



STATE OF MICHIGAN PROCUREMENT
 Department of Natural Resources
 525 West Allegan Street, Lansing, MI 48933

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **210000000312**
 between
 THE STATE OF MICHIGAN
 and

CONTRACTOR	Scientific Certification Systems, Inc. d.b.a. SCS Global Services
	2000 Powell Street, Ste. 600
	Emeryville, CA 94608
	Brendan Grady
	510-452-8034
	bgrady@scsglobalservices.com
	CV0066562


STATE	Program Manager	Keith Kintigh	DNR
		989-619-2296	
	Kintighk@michigan.gov		
	Contract Administrator	Kip Conley	DNR
517-388-5956			
Conleyk1@michigan.gov			

CONTRACT SUMMARY			
DESCRIPTION: Forest Certification Auditing and Certification Body Services			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
3/16/21	1/4/26	5 – 1-Year Options	
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		NA	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
NA			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation (RFP) No. 210000000164. Orders for delivery will be issued directly by the Michigan Department of Natural Resources.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$165,321.00

FOR THE CONTRACTOR:

SCS Global Services

Company Name



Authorized Agent Signature

Brendan Grady, Director, Forest Management Certification

Authorized Agent (Print or Type)

5/17/2021

Date

FOR THE STATE:

Signature

Laura Gyorkos, Procurement Manager
Name & Title

Department of Natural Resources
Agency

Date

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Scientific Certification Systems, Inc. (dba SCS Global Services) (“**Contractor**”), a California corporation. This Contract is effective on 3/16/2021 (“**Effective Date**”), and unless terminated, expires on 1/4/2026.

This Contract may be renewed for up to 5 additional 1-year period(s). Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

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

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

Contractor must: (a) perform the Contract Activities in a timely, professional, safe, and workmanlike manner consistent with standards in the trade, profession, or industry; (b) meet or exceed the performance and operational standards, and specifications of the Contract; (c) provide all Contract Activities in good quality, with no material defects; (d) not interfere with the State’s operations; (e) obtain and maintain all necessary licenses, permits or other authorizations necessary for the performance of the Contract; (f) cooperate with the State, including the State’s quality assurance personnel, and any third party to achieve the objectives of the Contract; (g) return to the State any State-furnished equipment or other resources in the same condition as when provided when no longer required for the Contract; (h) not make any media releases without prior written authorization from the State; (i) assign to the State any claims resulting from state or federal antitrust violations to the extent that those violations concern materials or services supplied by third parties toward fulfillment of the Contract; (j) comply with all State physical and IT security policies and standards which will be made available upon request; and (k) provide the State priority in performance of the Contract except as mandated by federal disaster response requirements. Any breach under this paragraph is considered a material breach.

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

- 2. Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when

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verified by written receipt if sent by courier; (b) when actually received if sent by mail without verification of receipt; or (c) when verified by automated receipt or electronic logs if sent by facsimile or email.

If to State:	If to Contractor:
Kip Conley 525 W Allegan Lansing, MI 48933 Conleyk1@michigan.gov 517-388-5956	Brendan Grady 2000 Powell St. Suite 600 Emeryville, CA 94806 bgrady@scsglobalservices.com 510-452-8034

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

State:	Contractor:
Kip Conley 525 W Allegan Lansing, MI 48933 Conleyk1@michigan.gov 517-388-5956	Brendan Grady 2000 Powell St. Suite 600 Emeryville, CA 94806 bgrady@scsglobalservices.com 510-452-8034

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

State:	Contractor:
Keith Kintigh 2122 M-37 Traverse City, MI 49685 kintighk@michigan.gov 989-619-2296	Brendan Grady 2000 Powell St. Suite 600 Emeryville, CA 94806 bgrady@scsglobalservices.com 510-452-8034

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

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

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Required Limits	Additional Requirements
Commercial General Liability Insurance	
<p>Minimum Limits: \$1,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$2,000,000 Products/Completed Operations \$2,000,000 General Aggregate</p> <p>Deductible Maximum: \$50,000 Each Occurrence</p>	<p>Contractor must have their policy endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04.</p>
Automobile Liability Insurance	
<p>Minimum Limits: \$1,000,000 Per Accident</p>	<p>Contractor must have their policy: (1) endorsed to add “the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents” as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.</p>
Workers' Compensation Insurance	
<p>Minimum Limits: Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
Employers Liability Insurance	
<p>Minimum Limits: \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease</p>	

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

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or delivery order number, at Contract formation and within twenty (20) calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within five (5) business days if any insurance is

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cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

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

7. RESERVED.

8. RESERVED.

9. Independent Contractor. Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.

10. Subcontracting. Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.

11. Staffing. The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.

12. Background Checks. Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and Subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or Subcontractors with the result of such background check. For more information, please see Michigan Public Act 427 of 2018. Upon request, or as may be specified in Schedule A, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs

STANDARD CONTRACT TERMS

associated with the requested background checks. The State, in its sole discretion, may also perform background checks.

- 13. Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.
- 14. Change of Control.** Contractor will notify within 30 days of any public announcement or otherwise once legally permitted to do so, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

- 15. Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Schedule A.
- 16. Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 23, Termination for Cause.

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

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Contract.

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

17. RESERVED.

18. RESERVED.

19. RESERVED.

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

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

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

21. Liquidated Damages. Liquidated damages, if applicable, will be assessed as described in Schedule A.

22. Stop Work Order. The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the

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suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or delivery order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.

- 23. Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

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

- 24. Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
- 25. Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed **90** calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such

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Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

- 26. General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

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

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

- 27. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
- 28. Limitation of Liability and Disclaimer of Damages.** **IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
- 29. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
- 30. State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.
- 31. RESERVED.**

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- 32. Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.
- a. **Meaning of Confidential Information.** For the purposes of this Contract, the term “**Confidential Information**” means all information and documentation of a party that: (a) has been marked “confidential” or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked “confidential” or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked “confidential” or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term “Confidential Information” does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party’s proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.
- b. **Obligation of Confidentiality.** The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. **Cooperation to Prevent Disclosure of Confidential Information.** Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access

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to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.

- d. **Remedies for Breach of Obligation of Confidentiality.** Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. **Surrender of Confidential Information upon Termination.** Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

33. RESERVED.

34. RESERVED.

35. RESERVED.

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

Within 10 calendar days of providing notice, the State and its authorized representatives or designees have the right to enter and inspect Contractor's premises or any other places where Contract Activities are being performed, and examine, copy, and audit all records related to this Contract. Contractor must cooperate and provide reasonable assistance. If any financial errors are revealed,

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the amount in error must be reflected as a credit or debit on subsequent invoices until the amount is paid or refunded. Any remaining balance at the end of the Contract must be paid or refunded within 45 calendar days.

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

- 37. Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.
- 38. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
- 39. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
- 40. RESERVED.**

STANDARD CONTRACT TERMS

41. RESERVED.

- 42. Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and [Executive Directive 2019-09](#). Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.
- 43. Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 44. Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
- 45. Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
- 46. Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
- 47. Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is

STANDARD CONTRACT TERMS

unlikely or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State’s right to terminate the Contract.

- 48. Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance.
- 49. Website Incorporation.** The State is not bound by any content on Contractor’s website unless expressly incorporated directly into this Contract.
- 50. Schedules.** All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A	Statement of Work
Schedule B	Pricing Matrix

- 51. Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits which are hereby expressly incorporated, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR’S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
- 52. Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.

STANDARD CONTRACT TERMS

- 53. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 54. Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
- 55. Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a “**Contract Change Notice**”). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

FEDERAL PROVISIONS ADDENDUM

This addendum applies to purchases that will be paid for in whole or in part with funds obtained from the federal government. The provisions below are required, and the language is not negotiable. If any provision below conflicts with the State's terms and conditions, including any attachments, schedules, or exhibits to the State's Contract, the provisions below take priority to the extent a provision is required by federal law; otherwise, the order of precedence set forth in the Contract applies. Hyperlinks are provided for convenience only; broken hyperlinks will not relieve Contractor from compliance with the law.

1. Equal Employment Opportunity

If this Contract is a “**federally assisted construction contract**” as defined in [41 CFR Part 60-1.3](#), and except as otherwise may be provided under [41 CFR Part 60](#), then during performance of this Contract, the Contractor agrees as follows:

- 1) The Contractor will not discriminate against any employee or applicant for employment because of race, color, religion, sex, sexual orientation, gender identity, or national origin. The Contractor will take affirmative action to ensure that applicants are employed, and that employees are treated during employment without regard to their race, color, religion, sex, sexual orientation, gender identity, or national origin. Such action shall include, but not be limited to the following:

Employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- 2) The Contractor will, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity, or national origin.
- 3) The Contractor will not discharge or in any other manner discriminate against any employee or applicant for employment because such employee or applicant has inquired about, discussed, or disclosed the compensation of the employee or applicant or another employee or applicant. This provision shall not apply to instances in which an employee who has access to the compensation information of other employees or applicants as a part of such employee's essential job functions discloses the compensation of such other employees or applicants to individuals who do not otherwise have access to such information, unless such disclosure is in response to a formal complaint or charge, in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or is consistent with the Contractor's legal duty to furnish information.

FEDERAL PROVISIONS ADDENDUM

- 4) The Contractor will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or workers' representatives of the Contractor's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.
- 5) The Contractor will comply with all provisions of [Executive Order 11246](#) of September 24, 1965, and of the rules, regulations, and relevant orders of the Secretary of Labor.
- 6) The Contractor will furnish all information and reports required by [Executive Order 11246](#) of September 24, 1965, and by rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to his books, records, and accounts by the administering agency and the Secretary of Labor for purposes of investigation to ascertain compliance with such rules, regulations, and orders.
- 7) In the event of the Contractor's noncompliance with the nondiscrimination clauses of this contract or with any of the said rules, regulations, or orders, this Contract may be canceled, terminated, or suspended in whole or in part and the Contractor may be declared ineligible for further Government contracts or federally assisted construction contracts in accordance with procedures authorized in [Executive Order 11246](#) of September 24, 1965, and such other sanctions may be imposed and remedies invoked as provided in [Executive Order 11246](#) of September 24, 1965, or by rule, regulation, or order of the Secretary of Labor, or as otherwise provided by law.
- 8) The Contractor will include the portion of the sentence immediately preceding paragraph (1) and the provisions of paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to section 204 of [Executive Order 11246](#) of September 24, 1965, so that such provisions will be binding upon each subcontractor or vendor. The Contractor will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for noncompliance:

Provided, however, that in the event a Contractor becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the administering agency, the Contractor may request the United States to enter into such litigation to protect the interests of the United States.

The applicant further agrees that it will be bound by the above equal opportunity clause with respect to its own employment practices when it participates in federally assisted construction work: *Provided*, that if the applicant so participating

FEDERAL PROVISIONS ADDENDUM

is a State or local government, the above equal opportunity clause is not applicable to any agency, instrumentality or subdivision of such government which does not participate in work on or under the contract.

The applicant agrees that it will assist and cooperate actively with the administering agency and the Secretary of Labor in obtaining the compliance of contractors and subcontractors with the equal opportunity clause and the rules, regulations, and relevant orders of the Secretary of Labor, that it will furnish the administering agency and the Secretary of Labor such information as they may require for the supervision of such compliance, and that it will otherwise assist the administering agency in the discharge of the agency's primary responsibility for securing compliance.

The applicant further agrees that it will refrain from entering into any contract or contract modification subject to Executive Order 11246 of September 24, 1965, with a contractor debarred from, or who has not demonstrated eligibility for, Government contracts and federally assisted construction contracts pursuant to the Executive Order and will carry out such sanctions and penalties for violation of the equal opportunity clause as may be imposed upon contractors and subcontractors by the administering agency or the Secretary of Labor pursuant to Part II, Subpart D of the Executive Order. In addition, the applicant agrees that if it fails or refuses to comply with these undertakings, the administering agency may take any or all of the following actions: Cancel, terminate, or suspend in whole or in part this grant (contract, loan, insurance, guarantee); refrain from extending any further assistance to the applicant under the program with respect to which the failure or refund occurred until satisfactory assurance of future compliance has been received from such applicant; and refer the case to the Department of Justice for appropriate legal proceedings.

2. Davis-Bacon Act (Prevailing Wage)

If this Contract is a **prime construction contract** in excess of \$2,000, the Contractor (and its Subcontractors) must comply with the Davis-Bacon Act ([40 USC 3141-3148](#)) as supplemented by Department of Labor regulations ([29 CFR Part 5](#), "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"), and during performance of this Contract the Contractor agrees as follows:

- 1) All transactions regarding this contract shall be done in compliance with the Davis-Bacon Act (40 U.S.C. 3141- 3144, and 3146-3148) and the requirements of 29C.F.R. pt. 5 as may be applicable. The contractor shall comply with 40 U.S.C. 3141-3144, and 3146-3148 and the requirements of 29 C.F.R. pt. 5 as applicable.

FEDERAL PROVISIONS ADDENDUM

- 2) Contractors are required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor.
- 3) Additionally, contractors are required to pay wages not less than once a week.

3. Copeland “Anti-Kickback” Act

If this Contract is a contract for construction or repair work in excess of \$2,000 where the Davis-Bacon Act applies, the Contractor must comply with the Copeland “Anti-Kickback” Act ([40 USC 3145](#)), as supplemented by Department of Labor regulations ([29 CFR Part 3](#), “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”), which prohibits the Contractor and subrecipients from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled, and during performance of this Contract the Contractor agrees as follows:

- 1) **Contractor.** The Contractor shall comply with 18 U.S.C. § 874, 40 U.S.C. § 3145, and the requirements of 29 C.F.R. pt. 3 as may be applicable, which are incorporated by reference into this contract.
- 2) **Subcontracts.** The Contractor or Subcontractor shall insert in any subcontracts the clause above and such other clauses as FEMA or the applicable federal awarding agency may by appropriate instructions require, and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all of these contract clauses.
- 3) **Breach.** A breach of the contract clauses above may be grounds for termination of the contract, and for debarment as a Contractor and Subcontractor as provided in 29 C.F.R. § 5.12.

4. Contract Work Hours and Safety Standards Act

If the Contract is **in excess of \$100,000** and **involves the employment of mechanics or laborers**, the Contractor must comply with [40 USC 3702](#) and [3704](#), as supplemented by Department of Labor regulations ([29 CFR Part 5](#)), as applicable, and during performance of this Contract the Contractor agrees as follows:

- 1) **Overtime requirements.** No Contractor or Subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

FEDERAL PROVISIONS ADDENDUM

- 2) **Violation; liability for unpaid wages; liquidated damages.** In the event of any violation of the clause set forth in paragraph (1) of this section the Contractor and any Subcontractor responsible therefor shall be liable for the unpaid wages. In addition, such Contractor and Subcontractor shall be liable to the United States (in the case of work done under contract for the District of Columbia or a territory, to such District or to such territory), for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (1) of this section, in the sum of \$27 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (1) of this section.
- 3) **Withholding for unpaid wages and liquidated damages.** The State shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the Contractor or Subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work Hours and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (2) of this section.
- 4) **Subcontracts.** The Contractor or Subcontractor shall insert in any subcontracts the clauses set forth in paragraph (1) through (4) of this section and also a clause requiring the Subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in paragraphs (1) through (4) of this section.
- 5. Rights to Inventions Made Under a Contract or Agreement**
- If the Contract is funded by a federal “funding agreement” as defined under [37 CFR §401.2 \(a\)](#) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance of experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with [37 CFR Part 401](#), “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency.
- 6. Clean Air Act and the Federal Water Pollution Control Act**

FEDERAL PROVISIONS ADDENDUM

If this Contract is **in excess of \$150,000**, the Contractor must comply with all applicable standards, orders, and regulations issued under the Clean Air Act ([42 USC 7401-7671g](#)) and the Federal Water Pollution Control Act ([33 USC 1251-1387](#)), and during performance of this Contract the Contractor agrees as follows:

Clean Air Act

1. The Contractor agrees to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. § 7401 et seq.
2. The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

Federal Water Pollution Control Act

1. The Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et seq.
2. The Contractor agrees to report each violation to the State and understands and agrees that the State will, in turn, report each violation as required to assure notification to the Federal Emergency Management Agency or the applicable federal awarding agency, and the appropriate Environmental Protection Agency Regional Office.
3. The Contractor agrees to include these requirements in each subcontract exceeding \$150,000 financed in whole or in part with Federal assistance provided by FEMA or the applicable federal awarding agency.

7. Debarment and Suspension

A “contract award” (see [2 CFR 180.220](#)) must not be made to parties listed on the government-wide exclusions in the [System for Award Management](#) (SAM), in accordance with the OMB guidelines at [2 CFR 180](#) that implement [Executive Orders 12549 \(51 FR 6370; February 21, 1986\)](#) and [12689 \(54 FR 34131; August 18, 1989\)](#), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than [Executive Order 12549](#).

FEDERAL PROVISIONS ADDENDUM

- 1) This Contract is a covered transaction for purposes of 2 C.F.R. pt. 180 and 2 C.F.R. pt. 3000. As such, the Contractor is required to verify that none of the Contractor's principals (defined at 2 C.F.R. § 180.995) or its affiliates (defined at 2 C.F.R. § 180.905) are excluded (defined at 2 C.F.R. § 180.940) or disqualified (defined at 2 C.F.R. § 180.935).
- 2) The Contractor must comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, and must include a requirement to comply with these regulations in any lower tier covered transaction it enters into.
- 3) This certification is a material representation of fact relied upon by the State. If it is later determined that the contractor did not comply with 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C, in addition to remedies available to the State, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment
- 4) The bidder or proposer agrees to comply with the requirements of 2 C.F.R. pt. 180, subpart C and 2 C.F.R. pt. 3000, subpart C while this offer is valid and throughout the period of any contract that may arise from this offer. The bidder or proposer further agrees to include a provision requiring such compliance in its lower tier covered transactions.

8. Byrd Anti-Lobbying Amendment

Contractors who apply or bid for an award of **\$100,000 or more** shall file the required certification in Exhibit 1 – Byrd Anti-Lobbying Certification below. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, officer or employee of Congress, or an employee of a Member of Congress in connection with obtaining any Federal contract, grant, or any other award covered by 31 U.S.C. § 1352. Each tier shall also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the recipient who in turn will forward the certification(s) to the awarding agency.

9. Procurement of Recovered Materials

Under [2 CFR 200.322](#), Contractors must comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act.

- 1) In the performance of this contract, the Contractor shall make maximum use of products containing recovered materials that are EPA-designated items unless the product cannot be acquired:
 - a. Competitively within a timeframe providing for compliance with the contract performance schedule;

FEDERAL PROVISIONS ADDENDUM

- b. Meeting contract performance requirements; or
 - c. At a reasonable price.
- 2) Information about this requirement, along with the list of EPA- designated items, is available at EPA's Comprehensive Procurement Guidelines web site, <https://www.epa.gov/smm/comprehensive-procurement-guideline-cpg-program>.
- 3) The Contractor also agrees to comply with all other applicable requirements of Section 6002 of the Solid Waste Disposal Act.

10. Additional FEMA Contract Provisions.

The following provisions apply to purchases that will be paid for in whole or in part with funds obtained from the Federal Emergency Management Agency (FEMA):

- 1) **Access to Records.** The following access to records requirements apply to this contract:
- a. The Contractor agrees to provide the State, the FEMA Administrator, the Comptroller General of the United States, or any of their authorized representatives access to any books, documents, papers, and records of the Contractor which are directly pertinent to this contract for the purposes of making audits, examinations, excerpts, and transcriptions
 - b. The Contractor agrees to permit any of the foregoing parties to reproduce by any means whatsoever or to copy excerpts and transcriptions as reasonably needed
 - c. The Contractor agrees to provide the FEMA Administrator or his authorized representatives access to construction or other work sites pertaining to the work being completed under the contract
 - d. In compliance with the Disaster Recovery Act of 2018, the State and the Contractor acknowledge and agree that no language in this contract is intended to prohibit audits or internal reviews by the FEMA Administrator or the Comptroller General of the United States.
- 2) **Changes.**
See the provisions regarding modifications or change notice in the Contract Terms.
- 3) **DHS Seal Logo and Flags.**
The Contractor shall not use the DHS seal(s), logos, crests, or reproductions of flags or likenesses of DHS agency officials without specific FEMA pre-approval.
- 4) **Compliance with Federal Law, Regulations, and Executive Orders.**
This is an acknowledgement that FEMA financial assistance will be used to fund all or a portion of the contract. The Contractor will comply with all applicable Federal law, regulations, executive orders, FEMA policies, procedures, and

FEDERAL PROVISIONS ADDENDUM

directives.

5) No Obligation by Federal Government.

The Federal Government is not a party to this contract and is not subject to any obligations or liabilities to the State, Contractor, or any other party pertaining to any matter resulting from the Contract.”

6) Program Fraud and False or Fraudulent Statements or Related Acts

The Contractor acknowledges that 31 U.S.C. Chap. 38 (Administrative Remedies for False Claims and Statements) applies to the Contractor’s actions pertaining to this contract.

EXHIBIT 1

BYRD ANTI-LOBBYING CERTIFICATION

Contractor must complete this certification if the purchase will be paid for in whole or in part with funds obtained from the federal government and the purchase is greater than \$100,000.

APPENDIX A, 44 C.F.R. PART 18 – CERTIFICATION REGARDING LOBBYING

Certification for Contracts, Grants, Loans, and Cooperative Agreements

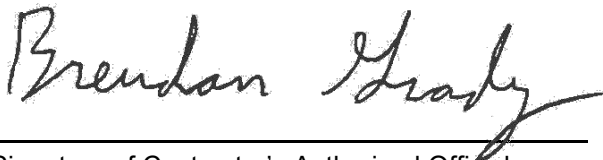
The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

The Contractor, Scientific Certification Systems, Inc. (dba SCS Global Services), certifies or affirms the truthfulness and accuracy of each statement of its certification and disclosure, if any. In addition, the Contractor understands and agrees that the provisions of 31 U.S.C. Chap. 38, Administrative Remedies for False Claims and Statements, apply to this certification and disclosure, if any.



Signature of Contractor's Authorized Official

Brendan Grady, Director Forest Management Certification

Name and Title of Contractor's Authorized Official

12/4/20

Date

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

BACKGROUND

The Michigan Department of Natural Resources (MDNR) is seeking the services of an accredited Certification Body to conduct third-party Forest Management annual surveillance and re-certification audits on MDNR administered state forest lands for maintaining dual certificates with The Forest Stewardship Council® (FSC®) and the Sustainable Forestry Initiative® (SFI®) programs. This project will involve maintenance of FSC certificate #SCS-FM/COC-090N and SFI certificate number #NSF-SFI-FM-5Y031 for the period January 2021 to December 2026 with a possibility for extension after 2026. These services will be provided through a single vendor contract.

The Michigan Department of Natural Resources, Forest Resources Division (MDNR-FRD), Wildlife Division (WD), and Parks and Recreation Division (PRD) co-manage 3.9 million of the 21 million acres of forested land in the state of Michigan. Authorizing legislation found in Part 5 of Public Act 451 of 1994, as amended, details various aspects of this management. Michigan State Forest lands have historically been managed for multiple uses including aesthetics, recreation, timber, wildlife, soil and water conservation, biodiversity preservation and restoration, and minerals. Many management operations depend on the revenues from products sold from commercial operations on these lands. Major users of some forest products will only purchase products from lands that are certified as practicing sustainable forest management under a third-party standard.

The State of Michigan sought and attained certification of its State Forest System in December 2005 under FSC and the Sustainable Forestry Initiative (SFI) forest management standards and has since maintained continuous dual certification.

Status of Planning

State forest lands are co-managed by the Forest Resources, Wildlife, and Parks and Recreation Divisions. Management for these lands is within 15 Forest Management Units.

(<https://midnr.maps.arcgis.com/apps/webappviewer/index.html?id=43579d040c7d4860b125e405f531d465>)

The DNR uses a 3-tiered planning structure for the management of Michigan's State Forest resources; statewide, regional and unit levels. The Michigan State Forest Management Plan (approved April 10, 2008) and the four Regional State Forest Management Plans (approved in 2013 and currently under revision) provide landscape-level analyses and direction to assist tactical decisions for management of forest stands and compartments at the unit level. Michigan's State Forests have well-established tactical planning called Compartment Review which is conducted at the Forest Management Unit level and which generates an Annual Plan of Work.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

The Annual Plan of Work is derived from the 10-year planning cycle for forest compartments. The Annual plan of work is operationally implemented with the Michigan Forest Inventory (MiFI) system and MDNR and FRD Policies and Procedures. Annual compartment reviews by year of entry are conducted at the Forest Management Unit level, and the aggregate of all forest prescriptions from compartment reviews are contained in an Annual Plan of Work, which is the result of tactical level of planning for State Forest operations.

The DNR has many other plans that are related to specific program areas, including the Michigan's Wildlife Action Plan, the Michigan Off-Road Vehicle Plan, the Michigan State Comprehensive Outdoor Recreation Plan, Natural River plans, and others.

Policy & Procedures

Formal policies and procedures exist and are documented in policy manuals for MDNR, FRD, WD, and PRD.

Forest Certification Work Instructions

Work instructions are new or updated MDNR operational procedures initially developed in 2005 that ensure operational compliance with all indicators in the forest certification standards.

Work instruction implementation is an important focus of the DNR's management review system and is an important focus of DNR internal audits. The work instructions make forest certification more manageable for Department staff and they are refined as needed in order to maintain conformance with forest certification standards.

SCOPE

State owned lands that are part of the State Forest system will be included in this work. In terms of forest operations, this means that all lands which currently are inventoried under the MiFI system, are identified in a state forest compartment, and go through the compartment review process are included under current certification certificates.

The audits and other related work as contracted, must comply with the protocols for FSC/SFI forest certification.

The contractor conducting the joint FSC and SFI Recertification Evaluation and Annual Surveillance Audits shall use the same audit team and a coordinated auditing protocol, including:

- Unified audit team
- Coordinated document request
- Joint On-Site Readiness Review and Audit Planning
- Integrated opening and closing Meetings and daily meetings

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

- Overlapping use of audit evidence
 - Coordination of FSC stakeholder process with relevant SFI performance measures.
1. Conduct an FSC re-certification audit and annual surveillance audits according to, and in conformance with, FSC standards:
 - Field audits will be based on a mutually acceptable timeline. Field audits shall not occur in the month of September or first week of October. Conducting field audits in the month of October is preferred.
 - Annual Surveillance audits will be conducted in conformance with FSC Standards.

 2. Conduct an SFI re-certification audit and annual surveillance audits according to, and in conformance with, SFI standards:
 - Field audits will be based on a mutually acceptable timeline. Field audits shall not occur in the month of September or first month of October. Conducting field audits in the month of October is preferred.
 - Annual Surveillance audits will be conducted in conformance with SFI Standards.

The re-certification process for both systems must be completed by 12/1/2025 in order to continue an unbroken chain of certification for the Michigan State Forest system. The anticipated audit schedule is as follows:

Year	Audit Type
2021	Surveillance
2022	Surveillance
2023	Surveillance
2024	Surveillance
2025	Re-Certification

This contract is for an accredited Certification Body to conduct independent third-party audits to enable the Michigan State Forests to maintain sustainable forestry certification under the SFI and FSC Standards.

Out of Scope

MDNR staff will be available for collaboration and coordination with subcontractors if needed.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

State-owned lands that are not part of the State Forest system will not be included in this work. The following DNR properties are explicitly excluded from the certification project:

- Lands under long term military lease to the Michigan National Guard
- Lands leased to Luce County
- Excised lands planted to GMO corn or soybeans
- Lands included in contingency adulticide treatment as part of Midland County Mosquito Control Program
- State Fish Hatcheries
- State Forest Nurseries (intensive non-forest use)
- Administrative Office and facilities

Contractor will not be required to produce or provide written policies or procedures for MDNR, although they may be asked to advise and comment on MDNR's, or an MDNR sub-contractor's work in preparation of such documents.

Requirements

1.1. General Requirements and Timeframes

Contractor must provide Deliverables/Services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

The following is a preliminary analysis of the major tasks involved for developing the end product of this project. The Contractor is not, however, constrained from supplementing this listing with additional steps, sub tasks or elements deemed necessary to permit the development of alternative approaches or the application of proprietary analytical techniques.

FSC Re-certification and Surveillance Audits

Evaluate Michigan's State Forest system to determine if management policies, practices, procedures and monitoring processes conform with the standards for Forest Stewardship Council (FSC) certification. The review shall include an analysis and subsequent report to:

1. Identify elements where conformance with current forest certification standards is acceptable.
2. Identify specific certification standards with which current policies, practices, procedures and monitoring processes do not conform, or where conformance is incomplete.
3. In the case of deficiencies, details should be provided.

Deliverable: Annual Surveillance Audit reports due in conformance with the FSC Standard detailing any conditions for maintaining FSC Certification. Draft surveillance

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

audit reports shall be due within 30 days of completion of field portion of the surveillance audit. MI DNR shall be allowed a minimum of 30 days to review, comment, and approve draft reports before they are finalized. Final surveillance audit reports shall be completed within 90 days of completion of the field portion of the audit. Final re-certification audit report detailing FSC certification along with any conditions for MDNR State Forests shall be due 30 day prior to expiration of FSC Certification Certificate (presently estimated as 11/30/2025). MI DNR shall be allowed a minimum of 30 days to review, comment, and approve draft recertification audit report before they are finalized. Field audits shall not occur in the month of September or first week of October. Conducting field audits in the month of October is preferred.

SFI Re-certification and Surveillance Audits

Evaluate Michigan's State Forest system to determine if management policies, practices, procedures and monitoring processes conform with the standards for Sustainable Forestry Initiative (SFI) certification. The review shall include an analysis and subsequent report to:

1. Identify elements where conformance with current forest certification standards is acceptable.
2. Identify specific certification standards with which current policies, practices, procedures and monitoring processes do not conform or where conformance is incomplete.
3. In the case of deficiencies, details should be provided.

Deliverable: Annual Surveillance Audit reports due in conformance with the SFI Standard detailing any conditions for maintaining SFI Certification. Draft surveillance audit reports shall be due within 30 days of completion of field portion of the surveillance audit. MI DNR shall be allowed a minimum of 30 days to review, comment, and approve draft reports before they are finalized. Final surveillance audit reports shall be completed within 90 days of completion of the field portion of the audit. Final re-certification audit report detailing SFI certification along with any conditions for MDNR State Forests shall be due 30 day prior to expiration of SFI Certificate of Registration (presently estimated as 12/21/2025). MI DNR shall be allowed a minimum of 30 days to review, comment, and approve draft recertification audit report before they are finalized. Field audits shall not occur in the month of September or first week of October. Conducting field audits in the month of October is preferred.

Timeline for completion of project by due date will be monitored by the MDNR project manager on a monthly and quarterly basis. Failure to meet project deadline will result in the State's forests not meeting the re-certification deadline of **December 1, 2025**.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

In addition, as MDNR’s Certification Body, contractor, through MDNR Certification Coordinator, will assist the department in navigating, interpreting, and understanding the requirements of the FSC and SFI Standards and associated policies as needed.

All Contract Activities must be delivered within the timeframe outlined above. The receipt of order date is pursuant to the **Notices** section of the *Standard Contract Terms*.

2. Acceptance

2.1. Acceptance, Inspection, and Testing

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

FSC Audit

Annual surveillance audit reports and re-certification audit report (due by 12/1/2025) , must include a full report of the audit. Details of all findings, conditions, etc., must be included.

SFI Audit

Annual surveillance audit reports and re-certification audit report (due by 12/21/2025) must include a full report of the audit. Details of all findings, conditions, etc. must be included.

2.2. Final Acceptance

Final acceptance of project will be upon receipt and acceptance by MDNR Forest Resources Division of the final report for each phase of the project summarizing the entire work done in that phase.

3. Staffing

3.1. Contractor Representative

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

The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Contractor Representative.

- **Contact:** Brendan Grady, Director, Forest Management Certification, Natural Resources Division
- **Phone:** 510-452-8034

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3.2. Customer Service Number

The Contractor must specify its Customer Service number for the State to make contact with the Contractor Representative. The Contractor Representative must be available for calls during the hours of 8:00 am to 5:00 pm EST.

- Phone: 510-452-8034

3.3. Work Hours

The Contractor must provide Contract Activities during the State’s normal working hours Monday – Friday, 7:00 a.m. to 6:00 p.m. EST and possible night and weekend hours depending on the requirements of the project.

3.4. Organizational Chart

The Contractor must provide an overall organizational chart that details staff members, by name and title, and subcontractors.

3.5. Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

- The legal business name; address; telephone number; a description of subcontractor’s organization and the services it will provide; and information concerning subcontractor’s ability to provide the Contract Activities.
- The relationship of the subcontractor to the Contractor.
- Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
- A complete description of the Contract Activities that will be performed or provided by the subcontractor.

Disclosure of Subcontractors	
The legal business name, address, telephone number of the subcontractor(s).	Schulte Consulting, LLC 11750 Woodgate Dr. NW Grand Rapids, MI 49534-3322 707-407-8599
A description of subcontractor’s organization and the services it will provide and information concerning subcontractor’s ability to provide the Contract Activities.	Ruthann M. Schulte, through her organization, Schulte Consulting, LLC , has been an Active Lead FSC Forest Management and Lead FSC Chain-of-Custody Auditor with SCS since 2017.

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	She has participated in and lead numerous FSC Forest Management audits during that time.
The relationship of the subcontractor to the Contractor.	Ruthann Schulte works for SCS as a contract auditor in both the Chain-of-Custody and Forest Management departments.
Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.	Since 2017 Ruthann Schulte has participated in or Lead approximately 17 FSC Forest Management Audits for SCS. Additionally, she has conducted at least 55 Chain-of-Custody Audits.
A complete description of the Contract Activities that will be performed or provided by the subcontractor.	<p>Ruthann Schulte would participate in the MDNR annual surveillance or recertification audit as a Team Member. Under the supervision of the Audit Team Leader she would:</p> <ul style="list-style-type: none"> - Analyze and describe the forest area to be evaluated in terms of one or more forest management units; - Confirm that there is a management system in place that is capable of ensuring that all the requirements of the specified Forest Stewardship Standard are implemented within every FMU within the scope of the evaluation; - Carry out sampling of sites, documents, management records, interviews, consultation with stakeholders and direct factual observations sufficient to verify that there are no major non-conformances with the performance thresholds specified in the applicable Forest Stewardship Standard within any FMU within the scope of the evaluation.
Of the total contract, the price of the subcontractor’s work.	Estimated \$10,000-20,000. This amount will vary depending on which audit years utilize subcontract auditors.

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3.6. Security

The State may require the Contractor's personnel to wear State issued identification badges. If required by the MDNR, the Contractor will comply with background checks for employees working on MDNR projects.

4. Project Management

4.1. Project Plan

The Contractor will carry out this project under the direction and control of the Program Manager. Within 30 calendar days of the Effective Date, the Contractor must submit a project plan to the Program Manager for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

Summary of Project Deliverables

- 4 On-Site Annual Certification Assessments (FSC & SFI)
- 4 Draft Annual Certification Reports (FSC & SFI)
- 4 Final Annual Certification Reports (FSC & SFI)
- On-Site Full Certification Assessments (FSC & SFI)
- Draft Full Certification Reports (FSC & SFI)
- Final Certification Reports (FSC & SFI)
- Award of 5-year FSC Certification - if warranted
- Award of 5-year SFI Certification - if warranted

Contractor will review documentation and reports before arriving on-site for the field review.

Project Timeline

The Contractor will provide MDNR with at least eleven-month advance notice of the Area locations and audit dates. Additionally, the Contractor will provide at least three months advance notice of the audit focus topics, criteria to be used to select specific field sites, requested/necessary documentation, and a list of MDNR staff expected to participate in the audit.

Any changes to the audit plan will require approval of MDNR. The field sampling method and stakeholder consultation is described in more detail below under the heading "Audit planning".

To meet these requirements, the Contractor will execute the audit planning in the following way:

- 11 months prior to the audit, the Contractor will communicate with MDNR to select initial Forestry areas for the next audit.

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- 3 months prior to the audit, the Contractor will send MDNR the audit focus topics, criteria, documentation request, and staff participation.

The steps of the annual surveillances and re-certification assessments are described in four categories of the Project Plan:

1. Preparatory Communications and Document Review;
2. Audit Planning & Stakeholder Consultation;
3. Collection of Information, Synthesis and Conformity Findings;
4. Certification Decision and Reporting.

Preparatory Communications

The Contractors audit team leaders will initiate telephone dialogue with pertinent MDNR personnel for purposes of the following:

- Identifying and obtaining relevant documentation pertaining to forest properties and MDNR's management of the respective programs
- Identifying key stakeholders to contact
- Identifying key MDNR (and related agency) field personnel to interview
- To begin desk review of pertinent documents, including Michigan Statutes, Administrative Code, and Operational Handbooks, among others.

Each year the Contractors audit team will be provided information on the following:

- Changes in operations and procedures
- Certification-related complaints
- New management plans or significant analyses
- The monitoring summary
- A summary of harvesting and management activities in comparison to the plan
- The SFI Reporting Form for the previous year
- Copies of internal audit reports with related internal non-conformances and follow-up actions
- Summary of insecticide, herbicide, or fungicide use
- Summary of accident and injury rates
- Changes to the forest area included in the scope of the certificate

Audit Planning

An initial teleconference meeting, at least three months prior to each audit, will be held to present the goals and methods of the audit protocols, introduce key participants, and to develop the audit plan. A major objective of audit planning is to identify the field sample, starting with the selection of the units to visit during the audit. These are selected by a combination of random and directed selection (random selections are modified to ensure reasonable audit travel times). One important difference between annual surveillance audits and re-certifications is that annuals will attempt to cover only

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a subset of the two sets of requirements, and follow-up on any outstanding non-conformances (if there are any) will be the priority for each annual surveillance audit. For each selected DNR Field Office similar random and directed site selections will be made. The MDNR will be asked to provide lists of potential sites for review by FMU. Those lands with significant timber management, vegetation treatment sites (harvest or cultural treatments) provide a logical sampling framework. On these properties, starting from a full list of such treatment sites a sample provides the backbone of an audit “tour;” nearby sites will be added illustrating as full a range of other management activities as time allows.

Examples of management practices that will be focused on include:

- Regeneration timber harvests
- Commercial and Pre-commercial thinning operations
- Conservation Areas
- Wildlife Habitat Enhancement/Restoration
- Stand establishment
- Public use management
- Landscape planning
- Watercourse Management Zone protection strategies
- Cultural resource identification and protection strategies
- Recreation facility (e.g., trails, campgrounds) development and maintenance

Collection of Information

The next phase of the certification evaluation is to gather information that will enable the audit team to arrive at judgments as to the extent to which the condition and management of MDNR Administered Forests comply with the standards of certification. This is accomplished through: interviews with MDNR personnel, review of pertinent documents, and sample-based field inspections. Personal Protective Equipment will be provided when necessary as determined by the MDNR, at a minimum a hard hat will be worn at all active logging sites.

Daily orientation and exit briefing sessions will be used to gather complete information or if MDNR responders feel that they did not fully and clearly express their knowledge and experience.

To efficiently complete this work task, requirements placed upon MDNR are to:

- Provide the Contractor with pertinent documentation and data that describes the forest resource and the management programs that are implemented on the land;
- Make available to the assessment team pertinent MDNR management, planning and field personnel (foresters, biologist, ecologists, recreation specialists, etc);

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

- Provide to the Contractor the names and contact information of pertinent stakeholders, including recreational user groups, environmental groups, trade groups, contractors and suppliers;
- Dedicate sufficient personnel and resources to independently develop any management system components that are currently lacking.

Stakeholder Consultation

Also, prior to and during the field assessments, per FSC protocols, one or more members of the Contractors team will consult with a range of pertinent stakeholders to obtain input on how these individuals/groups view MDNR's management. Stakeholder consultation will be conducted prior to and during the assessment.

The Contractor will consult with the following types of stakeholders:

- Local and regionally based environmental organizations and conservationists
- User groups, such as hikers, ATV users, and other local and regionally based recreation user groups
- Sportsmen's groups
- Local and regionally based social interest organizations
- Purchasers of MDNR forestland timber sales
- Forest industry groups and organizations
- MDNR staff
- Contractors
- Adjacent property owners
- Pertinent tribal representatives
- Local jurisdictional bodies such as townships
- Other Local, State and Federal regulatory agency personnel

Stakeholder consultation will make every effort to include a wide and balanced range of stakeholder perspectives. Especially during the re-evaluation assessment, the Contractors audit team will seek out stakeholders if a particular interest group is underrepresented in the audit report.

During the re-evaluation assessment the Contractor will also send a formal announcement to pertinent stakeholders announcing the evaluation and soliciting comments six weeks prior to the commencement of the assessment.

Stakeholder consultation will be guided by the following considerations and tactics:

- The contractor will consult with a sufficient variety and number of people affected by or involved in management of State Lands to evaluate the range of situations relevant to the applicable Forest Stewardship Standard.
- Consultation will be designed to solicit direct, factual observations with regard to compliance with the requirements of the FSC and SFI standards.

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- The consultation will be carried out without the presence of a representative of agency staff so that any stakeholder wishing to comment confidentially may do so.
- In communicating with stakeholders, the Contractor will a) give the opportunity for offering comment, b) document comments received and make it clear to the stakeholder that we acknowledge their comment, c) communicate to them that we will consider this information as part of our assessment.
- Stakeholder feedback that alleges non-conformances will be further investigated. In other words, feedback from stakeholders is to be used as one of several mechanisms to uncover non-conformances.
- Stakeholders will be directed to provide information that is relevant to the FSC standard.
- As required by the certification standards, we must also assess the applicant/certificate holder's own stakeholder interactions. Applicants/certificate holders are required to have contact information and records of correspondence for a diverse range of stakeholders.
- Information provided by stakeholders will be independently corroborated from a second source or be confirmed by the auditors in the field if possible. Information provided by stakeholders will be considered objectively to determine whether it constitutes evidence of a non-compliance with any of the FSC or SFI certification requirements.

Synthesis and Conformity Findings

Under the FSC process, after document review, field inspections, and stakeholder consultations, the audit team sequesters to translate the team's judgments into conformance decisions for each of the criteria that constitute the evaluation standard. Although corrective action requests (CARs) do not stipulate a specific approach with detailed steps, as that would constitute consultative services, they are specific enough for the landowner to take the necessary actions to comply with the deficiency. The Contractor will work all certificate holders to ensure that issued CARs are achievable, while credibly addressing the non-conformance.

Under the FSC-US Forest Management Standard, indicators have designations of risk attached to them based on the size, scale, and intensity of the forest management. MDNR's scope is categorized as a large forest. There are also additional indicators which apply to MDNR as a public agency. More generally, many places in the standard allude to requirements that should be moderated by scale and intensity of the management without defining what that means in detail. In these cases, it is primarily up to the judgment and experience of the audit team to assess whether the standard has been met in relation to the scale and intensity of a particular operation. It is important to emphasize here that the role of the auditors is not as consultants to design or implement the forest management system. We only assess whether the standards

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

have been met, and it is up to the organizations under evaluation to decide how to do so in the way that works best for them.

The SFI process involves review of the management systems and their implementation to determine conformance to all the relevant SFI Performance Measures and Indicators. The auditors inform MDNR's designated representative immediately if a non-conformance is likely or being considered. This allows MDNR to bring additional information for consideration or to clarify any misunderstanding.

Certification Decision and Reporting

Under FSC, the decision as to whether re-certification can be awarded is based on the overall conformance with each Criterion. Major CARs are issued for Criterion-level non-conformances and minor CARs are issued for Indicator level non-conformances. FSC re-certification will be awarded if there are no Major CARs issued during the re-certification or any Major CARs that are issued are sufficiently addressed prior to the expiration dates for the certificates. SFI Re-certification can be awarded immediately if there are no Major Non-conformances and if the program has developed Corrective Action Plans for any Minor Non-conformances.

The results of the annual surveillance audit, re-certification audit and overall certification decisions will be preliminarily communicated to MDNR in a joint closing meeting on the final day of the on-site audit. At the closing meeting the SFI non-conformances will be provided and the status of audited program with respect to SFI Certification will be presented. FSC CARs will be discussed but are not likely to be finalized during the closing meeting. Instead, they will be conveyed along with the draft report. After departing from the project site, the audit team will then prepare certification evaluation reports that present the team's findings, recommendations and FSC CARs in final form. The justification for any stipulated CARs will be detailed in the assessment report.

AUDIT REPORTS

The SFI report will follow the format required under the SFI 2015-2019 Standards and Rules. It will contain background on the program, a summary description of the audit process, overall findings, any non-conformances, and a brief description of the evidence of conformance. An appendix will contain the detailed audit findings from the audit checklist (matrix), a list of participants in the audit, and a list of field sites. Required SFI forms are provided at the end of the audit report.

The FSC report will follow the format required under FSC-STD-20-007a. The report will include background sections (e.g., description of FMU, environmental Context, etc), audit process/itinerary, summary of stakeholder comments, summary of findings, non-conformances/corrective action requests, a table with conformance/non-conformance decisions for each Indicator, and a final certification decision.

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

The Contractor maintains a license to the CommonLook Software which will enable all reports to be delivered in compliance with WCAG 2.0 Level AA requirements.

The process and timeline for compiling draft audit reports for both re-certifications and annual surveillance audits is as follows:

- Draft audit reports will be completed and provided to MDNR within 30 days from the end of the field assessment. Any supporting materials, services, or information required from MDNR will be requested prior to and during the field assessment.
- There will be a minimum 30-day review period for MDNR to offer any factual corrections or provide additional information. This time will allow MDNR to review, comment on, and approve draft reports before they are finalized.
- For the 2025 Re-certification Assessments, final reports will be delivered to MDNR and FSC/SFI 30 days prior to the expiration of the certificates, by November 30th, 2025 for FSC and by December 21st 2025 for SFI.
- For annual surveillance assessments, the final report will be delivered no later than 90 days from the completion of the field portion of the audit.

FIELD AUDIT SCHEDULE

Field audits of MDNR Forest Management Units (FMUs) shall not occur in the month of September or first week of October. The preferred dates and proposed schedule for conducting the field portion of the 2021, 2022, 2023 and 2024 annual surveillance audits are as follows:

Calendar Year	Proposed Dates (FSC & SFI)	Proposed Forest Management Units*
2021	Week of October 18 th	3 North Lower Peninsula FMUs
2022	Week of October 17 th	3 Upper Peninsula FMUs
2023	Week of October 23 rd	3 North Lower Peninsula FMUs
2024	Week of October 21 st	3 Upper Peninsula FMUs

*2 UP and 2 LP FMUs were visited in the 2020 re-certification audit

A draft schedule for the 2021, 2022, 2023, 2024 annual surveillance audits is as follows:

Day	Activity
Monday	Audit team travels to opening meeting location
Tuesday	Opening Meeting & Office Assessment
Wednesday	Field Audits

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

Thursday	Field Audits, Closing Meeting & Audit team travels home
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The exact number FMUs and field sites to be sampled will be determined in collaboration with MDNR and based on an effort to maximize auditing time within the allocated field time. During the most recent surveillance audits a total of 2 auditors visited 3 FMUs each year. In some years, travel schedule involved in reaching the selected field areas may require adjustments to this draft schedule.

The proposed schedule for the 2025 Re-certification Assessment is as follows:

Day	Activity
Sunday, October 19, 2025	Audit team travels to opening meeting location
Monday, October 20, 2025	Opening Meeting & Office Assessment
Tuesday, October 21, 2025	Field Audits
Wednesday, October 22, 2025	Field Audits
Thursday, October 23, 2025	Field Audits & Closing Meeting

As with the annual surveillance evaluations, the exact number of FMUs and field sites to be sampled will be determined in collaboration with MDNR and based on an effort to maximize auditing time within the allocated field time. During the last joint re-certification audit in 2020, a total of 4 auditors visited 4 FMUs. A similar number to be visited in 2025.

4.2. Meetings

The Contractor must attend the following meetings:

Kick-off meeting within 30-calendar days of the Effective Date.

The State may request other meetings, as it deems appropriate.

4.3. Reporting

The Contractor must submit, to the Program Manager, the following written reports:

FSC Audit

Annual surveillance audit reports and re-certification audit report (due by 12/1/2025) must include a full report of the audit. Details of all findings, conditions, etc. must be included.

SFI Audit

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

Annual surveillance audit reports and re-certification audit report (due by 12/21/2025) must include a full report of the audit. Details of all findings, conditions, etc. must be included.

Reports will be created using tools that are compatible with the Microsoft office standard desktop tools, without need for conversion and will be ADA compliant as described in .

4.3.1 Accessibility Requirements.

The State is required to comply with the Americans with Disabilities Act of 1990 (ADA) and has adopted standards and procedures regarding accessibility requirements for all deliverables provided electronically by Contractor, including but not limited to documents, reports, content, images, video and other media productions (collectively, "Electronic Deliverables"). All Electronic Deliverables provided by the Contractor as part of the Services must comply with Level AA of the World Wide Web Consortium (W3C) Web Content Accessibility Guidelines (WCAG) 2.0 ("**WCAG 2.0 Level AA**").

For each Electronic Deliverable provided by Contractor, Contractor must provide a Product Accessibility Template for WCAG 2.0 Level AA that describes how the Electronic Deliverable meets the WCAG 2.0 Level AA specifications. All "Not Applicable" or "N/A" responses to the specifications, if any, must be fully explained. A description of the evaluation methods used to support WCAG 2.0 Level AA conformance claims, including, if applicable, any third-party testing, must be provided.

Further, for each Electronic Deliverable, Contractor must, at the State's request, provide the Electronic Deliverable in one or more alternative formats specified by the State.

5. Pricing

5.1. Price Term

Pricing is firm for the entire length of the initial Contract. Contractor may request a price increase for contract option years in accordance with Section 5.2 after the initial Contract period.

5.2. Price Changes

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

Following the presentation of supporting documentation, both parties will have 30 days to review the information and prepare a written response. If the review reveals no need for modifications, pricing will remain unchanged unless mutually agreed to by the

SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES

parties. If the review reveals that changes are needed, both parties will negotiate such changes, for no longer than 30 days, unless extended by mutual agreement.

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

6. Ordering**6.1. Authorizing Document**

The appropriate authorizing document for the Contract will be a Delivery Order (DO).

7. Invoice and Payment**7.1. Invoice Requirements**

All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price. Overtime, holiday pay, and travel expenses will not be paid.

7.2. Payment Methods

The State will make payment for Contract Activities by EFT.

7.3. Procedure

Invoices must be submitted to the DNR Program Manager for approval and payment.

8. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$5,000 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work.

SCHEDULE B - PRICING

1. Price must include all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).

Joint FSC and SFI Surveillance Audits and Recertification on the Current Five-Year Cycle

RECERTIFICATION and SURVEILLANCE AUDITS – Joint FSC and SFI Audits

Audit	Fixed Price/Lump Sum
FSC & SFI - First Surveillance Audit (2021)	\$28,093.00
FSC & SFI - Second Surveillance Audit (2022)	\$28,093.00
FSC & SFI - Third Surveillance Audit (2023)	\$28,093.00
FSC & SFI - Fourth Surveillance Audit (2024)	\$28,093.00
Joint FSC & SFI Recertification Audit (2025)	\$52,952.00
TOTAL	\$165,321.00

EXHIBIT A – SCS PROFESSIONAL SERVICE AGREEMENT

Client Name: State of Michigan – Department of Natural Resources

Client 525 W Allegan, Lansing, MI 48933

Address:

	<u>SCS Primary Contact</u>	<u>Client Primary Contact</u>	<u>Client Secondary Contact</u>
Name:	Brendan Grady	Keith Kintigh	David Price
Title:	Director, Forest Management	Specialist, Forest Certification and Conservation	Manager, Forest Planning and Inventory Unit
Email:	bgrady@scsglobalservices.com	KintighK@michigan.gov	PriceD1@michigan.gov
Phone:	+1 (510) 452-8034	989-619-2296	616-443-1667
Cell:			
Facsimile:	+1 (510) 452-6882		

This agreement (“Agreement”) is made by Scientific Certification Systems, Inc., d.b.a. SCS Global Services (SCS), a California corporation, and Michigan Department of Natural Resources – State of Michigan (“Client”).

SCS is a provider of certification, validation, verification, and auditing/testing services, among which is/are **Forest Management (the “Program”).**

- A. The Program includes certain copyright material **(the “Copyright”)** and associated Trademarks **(the “Program Trademarks”)**.
- B. SCS is the sole legal and beneficial owner of the Program or is an authorized service provider under the Program.
- C. Client wishes to retain SCS for assessment services under the terms of the Program

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NOW, THEREFORE, in consideration of the recitals above and the premises and agreements hereafter set forth, it is hereby agreed as follows:

Schedule 1 – Program Specific Requirements*

* For Clients applying for consideration under multiple Programs, SCS may provide separate schedules for each program.

Forest Stewardship Council® (FSC®) and Sustainable Forestry Initiative

1. Program

1.1 SCS warrants that its Forest Management and Chain of Custody Programs are duly accredited by Accreditation Services International, GmbH (ASI) to conduct Forest Stewardship Council (FSC) Forest Management and Chain of Custody certification in accordance with the applicable requirements of FSC. SCS warrants that its Forest Management and Chain of Custody Programs are duly accredited by the ANSI National Accreditation Board (ANAB) to conduct Sustainable Forestry Initiative (SFI) Forest Management and Chain of Custody certification.

1.2 If Client is determined to be in conformance with all applicable normative requirements, certification is granted within a defined scope (the “Scope of Certification”), which defines the sites, products and/or processes or activities that are included in an evaluation, together with the certification standard(s) against which these have been audited.

1.3 SCS shall make available to Client the applicable rules and regulations of the Forest Management/Chain of Custody programs. All current normative documents are available on SCS’ website at <https://www.scsglobalservices.com/certification-standards-and-program-documents>, FSC’s website at <https://ic.fsc.org/en/certification>, and SFI’s website at <https://www.sfiprogram.org/>.

2. Certification Assessment Process

2.1 A Work Order or equivalent shall be sent to Client to confirm the required Scope of Certification, and typically to inform Client of the associated fees. The document shall be signed by Client to demonstrate acceptance of the scope of work. A Work Order is usually issued annually but can be written to cover a five-year audit cycle. It is sometimes referred to as a Proposal or a Service Provision Schedule.

2.2 Client shall enable the SCS representative to conduct an assessment of all relevant Product(s), Process(es) and/or Site(s) related to the specified Forest Management and/or Chain of Custody standards and requirements, as

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elaborated by the applicable FSC standards and other applicable FSC certification policies, interpretations, guidance documents, advice notes or any other documentation and detailed in the Work Order. On-site assessments may be of Client-owned or operated properties, offices and/or outsourced facilities necessary to determine conformance with the applicable certification requirements.

- 2.3 This agreement (Professional Services Agreement, or PSA) and the FSC Trademark License Agreement (TLA) shall be signed and returned to SCS prior to the initial evaluation audit.
- 2.4 Client shall disclose current or previous applications or certification with FSC and/or other forestry certification schemes in the last five years. If applicable, Client shall supply SCS with the latest available FSC audit report of the last five years to consider it in the certification process.
- 2.5 Client shall fully disclose to SCS all information deemed necessary to conduct its evaluation of Client's Forest Management/Chain of Custody processes, which may include but is not limited to: (a) management planning documents; (b) inventory records, including forest inventory and monitoring information; (c) annual harvest volumes / production records, including job tickets, conversion rates, and inter-departmental transfers where appropriate; (d) lease agreements; (e) documentation related to lawsuits; (f) documentation related to legal violations; (g) customer/public complaints; (h) records of consultations with stakeholders; (i) all Client's policies and procedures; (j) annual expenditures; (k) purchase and sale of products including purchase orders and bills of lading; (l) sales records including aggregated sales information; (m) records of vendors and aggregated purchasing information; (n) invoices and invoicing; (o) training records; (p) trademark use and approval records; (q) any above records related to non-certified materials, and (r) any additional records as deemed appropriate by SCS in order to ensure that Client complies with specified certification requirements. If requested documents are not received at least two weeks prior to an on-site Forest Management evaluation, or one week prior to a Chain of Custody evaluation, SCS reserves the right to postpone the evaluation.
- 2.6 Client acknowledges that SCS, FSC, ASI, SFI, and ANAB have the right to access confidential information, examine documentation deemed necessary, including that provided by contractors and/or suppliers, and access the relevant equipment, location(s), area(s), personnel, and/or bodies providing outsourced services to clients for the purposes of establishing Client's conformance to FSC requirements. Client agrees that such requests shall not be unreasonably withheld and acknowledges that access to these third-party facilities may be required in order to include outsourced services, suppliers and/or standards in the Scope of Certification.

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- 2.7 Upon completion of the assessment, SCS shall make a certification decision that may lead to the award of Forest Management/Chain of Custody certification. SCS has the right to delay or postpone its decision on certification, in order to take account of new or additional information which has not already been considered in its audit report and which, in the opinion of SCS, could affect the outcome of its evaluation.
- 2.8 Unless sooner terminated by either party, the term of FSC certification shall be five years, subject to continued compliance with applicable requirements including annual surveillance audits. SCS reserves the right to conduct additional surveillance audits beyond the regularly scheduled annual surveillance audit. SCS may deem that additional surveillance audits are necessary due to non-conformities with the standard, complaints, changes to the Scope of Certification, or other matters requiring additional surveillance.
- 2.9 Client may not reject a request by SCS for a witness audit or a shadow audit to be conducted by ASI or ANAB. All clauses referencing SCS are applicable to ASI as well, in the case of an ASI compliance audit. Fees associated with a witness audit shall be limited to the fees to cover the participation of SCS staff and/or contract auditors that are being witnessed. Client shall not bear any costs related to the participation of the Accreditation Body. Failure to authorize a witness or compliance audit shall be grounds for immediate termination of the certificate by SCS and may be subject to further action by ASI or FSC at its sole discretion.
- 2.10 Subsequent to the award of certification, SCS shall have the right, at any time during normal business hours, with or without prior notice to Client, to inspect Client's operations that are included in the Scope of Certification and to audit written documents pertaining to the purchase, production and sale of certified products, at SCS' sole discretion.
- 2.11 In the event that a complaint is submitted, Client acknowledges that the complaint is first handled according to SCS' dispute resolution procedure and, if not resolved, only then referred to ASI and ultimately to FSC, in case of disagreement with audit findings related to FSC normative documents, or to ANAB and SFI in the case of a disagreement related to SFI normative documents.
- 2.12 Recertification may be granted for a new five-year period of validity upon completion of a re-evaluation audit, provided continued conformance to all applicable requirements can be demonstrated and SCS has received a new signed Professional Services Agreement (PSA) and signed FSC Trademark License Agreement (TLA). In addition, the right to use FSC trademarks must not be suspended.

3. Conditions of Certification

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- 3.1 Client agrees to comply with the following conditions for the issuance and maintenance of Forest Management/Chain of Custody certification:
- a. implement any actions required to correct minor and/or major non-conformities with the applicable standard(s) within the maximum period specified by SCS;
 - b. comply with all applicable requirements of SCS, FSC, and SFI, including regarding claims, logos, certification marks or trademarks;
 - c. pay all specified fees and costs in a timely manner;
 - d. undergo surveillance as determined by SCS, including unannounced or short-notice surveillance evaluations when necessary;
 - e. consider the participation of observers as specified in FSC-PRO-01-017, when applicable. Note: Per FSC-PRO-01-017, Observers shall only be allowed to participate in audits with prior written approval from the auditee (Client) and the certification body (SCS);
 - f. inform SCS within ten days of changes in the ownership, structure of the organization (e.g. changes in key managerial staff), certified management systems, or circumstances which relate to the implementation of FSC or SFI certification requirements, and of any fundamental departure from the Forest Management and/or Chain of Custody procedures that have been certified;
 - g. not use its certification in such a manner as to bring SCS, FSC, ASI, SFI, or ANAB into disrepute and not make any statement regarding its certification that may be considered misleading or unauthorized; and
 - h. maintain a valid and unsuspended Trademark License Agreement for the FSC Certification Scheme with SCS.
- 3.2 Client acknowledges that the physical handling of certified material at a facility that is not included in the Scope of Certification (“excluded facility”) or the sale of products or product groups that are not included in the Scope of Certification may constitute a material breach of the requirements and result in the issuance of Major Non-conformities and/or the suspension of certification.
- 3.3 Client is responsible for keeping a record of all complaints made known to Client relating to conformance with certification requirements and making these records available to SCS when requested; taking appropriate action with respect to such complaints and any deficiencies found in products that affect conformance with the requirements for certification; and documenting the actions taken.
- 3.4 SCS reserves the right to charge for any additional work relating to follow-up of Corrective Action Requests.

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3.5 SCS shall have the right to suspend or terminate Client’s certification with immediate effect if, in the sole opinion of SCS, Client is not in conformance with the conditions specified for the maintenance of the certificate.

3.6 In the event that a certificate is suspended or terminated, Client shall:

- a. immediately cease to make any use of any Program trademarks, or to sell any products previously labeled with Product trademarks bearing Client’s trademark license or certificate code, or to make any claims that imply that Client or their products comply with the requirements for certification;
- b. identify all relevant existing customers, and advise those customers of the suspension or termination in writing within three business days of the suspension or termination, and maintain records of that advice;
- c. cooperate with SCS, ASI, FSC, SFI, and/or ANAB to confirm that these obligations have been met.

3.7 In the event that a certificate is terminated, Client shall:

- a. return the certificate to SCS or destroy the original, and commit to destroy any electronic copies and hard copies in their possession;
- b. remove all uses of Program trademarks from its products, documents, advertising, or marketing materials, at its own expense.

3.8 Client shall be responsible for all certificate fees (e.g. FSC AAF) that are due for the period of certification, including fees incurred during periods of suspension and regardless of the current status of the certificate.

4. Requirements about Program Trademarks

4.1 Use of Program trademarks for off-product and on-product use shall be governed by the FSC and SFI standards and requirements, and Trademark Licensing/Logo Usage Agreement where applicable.

4.2 In addition to complying with certification requirements, and with the labeling and language requirements of the “SCS Certification, Validation, and Verification Program Labeling and Language Guidelines”, Client shall:

- a. not make any advance claims regarding their certification prior to the issuance of a valid Forest Management/Chain of Custody certificate;
- b. make claims regarding their certification only in respect to the Scope of Certification which has been granted;
- c. use certification only to indicate that products are certified as being in conformance with specified standards;
- d. make on-product or off-product reference to certification only in compliance with the specific requirements of FSC and SFI;
- e. otherwise abide by all trademark usage requirements of FSC and SFI.

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- 4.3 If there is any reasonable suspicion that the SCS, FSC and/or SFI trademarks have been improperly or deceptively used by Client, SCS at its sole discretion may immediately suspend certification and therefore the right to use the trademarks until the situation is clarified.
- 4.4 If the misuse or deceptive use of the SCS, FSC and/or SFI trademarks by Client is proven, SCS may issue Corrective Action Requests or may at its sole discretion terminate the certification, and subsequently revoke Client’s right to use of the associated trademarks.
- 4.5 SCS shall have the right to use information which is brought to the attention of any SCS representative to follow up on infringements of the SCS, FSC and/or SFI trademarks and/or their intellectual property rights.
- 4.6 Client acknowledges the title of FSC’s intellectual property rights and that FSC shall continue to retain full ownership of the intellectual property rights and that nothing shall be deemed to constitute a right for Client to use or cause to be used any of the intellectual property rights.

5. Supplemental Confidentiality Provisions

- 5.1 ASI, FSC, ANAB, and SFI shall have right of access to Confidential Information that has been provided by Client to SCS, in order to evaluate Client compliance with all relevant requirements.
- 5.2 Information is considered proprietary and shall be regarded as confidential, except for information that Client makes or is required to make publicly available or when agreed between SCS and Client (e.g. for the purpose of responding to complaints). Information about Client that is not publicly available and is obtained from sources other than Client (e.g. from a complainant) shall be treated as confidential, unless the source of information and Client give written consent to disclose it.
- 5.3 FSC requires that SCS publish specified information, as indicated in the applicable FSC normative documents, including but not limited to: Client name and address(es), email, phone, certificate code, certificate issuance and expiration dates, standards against which Client is certified, members of a group or multi-site certification (where appropriate), Client contact person, product groups (including product class, product type, species, and material categories, where applicable), and a public summary of the certification evaluation report (for COC Controlled Wood, this includes the company public summary, SCS’ summary and the results of the risk assessment).

6. Changes Affecting Certification

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- 6.1 In the event that Client wishes to change the Scope of Certification (e.g. add outsourcers, add participating sites or group members, change pesticide use):
- a. Client shall notify SCS of the desired changes in accordance with applicable certification requirements and within timelines required by normative documents;
 - b. The change of the Scope of Certification shall not include or result in an extension of the certificate’s expiry date beyond the time period for which it was originally issued;
 - c. SCS reserves the right to perform an on-site inspection prior to granting a change to the Scope of Certification. Such an on-site inspection is required if the change is significant in terms of area, management, or operational implications.
- 6.2 If a change in the Scope of Certification is granted, SCS shall review the wording of the certificate previously issued, and if necessary, issue a new certificate reflecting the new Scope of Certification. In such cases, the old certificate shall be returned or destroyed by Client.
- 6.3 Client acknowledges that SCS and FSC, and SFI have the right to revise the requirements of certification within the period of validity of the certification, including the revision of costs and fees.
- 6.4 All mandatory standards have an effective date. SCS shall inform Client of changes to the certification requirements within 30 days that such changes are approved by FSC and SFI.
- 6.5 SCS makes no representation that the requirements of certification will not materially change during the duration of the certificate. It is the responsibility of Client to ensure that it maintains conformance with current applicable requirements.
- 6.6 In case of reduction, suspension, or termination of the scope of SCS’ FSC accreditation, Client acknowledges that the certificate will be suspended *ipso facto* within six months after the date of reduction, suspension or termination of the respective scope of FSC accreditation. In such cases, SCS shall inform all affected clients within 30 days after the reduction, suspension, or termination of the scope of FSC accreditation that the accreditation of SCS has been reduced, suspended or terminated, and that Client must seek a new certification body within six months to keep their certification valid.

7. Miscellaneous Provisions

- 7.1 SCS shall not be obliged to enter into or maintain any commercial or other relationship with any entity, or issue or maintain a certificate previously issued to any entity, whose activities conflict with the obligations of SCS as specified

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in its accreditation contracts with FSC and ASI, or which, in the sole opinion of SCS, reflect badly on the good name of SCS, FSC, ASI, SFI and/or ANAB.