



**STATE OF MICHIGAN PROCUREMENT**  
 Department of Natural Resources  
 525 W. Allegan, Stabenaw Building, Lansing, MI 48933

**CONTRACT CHANGE NOTICE**

Change Notice Number **3**  
 to  
 Contract Number **MA23000000535**

<b>CONTRACTOR</b>	Great Lakes Proud
	3691 Cass Rd
	Traverse City MI 49684
	Byron Pettigrew
	231-343-0302
	byron@forwardinking.com
	VS0258680

<b>STATE</b>	<b>Program Manager</b>	Maia Turek	DNR
		989-225-8573	
		Turekm@michigan.gov	
	<b>Contract Administrator</b>	Samantha Fusco	DNR
517-388-5956			
fuscos@michigan.gov			

CONTRACT SUMMARY				
DNR Merchandise (Retail and Wholesale) and Promotional Items				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
February 15, 2023	February 14, 2027	3 - 2 Years	February 14, 2027	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45 Days		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input checked="" type="checkbox"/> Direct Voucher (PRC) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>	0 Years	
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$499,999.00		\$0.00	\$499,999.00	

## DESCRIPTION

Please note the Program Manager or Contract Administrator may have changed, and are reflected on this Change Notice.

1. As of 12/1/25, no promotional items, gifts/clothing for use by employees can be purchased with a PCard. However, payment via PRC is now approved for purchases \$5,000 and less. Delivery Orders are no longer required for orders \$5,000 and less. Please process PRC payments utilizing the SHOP page and reference the MA# 23\*535.

2. All orders over \$5,000 shall be submitted via a delivery order (DO) in SIGMA. Please contact your Accounting/Financial staff to submit a DO through SIGMA with the quote attached. GLP may require a deposit or partial payment depending on order quantities, value of the order, etc. Byron may accept e-mail approval to initiate the order while waiting for the DO to be issued. Invoices will be e-mailed to the requestor and not submitted through SIGMA.

3. Request a quote and send the specification information of the item you need including pictures and quantities to: [dnrorders@greatlakesproud.com](mailto:dnrorders@greatlakesproud.com) or submit a form using: <https://www.greatlakesproud.com/pages/dnr-marketing-promo-items>



# STATE OF MICHIGAN PROCUREMENT

Department of Natural Resources

525 W. Allegan, Stabenow Building, Lansing, MI 48933

## CONTRACT CHANGE NOTICE

Change Notice Number 002  
to  
Contract Number 23000000535

<b>CONTRACTOR</b>	Great Lakes Proud, LLC
	3691 Cass Rd
	Traverse City, MI 49684
	Byron Pettigrew
	231.343.0302
	byron@forwardinking.com
	VS0258680

<b>STATE</b>	Program Manager	Maia Turek	DNR
		989-225-8573	
	Turekm@michigan.gov		
	Contract Administrator	Samantha Fusco	DNR
517-388-5956			
fuscoS@michigan.gov			

CONTRACT SUMMARY				
<b>DESCRIPTION: DESCRIPTION: DNR Merchandise (Retail and Wholesale) and Promotional Items</b>				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
February 15, 2023	February 14, 2027	3 – 2-Year Options to Renew	February 14, 2027	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45		N/A		
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				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
<b>\$249,999.00</b>		<b>\$250,000.00</b>	<b>\$499,999.00</b>	
<b>DESCRIPTION:</b> Effective July 16, 2025, the following amendment(s) are incorporated into this Contract. <ol style="list-style-type: none"> <li>This Contract is increased by \$250,000.00 for DNR wide use. Orders exceeding \$5,000 require a delivery order. For orders \$5,000 and below, contact Laura Gyorkos at gyorkosL@michigan.gov</li> <li>Available promotional/marketing items can be located on the website: <a href="http://www.greatlakesproud.com/dnrmerch">www.greatlakesproud.com/dnrmerch</a></li> <li>For quotes, e-mail the dedicated e-mail address set up exclusively for the DNR: <a href="mailto:dnrorders@greatlakesproud.com">dnrorders@greatlakesproud.com</a> or submit a form using: <a href="https://www.greatlakesproud.com/pages/dnr-marketing-promo-items">https://www.greatlakesproud.com/pages/dnr-marketing-promo-items</a></li> </ol> <b>Please note:</b> Pricing listed on the website is prior to the discount being applied. Please request a quote for the most competitive pricing.				



# STATE OF MICHIGAN PROCUREMENT

Department of Natural Resources

525 W. Allegan, Lansing, MI 48933

## CONTRACT CHANGE NOTICE

Change Notice Number 001  
to  
Contract Number 230000000535

<b>CONTRACTOR</b>	Great Lakes Proud, LLC
	3691 Cass Rd
	Traverse City, MI 49684
	Byron Pettigrew
	231.343.0302
	byron@forwardinking.com
	VS0258680

<b>STATE</b>	Program Manager	Maia Turek	DNR
		989-225-8573	
	Turekm@michigan.gov		
	Contract Administrator	Samantha Fusco	DNR
517-388-5956			
fuscoS@michigan.gov			

CONTRACT SUMMARY				
<b>DESCRIPTION: DESCRIPTION: DNR Merchandise (Retail and Wholesale) and Promotional Items</b>				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
2/15/23	2/14/27	3 – 2-year options	2/14/27	
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 type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
NA				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
<b>\$200,000.00</b>		<b>\$49,999.00</b>	<b>\$249,999.00</b>	
<b>DESCRIPTION:</b> Please note the Contract Administrator has been changed to Samantha Fusco and the Contractor Contact has been changed to Byron Pettigrew.				
Effective April 1, 2025, the following amendment(s) are incorporated into this Contract.				
This contract has been extended for DNR wide use. In addition, the scope has been expanded to include the following items: <ul style="list-style-type: none"> <li>• Marketing, promotional, give-away, or resell items for employees, volunteers, or the public</li> <li>• Apparel related to the DNR (No apparel/uniforms with official DNR logo)</li> </ul>				
Depending on the value of the delivery order, GLP may require a deposit to be paid through SIGMA prior to placing the order.				



# STATE OF MICHIGAN PROCUREMENT

Department of Natural Resources

525 W. Allegan, Lansing, MI 48933

## CONTRACT CHANGE NOTICE

Change Notice Number 001  
to  
Contract Number 23000000535

<b>CONTRACTOR</b>	Great Lakes Proud, LLC
	3691 Cass Rd
	Traverse City, MI 49684
	Byron Pettigrew
	231.343.0302
	byron@forwardinking.com
	VS0258680

<b>STATE</b>	Program Manager	Maia Turek	DNR
		989-225-8573	
		Turekm@michigan.gov	
<b>STATE</b>	Contract Administrator	Samantha Fusco	DNR
		517-388-5956	
		fuscoS@michigan.gov	

CONTRACT SUMMARY				
<b>DESCRIPTION: DESCRIPTION: DNR Merchandise (Retail and Wholesale) and Promotional Items</b>				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
2/15/23	2/14/27	3 – 2-year options	2/14/27	
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 type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
NA				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
<b>\$200,000.00</b>		<b>\$49,999.00</b>	<b>\$249,999.00</b>	
<b>DESCRIPTION:</b> Please note the Contract Administrator has been changed to Samantha Fusco and the Contractor Contact has been changed to Byron Pettigrew.				
Effective April 1, 2025, the following amendment(s) are incorporated into this Contract.				
This contract has been extended for DNR wide use. In addition, the scope has been expanded to include the following items:				
<ul style="list-style-type: none"> <li>• Marketing, promotional, give-away, or resell items for employees, volunteers, or the public</li> </ul>				



**STATE OF MICHIGAN PROCUREMENT**  
 Department of Natural Resources  
 525 W. Allegan, Lansing, MI 48933

**NOTICE OF CONTRACT**

NOTICE OF CONTRACT NO. **230000000535**

between

THE STATE OF MICHIGAN

and

<b>CONTRACTOR</b>	Great Lakes Proud, LLC
	3691 Cass Rd
	Traverse City, MI 49684
	Cory Wright
	248-462-2152
	Cory.w@greatlakesproud.com
	VS0258680

<b>STATE</b>	Program Manager	Maia Turek	DNR
		989-225-8573	
	Turekm@michigan.gov		
	Contract Administrator	Kip Conley	DNR
517-388-5956			
Conleyk1@michigan.gov			

<b>CONTRACT SUMMARY</b>			
<b>DESCRIPTION: DNR Merchandise (Retail and Wholesale)</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
2/15/23	2/14/27	3 – 2-year options	2/14/27
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			
<b>THIS IS NOT AN ORDER: This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation (RFP) No. 230000000144. Orders for delivery will be issued directly by the Michigan Department of Natural Resources.</b>			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			<b>\$200,000.00</b>

# STANDARD CONTRACT TERMS

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This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Great Lakes Proud, LLC (“**Contractor**”). This Contract is effective on 2/15/2023 (“**Effective Date**”), and unless terminated, will expire 2/14/2027 (the “**Term**”).

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

The parties agree as follows:

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

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

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

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

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

If to State:	If to Contractor:
See Contract Administrator information shown below.	Byron Pettigrew 3691 Cass Rd Traverse City, MI 49684 byron@highfivethreads.com 231-343-0302

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

State:	Contractor:
Kip Conley 525 W. Allegan Lansing, MI 48933 Conleyk1@michigan.gov 517-388-5956	Byron Pettigrew 3691 Cass Rd Traverse City, MI 49684 byron@highfivethreads.com 231-343-0302

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:
Maia Turek 3730 Mill Rd Grawn, MI 49637 turekm@michigan.gov 989-225-8573	Cory Wright 3691 Cass Rd Traverse City, MI 49684 cory.w@greatlakesproud.com 248-462-2152

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

6. **Insurance Requirements.**

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

TABLE 6.1

Required Limits	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<b>Minimum Limits:</b> <b>\$1,000,000 Each Occurrence</b> <b>\$1,000,000 Personal &amp; Advertising Injury</b> <b>\$2,000,000 Products/Completed Operations</b> <b>\$2,000,000 General Aggregate</b>	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 20 10 12 19 and CG 20 37 12 19.
<b>Automobile Liability Insurance</b>	
<b>Minimum Limits:</b> <b>\$1,000,000 Per Accident</b>	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.
<b>Workers' Compensation Insurance</b>	
<b>Minimum Limits:</b> <b>Coverage according to applicable laws governing work activities.</b>	Waiver of subrogation, except where waiver is prohibited by law.
<b>Employers Liability Insurance</b>	
<b>Minimum Limits:</b> <b>\$500,000 Each Accident</b> <b>\$500,000 Each Employee by Disease</b> <b>\$500,000 Aggregate Disease</b>	

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

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

This Section is not intended to and is not to be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations

under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

**7. RESERVED.**

**8. RESERVED.**

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

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

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

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

**13. Background Checks.** Pursuant to Michigan law, all agencies subject to IRS Pub. 1075 are required to ask the Michigan State Police to perform fingerprint background checks on all employees, including Contractor and Subcontractor employees, who may have access to any database of information maintained by the federal government that contains confidential or personal information, including, but not limited to, federal tax information. Further, pursuant to Michigan law, any agency described above is prohibited from providing Contractors or Subcontractors with the result of such background check. For

more information, please see Michigan Public Act 427 of 2018. Upon request, or as may be specified in Schedule A, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.

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

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

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

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

- 18. Delivery.** Contractor must deliver all Contract Activities F.O.B. destination, within the State premises with transportation and handling charges paid by Contractor, unless otherwise specified in Schedule A. All containers and packaging become the State's exclusive property upon acceptance.
- 19. Risk of Loss and Title.** Until final acceptance, title and risk of loss or damage to Contract Activities remains with Contractor. Contractor is responsible for filing, processing, and collecting all damage claims. The State will record and report to Contractor any evidence of visible damage. If the State rejects the Contract Activities, Contractor must remove them from the premises within 10 calendar days after notification of rejection. The risk of loss of rejected or non-conforming Contract Activities remains with Contractor. Rejected Contract Activities not removed by Contractor within 10 calendar days will be deemed abandoned by Contractor, and the State will have the right to dispose of it as its own property. Contractor must reimburse the State for costs and expenses incurred in storing or effecting removal or disposition of rejected Contract Activities.
- 20. Warranty Period.** The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in Schedule A. If the Contract Activities do not function as warranted during the warranty period, the State may return such non-conforming Contract Activities to the Contractor for a full refund.
- 21. Invoices and Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for Contract Activities provided as specified in Schedule A. Invoices must include an itemized statement of all charges. The State is exempt from State sales tax for direct purchases and may be exempt from federal excise tax, if Services purchased under this Agreement are for the State's exclusive use. Notwithstanding the foregoing, all fees are exclusive of taxes, and Contractor is responsible for all sales, use and excise taxes, and any other similar taxes, duties and charges of any kind imposed by any federal, state, or local governmental entity on any amounts payable by the State under this Contract.  
  
The State has the right to withhold payment of any disputed amounts until the parties agree as to the validity of the disputed amount. The State will notify Contractor of any dispute within a reasonable time. Payment by the State will not constitute a waiver of any rights as to Contractor's continuing obligations, including claims for deficiencies or substandard Contract Activities.  
Contractor's acceptance of final payment by the State constitutes a waiver of

all claims by Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed.

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

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

- 22. Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Schedule A. The parties understand and agree that any liquidated damages (which includes but is not limited to applicable credits) set forth in this Contract are reasonable estimates of the State's damages in accordance with applicable law. The parties acknowledge and agree that Contractor could incur liquidated damages for more than 1 event. The assessment of liquidated damages will not constitute a waiver or release of any other remedy the State may have under this Contract for Contractor's breach of this Contract, including without limitation, the State's right to terminate this Contract for cause under Section 24 and the State will be entitled in its discretion to recover actual damages caused by Contractor's failure to perform its obligations under this Contract. However, the State will reduce such actual damages by the amounts of liquidated damages received for the same events causing the actual damages. Amounts due the State as liquidated damages may be set off against any fees payable to Contractor under this Contract, or the State may bill Contractor as a separate item and Contractor will promptly make payments on such bills.
- 23. Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to

resume work, or (b) terminate the Contract or delivery order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.

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

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

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

- 25. Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason or no reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 26, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

- 26. Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of

the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.

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

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

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

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

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

- 28. Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
- 29. Limitation of Liability and Disclaimer of Damages. IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
- 30. Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (3) any complaint filed in a legal or administrative proceeding alleging the Contractor or its subcontractors discriminated against its employees, subcontractors, vendors, or suppliers during the term of this Contract; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
- 31. State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing or commercial purposes.
- 32. RESERVED.**
- 33. Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties.

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

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

**34. RESERVED.**

**35. RESERVED.**

**36. RESERVED.**

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

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

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

- 38. Representations and Warranties.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 24, Termination for Cause.
- 39. Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
- 40. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
- 41. RESERVED.**
- 42. 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 the Michigan Court of Claims. Complaints against the State must be initiated in Ingham County, Michigan. Contractor waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint an agent in Michigan to receive service of process.
- 45. Non-Exclusivity.** Nothing contained in this Contract is intended nor is to be construed as creating any requirements contract with Contractor, nor does it provide Contractor with a right of first refusal for any future work. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
- 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 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 the prior written approval of the State, and then only in accordance with the explicit written instructions of the State.
- 49. 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:

<b>Schedule A</b>	<b>Statement of Work</b>
<b>Schedule B</b>	<b>Pricing Matrix</b>

- 50. Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR’S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES, OR DOCUMENTATION HEREUNDER, EVEN IF ATTACHED TO THE STATE’S DELIVERY OR PURCHASE ORDER, WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE OR ANY AUTHORIZED USER FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE AND THE AUTHORIZED USER, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
- 51. 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.
- 52. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 53. Survival.** Any right, obligation or condition that, by its express terms or nature and context is intended to survive, will survive the termination or expiration of this Contract; such rights, obligations, or conditions include, but are not limited to, those related to transition responsibilities; indemnification; disclaimer of damages and limitations of liability; State Data; non-disclosure of Confidential Information; representations and warranties; insurance and bankruptcy.

**54. 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.

# **SCHEDULE A – STATEMENT OF WORK CONTRACT ACTIVITIES**

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## **BACKGROUND**

Michigan is home to 105 state parks, 138 state forest campgrounds, 19 state-operated harbors, thousands of miles of motorized and non-motorized trails, and nearly 1,000 boating access sites. In 2021, Michigan State Parks hosted more than 35 million visitors. Michigan is home to the largest state park system in the country and is third in the nation for registered boaters.

As with all park systems, Michigan state parks saw unprecedented visitation during and since COVID, with many new visitors exploring their public lands. This creates an opportunity to develop long-term relationships with these visitors, welcoming them to their public lands and waters, while also educating and empowering them to be stewards of these resources for today and future generations. The merchandise program is an important point-of-contact, helping the DNR to convey important resource protection messages and educating visitors on what they can do to be part of the change toward environmental sustainability, while ultimately providing a token or souvenir that celebrates the places they visit and love.

## **SCOPE**

The Department of Natural Resources (DNR) is seeking a Contractor to create a merchandising program that will help convey messages related to the Department's mission while generating revenue to support parks and recreation projects through the sales of custom designed merchandise and products. Sales for this program will include on-site sales at state-managed parks and harbors (purchased and then sold at retail by the Department), as well as through the Contractor's online store and private retail outlets, and through a wholesale network as established by the Contractor.

## **1. Requirements**

### **1.1. General Requirements**

- a) Develop designs and imprint merchandise and apparel unique to Michigan state parks, trails and waterways. The Contractor would work in collaboration with program manager and unit staff to create general state parks, trails and waterways merchandise as well as collaborate to determine the unique assets of each property to create merchandise and apparel specific to destinations selected each year. (See Attachment B for complete list of units.) The Contractor should also have the ability to host mobile "pop-up" stores (at the Contractor's expense) at select destinations to maximize sales at special events. (Events schedule to be determined in partnership with DNR staff annually.)

- b) The Contractor will function as a fulfillment center which would serve as the program's warehouse, distribution, and customer service center. The Contractor would be responsible for warehousing the program inventory as needed, fulfilling customer and retail orders, servicing customer questions, sales, returns/refunds, and providing sales reports. The Contractor will provide a revenue share on sales.
- c) The Contractor will fulfill wholesale orders of custom designed merchandise and products to parks, harbors and retailers.
- d) The Contractor will manage public sales of merchandise through contractor's own online and brick and mortar retail destinations.
- e) The Contractor may seek additional wholesale opportunities for the custom designed merchandise and products.
- f) The Contractor will determine pricing that will allow for a revenue share with DNR while still fostering sales.
- g) Contractor will provide an environmental and cultural protection plan, outlining the sustainable practices and merchandise best practices they plan to employ.

## **1.2. Merchandise Strategy and Program Promotion**

### Merchandise Strategy

As noted above, Michigan State Parks, Trails and Waterways are beloved to Michigan outdoor enthusiasts. They are an imperative part of what makes this state such a great place to live and visit. Many of these destinations offer unique experiences not found elsewhere. A primary goal of this program is to focus on the unique attributes of each property and key messages of the DNR overall, creating merchandise that would be compelling to a visitor or outdoor enthusiast.

As important is the goal of providing merchandise that showcases and tells a story of environmental sustainability. We are seeking products responsibly manufactured, which clearly state as such.

Each year of this program DNR staff will create a list of which destinations to feature with associated educational assessments that will define the messages we hope to convey through the sustainably created merchandise and apparel, helping to keep the program fresh and the merchandise options ever-expanding.

### Program Promotion - DNR

The DNR will promote on-going merchandising efforts via:

- a) Link to the Contractor's website from the DNR website ([www.michigan.gov/goodforMI](http://www.michigan.gov/goodforMI)), and from those park and harbor web pages for which merchandise is being created each year.
- b) Seasonal email newsletter stories to the 700,000+ recipients of the state park newsletter.

- c) Social network announcements and links through the DNR Facebook, Twitter and Instagram, as well as those of specific state park or harbor units with social media.
- d) On-site sales events.
- e) Signage at parks, harbors and trailhead kiosks (provided by contractor).
- f) Promotion of location-specific merchandise in reservation confirmation emails.

Program Promotion-Contractor

The Contractor will promote this program on their website and in their brick-and-mortar stores. This would include monthly merchandise features on the Contractor’s website as well as brick and mortar stores utilizing their existing promotional channels to advertise availability of merchandise, native social media, and social media partners.

The contractor will also build out a separate collection to house all the program’s products in one spot and will create content modules for the contractor’s website highlighting the products and explaining the mission behind the program. Additionally, the contractor will push their own media pieces surrounding the program, garnering earned medial, as well as facilitate multiple public relations pushes during the length of the program.

The contractor will use a mobile point of sales system and product merchandising displays at “pop-up” events and stores. This includes branded tents, step and repeat backdrops, banners, and other custom branded displays.

Maintain online and brick-and-mortar locations:

Online Retail Locations	Brick-and-mortar
<a href="http://www.greatlakesproud.com">www.greatlakesproud.com</a> <a href="http://www.highfivethreads.com">www.highfivethreads.com</a> <a href="http://www.GLPwholesale.com">www.GLPwholesale.com</a>	High Five Threads 800 Cottageview Dr #35 Traverse City, MI 49684

**1.3. Design and Merchandise Requirements**

The DNR is seeking a contractor to design and produce the apparel and merchandise related to properties, as well as the overall Michigan State Parks, Trails, and Waterways brand.

- a) Contractors selected will be the Official Merchandiser of Michigan State Parks, Trails, and Waterways. (Exclusivity exceptions occur for those units who have existing concession contracts that include apparel and merchandise. As of 2022, this applies to 28 units. Contractors may still create merchandise for those sites for sale on their website and can be made available for sale to the concessionaire.)

- b) The DNR owns all rights to the custom-designed merchandise, designs, logo, apparel, and associated graphics. (**Terms and Conditions Section 10**)
- c) The DNR Program Manager must approve all designs, merchandise, website elements and customer communications prior to release.
- d) The DNR will purchase merchandise for resale at wholesale vs. retail pricing.

**2. Service Requirements**

**2.1. Timeframes**

All Contract Activities must be delivered within two to four weeks from receipt of order, unless discussed with the DNR Program Manager in advance. The receipt of order date is pursuant to the **Notices** section of the *Standard Contract Terms*.

**2.2. Delivery**

Expected delivery timelines must be communicated at the time of project estimation.

Online retail orders will be fulfilled from stocked inventory and ship within 48 business hours via US Postal Service Priority or UPS Ground.

Orders placed by the DNR at wholesale will be filled within 48 business hours, with on-hand inventory if available. If a production run is required, the timeline will be communicated to the DNR Program Manager (within standard 2 - 4 weeks per contract requirement) and shipped via UPS Ground to specified destination.

**3. Acceptance**

**3.1. Acceptance, Inspection, and Testing**

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

- The DNR Program Manager must provide initial approval of designs and merchandise samples, website design and retail pricing structure.
- The DNR Program Manager must approve the first production run of any merchandise before any items are sold.

**4. Staffing**

**4.1. Contractor Representative**

The Contractor must appoint one (1) individual 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.

Contractor Representative	Cory Wright cory.w@greatlakesproud 248-462-2152
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#### 4.2. Customer Service Toll-Free Number

The Contractor must specify its toll-free number for the State to contact the Contractor Representative. The Contractor Representative must be available for calls during the hours of 8:00 am to 5:00 pm EST.

Toll-Free Number	833-457-7683 (833-GL-PROUD)
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#### 4.3. 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.

#### 4.4. Key Personnel

The Contractor must appoint an account manager and a lead graphic designer, two individuals who will be directly responsible for the day-to-day operations of the Contract (“Key Personnel”). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 48 hours.

The State has the right to recommend and approve in writing the initial assignment, as well as any proposed reassignment or replacement, of any Key Personnel. Before assigning an individual to any Key Personnel position, Contractor will notify the State of the proposed assignment, introduce the individual to the State’s Project Manager, and provide the State with a resume and any other information about the individual reasonably requested by the State. The State reserves the right to interview the individual before granting written approval. In the event the State finds a proposed individual unacceptable, the State will provide a written explanation including reasonable detail outlining the reasons for the rejection. The State may require a 30-calendar day training period for replacement personnel.

Contractor will not remove any Key Personnel from their assigned roles on this Contract without the prior written consent of the State. The Contractor’s removal of Key Personnel without the prior written consent of the State is an unauthorized removal (“Unauthorized Removal”). An Unauthorized Removal does not include replacing Key Personnel for reasons beyond the reasonable control of Contractor, including illness, disability, leave of absence, personal emergency circumstances, resignation, or for cause termination of the Key Personnel’s employment. Any Unauthorized Removal may be considered by the State to be a material breach of this Contract, in respect of which the State may elect to terminate this Contract for cause under the **Termination for Cause** section of the Standard Contract Terms. It is further acknowledged that an Unauthorized Removal will interfere with the timely and proper completion of this Contract, to the loss and damage of the State, and that it would be impracticable and extremely difficult to fix the actual damage sustained by the State as a result of any Unauthorized Removal. Therefore, Contractor and the State agree that in the case of any Unauthorized Removal in respect of which the State does not elect

to exercise its rights under Termination for Cause, Contractor will issue to the State the corresponding credits set forth below (each, an “Unauthorized Removal Credit”):

- i.** For the Unauthorized Removal of any Key Personnel designated in the applicable Statement of Work, the credit amount will be \$500 per individual if Contractor identifies a replacement approved by the State and assigns the replacement to shadow the Key Personnel who is leaving for a period of at least 30-calendar days before the Key Personnel’s removal.
- ii.** If Contractor fails to assign a replacement to shadow the removed Key Personnel for at least 30-calendar days, in addition to the \$1,000.00 credit specified above, Contractor will credit the State \$100.00 per calendar day for each day of the 30-calendar day shadow period that the replacement Key Personnel does not shadow the removed Key Personnel, up to \$3,000.00 maximum per individual. The total Unauthorized Removal Credits that may be assessed per Unauthorized Removal and failure to provide 30-calendar days of shadowing will not exceed \$4,000.00 per individual.

Contractor acknowledges and agrees that each of the Unauthorized Removal Credits assessed above: (i) is a reasonable estimate of and compensation for the anticipated or actual harm to the State that may arise from the Unauthorized Removal, which would be impossible or very difficult to accurately estimate; and (ii) may, at the State’s option, be credited or set off against any fees or other charges payable to Contractor under this Contract.

The Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological résumés.

- A.** The Contractor must identify all Key Personnel that will be assigned to this contract in the table below which includes the following:
  - 1.** Name and title of staff that will be designated as Key Personnel.
  - 2.** Key Personnel years of experience in the current classification.
  - 3.** Key Personnel’s roles and responsibilities, as they relate to this contract, if the Contractor is successful in being awarded the Contract. Descriptions of roles should be functional and not just by title.
  - 4.** Identify if each Key Personnel is a direct, subcontract, or contract employee
  - 5.** Identify each Key Personnel’s percentage of work time devoted to this Contract.
  - 6.** Identify if each Key Personnel staff member is employed full-time (FT), part-time (PT) or temporary (T), including consultants used for the purpose of providing information for the proposal.
  - 7.** Identify where each Key Personnel staff member will be physically located (city and state) during the Contract performance.

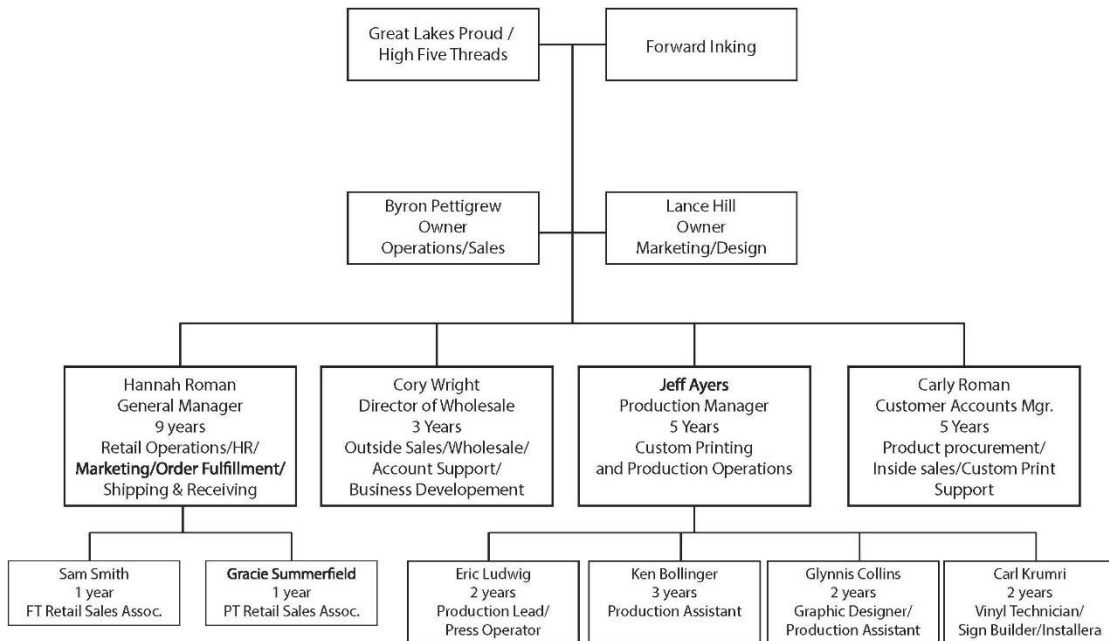
1. Name and title	2. Years of Experience in Current Classification	3. Role(s) / Responsibilities	4. Direct / Subcontract / Contract	5. % of Work Time	6. FT/PT/T or consultant	7. Physical Location
Cory Wright, Sales Director	3	Account Manager	Direct	20%+	FT	Hazel Park, MI
Lance Hill, Owner	12	Lead Designer	Direct	10%	FT	Traverse City

**B.** The Contractor must provide **detailed, chronological resumes** of all proposed Key Personnel, including a description of their work experience relevant to their purposed role as it relates to the contract.

Qualifications will be measured by education and experience with particular reference to experience on projects similar to that described in the contract.

#### 4.5. Organizational Chart

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



#### 4.6. 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.

<b>Subcontractor</b>	
<b>The legal business name, address, telephone number of the subcontractor(s).</b>	Forward Inking 3691 Cass Rd. Traverse City, MI 49684 833-497-3465
<b>A description of subcontractor's organization and the services it will provide and information concerning subcontractor's ability to provide the Contract Activities.</b>	Forward Inking is our affiliate production company. All businesses operate out of the same warehouse and office space in Traverse City, but from a technical standpoint Great Lakes Proud contracts production to Forward Inking.
<b>A complete description of the Contract Activities that will be performed or provided by the subcontractor.</b>	Forward Inking, as a subcontractor, will perform duties related to the print production of items such as but not limited to; apparel, headwear, drinkware, stickers, decals, home goods, promotional items, banners, signs, etc.
<b>Of the total bid, the price of the subcontractor's work.</b>	Variable based on order volume.

#### 4.7. Security

The Contractor must explain any additional security measures in place to ensure the security of State facilities. The State may require the Contractor's personnel to wear State issued identification badges.

The Contractor's staff may be required to make deliveries to or enter State facilities.

## **5. Project Management**

### **5.1. Project Plan**

The Contractor will carry out this project under the direction and control of the Program Manager. 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, timeline, and resources required.

- a. Execution timeline and maintenance plan of products on contractor's site: Contractor will build out an initial inventory and run dynamic levels of par inventory to manage inventory levels. The contractor will use an inventory syncing program inventory can be shared and/or partitioned across multiple sales channels.
- b. Fulfillment and shipping solution for orders: Retail and wholesale orders will flow through the contractor current sales channels and shipping software.
- c. Sales plan outreach: Contractor will put together dedicated sales materials highlighting the products and mission behind the products to wholesale partners and qualified sales leads. Additionally, the contractor will create sales materials and samples for outside sales prospecting.
- d. Description of the customer service:
  - a) Email: info@greatlakesproud.com
  - b) Phone: 833-457-7683

### **5.2. Meetings**

The Contractor must attend the following meetings:

- Kick-off meeting within 30 days of contract execution
- Annual review meeting
- Monthly check-in meetings to review upcoming plans, designs, outstanding orders, etc.

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

### **5.3. Reporting**

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

- Quarterly sales updates by items and sales channel
- Annual sales recap, including any Michigan-based contracted services and amount spent on them to help show the private sector impact of the program.

### **5.4 Revenue Sharing and Payment**

The Contractor will provide revenue sharing payments each quarter in accordance with their quarterly sales report and invoice from the DNR. Payments received 45 days after invoice will be subject to a late fee of 10% of the original invoice. Payments received 90 days after invoice will be subject to a

late fee of 20% of the original invoice. If the payment is not received after 120 days, the contractor will be subject to contract cancellation and referral to the Department of Treasury for collections.

## **6. Pricing**

### **6.1. Price Term**

Pricing is firm for a 365-day period ("Pricing Period") unless supplier can no longer provide item(s) as priced. Contractor shall seek a comparable quality item to maintain the price, or adjustments may be requested, in writing, by either party and will take effect no earlier than the next Pricing Period.

### **6.2. 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 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.

## **7. Ordering**

### **7.1. Authorizing Document**

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

## **8. Invoice and Payment**

### **8.1. Invoice Requirements**

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

### **8.2. Payment Methods**

The State will make payment for Contract Activities via EFT.

### **8.3. Procedure**

Orders placed by the DNR will include requested product(s), design ideas (if applicable), available budget for the order and distribution plan. Contractor would then need to provide product specs including any designs with an invoice as noted above. Program manager would then facilitate design and cost approvals and submit to procurement for a DO to be issued. Once the order is fulfilled, an

invoice against the DO would be submitted to the Program Manager for facilitation of payment.

## 9. Service-Level Agreements (SLAs)

The Contractor will be held accountable to meet the requirements and the service level requirements established in this Contract.

**Service Level Agreements for this Contract will be as follows:**

<b>SLA Metric 1. Timely Deliveries</b>	
<b>Definition and Purpose</b>	<p>All orders must be delivered within 30 calendar days of receipt of order or reasonable delivery terms will be conveyed based on availability of supply.</p> <p>The Contractor must ensure that items and quantities delivered are exactly the items, brands, and quantities on the Order Confirmation. No substitutions will be allowed without prior written permission by Program Manager and a Change Notice executed by the Contract Administrator.</p>
<b>Acceptable Standard</b>	<ol style="list-style-type: none"> <li>1. All deliveries must occur in accordance with the approved delivery schedule for each Facility and Facility Receiving hours.</li> <li>2. Extenuating circumstances must be communicated by the Contractor to the Program Manager prior to the scheduled delivery date and time.</li> <li>3. Items, brands, and quantities delivered will match the Order Confirmation exactly.</li> <li>4. Signed and dated packing slips will be provided to Department of Natural Resources at the time of delivery.</li> <li>5. The entire order must be delivered on the same day unless a partial delivery has been approved in advance by the Program Manager.</li> <li>6. Orders not received in their entirety, as determined by a review of the Data Sources, will be considered inaccurate.</li> </ol> <p>The acceptable standard is 100% compliance.</p>
<b>Credit Due for Failing to Meet the Service Level Agreements</b>	<ol style="list-style-type: none"> <li>1. \$100.00 may be assessed for each of the first five occurrences of non-compliance in a given calendar year.</li> <li>2. \$500.00 may be assessed beginning with the sixth occurrence of non-compliance and on each occurrence thereafter in a given calendar year.</li> </ol> <p>Extenuating circumstances will be reviewed by the Program Manager before any Service Credits are assessed.</p>

### SLA Metric 1. Timely Deliveries

At the discretion of the State, these credits may be applied toward any payable due to the Contractor or be payable directly to the State. Payments made directly to the state will be completed within 10 days of notice of assessment.

## SCHEDULE B - PRICING

- Price must include all costs, including but not limited to, any one-time or set-up charges, fees (design, administrative, etc.), and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).
- Quick payment terms: 2% discount off invoice if paid within 15 days after receipt of invoice.

Item Number	Item Description	Average Retail Price	Percentage off Retail Price for DNR Direct Purchasing	DNR Revenue Share from Sales (Minimum 15% Gross Sales)	Anticipated DNR Revenue Share (\$)
1.	Long Sleeve T-Shirt (Men's/Women's)	Standard: \$35.00 Eco: \$39.00	50%	15%	\$5.25+ per unit
2.	Short Sleeve T-Shirt (Men's/Women's)	Standard: \$28.00 Eco: \$32.00	50%	15%	\$4.20+ per unit
3.	Hooded Sweatshirt (Men's/Women's)	Standard: \$58.00 Eco: N/A	50%	15%	\$8.70+ per unit
4.	Crewneck Sweatshirt (Men's/Women's)	Standard: \$50.00 Eco: \$55.00	50%	15%	\$7.50+ per unit
5.	Custom-designed sticker	\$5.00	50%	15%	\$0.75 per unit
6.	Custom-designed water bottle	Generic: \$15.00 Eco/Name Brand: \$39.00	50%	15%	\$2.25+ per unit
7.	Revenue Share Percentage for all other DNR Program related items sold (Catalog) (Minimum 15% Gross Sales)		15%		