**

The warranty for products procured under this Contract shall be the warranty offered by the manufacturer. Warranty or quality related issues should be reported to the Contractor to facilitate repair or replacement of the product.

**1.6.5 Special Incentives**

Return Procedure

Refer to Section 1.4.6 Acceptance Process.

Trade-In Programs

At times, certain manufacturers will allow trade-in programs, especially related to equipment and the Contractor will notify the State of these programs.

Quantity Discount

The Contractor is offering a rebate to the State, based on volume purchases:

**Annual Volume-Based Rebate** – The following rebate(s) will be applied for purchases from Contractor in any given year (July 1 through June 30) after the total contract volume meets the threshold level below.

Contract Year	Period
1	7/1/2014 – 6/30/2015
2	7/1/2015 – 6/30/2016
3	7/1/2016 – 6/30/2017

Annual Purchases	Threshold Level	Rebate % to be Applied for Purchases above Threshold Level
\$4,500,000.00 - \$5,500,000.00	\$4,500,000.00	0.5%
Over \$5,500,000.00	\$4,500,000.00	1%

e.g. Rebate on \$5 million in purchases in one contract year = \$500,000.00 x 0.5% = \$2,500.00

Rebate on \$6 million in purchases in one contract year = \$1,500,000.00 x 1% = \$15,000.00

The Contractor must remit the rebate check on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions) including Extended Purchasing Participants. Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Purchasing volume is aggregated for calculation of the rebate. The rebate check will be issued to each entity, State and Extended Purchasing Participants.

Itemized purchasing activity reports should be mailed to DTMB-Procurement and the rebate for the State's purchases shall be made by check payable to the State of Michigan and mailed to:

The Department of Technology, Management and Budget  
Financial Services – Cashier Unit  
Lewis Cass Building  
320 South Walnut St.  
P.O. Box 30681  
Lansing, MI 48909



The rebate and purchasing activity report are due within 30 calendar days from the last day of each year.

**1.6.6 Energy Efficiency**

The State prefers to purchase energy-efficient products, including "Energy Star" certified products.

**1.6.7 Environmental Requirements**

The State prefers to purchase products that impact the environment less than competing products. Environmental components that may be considered include: recycled content, recyclability, and the presence of undesirable materials in the products, especially persistent, bioaccumulative, and toxic chemicals. The Contractor works with all of the manufacturers to ensure the highest percentage of recycled and environmentally friendly products.

**1.6.8 Recycled Content and Recyclability**

(a) **Deliverable(s).** Without compromising performance or quality, the State prefers Deliverable(s) containing higher percentages of recycled materials. The Contractor's estimate of the percentage of recycled materials, if any, contained in each Deliverable, is as follows:

1% (total estimated percentage of recovered material)

1% (estimated percentage of post-consumer material)

1% (estimated percentage of post-industrial waste)

(b) **Packaging.** The State prefers packaging materials that:

(i) are made from recycled content that meets or exceeds all federal and state recycled content guidelines (currently 35% post-consumer for all corrugated cardboard);

(ii) minimize or eliminate the use of polystyrene and other difficult to recycle materials;

(iii) minimize or eliminate the use of packaging and containers or, in the alternative, minimize or eliminate the use of non-recyclable packaging and containers;

(iv) provide for a return program where packaging can be returned to a specific location for recycling; and

(v) contain materials that are easily recyclable in Michigan.

The Contractor intends to offer recycled boxes to package products which contain 70% recycled paper.

**1.6.9 Materials Identification and Tracking**

(a) **Hazardous Chemical Identification.** The Contractor must list any hazardous chemical, 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. Material Safety Data Sheets must be submitted in accordance with the federal Emergency Planning and Community Right-to-Know Act, 42 USC 11001 *et seq.*, as amended. This list must be updated whenever any other chemical to be delivered is hazardous.

Chemical	Identification Number
None	



(b) **Mercury Content.** Under MCL 18.1261d, the Contractor must offer mercury-free products whenever possible. The Contractor must disclose if it intends to provide products containing mercury and whether cost competitive alternatives exist. If cost competitive alternatives do not exist, the Contractor must disclose the amount or concentration of mercury and justification as to why this particular product is essential. All products containing mercury must be labeled as containing mercury.

(c) **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.

(d) **Environmental Permits and Requirements.** The Contractor must disclose whether any of its facilities are in violation of any environmental laws. The Contractor must immediately notify DTMB-Procurement of the receipt of any EPA, State, or local agency communication indicating that any of the Contractor's facilities are in violation of applicable environmental laws.



## **Article 2 – Terms and Conditions**

### **2.1 Contract Term**

#### **2.1.1 Contract Term**

The Contract is for a period of 3 years beginning July 1, 2014 through June 30, 2017. All outstanding Purchase Orders must also expire upon the termination (cancellation for any of the reasons listed in **Section 2.150**) of the Contract, unless otherwise extended under the Contract. Absent an early termination for any reason, Purchase Orders issued but not expired, by the end of the Contract's stated term, will remain in effect for the balance of the fiscal year for which they were issued.

#### **2.1.2 Reserved**

### **2.2 Payments and Taxes**

#### **2.2.1 Fixed Prices for Deliverable(s)**

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

#### **2.2.2 Payment Deadlines**

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

#### **2.2.3 Reserved**

#### **2.2.4 Reserved**

#### **2.2.5 Final Payment and Waivers**

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

#### **2.2.6 Electronic Payment Requirement**

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

#### **2.2.7 Employment Taxes**

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

#### **2.2.8 Sales and Use Taxes**

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



## **2.3 Contract Administration**

### **2.3.1 Issuing Office**

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

Sue Ciecwa, Buyer Specialist  
Procurement  
Department of Technology, Management and Budget  
Constitution Hall, 1<sup>st</sup> Floor  
525 West Allegan  
PO Box 30026  
Lansing, MI 48909  
E-mail: [ciecwas@michigan.gov](mailto:ciecwas@michigan.gov)  
Phone: (517) 284-7007

### **2.3.2 Contract Compliance Inspector**

The Contract Compliance Inspector for each State Ordering Entity will be listed on the issued Purchase Order. The Contract Compliance Inspector has **no authority to modify the terms and conditions of this Contract, including the prices and specifications.**

### **2.3.3 Project Manager**

The Project Managers named below, will oversee the project for their State departments. However, management of the project implies **no authority to modify the terms and conditions of this Contract, including the prices and specifications.**

Lori Kissau, RN BSN  
Michigan Department of Corrections  
Pugsley Correctional Facility  
7401 Walton Rd  
Kingsley, MI 49649  
E-mail: [kissaul1@michigan.gov](mailto:kissaul1@michigan.gov)  
Phone: 906-495-5674 ext 52415  
Fax: (517) 335-0871

Kevin Dunn, Manager  
Michigan Department of Community Health  
Purchasing Section  
Lewis Cass Building, 4th Floor  
320 S. Walnut  
Lansing, MI 48913  
E-mail: [dunnk3@michigan.gov](mailto:dunnk3@michigan.gov)  
Phone: (517) 335-5096

Kimberly Graham, Buyer Manager  
Department of Military and Veterans Affairs  
State Operations - Purchasing & Contracts  
Reserve Forces Support Center  
3423 N. Martin Luther King Jr. Blvd, Suite 320F  
Lansing, MI 48906  
E-mail: [grahamk@michigan.gov](mailto:grahamk@michigan.gov)  
Phone: (517) 481-7643



#### **2.3.4 Contract Changes**

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

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

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

#### **2.3.5 Reserved**

#### **2.3.6 Notices**

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

If to State:  
 State of Michigan  
 DTMB-Procurement  
 Attention: Sue Cieciva  
 PO Box 30026  
 525 West Allegan  
 Lansing, MI 48909  
 E-mail: [cieciwas@michigan.gov](mailto:cieciwas@michigan.gov)  
 Fax: (517) 335-0046

If to Contractor:  
 Julian Shaya  
 J & B Medical Supply Co., Inc.  
 50496 West Pontiac Trail  
 Wixom, MI 48393  
 Email: [jshaya@jandbmedical.com](mailto:jshaya@jandbmedical.com)  
 Fax: (248) 960-7986

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

#### **2.3.7 Covenant of Good Faith**

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





### **2.3.8 Assignments**

(a) Neither party may assign this Contract, or assign or delegate any of its duties or obligations under the Contract, to another party (whether by operation of law or otherwise), without the prior approval of the other party. The State may, however, assign this Contract to any other State agency, department, or division without the prior approval of the Contractor.

(b) If the Contractor intends to assign this Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State and provide adequate information about the assignee at least 90 days before the proposed assignment or as otherwise provided by law or court order. The State may withhold approval from proposed assignments, subcontracts, or novations if the State determines, in its sole discretion, that the transfer of responsibility would decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

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

### **2.3.9 Equipment**

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

### **2.3.10 Reserved**

## **2.4 Contract Management**

### **2.4.1 Contractor Personnel Qualifications**

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

### **2.4.2 Reserved**

### **2.4.3 Removal or Reassignment of Personnel at the State's Request**

The State may require the Contractor to remove or reassign personnel if the State has legitimate, good-faith reasons articulated in a notice to the Contractor. Replacement personnel must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected.

### **2.4.4 Reserved**

### **2.4.5 Contractor Identification**

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

### **2.4.6 Cooperation with Third Parties**

The Contractor and its Subcontractors must cooperate with the State and its agents and other contractors, including the State's quality assurance personnel. The Contractor must provide reasonable access to its personnel, systems, and facilities related to the Contract to the extent that access will not interfere with or jeopardize the safety or operation of the systems or facilities.



#### **2.4.7 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, or any of its subcontractors, 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, servants, and subcontractors during the performance of the Contract.

#### **2.4.8 Contractor Return of State Equipment/Resources**

The Contractor must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

#### **2.4.9 Background Checks**

The State may investigate the Contractor's personnel before granting access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine eligibility for working within State facilities and systems. The investigations will include a Michigan State Police background check (ICHAT) and may include a Criminal Justice Information Services (CJIS) fingerprint check. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the CJIS fingerprint check.

#### **2.4.10 Compliance With State Policies**

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources, available at [http://www.michigan.gov/cybersecurity/0,1607,7-217-34395\\_34476---,00.html](http://www.michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html). Contractor personnel must agree to the State's security and acceptable use policies before the State grants access to its IT equipment and resources. The Contractor must provide these policies to prospective personnel before requesting access from the State. Contractor personnel must comply with all physical security procedures in State facilities.

### **2.5 Subcontracting by Contractor**

#### **2.5.1 Contractor Responsible**

The Contractor is responsible for the completion of all Deliverable(s). The State will consider the Contractor to be the sole point of contact with regard to all contractual matters, including payment of any charges for Deliverable(s). The Contractor must make all payments to its Subcontractors or suppliers. Except as otherwise agreed in writing, the State is not obligated to make payments for the Deliverable(s) to any party other than the Contractor.

#### **2.5.2 State Approval of Subcontractor**

(a) The Contractor may not delegate any duties under this Contract to a Subcontractor unless DTMB-Procurement gives prior approval to the delegation. Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the Effective Date. The State is entitled to receive copies of and review all subcontracts. The Contractor may delete or redact any proprietary information before providing it to the State.

(b) The State may require the Contractor to terminate and replace any Subcontractor the State reasonably finds unacceptable. The required replacement of a Subcontractor must be written and contain reasonable detail outlining the State's reasons. If the State exercises this right, and the Contractor cannot immediately replace the Subcontractor, the State will agree to an equitable adjustment in the schedule or other terms that may be affected by the State's required replacement. If this requirement results in a delay, the delay will not be counted against any applicable Service Level Agreement (SLA).



### **2.5.3 Subcontract Requirements**

Except where specifically approved by the State, Contractor must include the obligations in Sections 2.24.2, Media Releases, 2.4, Contract Management, 2.11, Confidentiality, 2.12, Records and Inspections, 2.13, Warranties, 2.14, Insurance, and 2.23, Laws, in all of its agreements with Subcontractors.

### **2.5.4 Competitive Selection**

Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Contract.

## **2.6 Administrative Fee and Reporting**

### **2.6.1 Administrative Fee and Reporting**

The Contractor must remit an administrative fee of 6% on all payments remitted to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), Extended Purchasing Participants, and other states (including governmental subdivisions and authorized entities). Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales.

Itemized purchasing activity reports should be mailed to DTMB-Procurement and the administrative fee payments shall be made by check payable to the State of Michigan and mailed to:

The Department of Technology, Management and Budget  
Financial Services – Cashier Unit  
Lewis Cass Building  
320 South Walnut St.  
P.O. Box 30681  
Lansing, MI 48909

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each quarter.

## **2.7 Performance**

### **2.7.1 Time of Performance**

(a) The Contractor must immediately notify the State upon becoming aware of any circumstances that may reasonably be expected to jeopardize the completion of any Deliverable(s) by the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(b) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must immediately notify the State and, to the extent practicable, continue to perform its obligations according to the Contract time periods. The Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

### **2.7.2 Reserved**

### **2.7.3 Reserved**



#### **2.7.4 Excusable Failure**

Neither party will be liable for any default, damage or delay in the performance of its obligations that is caused by government regulations or requirements, power failure, electrical surges or current fluctuations, war, forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, acts or omissions of common carriers, fire, riots, civil disorders, labor disputes, embargoes, injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused), or any other cause beyond the reasonable control of a party; provided the non-performing party and any Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans, or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. The non-performing party must promptly notify the other party immediately after the excusable failure occurs, and when it abates or ends. Both parties must use commercially reasonable efforts to resume performance.

If any of the reasons listed substantially prevent, hinder, or delay the Contractor's performance of the Deliverable(s) for more than 10 Days, and the State reasonably determines that performance is not likely to be resumed within a period of time that is satisfactory to the State, the State may: (a) procure the affected Deliverable(s) from an alternate source without liability for payment so long as the delay in performance continues; or (b) terminate any portion of the Contract so affected and equitably adjust charges payable to the Contractor to reflect those Deliverable(s) that are terminated. The State must pay for all Deliverable(s) for which Final Acceptance has been granted before the termination date.

The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure or to payments for Deliverable(s) not provided as a result of the Excusable Failure. The Contractor will not be relieved of a default or delay caused by acts or omissions of its Subcontractors except to the extent that a Subcontractor experiences an Excusable Failure and the Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workaround plans, or other means, including disaster recovery plans.

### **2.8 Acceptance of Deliverable(s)**

#### **2.8.1 Quality Assurance**

By tendering any Deliverable to the State, the Contractor certifies to the State that (a) it has performed reasonable quality assurance activities; (b) it has performed any reasonable testing; and (c) it has corrected all material deficiencies discovered during the quality assurance activities and testing. To the extent that testing occurs at State Locations, the State is entitled to observe and otherwise participate in the testing.

#### **2.8.2 Delivery Responsibilities**

Unless otherwise specified by the State in Section 1.4.5, Delivery Term, the following are applicable to all deliveries:

- (a) The Contractor is responsible for delivering the Deliverable(s) by the applicable delivery date to the location(s) specified in the SOW or individual Purchase Order.
- (b) The Contractor must ship the Deliverable(s) "F.O.B. Destination, within Government Premises."
- (c) The State will examine all packages at the time of delivery. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be



noted at the time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage.

**2.8.3 Process for Acceptance of Deliverable(s)**

The State's review period for acceptance of the Deliverable(s) is governed by the applicable Statement of Work, and if the Statement of Work does not specify the State's review period, it is by default 30 Days for a Deliverable (State Review Period). The State will notify the Contractor by the end of the State Review Period that either:

- (a) the Deliverable is accepted in the form delivered by the Contractor;
- (b) the Deliverable is accepted, but noted deficiencies must be corrected; or
- (c) the Deliverable is rejected along with notation of any deficiencies that must be corrected before acceptance of the Deliverable.

If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Days resubmit the Deliverable(s) with an explanation that demonstrates all corrections have been made to the original Deliverable(s). The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed 30 Days, to accept the corrected Deliverable.

**2.8.4 Acceptance of Deliverable(s)**

(a) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of the Deliverable(s). The State Review Period will begin on the first Business Day following the State's receipt of the Deliverable(s).

(b) The State may inspect the Deliverable to confirm that all components have been delivered without material deficiencies. If the State determines that the Deliverable or one of its components has material deficiencies, the State may reject the Deliverable without performing any further inspection or testing.

(c) The State will only approve a Deliverable after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, in its discretion, conditionally approve a Deliverable that contains material deficiencies if the State elects to permit the Contractor to correct those deficiencies post-approval. The Contractor remains responsible for working diligently to correct, within a reasonable time at the Contractor's expense, all deficiencies in the Deliverable that remain outstanding at the time of State approval.

(d) If, after three opportunities the Contractor is unable to correct all deficiencies, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to do so at the sole expense of the Contractor; (ii) keep the Contract in force and perform, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the Contract price plus an additional amount equal to 10% of the State's cost to cure the deficiency; or (iii) fully or partially terminate the Contract for default by giving notice to the Contractor. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(e) The State, at any time and in its reasonable discretion, may reject the Deliverable without notation of all deficiencies if the acceptance process reveals deficiencies in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable.

**2.8.5 Reserved**

**2.8.6 Reserved**



### **2.8.7 Final Acceptance**

Unless otherwise stated in the Statement of Work, "Final Acceptance" of a Deliverable occurs when that Deliverable has been accepted by the State following the applicable State Review Period.

## **1.9 Ownership**

### **2.9.1 Rights in Data**

The State is the owner of all State-specific data under the Contract to include Extended Purchasing Participant contact information and usage information. The State may use the data provided by the Contractor for any purpose. The State must not possess or assert any lien or other right against the Contractor's data. Without limiting the generality of this Section, the State may use personally identifiable information only as strictly necessary to utilize the Services and must disclose the information only to its employees who have a strict need to know the information, except as provided by law. The State must comply at all times with all laws and regulations applicable to the personally identifiable information. Other material developed and provided to the State remains the State's sole and exclusive property.

## **2.10 State Standards**

### **2.10.1 Electronic Receipt Processing Standard**

All electronic commerce applications that allow for electronic receipt of credit/debit card and electronic check (ACH) transactions must be processed via the Centralized Electronic Payment Authorization System (CEPAS).

## **2.11 Confidentiality**

### **2.11.1 Confidential Information**

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

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

### **2.11.2 Protection and Destruction of Confidential Information**

(a) Each party must use the same care to prevent unauthorized disclosure of Confidential Information as it uses to prevent disclosure of its own information of a similar nature, but in no event less than a reasonable degree of care. Neither the Contractor nor the State will: (i) make any use of the Confidential Information of the other except as contemplated by this Contract; (ii) acquire any interest or license in or assert any lien against the Confidential Information of the other; or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information.

(b) Each party will limit disclosure of the other party's Confidential Information to employees, agents, and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where: (i) use of a Subcontractor is authorized under this Contract; (ii) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility; and (iii) Contractor obligates the Subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of





Contractor and of any Subcontractor having access to the State's Confidential Information may be required to execute a separate agreement to be bound by the confidentiality requirements of this Section.

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

### **2.11.3 Exclusions**

The provisions of Section 2.11, Confidentiality, will not apply where the receiving party is required by law to disclose the other party's Confidential Information, provided that the receiving party: (i) promptly provides the furnishing party with notice of the legal request; and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

### **2.11.4 No Obligation to Disclose**

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

### **2.11.5 Security Breach Notification**

If the Contractor breaches this Section, the Contractor must (i) promptly cure any deficiencies and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate the effects of any breach, intrusion, or unauthorized use or disclosure. Contractor must report to the State, in writing, any use or disclosure of Confidential Information, whether suspected or actual, other than as provided for by the Contract within 72 hours after becoming aware of the use or disclosure or the shorter time period as is reasonable under the circumstances.

### **2.11.6 Reserved**

## **2.12 Records and Inspections**

### **2.12.1 Inspection of Work Performed**

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

### **2.12.2 Retention of Records**

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

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

### **2.12.3 Examination of Records**

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



or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract.

#### **2.12.4 Audit Resolution**

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

#### **2.12.5 Errors**

(a) If an audit reveals any financial errors in the records provided to the State, the amount in error must be reflected as a credit or debit on the next invoice and subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried forward for more than four invoices or beyond the termination of the Contract. If a balance remains after four invoices, the remaining amount will be due as a payment or refund within 45 days of the last invoice on which the balance appeared or upon termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

### **2.13 Warranties**

#### **2.13.1 Warranties and Representations**

The Contractor represents and warrants:

(a) It is capable of fulfilling and will fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workmanlike manner and must meet the performance and operational standards required under this Contract.

(b) The Contract appendices, attachments, and exhibits identify the equipment, software, and services necessary for the Deliverable(s) to comply with the Contract's requirements.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by the Contractor for this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any Deliverable(s). None of the Deliverable(s) provided by Contractor to the State, nor their use by the State, will infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party.

(d) If the Contractor procures any equipment, software, or other Deliverable(s) for the State (including equipment, software, and other Deliverable(s) manufactured, re-marketed or otherwise sold by the Contractor or under the Contractor's name), then the Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable(s).

(e) The Contract signatory has the authority to enter into this Contract on behalf of the Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any affiliates, nor any employee of either, has, will have, or will acquire, any interest that would conflict in any manner with the Contractor's performance of its duties and responsibilities to the State or otherwise create an appearance of impropriety with respect to the award or performance of this Contract. The Contractor must notify the State about the nature of any conflict or appearance of impropriety within two days of learning about it.





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

(i) Neither the Contractor nor any affiliates, nor any employee of either, has paid or agreed to pay any person, other than bona fide employees and consultants working solely for the Contractor or the affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The Contractor arrived at its proposed prices independently, without communication or agreement with any other bidder for the purpose of restricting competition. The Contractor did not knowingly disclose its quoted prices for this Contract to any other bidder before the award of the Contract. The Contractor made no attempt to induce any other person or entity to submit or not submit a proposal for the purpose of restricting competition.

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

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

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

#### **2.13.2 Warranty of Merchantability**

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

#### **2.13.3 Warranty of Fitness for a Particular Purpose**

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

#### **2.13.4 Warranty of Title**

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

#### **2.13.5 Equipment Warranty**

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

(b) To the extent the Contractor is responsible for maintaining equipment/system(s), the Contractor represents and warrants that it will maintain the equipment/system(s) in good operating condition and will undertake all repairs and preventive maintenance according to the applicable manufacturer's recommendations for the period specified in this Contract.

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

(d) Within 10 Days of notification, the Contractor must adjust, repair or replace all equipment that is defective or not performing in compliance with the Contract. The Contractor



must assume all costs for replacing parts or units and their installation including transportation and delivery fees, if any.

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

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

(g) All warranty work should be performed at State locations whenever possible.

#### **2.13.6 New Deliverable(s)**

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

#### **2.13.7 Prohibited Products**

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

#### **2.13.8 Consequences For Breach**

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

### **2.14 Insurance**

#### **2.14.1 Liability Insurance**

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

(a) The Contractor must provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that may arise out of, or result from, or are alleged to arise out of, or result from, the Contractor's or a Subcontractor's performance, including any person directly or indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.

(b) The Contractor waives all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.

(c) All insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.

(d) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.

(e) Unless the State approves otherwise, any insurer must have an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.

(f) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits.

(g) The Contractor must maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three (3) years following the termination of this Contract.



(h) The Contractor must provide, within five (5) business days, written notice to the Director of DTMB-Procurement if any policy required under this section is cancelled. The notice must include the applicable Contract or Purchase Order number.

(i) The minimum limits of coverage specified are not intended, and may not be construed, to limit any liability or indemnity of the Contractor to any indemnified party or other persons.

(j) The Contractor is responsible for the payment of all deductibles.

(k) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days' notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or require the Contractor to pay that cost upon demand.

(l) In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Michigan Attorney General.

(m) The Contractor is required to pay for and provide the type and amount of insurance checked ☒ below:

☒ **(i) Commercial General Liability**

Minimal Limits:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations;  
\$2,000,000 Products/Completed Operations Aggregate Limit;  
\$1,000,000 Personal & Advertising Injury Limit; and  
\$1,000,000 Each Occurrence Limit.

Deductible maximum:

\$50,000 Each Occurrence

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that the insurance policy contains a waiver of subrogation by the insurance company.

The Products/Completed Operations sublimit requirement may be satisfied by evidence of the manufacturer's Commercial General Liability Insurance. The manufacturer must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the Commercial General Liability certificate and must provide evidence that the policy contains a waiver of subrogation by the insurance company. ,

☐ **(ii) Umbrella or Excess Liability**

Minimal Limits:

\$10,000,000 General Aggregate

Additional Requirements:

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

☒ **(iii) Motor Vehicle**

Minimal Limits:



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

☒ **(iv) Workers' Compensation**

Minimal Limits:

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

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

Additional Requirements:

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

☒ **(v) Employers Liability**

Minimal Limits:

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

Additional Requirements:

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

**2.14.2 Subcontractor Insurance Coverage**

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.14.1, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

**2.14.3 Certificates of Insurance**

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 of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents are listed as additional insureds as required. The Contractor must provide DTMB-Procurement with all applicable certificates of insurance verifying insurance coverage or providing, if approved, satisfactory evidence of self-insurance as required in Section 2.14.1, Liability Insurance. Each certificate must be on the standard "Accord" form or equivalent and MUST IDENTIFY THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER.

**2.15 Indemnification**



#### **2.15.1 General Indemnification**

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

#### **2.15.2 Reserved**

#### **2.15.3 Employee Indemnification**

In any claims against the State, its departments, agencies, commissions, officers, employees, and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation will not be limited in any way by the amount or type of damages, compensation, or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts, or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

#### **2.15.4 Patent/Copyright Infringement Indemnification**

(a) The Contractor must indemnify and hold the State harmless from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest, and penalties) resulting from any action threatened or brought against the State to the extent that the action is based on a claim that any piece of equipment, software, commodity, or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, infringes any United States patent, copyright, trademark or trade secret of any person or entity.

(b) If, in the State's or the Contractor's opinion, any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, is likely to become the subject of an infringement claim, the Contractor must, at its expense: (i) procure for the State the right to continue using the equipment, software, commodity or service or, if this option is not reasonably available to the Contractor; (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if this option is not reasonably available to Contractor; (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

(c) Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any infringement claim based upon: (i) equipment, software, commodity or service developed based on written specifications of the State; (ii) use of the equipment, software, or commodity in a configuration other than implemented or approved by the Contractor, including any modification of the same by the State; or (iii) the combination, operation, or use of the equipment, software, or commodity with equipment, software, or commodities not supplied by the Contractor under this Contract.

#### **2.15.5 Continuing Obligation**

The Contractor's duty to indemnify under Section 2.15, Indemnification, continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.





### **2.15.6 Indemnification Procedures**

These procedures apply to all indemnity obligations:

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

(b) If the Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in handling the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain prior approval of the State before entering into any settlement of the claim or ceasing to defend against the claim; and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim. The State may retain control of the defense and settlement of a claim by notifying the Contractor within 10 days after the State's receipt of the Contractor's information requested by the State under clause (ii) of this paragraph, if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State, or any of its subdivisions under this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If the Contractor does not deliver a Notice of Election relating to any claim of which it is notified, the State may defend the claim in a manner it deems appropriate, at the cost and expense of the Contractor. If it is determined that the claim was one against which the Contractor was required to indemnify the State, upon request of the State, the Contractor must promptly reimburse the State for all reasonable costs and expenses.

### **2.15.7 Limitation of Liability**

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorneys' fees awarded by a court in addition to damages after litigation based on this Contract.

## **2.16 Termination by the State**

### **2.16.1 Notice and Right to Cure**

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



cure for successive or repeated breaches or if the State determines, in its sole discretion, that a breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

**2.16.2 Termination for Cause**

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

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

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

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

**2.16.3 Termination for Convenience**

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

**2.16.4 Termination for Non-Appropriation**

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

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



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

**2.16.5 Termination for Criminal Conviction**

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

**2.16.6 Termination for Approvals Rescinded**

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

**2.16.7 Rights and Obligations upon Termination**

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

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

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

**2.16.8 Reservation of Rights**

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





### **2.16.9 Contractor Transition Responsibilities**

If this Contract terminates under Section 2.16, Termination by the State, the Contractor must make reasonable efforts to transition the performance of the work, including all applicable equipment, services, software, and leases, to the State or a third party designated by the State within a reasonable period of time that does not exceed 120 days from the date of termination. The Contractor must provide any required reports and documentation.

### **2.16.10 Transition Payments**

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

## **2.17 Termination by the Contractor**

### **2.17.1 Termination**

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

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

## **2.18 Stop Work**

### **2.18.1 Stop Work Order**

The State may, by issuing a Stop Work Order, require that the Contractor fully or partially stop work for a period of up to 90 calendar days, and for any further period to which the parties agree. Upon receipt of the Stop Work Order, the Contractor must immediately take all reasonable steps to minimize incurring costs. Within the period of the Stop Work Order, the State must either: (a) terminate the Stop Work Order; or (b) terminate the work covered by the Stop Work Order as provided in Section 2.16, Termination by the State.

### **2.18.2 Termination of Stop Work Order**

The Contractor must resume work if the State terminates a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, if: (a) the Stop Work Order results in an increase in the time required for, or the Contractor's costs properly allocated to, the performance of the Contract; and (b) the Contractor asserts its right to an equitable adjustment within 20 days after the end of the Stop Work Order by submission of a request for adjustment to the State; provided that, the State may receive and act upon the Contractor's request submitted at any time before final payment. Any adjustment will conform to the requirements of Section 2.3.4, Contract Changes.

### **2.18.3 Allowance of the Contractor's Costs**

If the State fully or partially terminates the work covered by the Stop Work Order, for reasons other than material breach, the termination is a termination for convenience under Section 2.16,



Termination by the State, and the State will pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. The State is not liable to the Contractor for lost profits because of a Stop Work Order issued under Section 2.18, Stop Work.

**2.19 Reserved**

**2.20 Dispute Resolution**

**2.20.1 General**

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

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

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

**2.20.2 Informal Dispute Resolution**

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

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

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

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

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

**2.20.3 Injunctive Relief**

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

**2.20.4 Continued Performance**

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



## **2.21 Disclosure Responsibilities**

### **2.21.1 Disclosure of Litigation**

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

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

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

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

### **2.21.2 Other Disclosures**

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

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

### **2.21.3 Call Center Disclosure**

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

## **2.22 Extended Purchasing Program**

### **2.22.1 Extended Purchasing Program**

The Contract will be extended to Extended Purchasing Participants members. Extended Purchasing Participants members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of Extended Purchasing Participants members is available at [www.michigan.gov/Extended Purchasing Participants](http://www.michigan.gov/Extended_Purchasing_Participants). This Contract is extended to (a) State of Michigan employees, and (b) other states (including governmental subdivisions and authorized entities).

If extended, the Contractor must supply all goods and services at the established Agreement prices and terms. The State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.



The Contractor must submit invoices to, and receive payment from, extended purchasing program members on a direct and individual basis.”

## **2.23 Laws**

### **2.23.1 Governing Law**

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

### **2.23.2 Compliance with Laws**

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

### **2.23.3 Jurisdiction**

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

### **2.23.4 Nondiscrimination**

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

### **2.23.5 Unfair Labor Practices**

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

### **2.23.6 Environmental Provision**

For the purposes of this section, "Hazardous Materials" include asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state, or local laws governing the protection of the public health, natural resources, or the environment:

(a) The Contractor must use, handle, store, dispose of, process, transport, and transfer any Hazardous Material according to all federal, State, and local laws. The State must immediately advise the Contractor of the presence of any known Hazardous Material at the work site. If the Contractor encounters material reasonably believed to be Hazardous Material



that may present a substantial danger, the Contractor must: (i) immediately stop all affected work; (ii) notify the State in accordance with Section 2.3.6, Notices; (iii) notify any entities required by law; and (iv) take appropriate health and safety precautions.

(b) The State may issue a Stop Work Order if the material is a Hazardous Material that may present a substantial danger and the Hazardous Material was not brought to the site by the Contractor, or does not wholly or partially result from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials. The State may remove the Hazardous Material, render it harmless, or terminate the affected work for the State's convenience.

(c) If the Hazardous Material was brought to the site by the Contractor, or wholly or partially results from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to applicable laws.

#### **2.23.7 Freedom of Information**

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

#### **2.23.8 Workplace Safety and Discriminatory Harassment**

In performing Services for the State, the Contractor and any Subcontractor must comply with all applicable state and federal laws.

#### **2.23.9 Reserved**

#### **2.23.10 Abusive Labor Practices**

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

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

### **2.24 General Provisions**

#### **2.24.1 Bankruptcy and Insolvency**

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

- (a) the Contractor files for bankruptcy protection;
- (b) an involuntary petition is filed against the Contractor and not dismissed within 30 days;
- (c) the Contractor becomes insolvent or a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can provide the Deliverable(s) under this Contract.

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





**2.24.2 Media Releases**

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

**2.24.3 Contract Distribution**

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

**2.24.4 Permits**

Contractor must obtain and pay any associated costs for all required governmental permits, licenses, and approvals for the delivery, installation, and performance of the Contract.

**2.24.5 Website Incorporation**

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

**2.24.6 Future Bidding Preclusion**

Contractor acknowledges that, to the extent the Contract involves the creation, research, investigation or generation of a future RFP, it may be precluded from bidding on the subsequent RFP. The State reserves the right to disqualify any bidder if the State determines that the bidder has used its position (whether as an incumbent Contractor, or as a Contractor hired to assist with the RFP development, or as a Vendor offering free assistance) to gain a competitive advantage on the RFP

**2.24.7 Antitrust Assignment**

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

**2.24.8 Disaster Recovery**

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

**2.24.9 Legal Effect**

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

**2.24.10 Entire Agreement**

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

**2.24.11 Order of Precedence**

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

- (a) Mandatory sections (2.1.1, Contract Term, 2.24.9, Legal Effect, 2.2.2, Payment Deadlines, 2.14, Insurance, 2.15, Indemnification, 2.16, Termination, 2.23, Governing Law, 2.15.7, Limitation of Liability);
- (b) The most recent Statement of Work related to this Contract;
- (c) All sections from Article 2 - Terms and Conditions, not listed in subsection (a);



- (d) Any attachment or exhibit to the Contract documents;
- (e) Any Purchase Order, Direct Voucher, or Procurement Card Order issued under the Contract; and
- (f) Bidder Responses contained in any of the RFP documents.

**2.24.12 Headings**

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

**2.24.13 Form, Function and Utility**

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

**2.24.14 Reformation and Severability**

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

**2.24.15 Approval**

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

**2.24.16 No Waiver of Default**

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

**2.24.17 Survival**

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



**Attachment A, Pricing**

**Attachment A, Pricing** is a separate Excel spreadsheet under this Contract.





**Attachment B**  
**Percentage of Discount Off List Per Category**

Medical supplies and equipment items not identified on **Attachment A, Pricing** can be purchased by the Ordering Entity at a 20% discount off the manufacturer's list price, under the following categories.

CATEGORY	PERCENT OFF LIST
Diagnostic Products	20%
Exam Room Paper Products	20%
Gloves & Glove Accessories	20%
IV Solutions/Supplies-Admin	20%
Medical Equipment/Furniture	20%
Medical-Surgical General	20%
Needles/Syringes	20%
Orthopedics & PT	20%
Patient Care & Supplies	20%
Pharmaceutical/Injectables/OTC	20%
Skin & Wound Care	20%
Sports Medicine Products	20%
Sterilization & Infections Control	20%
Surgery Products	20%
Veterinary Products	20%
X-Ray Products	20%