

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

September 16, 2005

NOTICE
 TO
 CONTRACT NO. 071B6200006
 between
 THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF VENDOR		TELEPHONE (989) 233-3977
MIS Environmental Services, Inc. 3515 Janes Avenue, Suite 1 Saginaw, MI 48601 schultz@misenvironmental.com		Anne Schultz
		VENDOR NUMBER/MAIL CODE
		BUYER/CA (517) 241-1145 Lymon C. Hunter, CPPB
Contract Compliance Inspector: Bill Card		
Asbestos Abatement Services – Department of Community Health – Mt. Pleasant Center		
CONTRACT PERIOD:		
From: October 1, 2005		To: October 1, 2008
TERMS	SHIPMENT	
N/A	As Needed	
F.O.B.	SHIPPED FROM	
Saginaw	Saginaw	
MINIMUM DELIVERY REQUIREMENTS		
N/A		

The terms and conditions of this Contract are those of [ITB #071I5200255](#), this Contract Agreement and the vendor's quote dated [June 27, 2005](#). In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

Estimated Contract Value: **\$500,000.00**

STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 ACQUISITION SERVICES
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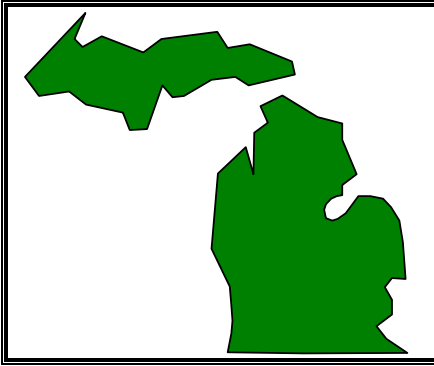
CONTRACT NO. 071B6200006
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF VENDOR MIS Environmental Services, Inc. 3515 Janes Avenue, Suite 1 Saginaw, MI 48601 <div style="text-align: right;">schultz@misenvironmental.com</div>	TELEPHONE (989) 233-3977 Anne Schultz VENDOR NUMBER/MAIL CODE BUYER/CA (517) 241-1145 Lymon C. Hunter, CPPB
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THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the [ITB No. 071I5200255](#). Orders for delivery may be issued directly by the [Department of Community Health](#) through the issuance of a Purchase Order Form.

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

FOR THE VENDOR: <div style="text-align: center;">MIS Environmental Services, Inc.</div> <div style="text-align: center;">Firm Name</div> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <div style="text-align: center;">Authorized Agent Signature</div> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <div style="text-align: center;">Authorized Agent (Print or Type)</div> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <div style="text-align: center;">Date</div>	FOR THE STATE: <div style="text-align: center;">Signature</div> <div style="text-align: center;">Lymon C. Hunter CPPB, Buyer Specialist</div> <div style="text-align: center;">Name</div> <div style="text-align: center;">Services Division, Acquisition Services</div> <div style="text-align: center;">Title</div> <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <div style="text-align: center;">Date</div>
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STATE OF MICHIGAN
Department of Management and Budget
Acquisition Services

Contract No. [071B6200006](#)
[Insulation and Asbestos Removal Services](#)

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

Estimated Timeline:

Key Milestone:	Date:
Issue Date	5/27/05
Pre-Bid Meeting/Site Visit	N/A
Questions Due	6/17/05
Bid Due Date	6/27/05
Award Date	8/16/05
Contract Start Date	10/1/05



Insulation and Asbestos Removal Services

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1.1 SUMMARY 12

1. Provide all labor, materials, and equipment as necessary to complete all work as indicated on the drawings and as specified herein. 12

2. Section Includes: Mechanical identification devices. 12

3. Related Sections: 12

1. Division 1 - General Requirements 12

2. Section 15010 - Mechanical General Requirements 12

3. Section 15300 - Fire Protection 12

1.2 REFERENCES 12

1. ANSI/ASME A13.1 - Scheme for the Identification of Piping Systems 12

2. OSHA 29 CFR Part 1910 - Occupational Exposures to Hazardous Chemicals in Laboratories 12

1.3 QUALITY ASSURANCE 12

1. Identification devices shall conform to applicable Codes and Standards listed in Division 1 and Section 15010, except as otherwise modified and supplemented herein. 12

1. ANSI/ASME A13.1 12

2. OSHA 29 CFR Part 1910 12

2.1 MANUFACTURERS 12

1. Acceptable Manufacturers: Seton Name Plate Co., Emed, Marking Services Inc., or approved equal. 12

2.2 PIPE MARKERS 12

1. Indoor pipe size 6" and smaller shall be labeled using Setmart Snap-Around Markers , or approved equal. Indoor pipe over 6" in size shall be labeled using Setmart Strap-Around Markers , or approved equal... 12

2. Outdoor pipe over 6" in size shall be labeled using Setmart Ultra-mart , or approved equal..... 12

3. Legends shall be as follows: 12

1. General Services 12

2. Heating and Air Conditioning 13

3. Special Services: Special piping systems such as oxygen, nitrogen, nitrous oxide, etc. shall have markers with appropriate wording for the type of service..... 13

4. Fire Protection: Refer to Section 15300 13

2.3 IDENTIFICATION OF VALVES 13

1. Valve tags shall be 19 gauge brass, 1-1/2" diameter round with 3/16" top hole. Each tag shall be stamped and black filled with 1/4" service indicator on the top line and 1/2" numbers below. No painted tags will be accepted. 13

2. Top line legends shall be as follows: 13

1. Chilled Water Supply 13

2. Chilled Water Return 13

3. Condenser Water Supply 13

4. Condenser Water Return 13

5. Low Pressure Steam 13

6. Medium Pressure Steam 13

7. High Pressure Steam 13

8. Condensate 13

9. Pumped Condensate 13

10. Hot Water Heating Supply 13

11. Hot Water Heating Return 13

12. Fire Protection 13

13. Domestic Cold Water 13

14. Domestic Hot Water 13



15. Domestic Hot Water Return 13

16. Compressed Air 13

17. Natural Gas 13

18. Pure Water 13

3. Number sequences shall be from 1 thru 999 for all legends. 13

4. Tags shall be fastened to valves with #16 solid brass jack chain..... 13

2.4 IDENTIFICATION OF EQUIPMENT..... 13

1. Equipment nameplates shall be engraved laminated plastic, large enough to be easily read, and in general attached by two (2) screws. 13

SUMMARY..... 14

Provide all labor, materials, and equipment as necessary to complete all work as indicated on the drawings and as specified herein. 14

Section Includes: Insulation of pipes, ductwork, and mechanical equipment..... 14

Unless otherwise indicated, do not apply insulation to the following equipment and piping: 14

Hot water-heating piping inside radiation, convector, or cabinet heater enclosures 14

Steam traps 14

Control valves 14

Condensate receivers 14

Condenser water piping..... 14

Cooling tower water piping..... 14

Factory-insulated flexible ducts..... 14

Factory-insulated plenums, casings, and terminal boxes 14

Access panels and doors 14

Fire protection piping..... 14

Exhaust ductwork..... 14

Related Sections:..... 14

Division 1 - General Requirements 14

Section 15010 - Mechanical General Requirements..... 14

Section 15060 - Hangers and Supports 14

REFERENCES..... 14

MICA, National Commercial & Industrial Insulation Standards 14

ASHRAE/IES 90.1-1989, Energy Efficient Design of New Buildings except Low-Rise Residential Buildings 14

ASTM E84, Surface Burning Characteristics of Building Materials 14

SUBMITTALS 14

Shop Drawings: Submit product data for each type of insulation identifying k value, thickness, and accessories. 14

QUALITY ASSURANCE..... 14

Insulation shall have a flame-spread rating of 25 or less and smoke-developed rating of 50 or less as tested by ASTM E84..... 14

SEQUENCING AND SCHEDULING 14

No insulation shall be applied before all required tests have been run. Schedule insulation application after system testing. 14

MANUFACTURERS 15

Acceptable Manufacturers: Owens-Corning, Schulle, Knauf, Armstrong, IMCOA, Pittsburgh Corning, or approved equal. 15

FIBER GLASS PIPE INSULATION..... 15

Fiber glass pipe insulation shall have a thermal conductivity k of 0.23 Btu-in/hr-sqft-degree F or less at 75 degree F mean temperature, a reinforced vapor retarder jacket, and a factory-applied longitudinal adhesive closure system. Section joints shall be sealed with butt strips. Maximum jacket permeance shall be 0.02 perm... .. 15

Equal to Owens-Corning "Fiberglas SSL II" or Schuller "Micro-Lok AP-T Plus". 15

CALCIUM SILICATE PIPE AND BLOCK INSULATION 15

Calcium silicate pipe and block insulation shall be asbestos-free, molded, high temperature insulation composed of hydrous calcium silicate with a density of 15 lb/cu ft, and thermal conductivity k of 0.37 Btu-in/hr-sqft-F or less at 200 degree F mean temperature. 15

Equal to Schuller "Thermal-12 Gold". 15



ELASTOMERIC FOAM INSULATION 15
 Elastomeric foam pipe and sheet insulation shall be of a flexible closed cell structure with a thermal conductivity of not more than 0.27 Btu-in/hr-sqft-degree F at 75 degree F mean temperature, and a water vapor permeability of 0.1 perm-in. or less. 15
 Equal to Armstrong "Armaflex AP". 15

POLYOLEFIN FOAM INSULATION..... 15
 Polyolefin foam pipe and sheet insulation shall be of a flexible closed cell structure with a thermal conductivity of not more than 0.24 Btu-in/hr-sqft-degree F at 75 degree F mean temperature, and a water vapor permeability of 0.01 perm-in. or less. 15
 Equal to IMCOA "ImcoLock/ImcoShield". 15

CELLULAR GLASS INSULATION 15
 Cellular glass insulation shall be of a rigid, close cell structure with a average density of 8 lb/cu.ft., average compressive strength of 100 psi, thermal conductivity of not more than 0.33 Btu-in/hr-sqft-degree F at 75 degree F mean temperature, and a water vapor permeability of 0.00 perm-in. 15
 Equal to Pittsburgh Corning "Foamglas". 15

DUCT WRAP INSULATION 15
 Duct wrap insulation shall consist of a blanket of glass fibers factory-laminated to a reinforced foil/kraft (FRK) vapor barrier facing. A 2" stapling and taping flange shall be provided on one edge. Insulation shall have thermal conductivity k of 0.27 Btu-in/hr-sqft-degree F or less at 75 degree F mean temperature, minimum density of 1.0 lb per cu.ft., and maximum vapor permeability of 0.02 perm-in. 15
 Equal to Owens-Corning "All-Service Faced Duct Wrap Insulation", Schuller "Microlite". 15

EXTERIOR BOARD DUCT INSULATION 16
 Exterior board duct insulation shall be made of glass fibers with a thermosetting resin binder and formed into semi-rigid boards with factory-applied vapor retarders FRK-25 foil-reinforced kraft facing. Insulation shall have a minimum density of 3 lbs/cu.ft., thermal conductivity k of 0.23 Btu-in/hr-sqft-degree F or less at 75 degree F mean temperature, and maximum jacket permeance of 0.02 perm. 16
 Joint sealing tape shall be dead soft aluminum foil with a pressure sensitive adhesive, not reinforced, and guaranteed not to peel. 16
 Equal to Owens-Corning Type 703 or Schuller Type 814. 16

INSULATED FITTING COVERS 16
 Insulated fitting covers shall be manufactured from high-impact, gloss white, UV-resistant polyvinyl, and applied with fiberglass insulation inserts from the factory. Minimum jacketing thickness shall be 20 mil for indoor applications, and 30 mil for outdoor applications. Insulation thickness shall not be less than the thickness specified for piping. 16
 Equal to Schuller "Zeston 2000 PVC". 16

REMOVABLE INSULATION COVERS..... 16
 Furnish where specified, removable insulation covers for insulating valves, fittings, manway covers, and centrifugal pumps. Removable insulation covers shall be "Heat Holder" insulation covers as manufactured by Insulation Technology Inc., or approved equal. 16

JACKETS..... 16
 Canvas jackets shall be UL listed fabric, 6 oz/sq yd, and plain weave cotton treated with dilute fire retardant lagging adhesive. 16
 PVC jackets shall be manufactured from high-impact, gloss white, UV-resistant polyvinyl. Minimum jacketing thickness shall be 20 mil for indoor applications, and 30 mil for outdoor applications. PVC jackets shall be Schuller "Zeston 2000 PVC", or approved equal. 16
 Aluminum jackets shall be field or factory applied, sealed, and made of 0.016 inch thick sheet, smooth finish, with longitudinal slip joints and 2" laps, die shaped fitting covers with factory attached protective liner. 16
 Stainless steel jackets shall be field or factory applied, sealed, and made of type 304, 0.010 inch thick sheet with bands, snap-straps and fittings. 16

INSULATION INSERTS..... 16
 Insulation inserts shall be made of calcium silicate or cellular glass on hot applications; and calcium silicate treated with water repellent or cellular glass or high density foam insulation on cold applications. 16
 Inserts shall be preformed for the pipe size, same thickness as adjoining pipe insulation, same length as shield, and 90 degree-minimum segments on pipe 4" in size and smaller and 180 degree-minimum segments on pipe 5" in size and larger. PVC tape shall be used to secure the insulation shield to the insulation. Vapor barrier shall be provided on cold applications. 16
 Insulation inserts shall not be less than the following lengths: 17



PIPING INSULATION SCHEDULE 17

DUCTWORK INSULATION SCHEDULE 18

EQUIPMENT INSULATION SCHEDULE 18

Hot Water Converters: Insulate with 1-1/2 inch thick calcium-silicate block insulation. 18

Steam Humidifiers: Insulate with 1-1/2 inch thick calcium-silicate block insulation..... 18

Absorption Machines: Insulate generator section including heads with 1-1/2 inch thick calcium-silicate block insulation. Insulate evaporator and condenser sections with foam insulation not less than 3/4 inch thick. Refer to manufacturer’s recommendations. 18

Chilled Water Expansion Tanks and Air Separator Tanks: Insulate with 3/4-inch thick foam insulation. 18

Pressure-Powered Pumps: Insulate with removable insulation covers. The cover shall enclose pump surfaces and flanges, and shall be fabricated with galvanized box frame and 1-1/2" thick calcium silicate..... 18

Chilled Water Pumps: Insulate with removable insulation covers. The cover shall enclose pump surfaces and flanges, and shall be fabricated with galvanized box frame and 1" thick foam insulation. 18

Hot Water Pumps: Insulate with removable insulation covers. The cover shall enclose pump surfaces and flanges, and shall be fabricated with galvanized box frame and 1-1/2" thick calcium silicate..... 18

Steam Pressure Reducing Station: Insulate for a distance of minimum 5 pipe diameters upstream and downstream of the steam pressure reducing station with calcium silicate insulation. Insulation thickness shall be not less than 4 inches. 18

1. INSTALLATION..... 19

a. General 19

 1. **Install materials in accordance with manufacturer's recommendations, building codes and industry standards except as modified or specified in these specifications. 19**

 2. **Verify that all surfaces are clean, dry and free of foreign materials. 19**

 3. **Continue insulation vapor barrier through penetrations except where prohibited by code. It is essential that the integrity of the vapor barrier be maintained. Fasteners or other securing devices that may unintentionally penetrate or otherwise damage the vapor barrier are prohibited. Where fasteners must penetrate the vapor barrier, the vapor barrier shall be repaired with a patch or tape of the same materials..... 19**

b. Piping Insulation..... 19

 4. **Verify that piping has been tested before applying insulation materials. 19**

 5. **All sectional pipe covering shall be neatly and tightly applied with unbroken lengths and with the ends of the sections firmly butted together. Longitudinal joints shall be on the least conspicuous side of the pipe and slightly staggered. Fiberglass cloth or other coating shall be lapped over all joints and well pasted or cemented down in a neat and inconspicuous manner. 19**

 6. **The insulation on piping shall be extended through all sleeves in order to produce a continuous application, and it shall be installed to conform to a uniform diameter..... 19**

 7. **All valve bodies, fittings, flanges, drip pockets, end caps, etc. on all lines, except where otherwise noted, and shall be covered with insulated fitting covers. Thickness of insulation, vapor barriers, jackets and finishes shall also match adjacent piping. 19**

 8. **Provide insulated cold pipes conveying fluids below ambient temperature with vapor retardant jackets with self-sealing laps..... 19**

 9. **Insulate horizontal sections of the sanitary drainage and acid waste piping. Vertical sections of these piping are not required to be insulated. 19**

 10. **Outdoor piping shall be insulated same as indoor piping except with additional half-inch thickness and covered with a sealed aluminum jacket. Jacket seams shall be located on bottom side of horizontal piping. Cellular glass insulation may be used in lieu of fiberglass or foam insulation..... 19**

 11. **PVC jackets shall be installed on insulated piping in conjunction with fitting covers to provide a total sealed system as required by USDA and FDA for applications in food and pharmaceutical facilities. 19**

 12. **For piping exposed to physical abuse in mechanical equipment rooms or in finished spaces below 10' above finished floor, finish with PVC or aluminum jacket..... 19**

 13. **Secure calcium silicate pipe insulation with stainless steel bands..... 19**

 14. **Insulation for piping shall be continuous through hangers and supports. 19**

 15. **Provide insulation inserts and insulation protection shields at hanger or support locations. 19**



16. Where a vapor barrier is not required on insulated piping in size less than 4" inch, hangers and supports may be attached directly to piping with insulation completely covering hanger or support and jacket sealed at support rod penetration. Do not use ring hangers on cold piping. 19

17. Where riser clamps are required to be attached directly to piping requiring vapor barrier, extend insulation and vapor barrier jacketing/coating around riser clamps. 19

c. Ductwork Insulation..... 19

18. Verify that ductwork has been tested for leakage before applying insulation materials.. 19

19. Provide insulated ductwork conveying air below ambient temperature with vapor retardant jacket. Seal all vapor retardant jacket seams and penetrations with UL listed tapes or vapor retardant adhesive..... 19

20. Continue insulation through walls, sleeves, hangers, and other duct penetrations except where prohibited by code. 20

d. Equipment Insulation..... 20

21. Verify that equipment has been tested before applying insulation materials..... 20

22. Do not insulate over equipment nameplates and ASTM stamps. Bevel and seal insulation at these locations. 20

23. Provide insulated equipment containing fluids below ambient temperature with vapor retarding jackets. 20

24. Provide insulated equipment containing fluids above ambient temperature with jackets. 20

25. When equipment with insulation requires periodic opening for maintenance, repair, or cleaning, install insulation in such a manner that it can be easily removed and replaced without damage..... 20

26. Block type insulation shall be applied and edges tightly butted, joints staggered, and neatly and securely fastened in place with No. 14 gauge galvanized annealed steel wire. Over insulation, 2-inch hexagonal galvanized wire mesh shall be tightly stretched in place and secured. Coat the wire with a 1/2-inch layer of the same composition or equal in plastic cement, trowelled to a smooth finish. Over this, adhere a pre-sized non-combustible glass cloth jacket..... 20

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Article 1 – Statement of Work (SOW)

1.0 Introduction

1.01 DEFINING DOCUMENT

This is a contract. This is a formal request to prospective vendors soliciting bids or price quotations. This document contains or incorporates defined requirements, the specifications and scope of work, and all contractual terms and conditions. Bid evaluation and award will depend upon which vendor represents the best value for the State.

1.002 PROJECT TITLE AND DESCRIPTION

The purpose of this Invitation to Bid (ITB) is to establish a contract(s) for insulation and asbestos removal services for the Michigan Department of Community Health as detailed on the Invitation to Bid.

Article 1 - SOW will be used by the State for the evaluation process. Bidders will be submitting written proposals discussing how they meet the below specific requirements.

If any part of the Specific Requirements appears to be excessive, with respect to the overall outcome desired by the State, please notify the Buyer in writing for consideration of a possible change to the requirements (see 3.001).

1.003 Reserved

1.004 COMMENCEMENT OF WORK

Contractor shall show acceptance of this agreement by signing a copy of this contract and returning it to the contract administrator. Contractor shall not proceed with performance of the work to be done under this agreement, including the purchase of necessary materials, until both parties have signed this agreement to show acceptance of its terms.

1.1 Product Quality

ASBESTOS ABATEMENT SERVICES

Problem Statement

To truly understand the scope of work for asbestos abatement here at the Mt. Pleasant Center one would have to comprehend the severity and magnitude of the problem. Here at the Mt. Pleasant Center we have buildings that were built in the late 1800's. Our newest buildings were built in the early 1960's and all of them contain ACM and PACM to varying degrees. We have asbestos pipe insulation and joints, asbestos floor tile, asbestos ceilings and some of our air handling units are all insulated with asbestos.

Because of the age of our piping systems we have many breakdowns and failures requiring us to modify or even turn off systems until repairs are made. This would include hot and cold water and heating systems, having a direct impact on the people we serve who live here. The building design of the facility involves many pipe tunnels, pipe chases and dirt based crawl spaces. As the systems break down and the asbestos becomes friable it falls and gets mixed into the dirt, complicating matters and adding to the expense for its clean up and removal.

Certainly first and foremost, and my biggest expectation is the swiftest and most efficient abatement and cleanup of all asbestos here at the Mt. Pleasant Center. Therefore eliminating one dangerous hazard from the residents and staff here at the Mt. Pleasant Center.

Scope of Work

The asbestos abatement contractor awarded this contract would be expected to have the personnel, equipment and resources available to him to be able to respond and be here on site ready to go to work within one hour of an emergency call.



He would be expected to have an industrial hygienist on his payroll or certainly one available to him. He would be expected to be able to perform and have tools and equipment in order to do glove bagging, both hot and ambient, along with a vacuum machine large enough to remove the dirt out of a crawl space. He would have to have resources and personnel available to him for large projects that would involve confinement structures. He would have to have the resources available to provide all the necessary documentation around the removal and disposal of asbestos. He would have to have available to him a contract or an agreement with a landfill that would accept our hazardous waste. He would have to be able to provide us with a copy of his license thru the State of Michigan and the certifications of all of his staff. He would have to be able to provide a copy of his insurance policy with a minimum of the proper amount of insurance liability. He would have to be able to provide a bid document of some kind detailing the costs of all equipment, both reusable and disposable. Also, in this bid document he would have to provide an hourly cost for all of his staff that would do the work, both labor and supervision. These hourly cost estimates would also include after normal business hours, overtime and holiday rates. The contractor awarded this contract would also be required to have the resources and equipment to perform confined space work and rescues, along with the trained personnel to perform these duties.

A. The Department of Community Health (DCH) is seeking to establish a blanket (open-order) contract for asbestos removal for the Mt Pleasant Center. Scope of work will range from incidental negative pressure glovebag removal to large-scale abatement: less than \$50,000 per project. Work will be on an as needed basis and contractor will be expected to respond within 24 hours where necessary.

B. Methods

1. The contractor will be expected to work under the direction of a State of Michigan Contractor Administrator and a contract Environmental Consulting firm.
2. The contractor will submit Standard Operating Procedures for all-asbestos activities and quality assurance processes.

BIDDER REQUIREMENTS, SUBMITTALS AND PRE-QUALIFICATION

- A. Copies of all citations and warnings from regulating authorities, for past three years
- B. Resumes of on-site project managers
- C. Current equipment list
- D. Standard Operating Procedures for all asbestos removal operations.
- E. Written respiratory protection program.
- F. Provide 24 hours, 7 day phone and pager contact information
- G. Michigan State Licences and Certifications
- H. Confined Space Rescue Program with certifications
- I. Hazardous Waste and Disposal Contract
- J. Criteria for qualification will be
 - 80% on capability and competency of contractor
 - 20% on cost



BID SHEET

Separate charges will not be permitted for air monitoring, equipment decontamination, overhead or other costs inherent to asbestos abatement. Unit cost bids shall be provided in dollars per square foot (\$/SF) and dollars per linear foot (\$/LF) as indicated.

Standard Time = Monday – Friday 8:00 AM to 5:00 PM

Material Type	Abatement		Unit Price / SF
	\$ / LF	Min. Quant	
Floor tile		4,200 SF	1.55
Floor tile; NPE		4,500 SF	1.80
Floor tile; Heat (infrared) removal		2,250 SF	.75
Floor tile; Negative Exposure Assessment (NEA)		4,200 SF	1.55
Roof felt/flashing, Negative Exposure Assessment (NEA)		10,000 SF	2.50
Mastic		5,500 SF	1.60
Pipe insulation (1-4" pipe diameter)	17.11	159 LF	
Pipe insulation (5-8" pipe diameter)	29.98	141 LF	
Pipe insulation (9-12" pipe diameter)	44.14	153 LF	
Pipe fitting insulation (1-4" pipe diameter)	57.21	62 FTG	
Pipe fitting insulation (5-8" pipe diameter)	129.75	119 FTG	
Pipe fitting insulation (9-12" pipe diameter)	170.02	121 FTG	
Lagging/repairing TSI		300 SF	2.80
TSI on ducts, vessels, etc.		550 SF	16.75
Acoustical surface material		800 SF	9.70
Fire proofing		800 SF	7.15
Suspended ceiling tile		800 SF	5.75
Cleaning floors and surfaces with ACM debris		800 SF	1.15

*Infra-Red Floor Tile Lifters require 200 volts & max of 50 amps single phase to be provided by owner. Actual work hours to be determined for each project. **Mark-up rates, in percent**, should be provided for State of Michigan holiday, weekday premium, and weekend work.

Time & Material Rate Schedule

Weekday Premium = Sunday – Friday 4:00 PM to 7:30 AM % 0

Weekend = 4:00 PM Friday – 7:30 a.m. Monday % 35%. Excludes Sunday

Holiday = State recognized Holidays % 65%. Includes Sunday

Emergency/Miscellaneous Activities not included above:

Standard: \$ 39.48 per hour; Weekday Premium: \$ 39.48
 Weekend: \$ 52.81 per hour; Holiday: \$ 66.14 per hour Includes Sunday Also,
Industrial Hygienist: \$65.75 per hour weekdays, \$80.00 per hour weekends & holidays.

Contact per for MIS Environmental Services, Inc.:

NAME/TITLE: <u>Anne Schultz – Sales Rep.</u>	NAME/TITLE: <u>Jeff Cain - Superintendent</u>
TELEPHONE: <u>989.233.3977</u>	TELEPHONE: <u>989.737.5386</u>
FACSIMILE: <u>989.753.3119</u>	FACSIMILE: <u>989.753.3119</u>
E-MAIL: <u>Schultz@misenv.com</u>	E-MAIL: <u>cain@misenv.com</u>

**Attachment 1 SECTION 15075 - MECHANICAL IDENTIFICATION****PART 1 - GENERAL****1.1 SUMMARY**

1. Provide all labor, materials, and equipment as necessary to complete all work as indicated on the drawings and as specified herein.
2. Section Includes: Mechanical identification devices.
3. Related Sections:
 1. Division 1 - General Requirements
 2. Section 15010 - Mechanical General Requirements
 3. Section 15300 - Fire Protection

1.2 REFERENCES

1. ANSI/ASME A13.1 - Scheme for the Identification of Piping Systems
2. OSHA 29 CFR Part 1910 - Occupational Exposures to Hazardous Chemicals in Laboratories

1.3 QUALITY ASSURANCE

1. Identification devices shall conform to applicable Codes and Standards listed in Division 1 and Section 15010, except as otherwise modified and supplemented herein.
 1. ANSI/ASME A13.1
 2. OSHA 29 CFR Part 1910

PART 2 - PRODUCTS**2.1 MANUFACTURERS**

1. Acceptable Manufacturers: Seton Name Plate Co., Emed, Marking Services Inc., or approved equal.

2.2 PIPE MARKERS

1. Indoor pipe size 6" and smaller shall be labeled using Setmart Snap-Around Markers , or approved equal. Indoor pipe over 6" in size shall be labeled using Setmart Strap-Around Markers , or approved equal.
2. Outdoor pipe over 6" in size shall be labeled using Setmart Ultra-mart , or approved equal.
3. Legends shall be as follows:
 1. General Services
 1. Compressed Air - Control
 2. Compressed Air - Laboratory
 3. Distilled Water
 4. Domestic Cold Water Domestic Hot Water Supply
 5. Domestic Hot Water Return
 6. Fire Protection Water
 7. Natural Gas
 8. Sanitary Waste
 9. Storm Waste
 10. Vacuum - cleaning
 11. Vacuum - laboratory
 12. Vent



2. Heating and Air Conditioning
 1. Chilled Water Supply
 2. Chilled Water Return
 3. Condenser Water Supply
 4. Condenser Water Return
 5. Energy Recovery
 6. High Pressure Condensate
 7. Medium Pressure Condensate
 8. Low Pressure Condensate
 9. Pumped Condensate Return
 10. High Pressure Steam (80 PSI and above)
 11. Medium Pressure Steam (16 PSI to 80 PSI)
 12. Low Pressure Steam (15 PSI and below)
 13. Refrigeration - Hot Gas
 14. Refrigeration - Liquid
 15. Refrigeration - Suction
 16. Heating Water Supply
 17. Heating Water Return
 18. Process Water

3. Special Services: Special piping systems such as oxygen, nitrogen, nitrous oxide, etc. shall have markers with appropriate wording for the type of service.
4. Fire Protection: Refer to Section 15300

2.3 IDENTIFICATION OF VALVES

1. Valve tags shall be 19 gauge brass, 1-1/2" diameter round with 3/16" top hole. Each tag shall be stamped and black filled with 1/4" service indicator on the top line and 1/2" numbers below. No painted tags will be accepted.
2. Top line legends shall be as follows:

1. Chilled Water Supply
2. Chilled Water Return
3. Condenser Water Supply
4. Condenser Water Return
5. Low Pressure Steam
6. Medium Pressure Steam
7. High Pressure Steam
8. Condensate
9. Pumped Condensate
10. Hot Water Heating Supply
11. Hot Water Heating Return
12. Fire Protection
13. Domestic Cold Water
14. Domestic Hot Water
15. Domestic Hot Water Return
16. Compressed Air
17. Natural Gas
18. Pure Water

3. Number sequences shall be from 1 thru 999 for all legends.
4. Tags shall be fastened to valves with #16 solid brass jack chain.

2.4 IDENTIFICATION OF EQUIPMENT

1. Equipment nameplates shall be engraved laminated plastic, large enough to be easily read, and in general attached by two (2) screws.

END OF SECTION

**SECTION 15080 - MECHANICAL INSULATION****PART 1 - GENERAL****SUMMARY**

Provide all labor, materials, and equipment as necessary to complete all work as indicated on the drawings and as specified herein.

Section Includes: Insulation of pipes, ductwork, and mechanical equipment.

Unless otherwise indicated, do not apply insulation to the following equipment and piping:

- Hot water-heating piping inside radiation, convector, or cabinet heater enclosures
- Steam traps
- Control valves
- Condensate receivers
- Condenser water piping
- Cooling tower water piping
- Factory-insulated flexible ducts
- Factory-insulated plenums, casings, and terminal boxes
- Access panels and doors
- Fire protection piping
- Exhaust ductwork

Related Sections:

- Division 1 - General Requirements
- Section 15010 - Mechanical General Requirements
- Section 15060 - Hangers and Supports

REFERENCES

- MICA, National Commercial & Industrial Insulation Standards
- ASHRAE/IES 90.1-1989, Energy Efficient Design of New Buildings except Low-Rise Residential Buildings
- ASTM E84, Surface Burning Characteristics of Building Materials

SUBMITTALS

Shop Drawings: Submit product data for each type of insulation identifying k value, thickness, and accessories.

QUALITY ASSURANCE

Insulation shall have a flame-spread rating of 25 or less and smoke-developed rating of 50 or less as tested by ASTM E84.

SEQUENCING AND SCHEDULING

No insulation shall be applied before all required tests have been run. Schedule insulation application after system testing.

**PART 2 - PRODUCTS**

MANUFACTURERS

Acceptable Manufacturers: Owens-Corning, Schulle, Knauf, Armstrong, IMCOA, Pittsburgh Corning, or approved equal.

FIBER GLASS PIPE INSULATION

Fiber glass pipe insulation shall have a thermal conductivity k of 0.23 Btu-in/hr-sqft-degree F or less at 75 degree F mean temperature, a reinforced vapor retarder jacket, and a factory-applied longitudinal adhesive closure system. Section joints shall be sealed with butt strips. Maximum jacket permeance shall be 0.02 perm.

Equal to Owens-Corning "Fiberglas SSL II" or Schuller "Micro-Lok AP-T Plus".

CALCIUM SILICATE PIPE AND BLOCK INSULATION

Calcium silicate pipe and block insulation shall be asbestos-free, molded, high temperature insulation composed of hydrous calcium silicate with a density of 15 lb/cu ft, and thermal conductivity k of 0.37 Btu-in/hr-sqft-F or less at 200 degree F mean temperature.

Equal to Schuller "Thermal-12 Gold".

ELASTOMERIC FOAM INSULATION

Elastomeric foam pipe and sheet insulation shall be of a flexible closed cell structure with a thermal conductivity of not more than 0.27 Btu-in/hr-sqft-degree F at 75 degree F mean temperature, and a water vapor permeability of 0.1 perm-in. or less.

Equal to Armstrong "Armaflex AP".

POLYOLEFIN FOAM INSULATION

Polyolefin foam pipe and sheet insulation shall be of a flexible closed cell structure with a thermal conductivity of not more than 0.24 Btu-in/hr-sqft-degree F at 75 degree F mean temperature, and a water vapor permeability of 0.01 perm-in. or less.

Equal to IMCOA "ImcoLock/ImcoShield".

CELLULAR GLASS INSULATION

Cellular glass insulation shall be of a rigid, close cell structure with a average density of 8 lb/cu.ft., average compressive strength of 100 psi, thermal conductivity of not more than 0.33 Btu-in/hr-sqft-degree F at 75 degree F mean temperature, and a water vapor permeability of 0.00 perm-in.

Equal to Pittsburgh Corning "Foamglas".

DUCT WRAP INSULATION

Duct wrap insulation shall consist of a blanket of glass fibers factory-laminated to a reinforced foil/kraft (FRK) vapor barrier facing. A 2" stapling and taping flange shall be provided on one edge. Insulation shall have thermal conductivity k of 0.27 Btu-in/hr-sqft-degree F or less at 75 degree F mean temperature, minimum density of 1.0 lb per cu.ft., and maximum vapor permeability of 0.02 perm-in.

Equal to Owens-Corning "All-Service Faced Duct Wrap Insulation", Schuller "Microlite".

**EXTERIOR BOARD DUCT INSULATION**

Note Unless sound attenuation is required along with thermal insulation, use exterior board duct insulation or duct wrap insulation.

Exterior board duct insulation shall be made of glass fibers with a thermosetting resin binder and formed into semi-rigid boards with factory-applied vapor retarders FRK-25 foil-reinforced kraft facing. Insulation shall have a minimum density of 3 lbs/cu.ft., thermal conductivity k of 0.23 Btu-in/hr-sqft-degree F or less at 75 degree F mean temperature, and maximum jacket permeance of 0.02 perm.

Joint sealing tape shall be dead soft aluminum foil with a pressure sensitive adhesive, not reinforced, and guaranteed not to peel.

Equal to Owens-Corning Type 703 or Schuller Type 814.

INSULATED FITTING COVERS

Insulated fitting covers shall be manufactured from high-impact, gloss white, UV-resistant polyvinyl, and applied with fiberglass insulation inserts from the factory. Minimum jacketing thickness shall be 20 mil for indoor applications, and 30 mil for outdoor applications. Insulation thickness shall not be less than the thickness specified for piping.

Equal to Schuller "Zeston 2000 PVC".

REMOVABLE INSULATION COVERS

Furnish where specified, removable insulation covers for insulating valves, fittings, manway covers, and centrifugal pumps. Removable insulation covers shall be "Heat Holder" insulation covers as manufactured by Insulation Technology Inc., or approved equal.

JACKETS

Note A/E to select materials listed below for proper application.

Canvas jackets shall be UL listed fabric, 6 oz/sq yd, and plain weave cotton treated with dilute fire retardant lagging adhesive.

PVC jackets shall be manufactured from high-impact, gloss white, UV-resistant polyvinyl. Minimum jacketing thickness shall be 20 mil for indoor applications, and 30 mil for outdoor applications. PVC jackets shall be Schuller "Zeston 2000 PVC", or approved equal.

Aluminum jackets shall be field or factory applied, sealed, and made of 0.016 inch thick sheet, smooth finish, with longitudinal slip joints and 2" laps, die shaped fitting covers with factory attached protective liner.

Stainless steel jackets shall be field or factory applied, sealed, and made of type 304, 0.010 inch thick sheet with bands, snap-straps and fittings.

INSULATION INSERTS

Insulation inserts shall be made of calcium silicate or cellular glass on hot applications; and calcium silicate treated with water repellent or cellular glass or high density foam insulation on cold applications.

Inserts shall be preformed for the pipe size, same thickness as adjoining pipe insulation, same length as shield, and 90 degree-minimum segments on pipe 4" in size and smaller and 180 degree-minimum segments on pipe 5" in size and larger. PVC tape shall be used to secure the insulation shield to the insulation. Vapor barrier shall be provided on cold applications.



Insulation inserts shall not be less than the following lengths:

2-1/2" pipe size and less	10" long	
3" to 6" pipe size		12" long
8" to 10" pipe size		16" long
12" pipe size and larger		22" long

PIPING INSULATION SCHEDULE

MINIMUM INSULATION THICKNESS							
SERVICE TYPE	INSULATION MATERIAL	VAPOR BARRIER REQ'D	NOMINAL PIPE DIAMETER in inch				
			1 & less	1-1/4 to 2	2-1/2 to 4	5 & 6	8 & up
Domestic Cold Water	Fiber glass	Yes	1	1	1	1	1
	Elas./Polyo.	No	0.5	0.5	0.5	0.5	0.75
Domestic Hot Water	Fiber glass	No	1	1	1.5	1.5	1.5
Soil, Drain & Acid Waste	Fiber glass	Yes	1	1	1	1	1
	Elas./Polyo.	No	0.5	0.5	0.5	0.5	0.75
Chilled Water	Fiber glass	Yes	1	1	1.5	1.5	1.5
	Elas./Polyo.	No	0.5	1	1.5	1.5	1.5
Hot Water Heating	Fiber glass	No	1.5	1.5	2	2	3.5
LP Steam (15# & less)	Fiber glass	No	2	2.5	2.5	3.5	3.5
HP Steam (above 15#)	Fiber glass	No	2.5	2.5	3	3.5	3.5
	Calc. Silicate	No	3.5	3.5	4	5	5
Steam Condensate	Fiber glass	No	2	2	2.5	2.5	3.5
	Cal. Silicate	No	2.5	2.5	3	4	5
Refrigerant Hot Gas	Fiber glass	No	1	1	1	1	1
Refrigeration Suction (40 degree F & above)	Fiber glass	Yes	1	1	1	1	1
	Elas./Polyo.	No	0.5	0.75	1	1	1
Refrigeration Suction (below 40 degree F)	Fiber glass	Yes	1	1.5	1.5	1.5	1.5
	Polyolefin	No	1	1.5	1.5	1.5	1.5
Engine Exhaust	Calc. Silicate	No	4	4	4	4	4



DUCTWORK INSULATION SCHEDULE

DUCT TYPE & LOCATION	INSULATION MATERIAL	MIN. THICKNESS in inch	VAPOR BARRIER REQ'D	TYPE OF JACKET
Supply - Concealed from view	Duct wrap	1.5	Yes	No
Return - Concealed from view	Duct wrap	1.5	No	No
Supply - Exposed to view	Duct wrap or exterior board	1.5	Yes	No
Return - Exposed to view in unconditioned spaces	Duct wrap or exterior board	1.5	No	No
Supply - Exposed to view in equipment room	Exterior board	1.5	Yes	PVC
Return - Exposed to view in equipment room	Exterior board	1.5	No	PVC
Supply - Exposed to weather	Exterior board	2	Yes	Al or SS
Return - Exposed to weather	Exterior board	2	No	Al or SS
Outside air	Exterior board	1.5	Yes	PVC

EQUIPMENT INSULATION SCHEDULE

Hot Water Converters: Insulate with 1-1/2 inch thick calcium-silicate block insulation.

Steam Humidifiers: Insulate with 1-1/2 inch thick calcium-silicate block insulation.

Absorption Machines: Insulate generator section including heads with 1-1/2 inch thick calcium-silicate block insulation. Insulate evaporator and condenser sections with foam insulation not less than 3/4 inch thick. Refer to manufacturer's recommendations.

Chilled Water Expansion Tanks and Air Separator Tanks: Insulate with 3/4-inch thick foam insulation.

Pressure-Powered Pumps: Insulate with removable insulation covers. The cover shall enclose pump surfaces and flanges, and shall be fabricated with galvanized box frame and 1-1/2" thick calcium silicate.

Chilled Water Pumps: Insulate with removable insulation covers. The cover shall enclose pump surfaces and flanges, and shall be fabricated with galvanized box frame and 1" thick foam insulation.

Hot Water Pumps: Insulate with removable insulation covers. The cover shall enclose pump surfaces and flanges, and shall be fabricated with galvanized box frame and 1-1/2" thick calcium silicate.

Steam Pressure Reducing Station: Insulate for a distance of minimum 5 pipe diameters upstream and downstream of the steam pressure reducing station with calcium silicate insulation. Insulation thickness shall be not less than 4 inches.

**PART 3 - EXECUTION**

1. INSTALLATION

a. General

1. Install materials in accordance with manufacturer's recommendations, building codes and industry standards except as modified or specified in these specifications.
2. Verify that all surfaces are clean, dry and free of foreign materials.
3. Continue insulation vapor barrier through penetrations except where prohibited by code. It is essential that the integrity of the vapor barrier be maintained. Fasteners or other securing devices that may unintentionally penetrate or otherwise damage the vapor barrier are prohibited. Where fasteners must penetrate the vapor barrier, the vapor barrier shall be repaired with a patch or tape of the same materials.

b. Piping Insulation

4. Verify that piping has been tested before applying insulation materials.
5. All sectional pipe covering shall be neatly and tightly applied with unbroken lengths and with the ends of the sections firmly butted together. Longitudinal joints shall be on the least conspicuous side of the pipe and slightly staggered. Fiberglass cloth or other coating shall be lapped over all joints and well pasted or cemented down in a neat and inconspicuous manner.
6. The insulation on piping shall be extended through all sleeves in order to produce a continuous application, and it shall be installed to conform to a uniform diameter.
7. All valve bodies, fittings, flanges, drip pockets, end caps, etc. on all lines, except where otherwise noted, and shall be covered with insulated fitting covers. Thickness of insulation, vapor barriers, jackets and finishes shall also match adjacent piping.
8. Provide insulated cold pipes conveying fluids below ambient temperature with vapor retardant jackets with self-sealing laps.
 1. Domestic Cold Water
 2. Insulated Soil, Drain, and Acid Waste
 3. Chilled Water
 4. Condensate Drain
 5. Refrigerant Suction
9. Insulate horizontal sections of the sanitary drainage and acid waste piping. Vertical sections of these piping are not required to be insulated.
10. Outdoor piping shall be insulated same as indoor piping except with additional half-inch thickness and covered with a sealed aluminum jacket. Jacket seams shall be located on bottom side of horizontal piping. Cellular glass insulation may be used in lieu of fiberglass or foam insulation.
11. PVC jackets shall be installed on insulated piping in conjunction with fitting covers to provide a total sealed system as required by USDA and FDA for applications in food and pharmaceutical facilities.
12. For piping exposed to physical abuse in mechanical equipment rooms or in finished spaces below 10' above finished floor, finish with PVC or aluminum jacket.
13. Secure calcium silicate pipe insulation with stainless steel bands.
14. Insulation for piping shall be continuous through hangers and supports.
15. Provide insulation inserts and insulation protection shields at hanger or support locations.
16. Where a vapor barrier is not required on insulated piping in size less than 4" inch, hangers and supports may be attached directly to piping with insulation completely covering hanger or support and jacket sealed at support rod penetration. Do not use ring hangers on cold piping.
17. Where riser clamps are required to be attached directly to piping requiring vapor barrier, extend insulation and vapor barrier jacketing/coating around riser clamps.

c. Ductwork Insulation

18. Verify that ductwork has been tested for leakage before applying insulation materials.
19. Provide insulated ductwork conveying air below ambient temperature with vapor retardant jacket. Seal all vapor retardant jacket seams and penetrations with UL listed tapes or vapor retardant adhesive.



20. Continue insulation through walls, sleeves, hangers, and other duct penetrations except where prohibited by code.

d. Equipment Insulation

21. Verify that equipment has been tested before applying insulation materials.

22. Do not insulate over equipment nameplates and ASTM stamps. Bevel and seal insulation at these locations.

23. Provide insulated equipment containing fluids below ambient temperature with vapor retarding jackets.

24. Provide insulated equipment containing fluids above ambient temperature with jackets.

25. When equipment with insulation requires periodic opening for maintenance, repair, or cleaning, install insulation in such a manner that it can be easily removed and replaced without damage.

26. Block type insulation shall be applied and edges tightly butted, joints staggered, and neatly and securely fastened in place with No. 14 gauge galvanized annealed steel wire. Over insulation, 2-inch hexagonal galvanized wire mesh shall be tightly stretched in place and secured. Coat the wire with a 1/2-inch layer of the same composition or equal in plastic cement, trowelled to a smooth finish. Over this, adhere a pre-sized non-combustible glass cloth jacket.

1.101 RESERVED

1.102 RESEARCH AND DEVELOPMENT

Bidder shall discuss their ability to invest in new product development and research to stay current with ongoing demands.

1.103 QUALITY ASSURANCE PROGRAM

Bidders to provide detail regarding any Quality Assurance Program(s) that are currently in place within their organization.

1.2 Service Capabilities

1.205 SECURITY

The resulting Contract may require frequent deliveries to State of Michigan facilities. Bidders shall discuss in their proposals all measures utilized by their firm to ensure the security and safety of these buildings. This shall include, but is not limited to, performance of security background checks on all personnel assigned to State of Michigan facilities (i.e. delivery people) and how they are performed, what the security check consists of, the name of the company that performs the security checks, use of uniforms and ID badges, etc. If security background checks are performed on staff, bidders shall indicate the name of the company that performs the check as well as provide a document stating that each employee has satisfactorily completed a security check and is suitable for assignment to State facilities. Upon request by the State, bidders shall provide the results of all security background checks.

Upon review of the security measures included in a bidder's proposal and if that bidder is awarded the contract, the State will decide whether to issue State ID badges to the bidder's delivery personnel or accept the ID badge issued to delivery personnel by the bidder.

The State may decide to also perform a security background check. If so, bidders will be required to provide to the State a list of all delivery people that will service State of Michigan facilities, including name and date of birth (social security number of driver license number would also be helpful).

The Contractor and its subcontractors shall comply with the security access requirements of individual State facilities.

**1.4 Project Price****1.401 PROPOSAL PRICING**

See bid sheet.

1.402 QUICK PAYMENT TERMS

The State of Michigan is interested in payment terms that reflect cost savings to the State based on an accelerated payment process. Bidders shall discuss quick payment terms that they are offering to the State (i.e. _____% discount off invoice if paid within _____ days). This will be a factor considered in our award decision.

1.403 PRICE TERM

(X) Fixed with prospective re-determination at an agreed upon time.

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

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

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

1.6 Other Terms and Conditions Needed for this Contract



Article 2 – General Terms and Conditions

2.0 Introduction

2.001 GENERAL PURPOSE

The Contract is for insulation and asbestos removal services 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.

Indicated on the Invitation To Bid cover page is the "ship to" address for the participating agency. However, if the Contractor and the State agree, additional State agencies may participate should the need develop.

2.002 ISSUING OFFICE AND CONTRACT ADMINISTRATOR

The Contract is issued by Acquisition Services, State of Michigan, Department of Management and Budget, hereinafter known as Acquisition Services, for the Michigan Department of Community Health, hereinafter known as (*MDCH*). Where actions are a combination of those of Acquisition Services and the State agencies, the authority will be known as the State.

Acquisition Services 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. Acquisition Services is the only office authorized to negotiate, change, modify, amend, alter, clarify, etc., the specifications, terms, and conditions of the Contract. Acquisition Services 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 Acquisition Services and the listed contract administrator

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

Department of Management and Budget
Acquisition Services
Attn: Lymon C. Hunter, CPPB
2nd Floor, Mason Building
P.O. Box 30026
Lansing, Michigan 48909
(517) (241-1145)
HunterL@Michigan.gov

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 three years and will commence with the issuance of a Contract. This will be approximately October 1, 2005 through October 1, 2008.



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 Acquisition Services 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 Acquisition Services to exercise an option year.

Written notice will be provided to the Contractor within 60 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 (CWHSSA) 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 Acquisition Services within 30 days.
2. The Contractor shall also notify the Acquisition Services 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 Acquisition Services 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.

2.104 RESERVED

2.106 PREVAILING WAGE

The rates of wages and fringe benefits to be paid each class of individuals employed by the Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall not be less than the wage rates and fringe benefits established by the Michigan Department of Consumer and Industry Service, Bureau of Safety and Regulation, Wage/Hour Division schedule of occupational classification and wage rates and fringe benefits for the local where the work is to be performed. The term Contractor shall include all general contractors, prime contractors, project managers, trade contractors, and all of their contractors or subcontractors and persons in privity of contract with them.

The Contractor, its subcontractors, their subcontractors, and all persons involved with the performance of this contract in privity of contract with the Contractor shall keep posted on the work site, in a conspicuous place, a copy of all wage rates and fringe benefits as prescribed in the contract. You must also post, in a conspicuous place, the address and telephone number of the Michigan Department of Consumer and Industry Services, the office responsible for enforcement of the wage rates and fringe benefits. You shall keep an accurate record showing the name and occupation of the actual wage and benefits paid to each individual employed in connection with this contract. This record shall be available to the State upon request for reasonable inspection.

If any trade is omitted from the list of wage rates and fringe benefits to be paid to each class of individuals by the Contractor, it is understood that the trades omitted shall also be paid not less than the wage rate and fringe benefits prevailing in the local where the work is to be performed.

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 CALL CENTER DISCLOSURE

Vendor and/or all subcontractors involved in the performance of this contract providing call or contact center services to the State of Michigan must disclose the location of its call or contact center services to inbound callers. Failure to disclose this information shall be a material breach of this agreement.

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

The specific payment schedule for any Contract(s) entered into, as the State and the Contractor(s) will mutually agree upon the result of this RFP. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy statements shall be forwarded to the designated representative by the 15th day of the following month.

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.

2.205 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.



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 Acquisition Services.

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 Acquisition Services has given written consent to the delegation.

Bidder must obtain the approval of the Director of Acquisition Services before using a place of performance that is different from the address that bidder 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 not withstanding 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.

2.307 CONTRACT DISTRIBUTION

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

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 bidder 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.

2.311 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 90 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 Acquisition Services 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 Acquisition Services.** The Contract Compliance Inspector for this project is:

Bill Card
Michigan Department of Community Health
Mt. Pleasant Center
1400 West Pickard
Mt. Pleasant, MI 48858
989.773.7921 ext. 2320
Cardw@michigan.gov

2.402 PERFORMANCE REVIEWS

Acquisition Services in conjunction with the (*MDCH*) 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 Acquisition Services, the Contractor shall be given an opportunity to respond and take corrective action. If corrective action is not taken in a reasonable amount of time as determined by Acquisition Services, the Contract may be canceled for default. Delivery by the Contractor of unsafe and/or adulterated or off-condition products to any State agency is considered a material breach of Contract subject to the cancellation provisions contained herein.

2.403 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.

2.505 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.

2.507 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.

In addition to any remedies available in law and by the terms of this contract, if the Contractor breaches Sections 2.508, 2.509, or 2.510, such a breach may be considered as a default in the performance of a material obligation of this contract.

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.

B. Termination Assistance

If the Contract (or any Statement of Work issued under it) is terminated for any reason before completion, Contractor agrees to provide for up to two-hundred seventy (270) calendar days 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 the Contract (notwithstanding its termination) other than any terms or conditions that do not reasonably apply to such termination assistance. The State shall compensate Contractor for such termination assistance at the same rates and charges set forth in the Contract on a time and materials basis in accordance with the Labor Rates indicated within Contractors pricing section. If the Contract is terminated by Contractor under **Section 20**, then Contractor may condition its provision of termination assistance under this Section on reasonable assurances of payment by the State for such assistance, and any other amounts owed under the Contract.

C. Reservation of Rights

Any termination of the Contract or any Statement of Work issued under it by a party shall be with full reservation of, and without prejudice to, any rights or remedies otherwise available to such party with respect to any claims arising prior to or as a result of such termination.

D. End of Contract Transition

In the event the Contract is terminated, for convenience or cause, or upon expiration, the Contractor agrees to comply with direction provided by the State to assist in the orderly transition of equipment, services, software, leases, etc. to the State or a third party designated by the State. In the event of termination or the expiration of the Contract, the Contractor agrees to make all reasonable efforts to effect an orderly transition of services within a reasonable period of time that in no event will exceed 270 calendar days. These efforts shall include, but are not limited to, the following:

- (1) **Personnel** - The Contractor shall work with the State, or a specified third party, to develop a transition plan setting forth the specific tasks and schedule to be accomplished by the parties, to effect an orderly transition. The Contractor shall allow as many personnel as practicable to remain on the job to help the State, or a specified third party, maintain the continuity and consistency of the services required by the Contract. In addition, during or following the transition period, in the event the State requires the Services of the Contractor's subcontractors, as necessary to meet its needs, Contractor agrees to reasonably, and with good-faith, work with the State to use the Services of Contractor's subcontractors.



- (2) Knowledgeable Personnel. Contractor will make available to the State or a Third Party Provider knowledgeable personnel familiar with the operational processes and procedures used to deliver products and services to the State. The Contractor personnel will work with the State or third party to help develop a mutually agreeable transition plan, work to transition the process of ordering, shipping and invoicing equipment and services to the State.
- (3) Information - The Contractor agrees to provide reasonable detailed specifications for all Services needed by the State, or specified third party, to properly provide the services required under the Contract. The Contractor will also provide any licenses required to perform the Services under the Contract.
- (4) Software. - The Contractor shall reasonably assist the State in the acquisition of any Contractor software required to perform the Services under the Contract. This shall include any documentation being used by the Contractor to perform the Services under the Contract. If the State transfers any software licenses to the Contractor, those licenses shall, upon expiration of the Contract, transfer back to the State at their current revision level.
- (5) Payment - If the transition results from a termination for any reason, reimbursement shall be governed by the termination provisions of the Contract. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e. costs incurred within the agreed period after Contract expiration that result from transition operations). The hourly rates or fixed price to be charged will be agreed upon prior to the work commencing.
- (6) Single Point of Contact. Contractor will maintain a Single Point of Contact (SPOC) for the State after termination of the Contract until all product and service obligations have expired.

E. Transition out of this Contract

- (1) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the Contractor agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Cooperating with any contractors, vendors, or other entities with whom the State contracts to meet its telecommunication needs, for at least two hundred and seventy (270) days after the termination of this Contract;
 - (ii) Reserved.
 - (iii) Providing the State with all asset management data generated from the inception of this Contract through the date on which this Contract is terminated, in a comma-delimited format unless otherwise required by the Program Office;
 - (iv) Reconciling all accounts between the State and the Contractor;
 - (v) Allowing the State to request the winding up of any pending or ongoing projects at the price to which the State and the Contractor agreed at the inception of the project;
 - (vi) Freezing all non-critical software changes;
 - (vii) Notifying all of the Contractor's subcontractors of procedures to be followed during the transition out phase;
 - (viii) Assisting with the communications network turnover, if applicable;
 - (ix) Assisting in the execution of a parallel operation until the effective date of termination of this Contract
 - (x) Answering questions regarding post-migration services;
 - (xi) Delivering to the State any remaining owed reports and documentation still in the Contractor's possession.
- (2) In the event that this Contract is terminated, dissolved, voided, rescinded, nullified, or otherwise rendered unenforceable, the State agrees to perform the following obligations, and any others upon which the State and the Contractor agree:
 - (i) Reconciling all accounts between the State and the Contractor;
 - (ii) Completing any pending post-project reviews.



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

Acquisition Services 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 Acquisition Services.



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 Acquisition Services. 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.