



STATE OF MICHIGAN PROCUREMENT

Department of Natural Resources

525 West Allegan, Constitution Hall, Third Floor
Lansing, MI 48933

CONTRACT CHANGE NOTICE

Change Notice Number 2
to
Contract Number 24000001166

CONTRACTOR	Moran Iron Works
	11739 M-68 / 33
	Onaway, MI 49756
	Tom Moran, CEO & Founder
	989-733-2011 ext. 1013
	Tmoran3013@moraniron.com
	CV0031239

STATE	Program Manager	Patrick O'Neill	DNR
		231-330-6745	
		ONeillP@michigan.gov	
	Contract Administrator	Lisa Crozier-Green	DNR
		517-388-6626	
		CrozierGreenL@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: New DNR Fisheries Division Research Vessel, per DNR Specifications				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
August 9, 2024	January 31, 2027	TWO (2) One-Year Options to Renew	January 31, 2027	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45 ARI		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"/>		January 31, 2027
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,865,000.00		\$133,261.22	\$5,998,261.22	
DESCRIPTION: Effective February 10, 2025 this Contract is increased by \$133,261.22 for DNR use. The REVISED estimated Contract value is \$5,998,261.22. Schedule B – Pricing has been INCREASED to include Attachment A – DNR Fisheries Division – Revisions to Specifications. All other terms, conditions, specifications and pricing remain the same. Per Contractor and DNR agreement, and DTMB Central Procurement Services approval.				

SCHEDULE B – PRICING (page 21 of 22) – **REVISED per DNR specification requirements February 10, 2025.**

1. The price proposed includes 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).
2. The Contractor is not offering quick payment terms.
3. By submitting its proposal, the Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.

Item	Materials	Labor	Total for Group
Group 1: Hull Structure Technical Specifications Group 100 (section 101-180)	\$ 730,000.00	\$ 500,000.00	\$ 1,230,000.00
Group 2: Propulsion Plant Technical Specifications Group 200 (section 201-270)	\$ 450,000.00	\$ 250,000.00	\$ 700,000.00
Group 3: Electrical Systems Technical Specifications Group 300 and 400 (section 300-436, 491)	\$ 405,000.00	\$ 225,000.00	\$ 630,000.00
Group 4: Auxiliary Systems Technical Specifications Group 500 (section 501-581)	\$ 260,000.00	\$ 180,000.00	\$ 440,000.00
Group 5: Outfit and Furnishings Technical Specifications Group 600 (section 601-667, 668)	\$ 775,000.00	\$ 190,000.00	\$ 965,000.00
Group 6: Scientific Systems Technical Specifications (section 461, 582, 583, 592, and 668)	\$ 1,025,000.00	\$ 280,000.00	\$ 1,305,000.00
Group 7: Sea trials and shipyard services	\$ 150,000.00	\$ 150,000.00	\$ 300,000.00
Group 8: Detailed Engineering	\$ 10,000.00	\$ 140,000.00	\$ 150,000.00
Group 9: Structure Engineering, (Lofting and Nesting: May Be Provided by BOKSA Marine Design for a Fee)	\$ 10,000.00	\$ 120,000.00	\$ 130,000.00
Group 10: Delivery costs to Charlevoix, MI			\$ 15,000.00
Current Contract Estimated Value	\$ 3,815,000.00	\$ 2,035,000.00	\$ 5,865,000.00
Change Notice 2 – Revisions to Contract Specifications			\$ 133,261.22
REVISED Contract Estimated Value			\$5,998,261.22

ATTACHMENT A – DNR REVISIONS TO CONTRACT SPECIFICATIONS

REVISED per DNR specification requirements January 30, 2025.

Equipment	QTY total	Comments	Price
Satellite Internet	1	This device was in the RFP technical specifications - DNR selected Star link.	\$ -
Satellite phones	0	DNR is deleting from the specifications	\$ (895.00)
VHF Radio	1	The second marine radio will be supplied by MIW. No longer owner supplied - MIW to supply	
Chart Plotter	4	MIW was going to determine how many units were included in bid. Furuno TZT16F. Four total units are needed (2-pilot house, 1-stern deck & 1-lifter room)- No longer owner supplied. - MIW to supply	
Sonar Box	1	Furuno DFF3Dnsonar box - No longer owner supplied - MIW to supply	
Open Array Radar	1	Furuno DRS6ANXT/4- No longer owner supplied - MIW to supply	
Heading Sensor	1	Furuno PG700- No longer owner supplied - MIW to supply	
Satellite Compass	1	Furuno SCX20- No longer owner supplied - MIW to supply	
Autopilot	1	Furuno NAVPILOT711C and all needed pumps- No longer owner supplied - MIW to supply	\$ 50,493.00
Kahlenberg Air horn	1	Kahlenberg D-2 air horn or equivalent- No longer owner supplied - MIW to supply	\$ 3,544.00
Bilge and washdown system		MIW will look into the design for a on-demand washdown pump. When the pump is on, and the valves are off (closed), the pump will kick off or the water pumps overboard unless valve is open somewhere on the boat. Using some type of spring-loaded pressure switch was our thought. This would make an on-demand water supply, not just on or off. If this is not achievable, we would be interested in adding a smaller flow pump (~1/4 hp) that would be plumbed to the work-up table.	\$ 8,766.62
Monitor/tv Screens	5	Must be computer screen capable (High resolution, widescreen with HDMI) Pilot house (24"), Wet lab (24"), Dry lab (2-24") and Stern deck (42")	\$ 1,668.97
Monitor cases	2	Waterproof cases for the wet lab 24" and stern deck 42" monitors	\$ 2,638.00
Smart TV for Galley	1	at least 32" if it fits in cabinetry	\$ 1,356.97
Oil Changing pump	1	Adding "Reverso" style oil changing manifold	\$ 2,526.00
Toolchests	2	MIW will add and install two tool chest, approximately 36"w x 36" tall, in the back lazarette	\$ 6,578.76
Portable capstan winch	1	MIW will purchase and provide a temporary mounting location for a portable, electric winch	\$ 6,283.90
Pilothouse privacy		MIW will investigate and install privacy curtains or blackout shades for windows in pilothouse. Final approval from DNR.	\$ -
Twin Mattresses	6	MIW will purchase twin mattresses for all six bunks	\$ -
Seakeeper upgrade	1	Replace refurbished Seakeeper 16 with Seakeeper 18	\$ 43,000.00
Take possession in Roger City		MIW was going to discuss the pro's and con's for transfer of ownership in Roger City or delivering to Charlevoix	\$ -
Electrical Upgrade Requirements	1	Requested change order to add ground fault detection hardware to main switch board to meet the requirements of IEEE-45.	\$ 7,300.00
			\$ 133,261.22

FOR THE CONTRACTOR:

Moran Iron Works, Inc.

Company Name

E-SIGNED by Tom Moran
on 2025-02-11 06:52:43 EST

Authorized Agent Signature

Tom Moran, CEO & Founder

Authorized Agent (Print or Type)

2025-02-11 06:52:43

Date

FOR THE STATE:

E-SIGNED by Laura Gyorkos
on 2025-02-11 11:40:33 EST

Signature

Laura L. Gyorkos, Procurement Section Manager

Name & Title

Department of Natural Resources

Agency

2025-02-11 11:40:33

Date



STATE OF MICHIGAN PROCUREMENT

Department of Natural Resources

525 West Allegan, Constitution Hall, Third Floor
Lansing, MI 48933

CONTRACT CHANGE NOTICE

Change Notice Number **1**
to
Contract Number **24000001166**

CONTRACTOR	Moran Iron Works
	11739 M-68 / 33
	Onaway, MI 49756
	Tom Moran, CEO & Founder
	989-733-2011 ext. 1013
	Tmoran3013@moraniron.com
	CV0031239

STATE	Program Manager	Patrick O'Neill	DNR
		231-330-6745	
Contract Administrator	ONeillP@michigan.gov		
	Lisa Crozier-Green	DNR	
	517-388-6626		
		CrozierGreenL@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: New DNR Fisheries Division Research Vessel, per DNR Specifications				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
August 9, 2024	January 31, 2027	TWO (2) One-Year Options to Renew	January 31, 2027	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45 ARI		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"/>		January 31, 2027
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$5,865,000.00		\$0.00	\$5,865,000.00	
DESCRIPTION: Effective November 6, 2024 Contractor contact information has been changed, invoicing requirements have been negotiated and modified, and Schedule B – Pricing has been corrected to include accurate breakdown of line item / Group pricing. All other terms, conditions, specifications and pricing remain the same. Per Contractor and DNR agreement, and DTMB Central Procurement Services approval.				

Standard Contract Terms (Page 3 of 21):

1. **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:
Lisa Crozier-Green, Buyer Specialist Michigan Dept. of Natural Resources 525 W. Allegan, Constitution Hall, Third Floor Lansing, MI 48933 517-388-6626 CrozierGreenL@michigan.gov	Tom Moran, CEO & Founder 11739 M-68 / 33 Onaway, MI 49756 Tmoran3013@moraniron.com 989-733-2011 ext. 1013

2. **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:
Lisa Crozier-Green, Buyer Specialist Michigan Dept. of Natural Resources 525 W. Allegan, Constitution Hall, Third Floor Lansing, MI 48933 517-388-6626 CrozierGreenL@michigan.gov	Tom Moran, CEO & Founder 11739 M-68 / 33 Onaway, MI 49756 Tmoran3013@moraniron.com 989-733-2011 ext. 1013

3. **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:
Patrick O’Neill, Fisheries Boat Captain Michigan Dept. of Natural Resources Charlevoix Fisheries Research Station 96 Grant St. Charlevoix, MI 49720 231-547-2914 x 235 OneillP@michigan.gov	Tyler James, Project Manager 11739 M-68 / 33 Onaway, MI 49756 tjames@moraniron.com 989-733-2011 ext. 1062

SCHEDULE A – STATEMENT OF WORK (PAGE 19 OF 21):

8. Invoice and Payment

8.1. 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); (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 by Electronic Funds Transfer (EFT clearinghouse).

8.3. Procedure

Invoices must be submitted in PDF, MS Excel, or MS Word document formats to the Project Manager via standard electronic mail. Invoices must identify specific line items identifying labor and material rates for the period identified.

8.4. Invoicing

1. The Contractor may invoice monthly for labor and labor expenses.
 - A. The Contractor agrees to include specific line items which identify labor and labor expenses for the invoice period.
 - B. Overtime, holiday pay and travel expenses are not authorized and will not be paid.
 - C. In addition to monthly labor invoices, the Contractor may periodically invoice upon Contractor receipt of single and / or multiple item purchases exceeding \$40,000.00 in value.

SCHEDULE B – PRICING (page 21 of 22) – CORRECTED 11/6/24.

1. The price proposed includes 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).
2. The Contractor is not offering quick payment terms.
3. By submitting its proposal, the Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.

Item	Materials	Labor	Total for Group
Group 1: Hull Structure Technical Specifications Group 100 (section 101-180)	\$ 730,000.00	\$ 500,000.00	\$ 1,230,000.00
Group 2: Propulsion Plant Technical Specifications Group 200 (section 201-270)	\$ 450,000.00	\$ 250,000.00	\$ 700,000.00
Group 3: Electrical Systems Technical Specifications Group 300 and 400 (section 300-436, 491)	\$ 405,000.00	\$ 225,000.00	\$ 630,000.00
Group 4: Auxiliary Systems Technical Specifications Group 500 (section 501-581)	\$ 260,000.00	\$ 180,000.00	\$ 440,000.00
Group 5: Outfit and Furnishings Technical Specifications Group 600 (section 601-667, 668)	\$ 775,000.00	\$ 190,000.00	\$ 965,000.00
Group 6: Scientific Systems Technical Specifications (section 461, 582, 583, 592, and 668)	\$ 1,025,000.00	\$ 280,000.00	\$ 1,305,000.00
Group 7: Sea trials and shipyard services	\$ 150,000.00	\$ 150,000.00	\$ 300,000.00
Group 8: Detailed Engineering	\$ 10,000.00	\$ 140,000.00	\$ 150,000.00
Group 9: Structure Engineering, (Lofting and Nesting: May Be Provided by BOKSA Marine Design for a Fee)	\$ 10,000.00	\$ 120,000.00	\$ 130,000.00
Group 10: Delivery costs to Charlevoix, MI			\$ 15,000.00
Totals	\$ 3,815,000.00	\$ 2,035,000.00	\$ 5,865,000.00

FOR THE CONTRACTOR:

Moran Iron Works, Inc.

Company Name

E-SIGNED by Tom Moran
on 2024-11-12 07:10:45 EST

Authorized Agent Signature

Tom Moran, CEO & Founder

Authorized Agent (Print or Type)

2024-11-12 07:10:45 UTC

Date

FOR THE STATE:

E-SIGNED by Laura Gyorkos
on 2024-11-12 08:29:57 EST

Signature

Laura L. Gyorkos, Procurement Section Manager

Name & Title

Department of Natural Resources

Agency

2024-11-12 08:29:57 UTC

Date



STATE OF MICHIGAN PROCUREMENT

Department of Natural Resources

525 West Allegan, Constitution Hall, Third Floor
Lansing, Michigan 48933

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **240000001166**

between

THE STATE OF MICHIGAN

and

CONTRACTOR	Moran Iron Works, Inc.
	11739 M-68 / 33
	Onaway, MI 49756
	Victor Ruppert, VP of Operations
	989-733-2011 ext. 1006
	vic@moraniron.com
	CV0031239

STATE	Program Manager	Patrick O'Neill	DNR
		231-330-6745	
		ONeillP@michigan.gov	
Contract Administrator	Lisa Crozier-Green		DNR
		517-388-6626	
		CrozierGreenL@michigan.gov	

CONTRACT SUMMARY

DESCRIPTION: New DNR Fisheries Division Research Vessel, per DNR Specifications

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
August 9, 2024	January 31, 2027	TWO (2) One-Year Options to Renew	January 31, 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			
MISCELLANEOUS INFORMATION			
<p>THIS IS NOT AN ORDER. This Contract Agreement is awarded on the basis of the State's inquiry bearing the solicitation number RFP 24000000319. Orders for Delivery will be issued directly by the Departments through the issuance of a Delivery Order (DO). Per Contractor and DNR agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on July 30, 2024.</p>			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$5,865,000.00

FOR THE CONTRACTOR:

Moran Iron Works, Inc.

Company Name

E-SIGNED by Victor Ruppert
on 2024-08-14 12:11:00 EDT

Authorized Agent Signature

Victor Ruppert, VP of Operations

Authorized Agent (Print or Type)

2024-08-14 12:11:00 UTC

Date

FOR THE STATE:

E-SIGNED by Laura Gyorkos
on 2024-08-14 13:54:54 EDT

Signature

Laura L. Gyorkos, Procurement Section Manager

Name & Title

Department of Natural Resources

Agency

2024-08-14 13:54:54 UTC

Date

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Moran Iron Works, Inc. (“**Contractor**”), a Michigan Corporation. This Contract is effective on August 9, 2024 (“**Effective Date**”), and unless terminated, will expire on January 31, 2027 (the “**Term**”).

This Contract may be renewed for up to TWO (2) One-Year Options to Renew. 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 (the “**Contract Activities**”) described in a Statement of Work; the initial Statement of Work is attached as Schedule A – Statement of Work. An obligation to provide delivery of any commodity is considered a service and is a Contract Activity.

The Contractor must furnish all labor, equipment, materials, and supplies necessary for the performance of the Contract Activities unless otherwise specified in a Statement of Work. 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.

The Contractor must also be clearly identifiable while on State property by wearing identification issued by the State, and clearly identify themselves whenever contacting 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:
Lisa Crozier-Green, Buyer Specialist Michigan Dept. of Natural Resources 525 W. Allegan, Constitution Hall, Third Floor Lansing, MI 48933 517-388-6626 CrozierGreenL@michigan.gov	Victor Ruppert, VP of Operations 11739 M-68 / 33 Onaway, MI 49756 vic@moraniron.com 989-733-2011 ext. 1006

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:
Lisa Crozier-Green, Buyer Specialist Michigan Dept. of Natural Resources 525 W. Allegan, Constitution Hall, Third Floor Lansing, MI 48933 517-388-6626 CrozierGreenL@michigan.gov	Victor Ruppert, VP of Operations 11739 M-68 / 33 Onaway, MI 49756 vic@moraniron.com 989-733-2011 ext. 1006

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:
Patrick O’Neill, Fisheries Boat Captain Michigan Dept. of Natural Resources Charlevoix Fisheries Research Station 96 Grant St. Charlevoix, MI 49720 231-547-2914 x 235 OneillP@michigan.gov	Tyler James, Project Manager 11739 M-68 / 33 Onaway, MI 49756 tjames@moraniron.com 989-733-2011 ext. 1062

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 a Statement of Work) if, in the opinion of the State, it will ensure performance of the Contract.

6. **Insurance Requirements.**

General Requirements. Contractor, at its sole expense, must maintain the insurance coverage as specified herein for the duration of the Term. Minimum limits may be satisfied by any combination of primary liability, umbrella or excess liability, and self-insurance coverage. To the extent damages are covered by any required insurance, Contractor waives all rights against the State for such damages. Failure to maintain required insurance does not limit this waiver.

- a. **Qualification of Insurers.** Except for self-insured coverage, all policies must be written by an insurer with an A.M. Best rating of A- VII or higher unless otherwise approved by DTMB Enterprise Risk Management.
- b. **Primary and Non-Contributory Coverage.** All policies for which the State of Michigan is required to be named as an additional insured must be on a primary and non-contributory basis.
- c. **Claims-Made Coverage.** If any required policies provide claims-made coverage, Contractor must:
 - (1) Maintain coverage and provide evidence of coverage for at least 3 years after the later of the expiration or termination of the Contract or the completion of all its duties under the Contract;
 - (2) Purchase extended reporting coverage for a minimum of 3 years after completion of work if coverage is cancelled or not renewed, and not replaced with another claims-made policy form with a retroactive date prior to the Effective Date of this Contract.

d. **Proof of Insurance**

- (1) Insurance certificates showing evidence of coverage as required herein must be submitted to the Contract Administrator within 10 days of the contract execution date.
- (2) Renewal insurance certificates must be provided on annual basis or as otherwise commensurate with the effective dates of coverage for any insurance required herein.
- (3) Insurance certificates must be in the form of a standard ACORD Insurance Certificate unless otherwise approved by DTMB Enterprise Risk Management.
- (4) All insurance certificates must clearly identify the Contract Number (e.g., notated under the Description of Operations on an ACORD form).
- (5) The State may require additional proofs of insurance or solvency, including but not limited to policy declarations, policy endorsements, policy schedules, self-insured certification/authorization, and balance sheets.
- (6) In the event any required coverage is cancelled or not renewed, Contractor must provide written notice to the Contract Administrator no later than 5 business days following such cancellation or nonrenewal.

e. Subcontractors. Contractor is responsible for ensuring its subcontractors carry and maintain insurance coverage.

f. Limits of Coverage & Specific Endorsements. (See Table 6.1 Below)

TABLE 6.1

Commercial General Liability Insurance	
Minimum Limits: \$1,000,000 Each Occurrence \$1,000,000 Personal & Advertising Injury \$2,000,000 Products/Completed Operations \$2,000,000 General Aggregate	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.
Automobile Liability Insurance	
Minimum Limits: \$1,000,000 Per Accident	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.
Workers' Compensation Insurance	
Minimum Limits: Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
Minimum Limits: \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease	

g. Non-Waiver. This Section 6 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. 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.

- 8. Intellectual Property Rights.** If 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.
- 9. 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.
- 10. Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel providing services by providing a notice to Contractor.
- 11. 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 a Statement of Work, 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.
- 12. 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.
- 13. 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.

- 14. Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in a Statement of Work.
- 15. 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 a Statement of Work. 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 24, 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.

- 16. 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 a Statement of Work. All containers and packaging become the State's exclusive property upon acceptance.
- 17. 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.

- 18. Warranty Period.** The warranty period, if applicable, for Contract Activities is a fixed period commencing on the date specified in a Statement of Work. 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.
- 19. 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 a Statement of Work. 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.

- 20. 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.

21. Termination for Cause. (a) The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (i) endangers the value, integrity, or security of any facility, data, or personnel; (ii) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (iii) engages in any conduct that may expose the State to liability; (iv) breaches any of its material duties or obligations under this Contract; or (v) fails to cure a breach within the time stated by the State in a notice of breach, if in its sole discretion the State has chosen to provide a time to cure. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

(b) If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (i) cease performance immediately. Contractor must submit all invoices for Contract Activities accepted by the State within 30 days of the date of termination. Failure to submit an invoice within that timeframe will constitute a waiver by Contractor for any amounts due to Contractor for Contract Activities accepted by the State under this Contract or (ii) 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. Contractor must promptly reimburse to the State any fees prepaid by the State prorated to the date of such termination, including any prepaid fees. 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.

22. 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. Contractor must submit all invoices for Contract Activities accepted by the State within 30 days of the date of termination. Failure to submit an invoice within that timeframe will constitute a waiver by Contractor for any amounts due Contractor for Contract Activities accepted by the State under this Contract, 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 to the extent the funds are available.

23. 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) 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 (d) 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.

- 24. Return of State Property.** Upon termination or expiration of this Contract for any reason, Contractor must take 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 the Contractor by any entity, agent, vendor, or employee of the State.
- 25. 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.

- 26. 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.

- 27. 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.
- 28. 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.
- 29. 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.
- 30. 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.

31. 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.

- 32. 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.
- 33. 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.
- 34. Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
- 35. Prevailing Wage.** Contractor must comply with prevailing wage requirements, to the extent applicable to this Contract.

- 36. 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.
- 37. Unfair Labor Practice.** Under MCL 423.324, the State may void this Contract if the name of the Contractor, or the name of a subcontractor, manufacturer, or supplier of the Contractor, subsequently appears on the Unfair Labor Practice register compiled under MCL 423.322.
- 38. 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. 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.
- 39. 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.
- 40. 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.
- 41. 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.
- 42. 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.

43. 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:

Document Title	Document Description
Schedule A	Statement of Work
Schedule B	Pricing Table
Attachment 1	Moran Organization Chart – Staffing Plan – Project Plan
Attachment 2	Example of Schedule of Values

- 44. Entire Agreement and Order of Precedence.** This Contract, which includes 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 Statement of Work; (b) second, 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.
- 45. 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.
- 46. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 47. 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.
- 48. 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

Department of Natural Resources New Fisheries Research Vessel Build-Out Contract No. 24000001166

BACKGROUND

The Michigan Department of Natural Resources “DNR” will be constructing a 66 ft. Great Lakes fisheries research vessel. This RFP “Request for Proposals” is for the hiring of a shipyard capable of the building of the vessel as designed. Vendor must furnish all labor, materials, and equipment to accomplish the vessel build per the drawings and specified herein by the Michigan DNR’s requirements. On completion, the vessel will be delivered to the Michigan DNR at the port of Charlevoix, MI.

SCOPE

The Contractor agrees to furnish all labor, skills, expertise, and equipment to build a 66 ft. long Great Lakes Fisheries Research Vessel to include a laboratory for the collection, analysis and storage of biological specimens, crew quarters for six, including full galley, full head, fuel, fresh and grey water holding tanks, twin power plants, generator, all rigging, controls, radar, sonar, and all related deck equipment such as crane, winches, trawl drum and net lifter. Deliverables must also include supervision, inspection and collaboration with the State of MI and contracted guidance services.

1. Requirements

1.1. General Requirements

- A. The Contractor has reviewed, acknowledged, and agrees to performing the building of the new research vessel for the State of Michigan in accordance with the attached specifications.
- B. The Contractor agrees to comply will all local, state, and federal building laws, regulations, and codes, as well as tradesmen licensure requirements.

2. Service Requirements

2.1. Delivery

- A. Completion of the build-out will be approximately one year before being delivered to the port of Charlevoix, MI. Delivery costs will be included in the Total Price of this Request for Proposals. Anticipated delivery is ONE (1) year from laying of keel, as described within the State’s specifications.

3. Acceptance

3.1. Acceptance, Inspection, and Testing

A. The State of Michigan, DNR will exercise the “Acceptance” clause in the included Michigan Terms and Conditions, section 17. Please note partial payment requests are acceptable for work performed under this contract and must accurately reflect the portions of work completed under the milestones agreed upon.

3.2. Final Acceptance

B. The State of Michigan, DNR may be processing partial payments throughout the life of this contract. Final acceptance, payment and close-out of the Contract will occur after sea trials and the final acceptance of the vessel construction.

4. Staffing

4.1. Contractor Representative and Key Personnel

- A. The Contractor agrees to have on-staff as a permanent employee, one individual assigned to this Contract, who will respond to State inquiries regarding the Contract Activities, answer questions related to ordering and delivery, etc. (the “Contractor Representative”).
- B. The Contractor agrees to notify the Contract Administrator at least fourteen (14) calendar days before removing or assigning a new Contractor Representative.

Contractor Representative:	Tyler James
Email:	tjames@moraniron.com
Phone:	989-733.2011 ext. 1062

4.2. Customer Service Number

The Contractor has provided a dedicated phone number for the to contact the Contractor Representative. 989-733-2011. The Contractor Representative will be available for calls during the hours of 8:00 am to 5:00 pm EST – Monday through Friday, except for State of Michigan holidays.

4.3. Work Hours

The Contractor agrees to provide Contract Activities during the State’s normal working hours Monday – Friday, 8:00 a.m. to 5:00 p.m. EST and possible night and weekend hours depending on the requirements of the project.

4.4. Organizational Chart

The Contractor has provided an overall organizational chart (Moran Organizational Chart and Staffing Plan) that details staff members, by name, title, educational degree and or certifications that include resumes for principal managers of this project.

4.5. Disclosure of Subcontractors

The Contractor intends to utilize subcontractors. Please refer to attached Moran Organizational Chart and Staffing Plan for a list of Subcontractors and contact information.

5. Project Management

5.1. Project Plan

A. The Contractor has provided a basic project plan (Moran Organization Chart and Staffing Plan) denoting the phases of the construction schedule as it is spread over the life of the contract. A schedule of values will be required after award of contract which denotes the

anticipated costs of the trades, major portions of the build-out, and milestones of the project deliverables and the costs associated with each individual phase. The approved schedule of values will be used to assess partial payment requests of the successful bidder.

- B. The project plan identifies anticipated project management processes, including expected frequency and mechanisms for updates and progress reviews, and individuals responsible for receiving and responding to the requested information. The project plan identifies sub-projects, tasks, and resources required to accomplish milestones set forth in the project plan; expected frequency and mechanisms for updates/progress reviews; process for addressing issues/changes; and individuals responsible for receiving/reacting to the requested information.
- C. The Contractor agrees to carry out this project under the direction and control of the Program Manager.
- D. Within thirty (30) calendar days of the award of contract, the Contractor must submit a final project plan and a schedule of values to the Program Manager for approval.

5.2. Meetings

- A. The Contractor agrees to attend the following meetings:
 - 1. Weekly pre-scheduled progress meetings during construction process.
 - 2. Construction meetings may be by voice communication, electronic mail, or video conferencing.
 - 3. The Microsoft Office TEAMS application is the preferred mode of progress meetings.
 - 4. Kick-off meeting to be scheduled within 30-calendar days after award of contract.
 - 5. The State may request other meetings, as it deems appropriate.

5.3. Reporting

- A. The Contractor agrees to submit to the Program Manager written weekly progress reports to be provided by electronic mail in MS Word, MS Excel, or pdf formats.
- B. Progress reports may be reduced to bi-weekly at any time by mutual agreement between the DNR and the successful bidder.

6. Pricing

6.1. Price Term

- A. Pricing is firm for the entire length of the Contract.

6.2. Price Changes

- A. 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.
- B. 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.
- C. 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 Michigan Dept. of Natural Resources Delivery Order.

8. Invoice and Payment

8.1. 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); (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 by Electronic Funds Transfer (EFT clearinghouse).

8.3. Procedure

Invoices must be submitted in PDF, MS Excel, or MS Word document formats to the Project Manager via standard electronic mail. Invoices must identify specific line items identifying labor and material rates for the period identified.

9. Service-Level Agreements (SLAs)

- A. The Contractor will be held accountable to meet the requirements and the service level requirements established in this Contract.
- B. The State reserves the right to reconsider or amend SLA amounts for split awards should they occur.

Service Level Agreements for this Contract will be as follows:

SLA Metric 1. Timely Deliveries	
Definition and Purpose	This contract requires timely and accurate phasing of the building of the 66' research vessel. It is anticipated that this build will take approximately eighteen months (+/-) to complete.
Data Sources	Weekly written progress reports will be required of this contract. Written reports may be reduced to bi-weekly by mutual agreement between the DNR and the successful bidder.
Methodology	The DNR Project Team will review the submitted written report(s) in preparation of the next scheduled progress meeting. Research results, renovation progress & goals, design changes, etc. will be discussed and evaluated at the next scheduled meeting.,
Acceptable Standards	<ol style="list-style-type: none"> 1. Requests for payment itemization confirmed 2. Extenuating circumstances must be communicated from the Contractor to the Program Manager as soon as they become known but preferably not less than 24 hours before the next scheduled meeting 3. Extenuating circumstances will be reviewed and evaluated by the Project Team before any Service Credits are assessed. <p>The acceptable standard is 100% compliance.</p>

SLA Metric 1. Timely Deliveries	
Credit Due for Failing to Meet the Service Level Agreements	<ol style="list-style-type: none"> 1. The State is entitled to an invoice credit of <u>\$2,500.00</u> per instance for missed project goals without written approval of the Program Manager. 2. Each instance is evaluated independently of all other missed milestones. 3. A missed milestone does not necessary constitute a waiver or justification for future missed milestones. <p>Extenuating circumstances will be reviewed by the Program Manager before any Service Credits are assessed. Supply chain delays will be taken into consideration when the DNR evaluates missed project goals.</p>

SCHEDULE B - PRICING

**Department of Natural Resources
 New Fisheries Research Vessel Build-Out
 Contract No. 24000001166**

1. The price proposed includes 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).
2. The Contractor is not offering quick payment terms.
3. By submitting its proposal, the Contractor certifies that the prices were arrived at independently, and without consultation, communication, or agreement with any other Contractor.

Item	Materials	Labor	Total for Group
Group 1: Hull Structure Technical Specifications Group 100 (section 101-180)	\$730,000.00	\$500,000.00	\$1,230,000.00
Group 2: Propulsion Plant Technical Specifications Group 200 (section 201-270)	\$450,000.00	\$250,000.00	\$700,000.00
Group 3: Electrical Systems Technical Specifications Group 300 and 400 (section 300-436, 491)	\$260,000.00	\$180,000.00	\$440,000.00
Group 4: Auxiliary Systems Technical Specifications Group 500 (section 501-581)	\$775,000.00	\$190,000.00	\$965,000.00
Group 5: Outfit and Furnishings Technical Specifications Group 600 (section 601-667, 668)	\$1,025,000.00	\$280,000.00	\$1,305,000.00
Group 6: Scientific Systems Technical Specifications (section 461, 582, 583, 592, and 668)	\$150,000.00	\$150,000.00	\$300,000.00
Group 7: Sea trials and shipyard services	\$10,000.00	\$140,000.00	\$150,000.00
Group 8: Detailed Engineering	\$10,000.00	\$120,000.00	\$130,000.00
Group 9: Structure Engineering, (Lofting and Nesting: May Be Provided by BOKSA Marine Design for a Fee)	\$260,000.00	\$180,000.00	\$440,000.00
Group 10: Delivery costs to Charlevoix, MI			\$15,000.00
TOTAL:			\$5,865,000.00