

STATE OF MICHIGAN  
DEPARTMENT OF MANAGEMENT AND BUDGET  
PURCHASING OPERATIONS  
P.O. BOX 30026, LANSING, MI 48909  
OR  
530 W. ALLEGAN, LANSING, MI 48933

October 11, 2007

NOTICE  
TO  
CONTRACT NO. 071B8200029  
between  
THE STATE OF MICHIGAN  
and

NAME & ADDRESS OF VENDOR  <b>Corporate Security Solutions, Inc.</b> <b>1145 28<sup>th</sup> Street, S.E.</b> <b>Grand Rapids, MI 49508</b>  <b>ashaffer@gocss.com</b>	TELEPHONE (616) 248-3372 <b>C. Andrew Shaffer</b>
	VENDOR NUMBER/MAIL CODE
	BUYER/CA (517) 241-1145 <b>Lymon C. Hunter, CPPB</b>
Contract Compliance Inspector: (See Section 2.401) <b>Unarmed Security Guard Services – MRO – Region 1 – Michigan Department of Corrections</b>	
CONTRACT PERIOD: From: <b>October 1, 2007</b> To: <b>January 15, 2009</b>	
TERMS  <b>N/A</b>	SHIPMENT  <b>N/A</b>
F.O.B.  <b>N/A</b>	SHIPPED FROM  <b>N/A</b>
MINIMUM DELIVERY REQUIREMENTS  <b>N/A</b>	

The terms and conditions of this Contract are those of REQ. #472R7217045, this Contract Agreement and the vendor's quote dated 08/21/2007. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: \$52,925.76

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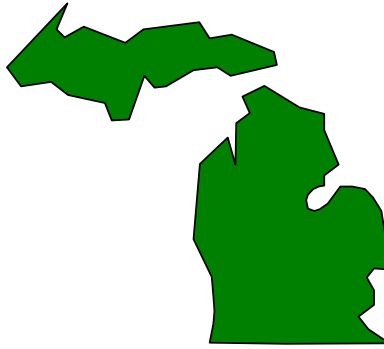
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**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the Req. No. 472R7217045. Orders for delivery may be issued directly by the Department of Corrections through the issuance of a Purchase Order Form.

All terms and conditions of the invitation to bid are made a part hereof.

<b>FOR THE VENDOR:</b>	<b>FOR THE STATE:</b>
<b>Corporate Security Solutions, Inc.</b>	Signature
Firm Name	<b>Lymon C. Hunter CPPB, Buyer Specialist</b>
Authorized Agent Signature	Name/Title
Authorized Agent (Print or Type)	<b>Services Division, Purchasing Operations</b>
	Division
Date	Date



**STATE OF MICHIGAN  
Department of Management and Budget  
Purchasing Operations**

**Contract No. 071B8200029  
UNARMED SECURITY GUARD SERVICES  
REGION ONE  
(Kent, and Muskegon Counties)**

Buyer Name: Lymon C. Hunter, CPPB  
Telephone Number: 517.241.1145  
E-Mail Address: HunterL@Michigan.gov



Article 1 – Statement of Work (SOW) .....	5
1.0 Project Identification .....	5
1.001 PROJECT REQUEST .....	5
1.1 Scope of Work and Deliverables .....	5
1.2 Roles and Responsibilities.....	6
1.201 CONTRACTOR STAFF, ROLES AND RESPONSIBILITIES .....	6
1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES .....	10
1.3 Project Plan.....	11
1.301 PROJECT PLAN MANAGEMENT .....	11
1.302 REPORTS .....	12
1.4 Project Management.....	12
1.401 ISSUE MANAGEMENT.....	12
1.402 RESERVED .....	12
1.403 CHANGE MANAGEMENT .....	12
1.5 Acceptance .....	12
1.501 CRITERIA.....	12
1.502 RESERVED .....	13
1.6 Compensation and Payment .....	13
1.7 Additional Terms and Conditions Specific to this SOW.....	14
APPENDIX A .....	15
Article 2 – General Terms and Conditions.....	19
2.0 Introduction .....	19
2.001 GENERAL PURPOSE .....	19
2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR .....	19
2.003 NOTICE.....	19
2.004 CONTRACT TERM .....	20
2.005 GOVERNING LAW .....	20
2.006 APPLICABLE STATUTES .....	20
2.007 RELATIONSHIP OF THE PARTIES .....	21
2.008 HEADINGS .....	21
2.009 MERGER .....	21
2.010 SEVERABILITY.....	21
2.011 SURVIVORSHIP .....	21
2.012 NO WAIVER OF DEFAULT .....	21
2.013 PURCHASE ORDERS.....	22
2.1 Vendor/Contractor Obligations .....	22
2.101 ACCOUNTING RECORDS .....	22
2.102 NOTIFICATION OF OWNERSHIP .....	22
2.103 RESERVED .....	23
2.104 RESERVED .....	23
2.105 RESERVED .....	23
2.106 RESERVED .....	23
2.107 PAYROLL AND BASIC RECORDS .....	23
2.108 COMPETITION IN SUB-CONTRACTING .....	23
2.109 RESERVED .....	23
2.2 Contract Performance.....	23
2.201 TIME IS OF THE ESSENCE.....	23
2.202 CONTRACT PAYMENT SCHEDULE .....	24
2.203 POSSIBLE PROGRESS PAYMENTS .....	24
2.204 RESERVED .....	24
2.205 ELECTRONIC PAYMENT AVAILABILITY.....	24
2.206 RESERVED .....	24
2.212 Termination for Convenience.....	24



2.3	Contract Rights and Obligations.....	24
2.301	INCURRING COSTS .....	24
2.302	CONTRACTOR RESPONSIBILITIES.....	25
2.303	ASSIGNMENT AND DELEGATION .....	25
2.304	TAXES.....	25
2.305	INDEMNIFICATION .....	26
2.306	LIMITATION OF LIABILITY.....	28
2.307	CONTRACT DISTRIBUTION.....	28
2.308	FORM, FUNCTION, AND UTILITY .....	28
2.309	ASSIGNMENT OF ANTITRUST CAUSE OF ACTION.....	28
2.310	RESERVED .....	29
2.311	TRANSITION ASSISTANCE .....	29
2.312	RESERVED .....	29
2.313	RESERVED .....	29
2.314	WEBSITE INCORPORATION .....	29
2.4	Contract Review and Evaluation.....	29
2.401	CONTRACT COMPLIANCE INSPECTOR .....	29
2.402	PERFORMANCE REVIEWS.....	29
2.403	AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS .....	30
2.5	Quality and Warranties .....	30
2.501	RESERVED .....	30
2.502	RESERVED .....	30
2.503	RESERVED .....	30
2.504	RESERVED .....	30
2.505	CONTRACTOR WARRANTIES.....	30
2.506	STAFF .....	31
2.507	RESERVED .....	32
2.508	RESERVED .....	32
2.509	RESERVED .....	32
2.6	Breach of Contract.....	32
2.601	BREACH DEFINED .....	32
2.602	NOTICE AND THE RIGHT TO CURE .....	32
2.603	EXCUSABLE FAILURE .....	32
2.7	Remedies.....	33
2.701	CANCELLATION.....	33
2.702	RIGHTS UPON CANCELLATION .....	34
2.703	LIQUIDATED DAMAGES.....	34
2.704	STOP WORK .....	34
2.705	SUSPENSION OF WORK .....	35
2.8	Changes, Modifications, and Amendments .....	35
2.801	APPROVALS .....	35
2.802	TIME EXTENTIONS.....	36
2.803	MODIFICATION .....	36
2.804	AUDIT AND RECORDS UPON MODIFICATION .....	36
2.805	CHANGES .....	37

**Article 1 – Statement of Work (SOW)****1.0 Project Identification****1.001 PROJECT REQUEST**

The purpose of this agreement is to establish a contract(s) for unarmed security guard service for various State of Michigan facilities as detailed on the attached listing or on the requisition.

**1.002 BACKGROUND****Legislated Requirements**

All Contractors and their employees shall comply with all requirements set forth under Public Act 330 of 1968, as amended, and any regulatory legislation enacted during the term of this contract. Wherein the State's specifications and requirements exceed those of Public Act 330 of 1968, for the purpose of this contract the State's specifications and requirements take precedence.

**1.1 Scope of Work and Deliverables****1.101 IN SCOPE**

The Contractor will be required to furnish properly trained and equipped security guards to maintain order, protect clients, staff, visitors and property from harassment, injury, damage or theft and take appropriate action as specified in the Procedure Manual for each building and/or location

**1.102 OUT OF SCOPE**

Contractor staff shall not:  
provide transportation for agency staff or visitors  
perform personal chores for anyone  
carry a firearm or other weapon  
detain by force or arrest persons.

**1.103 ENVIRONMENT****Recognition of Purpose**

The contractor shall insure that all security guards are aware that their primary purpose is to maintain order, protect clients, staff, visitors and property from harassment, injury, damage or theft and take appropriate action as specified in the Procedure Manual for each building and/or location.

**1.104 WORK AND DELIVERABLE**

Security guard duties shall be provided per the Attachment A schedules for each specific state location.

**The security guard duties are:**

- a. Report to the designated Client agency representative(s) who shall have immediate supervision over this contractual service. The state may waive this requirement and delegate time and attendance to the contractor.
- b. Be familiar with site specific procedures at their respective location(s).
- c. Log all unusual events, found articles and hazardous conditions in writing. The log book shall be the official record of the activity. The log book shall be available at all times for inspection by the contractor or by the representative.
- d. Receive, safely keep and turn over to appropriate persons, official mail, messages and telegrams when so authorized.



e. Be alert to any emergency and take appropriate action such as calling the Fire Department in event of Fire. In the event of injury to or illness of an employee or client, render first aid until professional help is obtained. Notify the CLIENT AGENCY representative immediately.

f. Report potentially hazardous conditions and items in need of repair including lighting, plumbing, wet floors, etc., and shall include this in the log book.

g. Require all employees to visibly display their employee identification before allowing access to the building.

h. Require all employees who do not have valid employee identification and ALL VISITORS to sign in when entering the building.

i. Where guard services are provided during non-office hours, employees entering the building shall stop at the security desk, show their employee identification to the security officer on duty and sign in/out when entering and leaving the building in a logbook provide by the agency.

j. Question and, when necessary, detain persons gaining unauthorized access to the area and notify proper authorities. All employees authorized to enter the building during other than working hours shall have the proper identification on their person.

**k. Be responsible for monitoring the surveillance equipment on site, if applicable.**

l. Be responsible for surveillance of parking facilities as determined by the Contract Administrator.

m. Provide surveillance of State employees entering/exiting the building when requested by the Contract Administrator.

n. Shall be bound to confidentiality of any information they may become aware of during the course of performance of their contracted tasks.

## **1.2 Roles and Responsibilities**

### **1.201 CONTRACTOR STAFF, ROLES AND RESPONSIBILITIES**

#### **1. Educational Requirements**

Each security guard shall possess a high school diploma or a G.E.D. certificate. However, it is desirable that guards have completed course-work at the College or University level

On-Site Supervisors shall have completed a minimum of 24 semester credit hours of course-work at the College or University level, preferably in law enforcement and/or personnel management, two (2) years experience as a security guard, police officer or active military duty, or two (2) years of relevant supervisory experience (as deemed acceptable by the State of Michigan) will also suffice.

#### **2. Physical Requirements**

Security guards may be required to sit or stand for extended periods of time; walk long distances; use hands and fingers to handle or feel objects, tools, or controls; and be able to speak and hear. Guards shall also be able to reach with hands and arms, and to hold objects. Guards shall also be able to lift up to 50 pounds.

#### **3. Work Hours**

Security guards and supervisors shall not work more than 16 consecutive hours without a 12 hour rest period. SECURITY GUARDS PROVIDED UNDER THIS CONTRACT SHALL NOT BE ASSIGNED TO PROVIDE SERVICE AT OTHER LOCATIONS WHICH WOULD RESULT IN FAILURE TO PROVIDE ALL HOURS SPECIFIED IN THIS CONTRACT.



Security guards that report to or depart from work during non-standard business hours (outside of Mon. – Fri., 8:00 a.m. to 5:00 p.m. excluding legal State holidays) shall contact their supervisor upon arrival and departure. The security guard supervisor shall maintain a log of locations, security guard's name and reporting times.

#### 4. Uniform Requirements

Each security guard shall wear a consistent uniform prescribed by the contractor with no ornamentation; specifically, political buttons, tags, union badges, etc., which are not related to the performance of security work. Garments shall be worn buttoned, shoes polished, caps or hats straight on head. The uniform and related equipment of all security guards shall be kept neat, clean and in good repair. Winter weight uniforms shall be coordinated with the standard duty uniform. During warm temperatures, indoors or outdoors, security guards shall not roll up long-sleeve shirts. Short-sleeve shirts and removal of the necktie in warmer temperatures and removal of the cap or hat when seated, are optional. Shoes shall be dark in color, preferably black or brown. Platforms, 1" or higher heels, or tennis shoes shall not be worn on duty. The contractor shall supply all weather gear (raincoat and overcoat) to each location for the use of the security guards for exterior patrolling.

Any deviations from uniform requirements listed above, must be requested from the state to the contractor (for each individual site) in writing. The contractor must present the request to the Michigan Department of State Police for approval prior to implementation of any changes.

#### 5. Guard Equipment

The contractor shall guarantee that each duty security guard shall possess, at all times, on his or her person:

- a. One (1) current identification card, with photograph no more than two (2) years old and expiration date signifying that the security guard is employed by the contractor. The I.D. card shall be worn clipped to the outer duty uniform if required by the representative.
- b. One (1) nameplate with legible 1/4" letters, of uniform size and colors, worn on the outer garment over the right breast pocket.
- c. One (1) operating timepiece.
- d. One (1) operable pen and one (1) operable pencil.

#### 6. Site Equipment

The contractor shall:

- a. Provide each security guard with one operable portable FM transceiver, capable of transmitting and receiving throughout the property covered by this contract. The contractor shall also supply the agency with one (1) identical transceiver. The agency shall be responsible for damages to its assigned transceiver. The contractor shall supply rechargeable batteries and/ or rechargers, which shall be kept at the location and shall make available to the department, upon request, a photostat copy of the F.C.C. Certificate of licensure to operate on assigned frequency.
- b. Maintain a telephone number for a contact person(s) that is accessible 24 hours per day, seven (7) days per week, 365 days per year that may be contacted in case of an emergency. This contact shall have the capability of dispatching a security guard(s) upon notification.
- c. Supply at least one (1) operable 3-cell D-type battery flashlight or approved alternate to each location covered by this contract, for security guard use only.
- d. Guarantee that security guards shall NOT carry weapons.





## 7. Supervision by Contractor

The contractor shall:

- a. Guarantee that, at least once per week, or upon call, a security supervisor shall appear in person during normal business hours to discuss security issues with the Contract Administrator. Contractor shall provide the Contract Administrator with a 12 month meeting schedule within two (2) weeks of award of contract.

Contractor shall respond within eight (8) hours of request from Contract Administrator for on-site meeting with a supervisory representative from corporate headquarters.

Contractor shall provide a written plan to resolve problems within 24 hours upon request by Contract Administrator.

- b. At the option of the representative, if two or more guards are on duty simultaneously, the contractor shall designate one of the guards as a lead worker or supervisor with respect to the other guard(s). SUCH LEAD WORKER SHALL BE COMPENSATED BY THE CONTRACTOR AT AN INCREASED HOURLY RATE COMMENSURATE WITH THE EXTRA RESPONSIBILITY represented by such designation and assignment.
- c. Provide another trained security guard when one, while in the line of duty and/or result of same, is required to appear in court or at an employee grievance hearing on behalf of the agency. Payment will be made by the agency for the number of hours required for appearance in court, less witness fees.
- d. Provide at the request of the Contract Administrator, additional temporary security guards required to secure additional properties needing protection for an interim period of time, including 24 hour assignment, should that be required. ANY PERMANENT INCREASE IN NUMBER OF GUARDS OR HOURS OF SERVICE AT A GIVEN LOCATION MUST BE AUTHORIZED BY PURCHASING OPERATIONS, INCLUDING any additional security guards for covered properties or other additional properties which may require protection. Such additional security guards shall be provided when the suitable agreement is reached by the State and the Contractor. Such manpower additions, as well as general orders, shall be based on a case by case survey of the properties in question.
- e. Submit a package containing names of all guards and each guard's certification of training, whether temporary or permanent, who will be performing duties under any contract that results from this invitation to bid, **prior to** contract taking effect to the CLIENT AGENCY Contract Administrator and Purchasing Operations. In addition, the packages provided shall also include results of pre-employment drug testing.
- f. **A minimum of 48 hours prior** to introduction of new personnel, temporary or permanent, Contractor shall provide replacement guard's name and certification of training to the CLIENT AGENCY Contract Administrator. In addition, the CLIENT AGENCY Contract Administrator shall also be provided the results of pre-employment drug testing.
- g. Replace any employee immediately upon notification by Michigan State Police Private Security & Investigative Section that a criminal history exists disqualifying employee from employment based on the requirements of Act 330 PA 1968. Such employee may not be reassigned to any State location.
- h. Maintain copies of each guard's application and investigative reports and provide a training package for each guard as described in item C-III. Each guard must present a training package to the CLIENT AGENCY Contract Administrator prior to starting work at the facility. The agency reserves the right to accept or reject a given guard based on the information available. Contractor shall update each guard's information for agency files as necessary during the life of the contract.



- i. The contractor shall certify in writing to the on-site Contract Administrator, that guards assigned to locations encompassed within this contract have successfully passed urine drug(s) both pre-employment and random. The testing must include, but is not limited to the following analytes (drug groups): Amphetamines, Cannabinoids, Cocaine Metabolites, Opiates, and Phencyclidine. Random drug screens shall be conducted at least twice per year. Written verification from the laboratory that each assigned guard, due to be tested, has successfully passed the drug screen, shall be presented at the monthly meeting between the CLIENT AGENCY Contract Administrator and staff from the contractor's administrative office. In addition, the State reserves the right to see copies of actual test results from the laboratory. The contractor shall replace any employee immediately upon notification that they have failed their random drug screen. Such employee may not be reassigned to any other State location.
- j. The security supervisor shall be responsible for training all on-site personnel in the proper use of the emergency procedure manual at each location. Certification of such training shall be provided to the CLIENT AGENCY Contract Administrator prior to the introduction of personnel to the work site. Additionally, quarterly training updates shall be conducted by the security supervisor for all employees located at the work site. Certification of quarterly training shall be provided to the contract administrator.

#### 8. Training Requirements

- a. Security guards, including additional staff that will provide security in the absence of assigned guards or an emergency, shall be paid their hourly rate for all training hours. **TRAINING HOURS, IN-HOUSE AND ON-THE-JOB, REQUIRED TO COMPLY WITH THIS CONTRACT SHALL NOT BE BILLED TO THE STATE BUT SHALL BE PART OF CONTRACTOR'S OPERATIONAL OVERHEAD.** Upon award of contract a schedule of all training shall be provided to the CLIENT AGENCY Contract Administrator. A representative from the agency may attend training sessions at their discretion.
- b. All security guards shall have a minimum of 16 hours classroom training prior to providing security for the State of Michigan. Guards shall be compensated for training at the wages stipulated in this contract (Section C-VI); however, training hours shall not be billed to the State of Michigan, training costs shall be incurred by the vendor. Classroom training shall include, but not be limited to, the following subjects:
  - 1). Company and Position Orientation - MINIMUM 6 HOURS  
Minimum uniform requirements and appearance  
Limits of authority and employment  
Persons or authorities to be contacted in emergencies or unusual occurrences  
Licensee or parent company structure which affect guard's duties  
Guard courtesy and public demeanor  
Report writing
  - 2). Defensive Tactics - MINIMUM 8 HOURS  
Self-defense  
Correct use of restraining devices  
Pressure point training  
Verbal/Sensitivity training
  - 3). Emergency Preparedness - MINIMUM 2 HOURS  
General responsibilities regarding: medical emergencies-response, crowd control, exposure to bodily fluid, fire prevention & safety, bomb threats, searches & types, weather emergencies, chemical spills, leaks & related waste and evacuation procedures.
  - 4). Additionally, no less than sixteen (16) hours on-the-job training for their specific site shall be required during which time the new guard shall be under the immediate supervision of an experienced guard service supervisor.



Alternatively, the above requirements (2-3) may be waived by the state (at the State's discretion) for experienced security guards with documented training meeting the hours as specified. On-the-job training may be waived by the state (at the State's discretion) for guards who have been providing adequate service at the site(s) in question.

- c. The contractor shall allow security guards to participate in special training programs which may be offered by the department, during normal work hours.
- d. The contractor is encouraged to participate in maintenance training of the above requirements 2-4. on an annual basis.

The contractor shall certify to the Purchasing Operations and CLIENT AGENCY that the above training requirements have been met, by completing the Attachment "A" Certification, listing the names of all guards who will be assigned to this contract. This certification shall also indicate the areas of instruction, the date of instruction and the names of instructor(s).

The contractor shall also certify to the Purchasing Operations and CLIENT AGENCY that the drug screening requirements have been met, by submitting to the CLIENT AGENCY Contract Administrator and Purchasing Operations the results from the urine drug screen (both pre-employment and random) prior to the execution of the contract.

A training package shall be maintained and provided, within twenty-four (24) hours of request from the State, for each employee used to fulfill this contract. The training package shall contain at a minimum, the following information:

1. A copy of Appendix "A" which was submitted to the CLIENT AGENCY and Purchasing Operations.
2. Copy of a valid drivers license.
3. Sufficient resume information about named guard to show evidence of compliance with educational and physical requirements of contract stipulations.
4. List of classes taken by this individual, together with the dates of completion of each subject covered in the training provided by employing guard company, and names of instructors providing that training, showing fulfillment of training requirements.
5. Any other information considered pertinent to this position, i.e., optional first aid card & dates of training.
6. Guard identification card, together with a schedule for the completion of the required on-the-job training.

NOTE: CLIENT AGENCY on site Contract Administrator will retain copies of each assigned guard's training package on file at the location, so that verification of specification compliance is available to any State inspector at whatever time an unscheduled inspection may be required by Purchasing Operations or Department of State Police Private Security and Investigator Section.

## **1.202 STATE STAFF, ROLES, AND RESPONSIBILITIES**

General and specific orders detailing security guard duties at contract locations, shall be provided the contractor by the Contract Compliance Inspector prior to the term of the contract. These orders shall be deemed a portion of this contract and failure to carry out these orders shall be considered a violation of this contract.

The Contract Compliance Inspector or designatee may give additional written or oral instructions.

The CLIENT AGENCY. and/or Purchasing Operations reserves the right to meet with potential security officers and/or security supervisors prior to their assignment at any CLIENT AGENCY location.

CLIENT AGENCY reserves the right to conduct a back-ground investigation on potential security officers and/or security supervisors prior to their assignment at an CLIENT AGENCY. location. In addition, CLIENT AGENCY reserves the right to conduct additional back-ground investigation(s) on security officers and/or supervisors during the course of the contract as deemed necessary by CLIENT AGENCY. The agency reserves the right to accept, reject, or have replaced a given guard based on the information available. Name, drivers license number, and date of birth shall be provided for guard or supervisor proposed for this service.



The agency may require the contractor to immediately remove any of its employees from the agency's premises for just cause. Any and all such removals shall be made in the name of the contractor and all responsibilities will be assumed by the contractor. Any such guard shall not be placed in another State agency.

1. The agency shall supply, if applicable:

- a. All reporting forms as necessary, for the contract locations. For example:
  - 1) Major incident report.
  - 2) Register for authorized building entry/departure.
  - 3) Removal of physical property report.
  - 4) Lost and found envelope.
  - 5) Shift security summary.
- b. All necessary keys, a receipt for same to be signed by the contractor. Keys shall not be loaned or used for purposes other than official State business. Keys issued shall remain on the premises and not be taken home by an individual security guard.
- c. Lighting, sanitary facilities and necessary telephone communications. **NOTE:** Contractor shall reimburse the State for all personal call expense incurred by their employees.
- d. Names and telephone numbers of authorized personnel, including police, fire, etc., to be notified in the event of mechanical failure or emergencies.
- e. Designation of an on-site CLIENT AGENCY contract administrator(s) for the day to day administration of the services provided under the proposed contract.
- f. The CLIENT AGENCY on-site contract administrator(s) will meet monthly with staff from the contractor's administrative office to review reports, discuss the service level(s) provided, discuss the proficiency of security guards assigned, and discuss potential modification(s) to operating procedures.
- g. In the event that the contractor has issues that need to be discussed with CLIENT AGENCY, the designated CLIENT AGENCY contract administrator will meet with the vendor within 3 days of request.
- h. Training shall be provided by the designated CLIENT AGENCY Contract Administrator, if applicable, in:
  - 1) The correct operation of any security alarm system used at site.
  - 2) Supervisors in the proper use of on-site procedure manuals. Training updates shall be conducted as necessary, but not less than quarterly.
  - 3) Administration of written test to all supervisors and guards assigned to location(s) covered under this contract within two (2) weeks of guards assignment to facility. Random testing of procedures will be given at the Contractor Administrator's discretion. CLIENT AGENCY reserves the right to have guards and/ or supervisors who do not demonstrate an acceptable level of performance on the test to be removed from the site.
  - 4) The correct operation of security surveillance equipment used at site, if applicable.
- i. All other equipment and supplies necessary to meet the specifications of this contract shall be furnished by the contractor.

### 1.3 Project Plan

#### 1.301 PROJECT PLAN MANAGEMENT

Contractor shall propose a project plan for the services. Contractor shall present a project management plan, identifying methods, tools and processes proposed to oversee the services provided, address issues/changes as they may arise, and keep the appropriate parties apprised of progress.



### 1.302 REPORTS

Contractors shall describe their capabilities related to generating reports as referenced in the specifications. The contractor(s) shall submit an operational; report on a monthly basis to the Agency contract administrator. The monthly report shall include but is not limited to:

Summary of Incident Reports

Summary of Emergency Management Reports

Assignment of Personnel (i.e. which guards are at which location, if applicable,)

Re-Assignment of Personnel (i.e. when a guard is moved from one location to another, if applicable)

Time and Attendance Reports

Personnel Disciplinary Reports

## 1.4 Project Management

### 1.401 ISSUE MANAGEMENT

When issues or discrepancies against the specifications and terms of the contract occur, the Contract Compliance Inspector will contact the contractor's designated representative.

All issues or discrepancies must be taken care by a mutually agreed time period between the agency and the contractor. Agencies reserve the right to initiate vendor performance documentation in MAIN to record relevant performance activities.

If issues are not resolved in the designated time, the Contract Compliance Inspector will follow their agency's procedures for vendor performance resolution.

### 1.402 RESERVED

### 1.403 CHANGE MANAGEMENT

If a proposed contract change is approved by the Contract Compliance Inspector, the Contract Compliance Inspector will submit a request for change to the Department of Management and Budget, Purchasing Operations Buyer, who will make recommendations to the Director of Purchasing Operations regarding ultimate approval/disapproval of change request. If the DMB Purchasing Operations Director agrees with the proposed modification, and all required approvals are obtained (including State Administrative Board), the Purchasing Operations Buyer will issue an addendum to the Contract, via a Contract Change Notice. **Vendors who provide products or services prior to the issuance of a Contract Change Notice by the DMB Office of Purchasing Operations, risk non-payment for the out-of-scope/pricing products and/or services.**

## 1.5 Acceptance

### 1.501 CRITERIA

The following criteria will be used by the State to determine Acceptance of the Services provided under this SOW.

The contractor shall provide security guards who possess demonstrated ability to:

- a. Speak and understand English fluently.
- b. Understand and carry out oral and written instructions.
- c. Provide instruction on necessary rules, duties and functions.
- d. Recognize dangerous conditions about buildings and grounds and respond as necessary.
- e. Meet and deal courteously and effectively with the public.



- f. Have a knowledge of safety precautions and of fire prevention methods.
- g. Prepare clear, concise and complete written reports as required by building and/or location.
- h. Complete necessary forms in performance of duties as required by the State.
- i. Solve problems and de-escalate situations in a non-confrontational manner.
- j. Possess the ability to perform basic mathematical calculations, such as addition, subtraction, multiplication, and division as a minimum.
- k. Possess a valid Michigan Drivers License or valid Michigan I.D.

## 1.502 RESERVED

### 1.6 Compensation and Payment

Contractors are to quote the net hourly wage to be paid by the state as full compensation to perform the specified work. The total price of the bid will be the total estimated number of hours for the location(s) listed multiplied by the net hourly wage quoted by the Contractor.

In the event that additional service is required, the Contractor will be paid at the rate of one and one-half times the net hourly wage quoted for the first 48 hours of new service requested if less than 48 hours' advance notice had been given to the contractor. At the end of the 48 hour period, the rate of payment will revert to the net hourly wage quoted.

**BY COMPLETING AND SIGNING THIS QUOTATION (FORM DMB-285), CONTRACTOR PLEDGES AND AFFIRMS THAT NO GUARD IN THE EMPLOY OF CONTRACTOR COMPANY WILL BE COMPENSATED AT LESS THAN \$8.00 PER HOUR. CONTRACTOR FURTHER PLEDGES AND AFFIRMS THAT ANY OFFICER EMPLOYED AS A SUPERVISOR WILL BE PAID AT LEAST \$8.50 PER HOUR DURING THE LIFE OF THE CONTRACT, UNLESS OTHERWISE SPECIFIED AT A DIFFERENT HOURLY RATE INDICATED ON THE INDIVIDUAL PRICING PAGE(S).**

Employees shall be compensated at the minimum hourly rates stipulated in the contract. Payroll deductions for uniforms or other miscellaneous operating expenses will not be permitted.

The Contractor shall comply with Michigan's Payment of Wages and Fringe Benefits Act, Public Act 390 of 1978, as amended, being MCL 408.471 to 408.490. The Contractor's failure to pay wages required by this Contract and/or comply with Public Act 390 of 1978, as amended, shall be considered a material breach of this Contract. The State reserves the right to audit Contractor's records to verify that payment of wages is in compliance with this Contract and the Act. Unless otherwise notified by Purchasing Operations, the contractor shall submit to the appropriate buyer at Purchasing Operations, on a basis consistent with the guards payroll schedule, proof that the employees assigned by the contractor to the location(s) covered by this Contract have been paid wages in compliance with this Contract and the Act.

Invoices shall be for actual hours of security service provided. Separate invoices shall be issued for each building and/or location, if applicable. Invoices shall include contract number, hours billed, hourly rate and building and/or location name. Any additional hours shall be itemized on the invoice. Contractor shall attach documentation showing each guard's name, hours worked per day and total hours worked for billing period.

**TRAINING HOURS, IN-HOUSE AND ON-THE-JOB, REQUIRED TO COMPLY WITH THIS CONTRACT SHALL NOT BE BILLED TO THE STATE BUT SHALL BE PART OF CONTRACTOR'S OPERATIONAL OVERHEAD.**

The state would like to encourage vendors to submit a discount pricing structure that will take into account efficiencies gained if the state awards multiple locations to that same vendor.





For example, the state would expect to see a lower bill rate if a vendor is awarded five locations of work in one or more regions versus only one location in those regions.

If a vendor is bidding on \$100,000 of business in region two and is also considering bidding on an additional \$200,000 of business in region three, that vendor should consider offering a volume discount if that additional volume is realized. The advantage of offering that discount in the region two bid is that it will allow the state to consider future vendor discounts in awarding current business. It should not be assumed; however, that vendors only bidding on a small volume of business will not be awarded that business because they are not in a position to service more locations. The State realizes that the labor rate and benefit costs will not significantly decrease as volume increases. Therefore we suggest the discount would come from the markup portion where efficiencies will show up as volume increases.

An example would be that for every \$200,000 in annual volume the state would receive a discount of one percent off the total monthly bill.

<<<This is an example only>>>

Annual Billing                      Percent Discount

\$0-\$199,999	0%
\$200,000 – \$399,999	1%
\$400,000 – \$599,999	2%
\$600,000 – \$799,999	3%
\$800,000 – \$999,999	4%
\$1,000,000 and up	5%

Annual Billing	Proposed Percent Discount (%)
\$0-\$199,999	
\$200,000 – \$399,999	
\$400,000 – \$599,999	
\$600,000 – \$799,999	
\$800,000 – \$999,999	
\$1,000,000 and up	

## 1.7 Additional Terms and Conditions Specific to this SOW

### GENERAL INFORMATION

#### Definitions:

- a. "State" means the State of Michigan.
- b. "Department" means the Department of Management and Budget of the State of Michigan.
- c. "Director" means the State Purchasing Director.
- d. "Agency" means the unit of State government covered by this contract.
- e. "Representative" means the person designated by the agency to coordinate and supervise the security service.
- f. "Contractor" means a person, firm or corporation licensed by the Michigan State Police to provide security services.
- g. "Security Guard" means a person employed by the contractor, who provides protection as described in paragraph 1 above, and who also meets the requirements of Act 330 of the Public Acts of 1968, as amended, and the requirements of these specifications.

**APPENDIX A**

**CERTIFICATION OF COMPLIANCE TO SPECIFICATIONS**  
**SECURITY GUARD SERVICE**  
**STATE OF MICHIGAN**

**ITB NUMBER: 071I6200003**

**FACILITY LOCATION: - (County/District Name)**

THE UNDERSIGNED DOES HEREBY CERTIFY THAT ALL SERVICES PROVIDED TO THE STATE OF MICHIGAN SHALL BE IN FULL COMPLIANCE WITH THE PUBLISHED SPECIFICATIONS OF THE CONTRACT AGREEMENT AND, FURTHER, THAT ALL GUARDS ASSIGNED TO ANY STATE FACILITY FULLY MEET THE TRAINING REQUIREMENTS OF THE CONTRACT SPECIFICATIONS.

CONTRACTOR ACKNOWLEDGES THAT ALL INFORMATION PROVIDED HEREIN SHALL BE AVAILABLE FOR REVIEW BY THE MICHIGAN DEPARTMENT OF STATE POLICE, PRIVATE SECURITY AND INVESTIGATIVE SECTION. ANY FALSIFICATION OF TRAINING RECORDS OR FAILURE TO PERFORM SERVICES IN ACCORDANCE WITH THE SPECIFICATIONS OF THE CONTRACT AGREEMENT MAY RESULT IN ENFORCEMENT ACTION BY THE DEPARTMENT OF STATE POLICE AGAINST THE GUARD SERVICE LICENSE HOLDER IN ACCORDANCE WITH PUBLIC ACT 330 OF 1968, AS AMENDED.

<u>NAME OF GUARD</u>	<u>BIRTH DATE</u>	<u>TRNG. COMPL. DATE</u>	<u>INSTRUCTOR'S NAME*</u>
----------------------	-------------------	--------------------------	---------------------------

1)	_____
2)	_____
3)	_____
4)	_____
5)	_____
6)	_____
7)	_____
8)	_____
9)	_____
10)	_____
11)	_____
12)	_____
13)	_____
14)	_____
15)	_____
16)	_____
17)	_____
18)	_____
19)	_____
20)	_____

LICENSE NUMBER \_\_\_\_\_  
 COMPANY NAME \_\_\_\_\_  
 LICENSE HOLDER SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

Upon award of Contract, a copy of this certification must be sent to the agency Contract Compliance Inspector and to the DMB Buyer listed below

DMB, Purchasing Operations  
 Mason Building, P.O. 30026  
 Lansing, Mi. 48909

Contract Compliance Inspector  
 (Location ) Office  
 (Address)

\*A current resume of qualification and background must be attached for each named instructor.





**Article 1, Attachment A**  
**Pricing**  
**Contract No. 071B8200029**  
**Security Guard Service Region 1**  
**MDOC - Muskegon Parole**

Item #	Unit	Qty.	Description	Unit Price
001	HR	1,944 hrs	Guard Service for MDOC - Muskegon Parole, 985 E. Barney St. Muskegon, MI 49444	\$10.81

Service shall be in accordance with the attached terms, conditions, specifications and guard schedule detailed below.

One (1) guard per day

Three (3) days per week Tuesday through Thursday with the exception of legal holidays

One (1) guard 8:00 a.m. to 5:00 p.m.

Total Guard Hours Per Day: 9 hours

Guards shall be given a (30) minute paid lunch break for each shift. However, guards are required to remain on site at the metal detector and to respond to all individuals passing through the metal detector and to any emergencies during their lunch break.

Guards are to be trained on the Garrett PD 6500I Metal Detector (walk-through) and the Garrett Super Scanner Metal Detectors (hand held).

Guards are not required to perform pat downs. If the metal detector alarm sounds, the guards are to work with the individual to discover the source and pass through the metal detector again. If upon further pass through of the metal detector, the alarm still sounds, the next step is to use the wand to pin point the location of the source. If a pat down is required, the guards are to ask a State employee to perform the pat down. If an individual is not cooperative through this process or a weapon is discovered the guards are required to ask a State employee to assist.

Mandatory State training may be required as deemed necessary by Field Operations Administration.

**Contact Person for Corporate Security Solutions, Inc.:**

NAME/TITLE: C. Andrew Shaffer  
 TELEPHONE: 616.248.3372  
 FACSIMILE: 616.464.7313  
 TOLL FREE #: 866.462.7786  
 E-MAIL: ashaffer@gocss.com



**Article 1, Attachment A**  
**Pricing**  
**Contract No. 071B8200029**  
**Security Guard Service Region 1**  
**MDOC - Kent Parole**

<u>Item #</u>	<u>Unit</u>	<u>Qty.</u>	<u>Description</u>	<u>Unit Price</u>
001	HR	3,240 hrs	Guard Service for MDOC - Kent Parole , State Office Building 1 Division NW Grand Rapids, MI 49503	<u>\$10.81</u>

Service shall be in accordance with the attached terms, conditions, specifications and guard schedule detailed below.

One (1) guard per day

Five (5) days per week Monday through Friday with the exception of legal holidays

One (1) guard 8:00 a.m. to 5:00 p.m.

Total Guard Hours Per Day: 9 hours

Guards shall be given a (30) minute paid lunch break for each shift. However, guards are required to remain on site at the metal detector and to respond to all individuals passing through the metal detector and to any emergencies during their lunch break.

Guards are to be trained on the Garrett PD 6500I Metal Detector (walk-through) and the Garrett Super Scanner Metal Detectors (hand held).

Guards are not required to perform pat downs. If the metal detector alarm sounds, the guards are to work with the individual to discover the source and pass through the metal detector again. If upon further pass through of the metal detector, the alarm still sounds, the next step is to use the wand to pin point the location of the source. If a pat down is required, the guards are to ask a State employee to perform the pat down. If an individual is not cooperative through this process or a weapon is discovered the guards are required to ask a State employee to assist.

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NAME/TITLE: C. Andrew Shaffer  
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 TOLL FREE #: 866.462.7786  
 E-MAIL: ashaffer@gocss.com



## Article 2 – General Terms and Conditions

### 2.0 Introduction

#### 2.001 GENERAL PURPOSE

The Contract is for **Security Guard Services in Region 1 for Multiple Agencies and Locations** for the State of Michigan. Exact quantities to be purchased are unknown, however the Contractor will be required to furnish all such materials and services as may be ordered during the CONTRACT period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by various State Agencies on the Purchase Order Contract Release Form. Bids are due and will be publicly identified at the time noted on the Invitation To Bid (ITB) Form.

#### 2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Purchasing Operations, State of Michigan, Department of Management and Budget, hereinafter known as Purchasing Operations, for multiple State Agencies identified within this document. Where actions are a combination of those of Purchasing Operations and the State agencies, the authority will be known as the State.

Purchasing Operations is the sole point of contact in the State with regard to all procurement and contractual matters relating to the commodities and/or services described herein. Purchasing Operations is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Purchasing Operations will remain the SOLE POINT OF CONTACT throughout the procurement process.

**Contractor proceeds at its own risk if it takes negotiation, changes, modification, alterations, amendments, clarification, etc., of the specifications, terms, or conditions of the contract from any individual or office other than Purchasing Operations and the listed contract administrator**

All communications covering this procurement must be addressed to contract administrator indicated below:

Lymon C. Hunter, CPPB  
Office of Purchasing Operations  
Department of Management and Budget  
Mason Bldg, 2nd Floor  
PO Box 30026  
Lansing, MI 48909  
HunterL@Michigan.Gov  
517.241.1145

#### 2.003 NOTICE

Any notice given to a party under this Contract must be written and shall be deemed effective, if addressed to such party as addressed below upon (i) delivery, if hand delivered; (ii) receipt of a confirmed transmission by facsimile if a copy of the notice is sent by another means specified in this section; (iii) the third (3rd) Business Day after being sent by U.S. mail, postage pre-paid, return receipt requested; or (iv) the next Business Day after being sent by a nationally recognized overnight express courier with a reliable tracking system.



## 2.004 CONTRACT TERM

The term of this Contract will be for 15 months and will commence with the issuance of a Contract. This will be approximately **10/01/07 through 1/15/09**.

**Option.** The State reserves the right to exercise **2 one-year options**, at the sole option of the State. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing Operations to exercise an option year.

**Extension.** At the sole option of the State, the contract may also be extended. Contractor performance, quality of products, price, cost savings, and the contractor's ability to deliver on time are some of the criteria that will be used as a basis for any decision by Purchasing Operations to exercise an option year.

Written notice will be provided to the Contractor within 30-days, provided that the State gives the Contractor a preliminary written notice of its intent to extend at least 60 days before the contract expires. The preliminary notice does not commit the Government to an extension. If the Government exercises this option, the extended contract shall be considered to include this option clause.

## 2.005 GOVERNING LAW

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

## 2.006 APPLICABLE STATUTES

The following statutes, rules, and laws are applicable to the performance of this contract; some statutes are reflected in the clauses of this contract. This list is NOT exhaustive.

MI Uniform Commercial Code (MIUCC) MCL 440. (All sections unless otherwise altered by agreement)

MI OSHA MCL §§ 408.1001 – 408.1094

Freedom of Information Act (FIOA) MCL §§ 15.231, et seq.

Natural Resources and Environmental Protection Act MCL §§ 324.101, et seq.

MI Consumer Protection Act MCL §§ 445.901 – 445.922

Laws relating to wages, payments of wages, and fringe benefits on state projects MCL §§ 408.551 – 408.558, 408.471 – 408.490, 1965 PA 390.

Department of Civil Service Rules and regulations

Elliot Larsen Civil Rights Act MCL §§ 37.2201, et seq.

Persons with disabilities Civil Rights Act MCL §§ 37.1101, et seq.

MCL §§ 423.321, et seq.

MCL § 18.1264 (law regarding debarment)

Davis-Bacon Act (DBA) 40 USCU §§ 276(a), et seq.

Contract Work Hours and Safety Standards Act (CWHSA) 40 USCS § 327, et seq.

Business Opportunity Act for Persons with Disabilities MCL §§ 450.791 – 450.795

Rules and regulations of the Environmental Protection Agency

Internal Revenue Code

Rules and regulations of the Equal Employment Opportunity Commission (EEOC)

The Civil Rights Act of 1964, USCS Chapter 42

Title VII, 42 USCS §§ 2000e et seq.

The Americans with Disabilities Act (ADA), 42 USCS §§ 12101 et seq.



The Age Discrimination in Employment Act of 1967 (ADEA), 29 USCS §§ 621, 623 et seq.  
The Old Workers Benefit and Protection Act of 1990 (OWBPA), 29 USCS §§ 626, et seq.  
The Family Medical Leave Act of 1993 (FMLA), 29 USC §§ 651 et seq.  
The Fair Labor Standards Act (FLSA), 29 USC §§ 201 et seq.  
Pollution Prevention Act of 1990 (PPA) 42 U.S.C. §13106  
Sherman Act, 15 U.S.C.S. § 1 et seq.  
Robinson-Patman Act, 15 U.S.C.S. § 13 et. seq.  
Clayton Act, 15 U.S.C.S. § 14 et seq.

## **2.007 RELATIONSHIP OF THE PARTIES**

The relationship between the State and the Contractor is that of client and independent Contractor. No agent, employee, or servant of the Contractor or any of its subcontractors shall be or shall be deemed to be an employee, agent, or servant of the State for any reason. 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 this Contract.

## **2.008 HEADINGS**

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

## **2.009 MERGER**

This document constitutes the complete, final, and exclusive agreement between the parties. All other prior writings and negotiations are ineffective.

## **2.010 SEVERABILITY**

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

## **2.011 SURVIVORSHIP**

Any provisions of the Contract that impose continuing obligations on the parties including, but not limited to the Contractor's indemnity and other obligations shall survive the expiration or cancellation of the Contract for any reason.

## **2.012 NO WAIVER OF DEFAULT**

The failure of a party to insist upon strict adherence to any term of the Contract shall not be considered a waiver or deprive the party of the right thereafter to insist upon strict adherence to that term or any other term of the Contract.

**2.013 PURCHASE ORDERS**

Orders for delivery of commodities and/or services may be issued directly by the State Departments through the issuance of a Purchase Order Form referencing this Contract (Blanket Purchase Order) agreement and the terms and conditions contained herein. Contractor is asked to reference the Purchase Order Number on all invoices for payment.

**2.1 Vendor/Contractor Obligations****2.101 ACCOUNTING RECORDS**

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

**2.102 NOTIFICATION OF OWNERSHIP**

The Contractor shall make the following notifications in writing:

1. When the Contractor becomes aware that a change in its ownership or officers has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the Contractor shall notify Purchasing Operations within 30 days.
2. The Contractor shall also notify the Purchasing Operations within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership or officers.

The Contractor shall:

1. Maintain current, accurate, and complete inventory records of assets and their costs;
2. Provide Purchasing Operations or designated representative ready access to the records upon request;
3. Ensure that all individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the Contractor's ownership or officer changes; and
4. Retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each Contractor ownership or officer change.

**2.103 RESERVED****2.104 RESERVED****2.105 RESERVED****2.106 RESERVED****2.107 PAYROLL AND BASIC RECORDS**

Payrolls and basic records relating to the performance of this contract shall be maintained by the Contractor during the course of the work and preserved for a period of 3 years thereafter for all laborers and mechanics working at the site of the work. Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or costs anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made, and actual wages paid. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

The Contractor shall submit a copy of all payrolls to the Contract Administrator upon request. The payrolls submitted shall set out accurately and completely all of the information required to be maintained as indicated above.

The Prime Contractor is responsible for the submission of copies of payrolls by all subcontractors upon request from the Contract Administrator

The Contractor or subcontractor shall permit the Contract Administrator or representatives of the Contract Administrator or the State of Michigan to interview employees during working hours on the job.

If the Contractor or subcontractor fails to submit required records or to make them available, the Contract Administrator may, after written notice to the Contractor, take such action as may be necessary to cause the suspension of any further payment. Furthermore, failure to submit the required records upon request or to make such records available may be grounds for debarment.

**2.108 COMPETITION IN SUB-CONTRACTING**

The Contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

**2.109 RESERVED****2.2 Contract Performance****2.201 TIME IS OF THE ESSENCE**

Contractor/Vendor is on notice that time is of the essence in the performance of this contract. Late performance will be considered a material breach of this contract, giving the State a right to invoke all remedies available to it under this contract.

**2.202 CONTRACT PAYMENT SCHEDULE**

All invoices should reflect actual work done. Specific details of invoices and payments will be agreed upon between the Contract Compliance Inspector and the Contractor after the proposed Contract Agreement has been signed and accepted by both the Contractor and the Director of Purchasing Operations, Department of Management & Budget. This activity will occur only upon the specific written direction from Purchasing Operations.

**2.203 POSSIBLE PROGRESS PAYMENTS**

The Government may make progress payments to the Contractor when requested as work progresses, but not more frequently than monthly, in amounts approved by the Contract Administrator, after negotiation. Contractor must show verification of measurable progress at the time of requesting progress payments.

**2.204 RESERVED****2.205 ELECTRONIC PAYMENT AVAILABILITY**

Electronic transfer of funds is available to State contractors. Vendors are encouraged to register with the State of Michigan Office of Financial Management so the State can make payments related to this Contract electronically at [www.cpexpress.state.mi.us](http://www.cpexpress.state.mi.us). Effective October 1, 2005, Act 533 of 2004 requires that all State contracts for the purchase of goods or services provide payments be made by electronic funds transfer (EFT).

**2.206 RESERVED****2.212 Termination for Convenience**

The State may terminate this Contract for its convenience, in whole or part, if the State determines that such a termination is in the State's best interest. Reasons for such termination shall be left to the sole discretion of the State and may include, but not necessarily be limited to (a) the State no longer needs the Services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Services no longer practical or feasible, (c) unacceptable prices for Additional Services or New Work requested by the State, 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, in whole or in part, by giving Contractor written notice at least thirty (30) days prior to the date of termination. If the State chooses to terminate this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those Services/Deliverables that are terminated. Services and related provisions of this Contract that are terminated for cause shall cease on the effective date of the termination.

**2.3 Contract Rights and Obligations****2.301 INCURRING COSTS**

The State of Michigan is not liable for any cost incurred by the Contractor prior to signing of the Contract. The State fiscal year is October 1st through September 30th. The Contractor(s) should realize that payments in any given fiscal year are contingent upon enactment of legislative appropriations. Total liability of the State is limited to terms and conditions of the Contract.



**2.302 CONTRACTOR RESPONSIBILITIES**

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

**2.303 ASSIGNMENT AND DELEGATION**

The Contractor shall not have the right to assign this Contract, to assign its rights under this contract, or delegate any of its duties or obligations under the Contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this Section shall be null and void. Further, the Contractor may not assign the right to receive money due under the Contract without the prior written consent of the Director of Purchasing Operations.

The Contractor shall not delegate any duties or obligations under the Contract to a subcontractor other than a subcontractor named and approved in the bid unless the Director of Purchasing Operations has given written consent to the delegation.

**Contractor must obtain the approval of the Director of Purchasing Operations before using a place of performance that is different from the address that Contractor provided in the bid.**

**2.304 TAXES**

Sales Tax: For purchases made directly by the State of Michigan, the State is exempt from State and Local Sales Tax. Prices shall not include such taxes. Exemption Certificates for State Sales Tax will be furnished upon request.

Federal Excise Tax: The State of Michigan may be exempt for Federal Excise Tax, or such taxes may be reimbursable, if articles purchased under this Contract are used for the State's exclusive use. Certificates exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent to the Contractor upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, prices shall not include the Federal Excise Tax.

The State's Tax Exempt Certification is available for vendor viewing upon request to the Contract Administrator.

**2.305 INDEMNIFICATION**General Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections, commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

1. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this Contract.
2. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the Contract;
3. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or related to occurrences that the Contractor is required to insure against as provided for in this Contract;
4. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
5. Any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

Patent/Copyright Infringement Indemnification

To the fullest extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State, its employees and agents from and against all losses, liabilities, damages (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's opinion be likely to become the subject of a claim of infringement, the Contractor shall at the Contractor's sole expense



(i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such 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.

#### Code Indemnification

To the extent permitted by law, the Contractor shall indemnify, defend and hold harmless the State from any claim, loss, or expense arising from Contractor's breach of the No Surreptitious Code Warranty.

#### Indemnification Obligation Not Limited

In any and all claims against the State of Michigan, or any of its agents or employees, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the Contract shall 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 benefits acts, or other employee benefits acts. This indemnification clause is intended to be comprehensive. Any overlap in sub clauses, 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 sub clause.

#### Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and affect notwithstanding the expiration or early termination of the Contract with respect to any claims based on facts or conditions, which occurred prior to termination.

#### Indemnification Procedures

The procedures set forth below shall apply to all indemnity obligations under this Contract.

- (a) After receipt by the State of notice of the action or proceeding involving a claim in respect of which it will seek indemnification, the State shall promptly notify Contractor of such claim in writing and take or assist Contractor in taking, as the case may be, any reasonable action to avoid the imposition of a default judgment against Contractor. No failure to so notify Contractor shall relieve Contractor of its indemnification obligations except to the extent that Contractor can demonstrate damages attributable to such failure. Within ten (10) days following receipt of written notice from the State relating to any claim, Contractor shall notify the State in writing whether Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying Contractor of a claim and prior to the State receiving Contractor's Notice of Election, the State shall be entitled to defend against the claim, at Contractor's expense, and Contractor will be responsible for any reasonable costs incurred by the State in defending against the claim during such period.
- (b) If Contractor delivers a Notice of Election relating to any claim: (i) the State shall be entitled to participate in the defense of such claim and to employ counsel at its own expense to assist in the handling of such claim and to monitor and advise the State about the status and progress of the Defense; (ii) Contractor shall, at the request of the State, demonstrate to the reasonable satisfaction of the State, Contractor's financial ability to carry out its defense and indemnity obligations under this Contract;



(iii) Contractor shall periodically advise the State about the status and progress of the defense and shall obtain the prior written approval of the State before entering into any settlement of such claim or ceasing to defend against such claim and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State shall have the right, at its own expense, to control the defense of that portion of such claim involving the principles of Michigan governmental or public law. Notwithstanding the foregoing, the State may retain control of the defense and settlement of a claim by written notice to Contractor given within ten (10) days after the State's receipt of Contractor's information requested by the State pursuant to clause (ii) of this paragraph if the State determines that Contractor has failed to demonstrate to the reasonable satisfaction of the State Contractor's financial ability to carry out its defense and indemnity obligations under this Section. Any litigation activity on behalf of the State of Michigan, or any of its subdivisions pursuant to this Section, must be coordinated with the Department of Attorney General. In the event the insurer's attorney represents the State pursuant to 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 Contractor does not deliver a Notice of Election relating to any claim of which it is notified by the State as provided above, the State shall have the right to defend the claim in such manner as it may deem appropriate, at the cost and expense of Contractor. If it is determined that the claim was one against which Contractor was required to indemnify the State, upon request of the State, Contractor shall promptly reimburse the State for all such reasonable costs and expenses.

#### **2.306 LIMITATION OF LIABILITY**

Except as set forth herein, neither the Contractor nor the State shall be liable to the other party for indirect or consequential damages, even if such party has been advised of the possibility of such damages. Such limitation as to indirect or consequential damages shall not apply to claims for infringement of United States patent, copyright, trademarks 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; to Contractor's indemnification obligations (2.305); or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on this Contract.

The State's liability for damages to the Contractor shall be limited to the value of the Contract.

#### **2.307 CONTRACT DISTRIBUTION**

Purchasing Operations shall retain the sole right of Contract distribution to all State agencies and local units of government unless other arrangements are authorized by Purchasing Operations.

#### **2.308 FORM, FUNCTION, AND UTILITY**

If the Contract is for use of more than one State agency and if the good or service provided under this Contract do not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the good or service from another source.

#### **2.309 ASSIGNMENT OF ANTITRUST CAUSE OF ACTION**

For and in consideration of the opportunity to submit a quotation and other good and valuable consideration, the Contractor hereby assigns, sells and transfers to the State of Michigan all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of payment and which relate solely to the particular goods, commodities, or services purchased or procured by this State pursuant to this transaction.

**2.310 RESERVED****2.311 TRANSITION ASSISTANCE**

If this Contract is not renewed at the end of this term, or is canceled prior to its expiration, for any reason, the Contractor must provide for up to 60-days after the expiration or cancellation of this Contract, all reasonable transition assistance requested by the State, to allow for the expired or canceled portion of the Services to continue without interruption or adverse effect, and to facilitate the orderly transfer of such services to the State or its designees. Such transition assistance will be deemed by the parties to be governed by the terms and conditions of this Contract, (notwithstanding this expiration or cancellation) except for those Contract terms or conditions that do not reasonably apply to such transition assistance. The State shall pay the Contractor for any resources utilized in performing such transition assistance at the most current rates provided by the Contract for Contract performance.

**2.312 RESERVED****2.313 RESERVED****2.314 WEBSITE INCORPORATION**

State expressly states that it will not be bound by any content on the Contractor's website, even if the Contractor's documentation specifically referenced that content and attempts to incorporate it into any other communication, unless the State has actual knowledge of such content and has expressly agreed to be bound by it in a writing that has been manually signed by an authorized representation of the State.

**2.4 Contract Review and Evaluation****2.401 CONTRACT COMPLIANCE INSPECTOR**

Upon receipt at Purchasing Operations of the properly executed Contract Agreement(s), the person named below will be allowed to oversee the Contract performance on a day-to-day basis during the term of the Contract. However, overseeing the Contract implies **no authority to negotiate, change, modify, clarify, amend, or otherwise alter the terms, conditions, and specifications of such Contract(s). That authority is retained by Purchasing Operations.** The Contract Compliance Inspector(s) for this project are:

(Insert Name of Point of Contact)	(Insert Department Name) (Insert Division Name)	(Insert Address)	(Insert Email and Phone)
Tod Bailey	MDOC, Kent Parole	Kent Parole State Office Building 1 Division NW Grand Rapids, MI 49503	baileyti1@michigan.gov 616-356-0031
Kathy Danhof	MDOC, Muskegon Parole	Muskegon Parole 985 E. Barney St Muskegon, MI 49444	danhofka@michigan.gov 231-728-3926 x17

**2.402 PERFORMANCE REVIEWS**

Purchasing Operations in conjunction with the client agency may review with the Contractor their performance under the Contract. Performance reviews shall be conducted quarterly, semi-annually or annually depending on Contractor's past performance with the State.



Performance reviews shall include, but not limited to, quality of products/services being delivered and provided, timeliness of delivery, percentage of completion of orders, the amount of back orders, status of such orders, accuracy of billings, customer service, completion and submission of required paperwork, the number of substitutions and the reasons for substitutions, and other requirements of the Contract.

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

#### **2.403 AUDIT OF CONTRACT COMPLIANCE/ RECORDS AND INSPECTIONS**

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

### **2.5 Quality and Warranties**

#### **2.501 RESERVED**

#### **2.502 RESERVED**

#### **2.503 RESERVED**

#### **2.504 RESERVED**

#### **2.505 CONTRACTOR WARRANTIES**

The Contract will contain customary representations and warranties by the Contractor, including, without limitation, the following:

1. The Contractor will perform all services in accordance with high professional standards in the industry;
2. The Contractor will use adequate numbers of qualified individuals with suitable training, education, experience and skill to perform the services;
3. The Contractor will use its best efforts to use efficiently any resources or services necessary to provide the services that are separately chargeable to the State;
4. The Contractor will use its best efforts to perform the services in the most cost effective manner consistent with the required level of quality and performance;
5. The Contractor will perform the services in a manner that does not infringe the proprietary rights of any third party;
6. The Contractor will perform the services in a manner that complies with all applicable laws and regulations;
7. The Contractor has duly authorized the execution, delivery and performance of the Contract;
8. The Contractor is capable in all respects of fulfilling and shall fulfill all of its obligations under this contract.



9. The contract appendices, attachments, and exhibits identify all equipment and software services necessary for the deliverable(s) to perform and operate in compliance with the contract's requirements.
10. The Contractor is the lawful owner or licensee of any Deliverable licensed or sold to the state by Contractor or developed by Contractor under this contract, and Contractor has all of the rights necessary to convey to the state the ownership rights or license use, as applicable, of any and all Deliverables.
11. If, under this Contract, Contractor procures any equipment, software or other Deliverable for the State (including equipment, software and other Deliverables manufactured, re-marketed or otherwise sold by Contractor under Contractor's name), then in addition to Contractor's other responsibilities with respect to such items as set forth in this Contract, Contractor shall assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable.
12. The contract signatory has the power and authority, including any necessary corporate authorizations, necessary to enter this contract, on behalf of Contractor.
13. The Contractor is qualified and registered to transact business in all locations where required.
14. Neither the Contractor nor any Affiliates, nor any employee of either, has, shall have, or shall acquire, any contractual, financial, business, or other interest, direct or indirect, that would conflict in any manner or degree with Contractor's performance of its duties and responsibilities to the State under this Contract or otherwise create an appearance of impropriety with respect to the award or performance of this Agreement. Contractor shall notify the State within two (2) days of any such interest that may be incompatible with the interests of the State.
15. All financial statements, reports, and other information furnished by Contractor to the State as part of its response to the ITB or otherwise in connection with the award of this Contract fairly and accurately represent the business, properties, financial condition, and results of operations of Contractor as of the respective dates, or for the respective periods, covered by such financial statements, reports, other information. Since the respective dates or periods covered by such financial statements, reports, or other information, there have been no material adverse changes in the business, properties, financial condition, or results of operations of Contractor. All written information furnished to the State by or behalf of Contractor in connection with this Contract, including its bid, is true, accurate, and complete, and contains no untrue statement of material fact or omits any material fact necessary to make such information not misleading.

## **2.506 STAFF**

The State reserves the right to approve the Contractor's assignment of Key Personnel to this project and to recommend reassignment of personnel deemed unsatisfactory by the State.

The Contractor shall not remove or reassign, without the State's prior written approval any of the Key Personnel until such time as the Key Personnel have completed all of their planned and assigned responsibilities in connection with performance of the Contractor's obligations under this Contract. The Contractor agrees that the continuity of Key Personnel is critical and agrees to the continuity of Key Personnel. Removal of Key Personnel without the written consent of the State may be considered by the State to be a material breach of this Contract. The prohibition against removal or reassignment shall not apply where Key Personnel must be replaced for reasons beyond the reasonable control of the Contractor including but not limited to illness, disability, resignation or termination of the Key Personnel's employment.





**2.507 RESERVED**

**2.508 RESERVED**

**2.509 RESERVED**

## **2.6 Breach of Contract**

### **2.601 BREACH DEFINED**

Failure to comply with articles, sections, or subsections of this agreement, or making any false statement in this agreement will be considered a material breach of this agreement giving the state authority to invoke any and all remedies available to it under this agreement.

### **2.602 NOTICE AND THE RIGHT TO CURE**

In the event of a curable breach by the Contractor, the State shall provide the Contractor written notice of the breach and a time period to cure said breach described in the notice. This section requiring notice and an opportunity to cure shall not be applicable in the event of successive or repeated breaches of the same nature or if the State determines in its sole discretion that the breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage or destruction of any real or tangible personal property.

### **2.603 EXCUSABLE FAILURE**

1. Neither party shall be liable for any default or delay in the performance of its obligations under the Contract if and to the extent such default or delay is caused, directly or indirectly, by: fire, flood, earthquake, elements of nature or acts of God; riots, civil disorders, rebellions or revolutions in any country; the failure of the other party to perform its material responsibilities under the Contract (either itself or through another contractor); 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 such party; provided the non-performing party and its subcontractors are without fault in causing such default or delay, and such 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. In such event, the non-performing party will be excused from any further performance or observance of the obligation(s) so affected for as long as such circumstances prevail and such party continues to use its best efforts to recommence performance or observance whenever and to whatever extent possible without delay provided such party promptly notifies the other party in writing of the inception of the excusable failure occurrence, and also of its abatement or cessation.
2. If any of the above enumerated circumstances substantially prevent, hinder, or delay performance of the services necessary for the performance of the State's functions for more than 14 consecutive days, and the State determines that performance is not likely to be resumed within a period of time that is satisfactory to the State in its reasonable discretion, then at the State's option: (a) the State may procure the affected services from an alternate source, and the State shall not be liable for payments for the unperformed services under the Contract for so long as the delay in performance shall continue; (b) the State may cancel any portions of the Contract so affected and the charges payable hereunder shall be equitably adjusted to reflect those services canceled; or (c) the Contract will be canceled without liability of the State to the Contractor as of the date specified by the State in a written notice of cancellation to the Contractor. The Contractor will not have the right to any additional payments from the State as a result of any excusable failure occurrence or to payments for services not rendered as a result of the excusable failure condition.





Defaults or delays in performance by the Contractor which are caused by acts or omissions of its subcontractors will not relieve the Contractor of its obligations under the Contract except to the extent that a subcontractor is itself subject to any excusable failure condition described above 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.

## 2.7 Remedies

### 2.701 CANCELLATION

The State may cancel this Contract without further liability or penalty to the State, its departments, divisions, agencies, offices, commissions, officers, agents, and employees for any of the following reasons:

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

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

In the event the State chooses to partially cancel this Contract for cause charges payable under this Contract will be equitably adjusted to reflect those services that are cancelled.

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

2. Cancellation For Convenience By the State. The State may cancel this Contract for its convenience, in whole or part, if the State determines that such a cancellation is in the State's best interest. Reasons for such cancellation shall be left to the sole discretion of the State and may include, but not limited to (a) the State no longer needs the services or products specified in the Contract, (b) relocation of office, program changes, changes in laws, rules, or regulations make implementation of the Contract services no longer practical or feasible, and (c) unacceptable prices for additional services requested by the State. The State may cancel the Contract for its convenience, in whole or in part, by giving the Contractor written notice 30 days prior to the date of cancellation. If the State chooses to cancel this Contract in part, the charges payable under this Contract shall be equitably adjusted to reflect those services that are cancelled.
3. Non-Appropriation. In the event that funds to enable the State to effect continued payment under this Contract are not appropriated or otherwise made available. The Contractor acknowledges that, if this Contract extends for several fiscal years, continuation of this Contract is subject to appropriation or availability of funds for this project. If funds are not appropriated or otherwise made available, the State shall have the right to cancel this Contract at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of cancellation to the Contractor. The State shall give the Contractor written notice of such non-appropriation or unavailability within 30 days after it receives notice of such non-appropriation or unavailability.



4. Criminal Conviction. In the event 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 incident to the application for or performance of a State, public or private Contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects upon the Contractor's business integrity.
5. Approvals Rescinded. The State may terminate this Contract without further liability or penalty in the event any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, section 5, and Civil Service Rule 7. Termination may be in whole or in part and may be immediate as of the date of the written notice to Contractor or may be effective as of the date stated in such written notice.

## 2.702 RIGHTS UPON CANCELLATION

**Termination Assistance.** If this Contract (or any Statement of Work issued under it) is terminated for any reason prior to completion, Contractor agrees to provide for up to six (6) months after the termination all reasonable termination assistance requested by the State to facilitate the orderly transfer of such Services to the State or its designees in a manner designed to minimize interruption and adverse effect. Such termination assistance will be deemed by the parties to be governed by the terms and conditions of this Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. Such termination assistance shall be at no additional charge to the State if the termination is for Contractor's Default pursuant to Section 2.602; otherwise the State shall compensate Contractor for such termination assistance on a time and materials basis in accordance with the Amendment Labor Rates identified within this Contract agreement.

## 2.703 LIQUIDATED DAMAGES

The parties acknowledge that security guard or supervisor failure to report to jobsite will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any such delay. Failure to report to jobsite is defined as no security guard on post two (2) hours after the scheduled shift start time. Therefore, Contractor and the State agree that in the case of any such security guard or supervisor failure to report to jobsite in respect of which the State does not elect to exercise its rights under **Section 2.305**, the State may assess liquidated damages against Contractor as specified in this Section. If security guard or supervisor failure to report to jobsite occurs, then the State shall be entitled to collect liquidated damages in the amount of \$500.00 and an additional \$100.00 per day for each day Contractor fails to remedy security guard or supervisor failure to report to jobsite.

## 2.704 STOP WORK

1. The State may, at any time, by written stop work order to the Contractor, require that the Contractor stop all, or any part, of the work called for by this Contract for a period of up to 90 days after the stop work order is delivered to the Contractor, and for any further period to which the parties may agree. The stop work order shall be specifically identified as such and shall indicate that it is issued under this section. Upon receipt of the stop work order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the stop work order during the period of work stoppage. Within the period of the stop work order, the State shall either:
  - a) Cancel the stop work order; or
  - b) Cancel the work covered by the stop work order as provided in the cancellation section of this Contract.



2. If a stop work order issued under this section is canceled or the period of the stop work order or any extension thereof expires, the Contractor shall resume work. The State shall make an equitable adjustment in the delivery schedule, the contract price, or both, and the Contract shall be modified, in writing, accordingly, if:
  - a) The stop work order results in an increase in the time required for, or in the Contractor's costs properly allocable to the performance of any part of this Contract; and
  - b) The Contractor asserts its right to an equitable adjustment within 30 days after the end of the period of work stoppage; provided, that if the State decides the facts justify the action, the State may receive and act upon a proposal submitted at any time before final payment under this Contract.
3. If the stop work order is not canceled and the work covered by the stop work order is canceled for reasons other than material breach, the State shall allow reasonable costs resulting from the stop work order in arriving at the cancellation settlement.
4. If a stop work order is not canceled and the work covered by the stop work order is canceled for material breach, the State shall not allow, by equitable adjustment or otherwise, reasonable costs resulting from the stop work order.

An appropriate equitable adjustment may be made in any related contract of the Contractor that provides for adjustment and is affected by any stop work order under this section. The State shall not be liable to the Contractor for loss of profits because of a stop work order issued under this section.

## **2.705 SUSPENSION OF WORK**

The Contract Administrator may order the Contractor, in writing, to suspend, delay, or interrupt all or any part of the work of this contract for the period of time that the Contract Administrator determines appropriate for the convenience of the Government.

If the performance of all or any part of the work is, for an unreasonable period of time, suspended, delayed, or interrupted (1) by an act of the Contract Administrator in the administration of this contract, or (2) by the Contract Administrator's failure to act within the time specified in this contract (or within a reasonable time if not specified), an adjustment shall be made for any increase in the cost of performance of this contract (excluding profit) necessarily caused by the unreasonable suspension, delay, or interruption, and the contract modified in writing accordingly. However, no adjustment shall be made under this clause for any suspension, delay, or interruption to the extent that performance would have been so suspended, delayed, or interrupted by any other cause, including the fault or negligence of the Contractor, or for which an equitable adjustment is provided for or excluded under any other term or condition of this contract.

A claim under this clause shall not be allowed:

- (1) For any costs incurred more than 20 days before the Contractor shall have notified the Contract Administrator in writing of the act or failure to act involved (but this requirement shall not apply as to a claim resulting from a suspension order); and
- (2) Unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the suspension, delay, or interruption, but not later than the date of final payment under the contract.

## **2.8 Changes, Modifications, and Amendments**

### **2.801 APPROVALS**

The Contract may not be modified, amended, extended, or augmented except by a writing executed by the parties hereto, and any breach or default by a party shall not be waived or released other than in writing signed by the other party.



## 2.802 TIME EXTENTIONS

Time extensions for contract changes will depend upon the extent, if any, by which the changes cause delay in the completion of the various elements of performance as described in the statement of work. The change order granting the time extension may provide that the contract completion date will be extended only for those specific elements related to the changed work and that the remaining contract completion dates for all other portions of the work will not be altered. The change order also may provide an equitable readjustment of liquidated damages under the new completion schedule.

## 2.803 MODIFICATION

Purchasing Operations reserves the right to modify this contract at any time during the contract term. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, addition or deletion of items, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases. **IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.**

**The State reserves the right to add an item(s) that is not described on the item listing and is available from the Contract vendor.** The item(s) may be included on the Contract, only if prior written approval has been granted by Purchasing Operations.

## 2.804 AUDIT AND RECORDS UPON MODIFICATION

DEFINITION: records includes books, documents, accounting procedures and practices, and other data, regardless of whether such items are in written form, electronic form, or in any other form

Contractor shall be required to submit cost or pricing data with the pricing of any modification of this contract to the Contract Administrator in Purchasing Operations. Data may include accounting records, payroll records, employee time sheets, and other information the state deems necessary to perform a fair evaluation of the modification proposal. Contract Administrator or authorized representative of the state shall have the right to examine and audit all of the contractor's records, including computations and projections, related to:

1. The proposal for modification;
2. The discussions conducted on the proposal, including those related to negotiation;
3. Pricing of the modification; or
4. Performance of the modification.

Contractor shall make available at its office at all reasonable times the materials described in the paragraphs above.

If this contract is completely or partially terminated, the records relating to the work terminated shall be made available for 3 years after any resulting final termination settlement.

**2.805 CHANGES**

- (a) The Contract Administrator may, at any time, without notice to the sureties, if any, by written order designated or indicated to be a change order, make changes in the work within the general scope of the contract, including changes:
  - (1) In the specifications (including drawings and designs);
  - (2) In the method or manner of performance of the work;
  - (3) In the Government-furnished facilities, equipment, materials, services, or site; or
  - (4) Directing acceleration in the performance of the work.
- (a) Any other written or oral order (which, as used in this paragraph (b), includes direction, instruction, interpretation, or determination) from the Contract Administrator that causes a change shall be treated as a change order under this clause; Provided, that the Contractor gives the Contract Administrator written notice stating:
  - (1) The date, circumstances, and source of the order; and
  - (2) That the Contractor regards the order as a change order.
- (b) Except as provided in this clause, no order, statement, or conduct of the Contract Administrator shall be treated as a change under this clause or entitle the Contractor to an equitable adjustment.