

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 4890
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 3
 to
CONTRACT NO. 071B2200044
 Article I. between
THE STATE OF MICHIGAN
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
PRINTWELL ACQUISITION CO INC 2645 Northline Road Taylor MI 48180	Linda Harvey	lindah@printwell.com
	PHONE	CONTRACTOR'S TAX ID NO. (LAST FOUR DIGITS ONLY)
	734-941-6300	8682

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER / CCI	TREAS	Heather Case	517-636-4802	caseh@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Valerie Hiltz	(517) 284-7026	hiltzv@michigan.gov

CONTRACT SUMMARY

DESCRIPTION: Print Tax Forms- Treasury			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
November 16, 2011	November 15, 2014	2, 1 year	November 15, 2015
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45 Days		14 Days ARO	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P Card: <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS Refer to Section 1.4.2 Minimum Order
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DESCRIPTION OF CHANGE NOTICE

EXERCISE OPTION?	LENGTH OF OPTION	EXERCISE EXTENSION?	LENGTH OF EXTENSION	REVISED EXPIRATION DATE
<input checked="" type="checkbox"/>	1 year			November 15, 2016
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$227,663.83		\$50,000.00	\$277,663.83	

DESCRIPTION: Effective November 16, 2015, this contract is EXERCISING the second option year and is INCREASED by \$50,000.00. The revised expiration date is November 15, 2016. The Buyer is changed to Valerie Hiltz, DTMB and the Program Manager is changed to Heather Case, Treasury. All other terms conditions, specifications and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval and State Administrative Board approval on September 30, 2015.

STATE OF MICHIGAN
 DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET
 PROCUREMENT
 P.O. BOX 30026, LANSING, MI 48909
 OR
 525 W. ALLEGAN, LANSING, MI 48933

CHANGE NOTICE NO. 2

to

CONTRACT NO. 071B2200044

between

1.

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Printwell Acquisition 2675 Northline Road Taylor, MI 48180	Lina Harvey	lindah@printwell.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 941-6300	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	Treasury	Darron Birchmeier	517-636-6822	birchmeierd@michigan.gov
BUYER	DTMB	Sue Cieciva	517-284-7007	ciecivas@michigan.gov

CONTRACT SUMMARY:				
DESCRIPTION: Print Tax Forms - Treasury				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
November 16, 2011	November 15, 2014	2-1 year options	November 15, 2014	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM	
Net 45 Days	Delivered	14 Days ARO	Taylor, MI	
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MIDEAL PARTICIPANTS	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS:				
Refer to Section 1.4.2 Minimum Order				

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input type="checkbox"/> No <input checked="" type="checkbox"/> Yes	<input checked="" type="checkbox"/>	<input type="checkbox"/>	One Year	November 15, 2015
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$68,500.00		\$227,663.83		
Effective November 16, 2014, this contract is exercising the first option year and is increased by \$68,500.00. The revised contract expiration date is November 15, 2015. The pricing on this contract is hereby updated, per revised Attachment B Books and Forms Printing Price Proposal, Attachment C, Schedule of Deliveries, and proposal. Please note the Contract Administrator has been changed to Sue Cieciva. All other terms, conditions, specifications and pricing remain the same. Per contractor proposal, agency agreement, and DTMB, Procurement approval.				

Notes:

A vertical column has been added to the Grid to include page counts being quoted in the base pricing.

Column F has been amended to reflect pricing for each new proof provided to Treasury.

580,000 copies B1 20 pages - CR7 Book is quoted to print & stitch as 16+C. 4 page cover wrap prints on 45# Offset (we supply)

Tonnage Requirements:

40# Offset	Treasury	42,100#	35" Rolls	
45# Offset	Printwell	12,000#	17.5" Rolls	\$5,640.00 (not included in Grid Price)

16 pages - CR7 Book is quoted to paste bind & trim inline on the press (no saddle stitching required).

Minus 4 pages (16 pages total) - Less \$24.48/M

Tonnage Requirements:

40# Offset	Treasury	41,700#	35" Rolls	
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24 pages - CR7 Book is quoted to print as one 24 page form, then saddle stitch & trim.

Plus 4 pages (24 pages total) - Less \$10.26/M

Tonnage Requirements:

40# Offset	Treasury	40,300#	35" Rolls	
40# Offset	Treasury	20,300#	17.5" Rolls	

Tonnage & Roll Sizes

580,000 copies	B1	See above		
165,000 copies	B2	40# Offset	Treasury	3,000# 17.5" Rolls
115,000 copies	B3	40# Offset	Treasury	2,200# 17.5" Rolls
80,000 copies	B4	40# Offset	Treasury	1,600# 17.5" Rolls
25,000 copies	B5	40# Offset	Treasury	400# 35" Rolls
900 copies	B6	See below		
2,000 copies	B7	60# Offset	Printwell	Included In Quoted Price
300 copies	B9	40# Offset	Treasury	200# 35" Rolls
150,000	B11	35# Offset	Treasury	9,700# 35" Rolls
35,000	B19	40# Offset	Treasury	5,200# 35" Rolls

B6 20 pages - CR2 Book is quoted to print & stitch as 16+C. 4 page cover wrap prints on 45# Offset (we supply)

Tonnage Requirements:

40# Offset	Treasury	300#	35" Rolls
45# Offset	Printwell		17.5" Rolls

(not included in Grid Price)

24 pages - CR7 Book is quoted to print as one 24 page form, then saddle stitch & trim.

Plus 4 pages (24 pages total) - Less \$363.05/M

Tonnage Requirements:

40# Offset	Treasury	300#	35" Rolls
40# Offset	Treasury	200#	17.5" Rolls

Attachment C, Schedule of Deliveries

Shipping Information						
Item	Print Quantity	Mailing Vendor - Direct Mail	Mail Vendor - Bulk Distribution	Contract Compliance Inspector	SUW Vendor	DTMB Warehouse
Section B:	-					
B1: CR7 Book	580,000	365,000	165,000	3,400		46,600
B2: 1040/Sch W	170,000		140,000	600		29,400
B3: MI-1040CR form	115,000		95,000	500		19,500
B4: Schedule 1 /4884	85,000		65,000	500		19,500
B5: MI-1040CR7 form	25,000		25,000	0		0
B6: CR2 Book	850	500		250		100
B7: MI-1040ES	2,000			20		1,980
B9: CR5 Book	300	250		50		
B11: SUW Line x Line Book	150,000			20	149,980	
B19: Flow-Through Withholding Book	35,000	35,000				

Contract Compliance Inspector

Heather Lund
 Treasury Operations Center
 7285 Parsons Drive
 Dimondale, MI 48821
 (517) 636-4802

Direct Mail, Bulk Distribution & SUW Vendor (Wolverine Solutions Group)

Attn: Belinda Schultz/Mia Kajdic
 1601 Clay Street
 Detroit, MI48211
 (313) 873-6800

Proposal to Amend Contract #071B2200044
Change 2
September 12, 2014

1. Beginning with Tax Year 2014, the following changes are necessary:

- a. Items B12: Reproducible Packet and Items B13: SUW Withholding Supplemental both will no longer be necessary. Items B12 and B13 can be deleted.

Contractor Response to Amendment:

Two items originally ordered as part of this contract will no longer be printed. Those items are the Reproducible Packet and the SUW Withholding supplement.

- b. Updated production schedule for Item B19 for 2014:

B19: Flow-Through Withholding Annual Reconciliation

Treasury confirms quantity and paper tonnage with Contractor	October 1
Purchase Order sent to Contractor	November 20
Target date for final copy to Contractor	November 21
Proof received from Contractor	November 25
Printing Authorized	December 1
Target date for delivery to mail contractor	December 7

Contractor Response to Amendment:

A revised production schedule will be implemented for item B19: the Flow-Through Withholding Book. This project will be authorized to print (target date) December 1, with a December 7 target date for delivery to the mailing contractor, Wolverine Solutions Group.

- 2. Provide Pricing for above changes on attached Quote excel spreadsheet as well as new pricing with the new quantities for each item. Please provide the cost (each) for new proofs provided to Treasury.

Contractor Response to Amendment:

Based on page counts, quantities and schedule, we have provided pricing in the supplied Grid to produce the items listed under this contract.

- 3. Revised shipping instructions can be found on Attachment C. Please review and confirm these shipping instructions are acceptable.

Contractor Response to Amendment:

Shipping instructions (Attachment C) have been reviewed and are confirmed as acceptable.

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

CHANGE NOTICE NO. 1

to

CONTRACT NO. 071B2200044

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
Printwell Acquisition 2675 Northline Road Taylor, MI 48180	Linda Harvey	lindah@printwell.com
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(734) 941-6300	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR	TREA	Darron Birchmeier	(517) 241-3548	birchmeierd@michigan.gov
BUYER	DTMB	Jim Wilson	(517) 241-1916	Wilsonj4@michigan.gov

CONTRACT SUMMARY:				
DESCRIPTION: Print Tax Forms				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
November 16, 2011	November 15, 2014	3, 2 Yr. Options	November 15, 2014	
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM	
N/A	N/A	N/A	N/A	
ALTERNATE PAYMENT OPTIONS:			AVAILABLE TO MiDEAL PARTICIPANTS	
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS:				
N/A				

DESCRIPTION OF CHANGE NOTICE:				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF OPTION/EXTENSION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
VALUE/COST OF CHANGE NOTICE:		ESTIMATED REVISED AGGREGATE CONTRACT VALUE:		
\$4,273.73		\$159,163.83		

Effective immediately, this Contract is INCREASED by \$4,273.73 and the attached specification and pricing is hereby incorporated into this Contract.

All other terms, conditions, specifications, and pricing remain the same.

Per agency and vendor agreement and DTMB Procurement.



From: lindah@printwell.com [<mailto:lindah@printwell.com>]
Sent: Tuesday, August 14, 2012 9:07 AM
To: Pawlak, Gregory (Treasury)
Cc: kelly@printwell.com; lindah@printwell.com
Subject: Re: FW: Contract Change Request

Gregory,

Please look this over and let me know if I missed answering any questions or if you have any questions regarding any of the pricing provided.

Thank you,

Linda Harvey Printwell Sales Representative E-mail: lindah@printwell.com Cell: 517-202-7385

----- Original Message -----

From: "Pawlak Gregory (Treasury)" @MICHIGAN.GOV>

To: "lindah@printwell.com"

Cc:

Sent: Wed, 1 Aug 2012 11:41:53 -0400

Subject: FW: Contract Change Request

Linda,

The State of Michigan, Department of Treasury would like to address the below changes to current contract #071B2200044 with your organization.

Please provide an emailed response back to the changes identified directly below.

We look forward to continuing our relationship, and I will follow-up with a phone call. Contact me with any questions.

Thanks you,

Gregory R. Pawlak

Department of Treasury
Purchasing Analyst
Purchasing Section
430 West Allegan Street

Question 1

Beginning with Tax Year 2012, the following changes are necessary:

a. B3: MI-1040CR form: this is now a 3-page form. Provide pricing to print this form such that the finished product is produced on 11" x 17" paper, folded in half to 8.5" x 11". No perforations are necessary for this item.

Contractor Response to Amendment: Item B3 will now be 3 pages. Flat size is 11 x 17, folded size is 8-1/2 x 11. This form prints in black ink on 40# Manistique Offset supplied by Michigan Dept. of Treasury. There are no perforations. Carton pack 1,250 per carton. Delivery to 3 locations + samples to Contract Compliance Manager is included in quoted prices.

b. B4: Schedule 1 This form will be joined by the new Pension Form (Form 4884). This item is to be produced such that the finished product is on 11" x 17" paper, folded in half to 8.5" x 11". A vertical perforation is necessary such that the two forms can be separated.

Contractor Response to Amendment: Item B4 is a 4 page form, 11 x 17 flat, folded to 8-1/2 x 11, printed in black ink on 40# Manistique Offset supplied by Michigan Dept. of Treasury. There is a vertical perforation on the fold. Carton pack 1,250 per carton. Delivery to 3 locations + samples to the Contract Compliance Manager are included in quoted prices.

c. B6: CR2 book. This book is now a 20-page book.

Contractor Response to Amendment: Item B6 is now a 20 page book printed in black ink on 40# Manistique Offset supplied by Michigan Dept. of Treasury. Forms pages perforate 1/4" from the binding edge; it is acceptable to perforate all pages of the book to facilitate production. Book will be saddle stitched and trimmed to a finished size of 8-1/2 x 11. Carton packed 200 per carton. Delivery to 3 locations + samples to Contract Compliance Manager is included in quoted prices.

d. B8: The Michigan Business Tax book will no longer be necessary. Item B8 can be deleted.

Contractor Response to Amendment: Item B8, the Michigan Business Tax Book, will no longer be printed.

e. B11: SUW Withholding Guide. The finished size is 8.5" x 11", produced on 11" x 17", printed on 24" white offset. The paper is to be provided by Printwell.

Contractor Response to Amendment: Item B11 is a 4 page form printed in black ink on 60# white offset (24# white bond equivalent), no perforations. Flat size is 11 x 17, folded size 8-1/2 x 11. Forms are skid packed (not carton packed) with delivery to the mailing contractor plus samples to the Contract Compliance Manager.

Question 2

New for Tax Year 2012:

- a. B19: Flow-Through Withholding Annual Reconciliation
 - i. Quantity: 30,000
 - ii. Paper: Printed on 40# offset
 - iii. Size: 16 pages, 8.5" x 11" self cover.
 - iv. Perforations: perforations are needed throughout the book. Printwell may elect to perforate the entire book if necessary.
 - v. Packing: 200 books per carton
 - vi. Shipped to: Wolverine Solutions, 1601 Clay Ave., Detroit

Contractor Response to Amendment: Contractor Response to Amendment: Item B19 is a 16 page self cover book printed in black ink on 40# Manistique Offset. Finished size is 8-1/2 x 11 upright. Forms pages perforate vertically 1/4" from binding edge; however, it is acceptable to perforate all pages if necessary. Binding can be saddle stitched or pasted on 11" side. Carton pack 200 per carton. Delivery to Wolverine Solutions plus samples to Contract Compliance Manager.

Question 3

Provide Pricing for above changes on attached Quote excel spreadsheet Please provide the cost (each) for new proofs provided to Treasury.

Contractor Response to Amendment: Provided.

Quote

<u>Item:</u>	<u>Annual Quantity</u>	<u>Press & Bindery/M</u>	<u>Total Price</u>	<u>Price of Add'l. proofs/each</u>	<u>2nd Color/M</u>	<u>Saddle-Stitch/M</u>	<u># Hours to Saddle Stitch all books</u>	<u>Price per Additional 1,000</u>	<u>4-Page Signature +/-</u>
B3: MI-1040 CR Form	115,000	\$12.74	\$1,465.10	\$40.00	\$4.38			see below	
B4: Schedule 1	85,000	\$17.91	\$1,522.35	\$40.00	\$5.23			see below	
B6: MI-1040 CR2 Book	3,000	\$609.89	\$1,829.67	\$200.00	\$187.90	included	3	see below	\$126.15
B11: SUW Withholding Guide	230,000	\$30.35	\$ 6,980.50	\$40.00	\$2.72	NA	NA	see below	NA
B19: Flow-Through Withholding Annual Reconciliation	30,000	\$76.52	\$2,295.60	\$160.00	\$18.47	\$21.00	6	see below	see below
TOTALS			\$14,093.22						

B3:	Add'l. M's	\$10.83	Tonnage Required	35" Rolls	2,700 lbs.
	Less M's	\$5.90			
B4:	Add'l. M's	\$15.58		35" Rolls	2,100 lbs.
	Less M's	\$8.22			
B6:	Addl. M's	\$487.93		35" Rolls	1,000 lbs.
	Less M's	\$89.02			
B13:	Add'l. M's	\$25.89		NA	
	Less M's	\$21.10			
B19:	Add'l. M's	\$61.23	Addl. 4 pages	\$755.00	35" Rolls 2,600 lbs.
	Less M's	\$41.85	Less 4 pages	\$205.00	

STATE OF MICHIGAN
DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET November 28, 2011
PROCUREMENT
P.O. BOX 30026, LANSING, MI 48909
 OR
530 W. ALLEGAN, LANSING, MI 48933

CONTRACT NO. 071B2200044
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Printwell Acquisition 2675 Northline Road Taylor, MI 48180 Email: lindah@printwell.com	TELEPHONE Linda Harvey (734) 941-6300 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Darron Birchmeier (517) 241-3548 birchmeierd@michigan.gov <p style="text-align: center;">Print Tax Forms</p>	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: November 16, 2011 To: November 15, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
ALTERNATE PAYMENT OPTIONS: <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION:	

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

Estimated Contract Value: \$154,890.00

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

CONTRACT NO. 071B2200044
between
THE STATE OF MICHIGAN
and

NAME & ADDRESS OF CONTRACTOR Printwell Acquisition 2675 Northline Road Taylor, MI 48180 Email: lindah@printwell.com	TELEPHONE Linda Harvey (734) 941-6300 CONTRACTOR NUMBER/MAIL CODE BUYER/CA (517) 241-1916 Jim Wilson
Contract Compliance Inspector: Darron Birchmeier (517) 241-3548 birchmeierd@michigan.gov Print Tax Forms	
CONTRACT PERIOD: 3 yrs. + 2 one-year options From: November 16, 2011 To: November 15, 2014	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
ALTERNATE PAYMENT OPTIONS: <input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other	
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	
MISCELLANEOUS INFORMATION: The terms and conditions of this Contract are those of ITB #07111300249, this Contract Agreement and the vendor's quote. In the event of any conflicts between the specifications, and terms and conditions, indicated by the State and those indicated by the vendor, those of the State take precedence. Estimated Contract Value: \$154,890.00	

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

FOR THE CONTRACTOR: Printwell Acquisition Firm Name	FOR THE STATE: Signature Jeff Brownlee, Chief Procurement Officer
Authorized Agent Signature	Name/Title DTMB, Procurement
Authorized Agent (Print or Type)	Division
Date	Date



STATE OF MICHIGAN
Department of Technology, Management and Budget
Purchasing Operations

Contract No. 071B2200044
Printing of Tax Forms

Buyer Name: Jim Wilson
Telephone Number: 517-241-1916
E-Mail Address: wilsonj4@michigan.gov



Table of Contents

- Definitions 21**
- Article 1 – Statement of Work..... 22**
 - 1.1 Project Identification..... 22**
 - 1.1.1 Project Request..... 22
 - 1.1.2 Background..... 22
 - 1.2 Scope of Work and Deliverable(s)..... 22**
 - 1.2.1 In Scope..... 22
 - 1.2.2 Deliverable(s)..... 22
 - 1.2.3 Quantity..... 28
 - 1.2.4 Ordering..... 28
 - 1.2.5 Alternate Bids - Deleted N/A..... 28
 - 1.3 Management and Staffing 28**
 - 1.3.1 Project Management..... 28
 - 1.3.2 Reports..... 28
 - 1.3.3 Staff, Duties, and Responsibilities..... 29
 - 1.3.4 Meetings..... 31
 - 1.3.5 Place of Performance..... 31
 - 1.3.6 Reserved..... 31
 - 1.3.7 Binding Commitments..... 31
 - 1.3.8 Training..... 31
 - 1.3.9 Security..... 32
 - 1.4 Delivery and Acceptance..... 32**
 - 1.4.1 Time Frames..... 32
 - 1.4.2 Minimum Order..... 32
 - 1.4.3 Packaging..... 32
 - 1.4.4 Palletizing..... 32
 - 1.4.5 Delivery Term..... 32
 - 1.4.6 Acceptance Process..... 32
 - 1.4.7 Criteria..... 32
 - 1.5 Proposal Pricing 33**
 - 1.5.1 Pricing..... 33
 - 1.5.2 Quick Payment Terms..... 33
 - 1.5.3 Price Term..... 33
 - 1.5.4 Tax Excluded from Price..... 33
 - 1.5.5 Invoices..... 33
 - 1.6 Commodity Requirements 33**
 - 1.6.1 Customer Service..... 33
 - 1.6.2 Research and Development..... 34
 - 1.6.3 Quality Assurance Program..... 34
 - 1.6.4 Warranty for Deliverable(s)..... 34
 - 1.6.5 Special Incentives –Deleted – Not/Applicable..... 34
 - 1.6.6 Energy Efficiency..... 34
 - 1.6.7 Environmental Requirements..... 34
 - 1.6.8 Recycled Content and Recyclability..... 34
 - 1.6.9 Materials Identification and Tracking..... 34
 - 1.7 Extended Purchasing 35**
 - 1.7.1 MiDEAL..... 35
 - 1.7.2 State Employee Purchases- Deleted/NA..... 35
- Article 2 – Terms and Conditions..... 36**
 - 2.1 Contract Term 36**
 - 2.1.1 Contract Term..... 36
 - 2.1.2 Options to Renew..... 36
 - 2.2 Payments and Taxes 36**



- 2.2.1 Fixed Prices for Deliverable(s) 36
- 2.2.2 Payment Deadlines 36
- 2.2.3 Invoicing and Payment – In General [Deleted, Not Applicable] 36
- 2.2.4 Pro-ration [Deleted, Not Applicable] 36
- 2.2.5 Final Payment and Waivers 36
- 2.2.6 Electronic Payment Requirement 36
- 2.2.7 Employment Taxes 36
- 2.2.8 Sales and Use Taxes 36
- 2.3 Contract Administration 37**
- 2.3.1 Issuing Office 37
- 2.3.2 Contract Compliance Inspector 37
- 2.3.3 Project Manager – Deleted/NA 37
- 2.3.4 Contract Changes 37
- 2.3.5 Price Changes 37
- 2.3.6 Notices 38
- 2.3.7 Covenant of Good Faith 38
- 2.3.8 Assignments 38
- 2.3.9 Equipment 39
- 2.3.10 Facilities [Deleted, Not Applicable] 39
- 2.4 Contract Management 39**
- 2.4.1 Contractor Personnel Qualifications 39
- 2.4.2 Contractor Key Personnel 39
- 2.4.3 Removal or Reassignment of Personnel at the State's Request 39
- 2.4.4 Contractor Personnel Location 39
- 2.4.5 Contractor Identification 39
- 2.4.6 Cooperation with Third Parties 39
- 2.4.7 Relationship of the Parties 40
- 2.4.8 Contractor Return of State Equipment/Resources 40
- 2.4.9 Background Checks 40
- 2.4.10 Compliance With State Policies 40
- 2.5 Subcontracting by Contractor 40**
- 2.5.1 Contractor Responsible 40
- 2.5.2 State Approval of Subcontractor 40
- 2.5.3 Subcontract Requirements 40
- 2.5.4 Competitive Selection 41
- 2.6 Reserved 41**
- 2.7 Performance 41**
- 2.7.1 Time of Performance 41
- 2.7.2 Service Level Agreements [Deleted, Not Applicable] 41
- 2.7.3 Liquidated Damages 41
- 2.7.4 Excusable Failure 41
- 2.8 Acceptance of Deliverable(s) 42**
- 2.8.1 Quality Assurance 42
- 2.8.2 Delivery Responsibilities 42
- 2.8.3 Process for Acceptance of Deliverable(s) 42
- 2.8.4 Acceptance of Deliverable(s) 42
- 2.8.5 Process for Approval of Written Deliverable(s) [Deleted, Not Applicable] 43
- 2.8.6 Process for Approval of Services [Deleted, Not Applicable] 43
- 2.8.7 Final Acceptance 43
- 2.9 Ownership [Deleted, Not Applicable] 43**
- 2.10 State Standards [Deleted, Not Applicable] 43**
- 2.11 Confidentiality 43**
- 2.11.1 Confidential Information 43
- 2.11.2 Protection and Destruction of Confidential Information 43



- 2.11.3 Exclusions 44
- 2.11.4 No Obligation to Disclose 44
- 2.11.5 Security Breach Notification 44
- 2.12 Records and Inspections 44**
- 2.12.1 Inspection of Work Performed..... 44
- 2.12.2 Retention of Records 44
- 2.12.3 Examination of Records 44
- 2.12.4 Audit Resolution 44
- 2.12.5 Errors 44
- 2.13 Warranties 45**
- 2.13.1 Warranties and Representations..... 45
- 2.13.2 Warranty of Merchantability 46
- 2.13.3 Warranty of Fitness for a Particular Purpose 46
- 2.13.4 Warranty of Title..... 46
- 2.13.5 Equipment Warranty - Deleted/NA..... 46
- 2.13.6 New Deliverable(s)..... 46
- 2.13.7 Prohibited Products 46
- 2.13.8 Consequences For Breach 46
- 2.14 Insurance 46**
- 2.14.1 Liability Insurance 46
- 2.14.2 Subcontractor Insurance Coverage 48
- 2.14.3 Certificates of Insurance and Other Requirements 48
- 2.15 Indemnification 49**
- 2.15.1 General Indemnification 49
- 2.15.2 Code Indemnification[Deleted, Not Applicable]..... 49
- 2.15.3 Employee Indemnification 49
- 2.15.4 Patent/Copyright Infringement Indemnification 49
- 2.15.5 Continuing Obligation..... 49
- 2.15.6 Indemnification Procedures..... 49
- 2.15.7 Limitation of Liability..... 50
- 2.16 Termination by the State 50**
- 2.16.1 Notice and Right to Cure 50
- 2.16.2 Termination for Cause..... 50
- 2.16.3 Termination for Convenience 51
- 2.16.4 Termination for Non-Appropriation..... 51
- 2.16.5 Termination for Criminal Conviction 51
- 2.16.6 Termination for Approvals Rescinded..... 51
- 2.16.7 Rights and Obligations upon Termination 52
- 2.16.8 Reservation of Rights..... 52
- 2.16.9 Contractor Transition Responsibilities..... 52
- 2.16.10 Transition Payments 52
- 2.17 Termination by the Contractor..... 52**
- 2.17.1 Termination 52
- 2.18 Stop Work 53**
- 2.18.1 Stop Work Order 53
- 2.18.2 Termination of Stop Work Order 53
- 2.18.3 Allowance of the Contractor's Costs 53
- 2.19 Reserved..... 53**
- 2.20 Dispute Resolution 53**
- 2.20.1 General 53
- 2.20.2 Informal Dispute Resolution 53
- 2.20.3 Injunctive Relief..... 54
- 2.20.4 Continued Performance 54
- 2.21 Disclosure Responsibilities 54**



- 2.21.1 Disclosure of Litigation 54
- 2.21.2 Other Disclosures..... 54
- 2.21.3 CallCenter Disclosure – Deleted/NA 55
- 2.22 Extended Purchasing 55**
- 2.22.1 MiDEAL Requirements..... 55
- 2.22.2 State Administrative Fee – Deleted/NA..... 55
- 2.22.3 State Employee Purchase Requirements – Deleted/NA 55
- 2.23 Laws 55**
- 2.23.1 Governing Law 55
- 2.23.2 Compliance with Laws 55
- 2.23.3 Jurisdiction 55
- 2.23.4 Nondiscrimination..... 55
- 2.23.5 Unfair Labor Practices..... 55
- 2.23.6 Environmental Provision 56
- 2.23.7 Freedom of Information 56
- 2.23.8 Workplace Safety and Discriminatory Harassment [Deleted, Not Applicable] . 56
- 2.23.9 Prevailing Wage [Deleted, Not Applicable] 56
- 2.23.10 Abusive Labor Practices 56
- 2.24 General Provisions 56**
- 2.24.1 Bankruptcy and Insolvency 56
- 2.24.2 Media Releases 57
- 2.24.3 Contract Distribution..... 57
- 2.24.4 Permits 57
- 2.24.5 Website Incorporation 57
- 2.24.6 Future Bidding Preclusion [Deleted, Not Applicable] 57
- 2.24.7 Antitrust Assignment 57
- 2.24.8 Disaster Recovery 57
- 2.24.9 Legal Effect 57
- 2.24.10 Entire Agreement 57
- 2.24.11 Order of Precedence 57
- 2.24.12 Headings 57
- 2.24.13 Form, Function and Utility 58
- 2.24.14 Reformation and Severability 58
- 2.24.15 Approval 58
- 2.24.16 No Waiver of Default 58
- 2.24.17 Survival 58
- Attachment A, MI 10-40A Book Printing Price Proposal (Section 1.2.2.2)- Deleted – Not/Applicable 59**
- Attachment B, Books and Forms Printing Price Proposal (Section 1.2.2.3)..... 60**
- Attachment C, Schedule of Deliveries 61**



Definitions

This section provides definitions for terms used throughout this document.

Business Day - whether capitalized or not, means any day other than a Saturday, Sunday, State employee temporary layoff day, or State-recognized legal holiday (as identified in the Collective Bargaining Agreement for State employees) from 8:00am through 5:00pm Eastern Time unless otherwise stated.

Buyer – the DTMB-Purchasing Operations employee identified on the cover page of this RFP.

Chronic Failure - as defined in applicable Service Level Agreements.

Contract– based on this RFP, an agreement that has been approved and executed by the awarded bidder, the DTMB-Purchasing Operations Director, and the State Administrative Board.

Contractor – the awarded bidder after the Effective Date.

Days - Business Days unless otherwise specified.

Deleted/NA - the section is not applicable or included in this RFP. This is used as a placeholder to maintain consistent numbering.

Deliverable(s) - physical goods or commodities as required or identified in a Statement of Work.

Eastern Time – either Eastern Standard Time or Eastern Daylight Time, whichever is prevailing in Lansing, Michigan.

Effective Date - the date that a binding contract is executed by the final party.

Final Acceptance - has the meaning provided in Section 2.8.7, Final Acceptance, unless otherwise stated in Article 1.

Key Personnel - any personnel designated as Key Personnel in Sections 1.3.3, Staff, Duties, and Responsibilities, and 2.4.2, Contractor Key Personnel, subject to the restrictions of Section 2.4.2.

Post-Industrial Waste - industrial by-products which would otherwise go to disposal and wastes generated after completion of a manufacturing process, but does not include internally generated scrap commonly returned to industrial or manufacturing processes.

Purchase Order - a written document issued by the State that requests full or partial performance of the Contract.

State - the State of Michigan.

State Location - any physical location where the State performs work. State Location may include state-owned, leased, or rented space.

Stop Work Order - a notice requiring the Contractor to fully or partially stop work in accordance with the terms of the notice.

Subcontractor - a company or person that the Contractor delegates performance of a portion of the Deliverable(s) to, but does not include independent contractors engaged by the Contractor solely in a staff augmentation role.

Unauthorized Removal - the Contractor's removal of Key Personnel without the prior written consent of the State.



Article 1 – Statement of Work

1.1 Project Identification

1.1.1 Project Request

This is a Statement of Work (SOW) for the printing of annual Income Tax, Sales and Use Tax, and Michigan Business Tax materials.

1.1.2 Background

The Department of Treasury is responsible for collecting income tax revenue due the State of Michigan from businesses and taxpayers. The printing of tax forms and booklets is required to assist businesses and taxpayers with the filing and payment of their taxes.

1. Michigan Income Tax Instruction Book (Complete sections 1.2.2.1, 1.2.2.2 and Attachment A)
2. Tax Books and Forms (Complete sections 1.2.2.1, 1.2.2.3 and Attachment B).

1.2 Scope of Work and Deliverable(s)

1.2.1 In Scope

The Contractor will be responsible for coordinating the production of Treasury's tax forms and publications. The Contractor will be notified of delivery instructions and quantities by the Contract Compliance Inspector (CCI) in August of each year for the Sales/Use tax printing and early October of each year for the remainder of the tax forms/book printing.

1.2.2 Deliverable(s)

All Deliverable(s) must conform to the specifications.

1. General Specifications:

- a. Print and deliver forms and booklets per specifications.
- b. **Agricultural Ink:** All items shall be printed using agricultural ink.
- c. **Legislative Delays:** Treasury cannot authorize printing or mailing until legislation is complete. If pending legislation delays Treasury's ability to authorize printing, the printer is not relieved of the obligation to provide service in the number of days originally estimated for each item. Treasury is not liable for the cost of any downtime incurred if legislative delays make it impossible for Treasury to authorize production.
- d. **Calendar Days:** All deliveries are specified in calendar days. This includes Saturdays and Sundays but does not include the following holidays: New Year's Eve third shift, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve third shift and Christmas Day. Third shift is any shift beginning after 6 p.m.
- e. **Overruns/Underruns:** A maximum of 1% for overruns and underruns will be allowed on orders of 100,000 pieces or more. A maximum of 3% will be allowed for all orders less than 100,000. This applies only to the Michigan Income Tax Instruction book and Tax Books and Forms orders (see sections 1.1.2.2.d and 1.1.2.3.b).
- f. **Delivery/Turnaround:** Various delivery/turnaround requirements have been established for each item. Delivery must be consistent with the terms as stated in the Work Statement. The contractor must notify the Contract Compliance Inspector of delivery date to mailers, Materials Management Warehouse or to other delivery sites 24 hours prior to the delivery.
- g. **Composition:** Copy for this item is provided on disk or camera ready. Files (PDF) can also be sent via an FTP site or e-mail if the contractor has the capability of accepting files through this medium.



- h. **Color:** All items will be printed using one color, black ink, printed on two sides, unless otherwise noted. Treasury reserves the right to switch ink color but will notify the contractor of this by October 1 of each year if color changes are necessary.
- i. **Perforations in Books:** Forms included in the books must be perforated vertically .25" inside the bound 11" edge and must tear cleanly. Pages to be perforated are identified in the Individual Specification Sections. Treasury reserves the right to move, add, or delete form pages; it is permissible to perforate an entire signature if this reduces cost. At the beginning of the press run, a Treasury representative will assist the contractor in establishing a suitable perforation and location, if necessary.
- j. **Binding:** All books must be trimmed on three sides and bound by glue or saddle-stitch. Whether the books are bound by glue or staple, the contractor must meet the required daily production rate.
- k. **Trimming:** Tax forms contained in the book are processed through scanning equipment. It is important that the contractor make every effort to ensure that books are trimmed squarely. Crooked forms negatively impact processing.
- l. **Proofs:** Proofs must be delivered to Treasury within 48 hours of receiving copy, if provided electronically. An additional 24 hours is granted if copy is provided on paper (camera-ready copy).
- m. **Carton Labeling:** Label ALL cartons with the complete name of the item, the tax year, the Treasury contract release number, the commodity number provided by Treasury and the quantity. Wrapped skids should be labeled with the same information.
- n. **Packing:** See Individual Specification sections for specific instructions. Cartons must be sturdy construction to ensure cartons will not break open during mailing or when stacked in storage. Cartons are not to exceed 40 pounds.
- o. **Lack of Need for Service/Product:** At any time, Treasury may determine that it no longer needs an item. Treasury is not obligated to pay for any services/products which it does not authorize. It is also possible that the manufacturing method (e.g., different roll size, different paper weight, etc.) of an item may need to be changed due to legislation or lack of need for part of the service/product.
- p. **Overtime:** Requests for overtime payment for any item on this Contract will not be paid unless the CCI specifically requests overtime and a purchase order authorizing overtime is issued.
- q. **Emergency/Business Continuity Plan**
 - 1) Contractor must identify a back-up contractor in the event printing cannot be completed as specified or meet the delivery timelines.

Page Litho is a heatset web printer in the Detroit area that has agreed to back up Printwell in the event that we are unable to print Treasury jobs as needed. Their two web presses will accommodate the roll sizes used in our plant. Page Litho is located at 6445 East Vernor, Detroit, MI 48207. Contact: Mr. Jeff Perturski. Ph: 313-921-6880.

- 2) The Contractor must develop, annually update, and regularly test disaster recovery and business continuity plans designed to ensure the availability of service/product in the event of a natural or man-made emergency or disaster event.
- 3) The Contractor must provide the CCI within 90 calendar days after Contract award with a summary and access to their disaster recovery/business continuity plan.



2. Tax Books and Forms Specifications

a. Quantity Estimates:

<u>Form</u>	<u>Annual Quantity (est.)</u>	<u>3-year Quantity (est.)</u>
B1. MI-1040CR-7 book	850,000	2,350,000
B2. MI-1040/Sch W form (17 x 11)	170,000	945,000
B3. MI-1040CR	115,000	570,000
B4. Schedule 1/Schedule 2	85,000	375,000
B5. MI-1040CR-7 form	25,000	192,000
B6. MI-1040 CR2 Book	3,000	19,500
B7. MI-1040ES	3,000	16,500
B8. Michigan Business Tax Book	3,000	15,000
B9. MI-1040 CR5 Book	2,000	3,600
B10. SUW Instruction Book	390,000	1,335,000
B11. SUW Withholding Guide	235,000	810,000
B12. Paper Reproducible Packet	1,100	4,200

TREASURY OPTION: The State reserves the right to reduce the quantities estimated above.

Note: Items B10 and B11 will not be printed in the first Contract year.

b. Production:

Items B1 –B 9

For Item B1, books must be produced at a minimum rate of 100,000/day. The bidder must deliver to Treasury’s mailing contractor each day as books are produced. All other shipments must be delivered to specified locations (See Attachment C). Items B6 and B11 must also be delivered to Treasury’s mailing contractor upon completion.

This information is provided solely to help the Contractor with planning. TREASURY IS NOT OBLIGATED TO MEET THESE DATES.

c. Target Schedule:

(1) Items B1-B9

Treasury confirms quantity and paper tonnage with Contractor	September 15
Purchase Order sent to Contractor	December 1
Target date for final copy to Contractor.....	December 8
Proof received from Contractor	December 10
Printing Authorized.....	December 12
Target date for first delivery to mail contractor Warehouse	December 18

Target date for first delivery to mail contractor and/or Treasury Warehouse December 18

****This date refers to items B1, B6 and B11 only. Refer to the production section in the Individual Specifications for due dates on other items.**



(2) Items B10 - B11

Treasury confirms quantity and paper tonnage with Contractor	July 20
Purchase Order sent to Contractor	August 20
Target date for final copy to Contractor.....	September 25
Proof received from Contractor	September 28
Printing Authorized.....	October 2
Target date for final delivery to SUW Contractor	October 11

Treasury cannot authorize printing until legislation is complete. If pending legislation delays Treasury's ability to furnish copy or return proofs by the estimated dates, the contractor is not relieved of the obligation to provide service in the number of days originally estimated for each item. Treasury is not liable for the cost of any press downtime incurred if legislative delays make it impossible for Treasury to authorize production.

Note: Items B10 and B11 will not be printed in the first Contract year.

(3) Item B11

Treasury cannot authorize printing until the Consumer Price Index is announced by the IRS. This is typically provided the third week of October.

d. Delivery and Ship To:

(1) For Items B1-9 and B12, the Contract Compliance Inspector will provide final delivery instructions to the Contractor by December 10 each year.

Note: Items B10 and B11 will not be printed in the first Contract year.

(2) For Items B10-B11, instructions will be provided by September 15 each year. See AttachmentC for delivery specifications.

e.FOB Destination:Quote prices FOB Destination (freight prepaid) on orders to Treasury specified shipping points. All orders must be delivered to specified locations (AttachmentC).

f. B1: MI-1040CR-7 Home Heating Credit Claim Instruction Books

Size: 16 pages; 8.5" x 11" self-cover.

TREASURY OPTION -- Treasury reserves the right to add or subtract additional 4-page signatures as needed. Contractor must provide price estimates for additional signatures in Appendix B.

Perforations: Perforations are needed on pages 9-14.

Packing: 200 books per carton.

g. B2: MI-1040, Michigan Income Tax Return and Schedule W (form)

Size: 17" x 11" flat, folded to 8 ½" x 11"; 4 pages, printed two sides.

Perforations: This form perforates vertically 8.5" from the left edge.

Production: Delivery must be completed five days after approval of proof.

Packing: 1,250 forms per carton.



h. B3: MI-1040CR, Michigan Homestead Property Tax Credit Claim (form)
B4: Schedule 1/Schedule 2 (form)
B5: MI-1040CR-7, Michigan Home Heating Credit Claim (form)

Size: 8.5" x 11" flat, printed on two sides. No perforations.

Production: Delivery of each form must be complete five (5) days after proof is approved.

Packing: 2,500 per carton.

i. B6: MI-1040CR-2 Homestead Property Tax Credit Claims for Disabled Veterans and Blind People Instruction Books

Size: 16 pages; 8.5" x 11" self-cover.

Perforations: Perforations are needed on pages 11-14.

Packing: 200 books per carton.

TREASURY OPTION -- Treasury reserves the right to add or subtract additional 4-page signatures as needed. Contractor must provide price estimates for additional signatures in Attachment B.

i. B7: MI-1040ES

Size: 17" x 22" printed two sides.

Production: Target date for copy is December 15. Delivery must be complete seven (7) days after proof approval.

Perforations: One (1) vertical perforation at 8.5" from left edge. Four (4) horizontal perforations on 8.5" x 14" on right side. A Treasury representative will advise on final location.

Folding: Two (2) folds. Final size 8.5" x 7."

Paper: Printed on 60# offset supplied by contractor.

Packing: 1,000 per carton.

k. B8: Michigan Business Tax Instruction Book

Size: 160 pages; 8.5" x 11" self-cover.

Perforations: Perforations are needed on pages 17-63.

Production: Delivery must be complete seven (7) days after approval of proof.

Packing: 25-50 books per carton.

TREASURY OPTION -- Treasury reserves the right to add or subtract additional 4-page signatures as needed. Contractor must provide price estimates for additional signatures in Attachment B.

l. B 9: MI-1040CR-5 Farmland Preservation Credit Claim Instruction Books

Size: 16 pages; 8.5" x 11" self-cover.



Perforations: Perforations are needed on pages 7-14.

Packing: 200 books per carton.

TREASURY OPTION -- Treasury reserves the right to add or subtract 4-page signatures as needed. Contractor must provide price estimates for additional signatures in Attachment B.

m. B10: Sales, Use and Withholding Taxes Instruction Book

Size: 16 pages; 8.5" x 11", self-cover.

Paper: Printed on 35# offset supplied by Treasury.

Perforations: Perforations are needed on pages 9-10.

Production: Delivery must be complete six (6) days after approval of proof. If copy is delayed due to pending legislation past Nov. 1, Treasury will require 200,000 within four (4) days of proof approval and the balance within ten (10) days.

Packing: All books wrapped on pallets and appropriately labeled.

Note: Item B10 will not be printed in the first Contract year.

n. B11: Income Tax Withholding Guide (446)

Size: 32 pages; 8.5" x 11" self-cover.

Paper: Printed on 35# paper supplied by Treasury.

Perforations: Four forms are located in center of booklet and must be perforated (pages 11-18), but Treasury reserves the right to move, add, or delete form pages.

Production: Delivery must be complete ten (10) days after approval of proof.

Packing: All books wrapped on pallets and appropriately labeled.

Note: Item B11 will not be printed in the first Contract year.

o. B12: Reproducible Packet

Paper: Grade 3 60# gloss or equivalent. Paper is to be supplied by print contractor.

Size: 8.5" x 11"

Press: 88 pages printed two sides.

Bindery: Trim on four sides.

Collating: Each packet must be collated as follows:

- 1) 1 Printed packet (88 pages)
- 2) 1 Income Tax Instruction Book (Item 1)
- 3) 1 Home Heating Credit Claim Instruction Book (Item 1)
- 4) 1 MI-1040ES, Michigan Estimated Income Tax for Individuals forms (Item 7)
- 5) 1 Income Tax Withholding Guide (Item 11)
- 6) Chipboard



Wrap: The packets must be shrink-wrapped or cold-sealed individually.

Production Schedule: Final copy will be provided by December 27 each year. Items 2 through 6 will be available by January 3. All items must be collated, wrapped and delivered by January 13, or within seven (7) days of receiving all materials and approval of final proof.

Packing: 15 packs per carton.

TREASURY OPTION: Treasury reserves the right to add or subtract additional 4-page signatures as needed.

1.2.3 Quantity

The State is not obligated to purchase in any specific quantity.

1.2.4 Ordering

1. The State will issue a Purchase Order, which must be approved by the Contract Compliance Inspector, to order any Deliverable(s).
2. The Contractor is not authorized to begin performance until receipt of a Purchase Order.
3. Separate Purchase Orders will be issued for each section.

1.2.5 Alternate Bids - Deleted N/A

1.3 Management and Staffing

1.3.1 Project Management

1. The Contractor will carry out this project under the direction and control of the CCI.
2. Although there will be continuous liaison with the Contractor team, the CCI will meet quarterly as a minimum, or as requested by the CCI, with the Contractor's Project Manager for the purpose of reviewing progress and providing necessary guidance to the Contractor in solving problems which arise.
3. Within five working days of the award of the Contract, the Contractor must submit to the CCI for final approval a detailed project plan. This final project plan must be in agreement with section 1.3.1.3 as proposed by the Contractor and accepted by the State for Contract, and must include the following:
 - a. The Contractor's project organizational structure.
 - b. The Contractor's staffing table with names and title of personnel assigned to the project. This must be in agreement with staffing of accepted proposal. Necessary substitutions due to change of employment status and other unforeseen circumstances may only be made with prior approval of the State.
 - c. The project breakdown showing sub-projects, activities and tasks, and resources required and allocated to each.

1.3.2 Reports

The Contractor must submit the following periodic reports to the State: usage reports, including quantity and dollars for State and MiDEAL members. In addition, the bidder must provide the following reports:



- 1. The Contractor must submit written monthly summaries of progress which outline the work accomplished during the reporting period; work to be accomplished during the subsequent reporting period; problems, real or anticipated, which should be brought to the attention of the CCI; and notification of any significant deviation from previously agreed-upon work plans.

1.3.3 Staff, Duties, and Responsibilities

- 1. Contractor must identify staff who will be involved in the project, including the name of each individual, work locations, and detailed descriptions of their roles and responsibilities.

Printwell Acquisitions, Inc.
Key Personnel Staffing

The following people will be assigned to this contract and work day to day on it. Linda Harvey has an office in Holt, Michigan. All other individuals are located at the Taylor facility.

- 1. Paul Borg Owner and CEO
- 2. Tom Roach Owner and President
- 3. Richard Teets Plant Engineer
- 4. John Sussell General Manager
- 5. Linda Harvey Sales Representative Office in Holt, MI
- 6. David Nelson Customer Service
- 7. John Feldpausch Production Coordinator
- 8. David Schacht Prepress Supervisor
- 9. Gregg Sabourin Bindery Foreman
- 10. Jack Ostrum Shipping Foreman
- 11. Joe Ledinko 2nd Shift Supervisor

- 1. Paul Borg, Owner and CEO
 Paul Borg has over 38 years experience in the Graphic Arts field. Mr. Borg has a business degree from St. Paul's Missionary College and a degree in hotel business management from Polytechnic Msida.
- 2. Thomas Roach, Owner and President
 Thomas Roach has over 30 years experience in the Graphic Arts field and prior to that he spent 16 years with General Motors in different management positions. Mr. Roach has a degree from Central Michigan University.
- 3. John Sussell, General Manager
 John has over 31 years experience in the Graphic Arts industry. He has held his current position at Printwell for almost 9 years. Prior to coming to Printwell he spent 16 years with Superior Color Graphics as Vice President of Operations. John oversees all areas of operation within our company.
- 4. Linda Harvey, Sales Representative
 Linda Harvey has over 31 years experience in the Graphic Arts industry, employed previously by Speaker-Hines & Thomas and CPI Graphics, Inc. before coming to Printwell in 2001. Linda has been a sales representative for the last 18 years and has extensive working knowledge of the Michigan Dept. of Treasury Tax Forms and Books printing requirements. Linda has a Fine Arts Degree from the University of Michigan. Linda will be responsible for meeting with the CCI on a regular basis, and will be the designated Project manager. Linda will work in concert with Dave Nelson, Customer Service Representative.
- 5. David Nelson, Customer Service Representative
 David Nelson joined Printwell 6 months ago and brings over 31 years or graphic arts expertise. Prior to joining Printwell, Dave worked for The Northwest Group in Wixom, where his duties included production scheduling, estimating and all aspects of job management. Dave has



extensive working knowledge of proofing, file uploads, and excellent organizational skills. He works very well with clients and maintains focus despite handling multiple projects. Dave will be responsible for implementing job write-ups based on Linda Harvey's written and verbal communication; he will communicate with the CCI as needed (usually during proofing and reproofing). Dave will coordinate with all departments, and supply production and shipping updates daily.

6. John Feldpausch, Production Coordinator
John Feldpausch worked for Wintor Swan, a heatset web print shop, in Detroit prior to coming to Printwell in 2001. John has overseen the production and scheduling of work on the presses (including Treasury forms and books) for the last 9 tax seasons. He is aware of the strict turnaround requirements as well as the fact that there is no guarantee that we will have proofs signed off and ready to go. He is extremely good at scheduling jobs, once approved, to meet the production needs of mailers and others.
7. David Schacht, Prepress Manager
David Schacht has over 26 years experience in the Graphics Arts field, with the last 12 years in a management role. Prior to joining Printwell 4-1/2 years ago, Dave worked at Robot Printing in Detroit for 10 years, and for Q-Net (a division of World Color Press) for 5 years. Dave is adept at working with Mac and PC files, and is current with the most up-to-date technologies in prepress.
8. Gregg Sabourin, Bindery Foreman
Gregg is the second generation in his family to work in the graphic arts field. He has been with Printwell for 17 of his 23 years in the business. Prior to coming to Printwell he ran presses and bindery equipment at Best Impressions.
9. Jack Ostrum, Shipping Foreman
Jack has over 31 years experience in shipping and delivery activities and over 12 years experience handling, shipping and delivering specifically for the Graphic Arts industry. Jack will be responsible for scheduling deliveries of all Treasury jobs. He will work in concert with David Nelson, CSR.
10. Joe Ledinko, 2nd and 3rd Shift Supervisor
Joe oversees all departments on 2nd and 3rd shift. Prior to joining Printwell, Joe worked for Superior Printing Company in Warren, Ohio. Joe's duties at Printwell include the supervision of our graphics department, pressroom and bindery during the 2nd and 3rd shifts. He is very familiar with Treasury work, having overseen print and bindery production for the last 4 tax seasons. Joe will not hesitate to contact sales and/or members of the production team at all hours of the night if he has immediate questions regarding any phase of a job in process.
11. Richard Teets, Plant Engineer
Richard Teets has 34 years experience maintaining and repairing Graphic Arts equipment....including but not limited to presses, stitchers, cutters and folders.

2. Contractor must provide a Project Manager to act as a central point of contact for all contractual activities.

Linda Harvey will work as the Project Manager.

3. The Contractor must have one or more knowledgeable individual(s) specifically assigned to State of Michigan accounts that will respond to State agency inquiries or print vendor.

4. If an overall organization chart has been developed, provide a reference to that chart as well. Note any part-time personnel.



5. State Staff, Roles and Responsibilities: All communication will be transmitted through the CCI. The CCI will organize orders and verify quantities prior to a purchase order being submitted. Invoices shall be submitted to the direction of the CCI, who will also approve any payment off the contract. The CCI shall be contacted if any problems arise throughout the course of the Contract.

6. Other Roles and Responsibilities: Other staff includes Treasury’s print vendor(s), who will be identified to the Contractor by the CCI in October of each year. The print vendor(s) are responsible for inspecting and accepting paper from the paper Contractor. The print vendor will also coordinate delivery dates and times with the paper Contractor prior to any deliveries being completed.

7. Key Personnel: The Contractor must be able to staff a trained project team which possesses talent and expertise in the area of printing. Treasury MUST be immediately notified in writing when a key member assigned to the Treasury printing project is removed from working on the project. Written notification must include a summary of qualifications for the replacement personnel assigned to the project.

1.3.4 Meetings

The State may request a kick-off meeting with the bidder within thirty (30) days of the Effective Date. The State may request other meetings as it deems appropriate.

1.3.5 Place of Performance

The bidder must list the location of all facilities that will be involved in performing the Contract:

Full address of place of performance	Owner/operator of facility to be used	Percent (%) of Contract value to be performed at listed location
Printwell Acquisitions, Inc. 26975 Northline Road Taylor, MI 48180	Paul Borg, Owner and CEO	100%

A. Manufacturing Location Changes: The Contractor must notify the State in writing of any proposed change in the site at which any portion of printing is performed. No such change shall be made without prior written approval from DTMB-Purchasing Operations.

1.3.6 Reserved

1.3.7 Binding Commitments

The Contractor must identify its representatives with the authority to make binding commitments on the bidder's behalf and state the extent of that authority.

Mr. Paul Borg, Owner and CEO and Thomas Roach, Co-owner and President, are authorized to negotiate and expedite a bid quotation/purchase order with the State of Michigan. Linda Harvey is authorized to negotiate and expedite a bid quotation/purchase order but only in concert with Mr. Paul Borg and Mr. Thomas Roach.

1.3.8 Training

The Contractor must explain its training capabilities and any training that is included in its Contract.

Bidder Response:

Our prepress department is constantly updating to the most current programs and file upload and proofing technology available. Our prepress manager, David Schacht, and our IT manager are prepared to assist and train as necessary any State of Michigan (or other) clients in the areas of file development, uploading to ftp sites, electronic proof retrieval from ftp sites or via e-mail, and any other areas as needed to accomplish the tasks outlined in this RFP.



1.3.9 Security

The Contractor may be required to make frequent deliveries to State facilities. The Contractor must ensure the security and safety of these facilities, including, but not limited to, performance of background checks on its personnel. If background checks are performed, the Contractor must provide a document stating that its personnel have satisfactorily completed a background check and are suitable for State work.

The State may issue State ID badges to the bidder's delivery personnel or accept the ID badge issued to delivery personnel by the bidder. The State may decide to perform an additional background check under Section 2.4.9, Background Checks. If so, the bidder must provide a list of all personnel, including name and date of birth, that will be assigned to State work.

1.4 Delivery and Acceptance

1.4.1 Time Frames

All Deliverable(s) must be delivered within Fourteen Days after receipt of order. The receipt of order date is governed in the same manner as notices sent under Section 2.3.6, Notices. The bidder must explain in detail its various delivery programs (e.g., standard delivery and quick-ship), including any limitations such as quantity.

A. **Calendar Days:** All deliveries are specified in calendar days. This includes Saturdays and Sundays but does not include the following holidays: New Year's Eve third shift, New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Eve third shift and Christmas Day. Third shift is any shift beginning after 6 p.m.

1.4.2 Minimum Order

The State's requested minimum order can be found on Attachments A through C and is identified as annual quantities

1.4.3 Packaging

Packaging and containers must meet the current requirements of state and federal law applicable to rail and motor carrier freight classifications, which will permit application of the lowest freight rate.

1.4.4 Palletizing

Shipments must be palletized whenever possible. Manufacturer's standard 4-way shipping pallets must be used. The bidder must explain if it cannot meet these standards.

1.4.5 Delivery Term

Unless specified otherwise below, delivery is governed by Section 2.8.2, Delivery Responsibilities.

The Contractor must quote prices "F.O.B. Destination, within Government Premises" with transportation charges prepaid on all orders that meet the minimum order requirement specified in Section 1.4.2, Minimum Order.

Freight Charges - If the State orders below the minimum order requirement specified in Section 1.4.2, Minimum Order, or if a bidder quotes F.O.B. Shipping Point on one-time purchases, the bidder must specify the carrier being used.

1.4.6 Acceptance Process

The acceptance process is defined in Section 2.8.4, Acceptance of Deliverable(s), unless otherwise defined in this section.

1.4.7 Criteria

The State will use the following criteria to determine acceptance of Deliverable(s):

A. Specifications of section 1.2.2 are met.



1.5 Proposal Pricing

1.5.1 Pricing

The bidder must specify the fixed prices for all Deliverable(s), and the associated payment milestones and payment amounts as required by Section 2.2.1, Fixed Prices for Deliverable(s). The bidder must provide pricing details in **Attachment A and/or B per section 1.1.2.**

1.5.2 Quick Payment Terms

The bidder is encouraged to offer quick payment terms. The number of days must not include processing time for payment to be received by the bidder's financial institution.

The bidder must check one box below:

- The bidder will offer a quick payment discount of _____% off an invoice if paid within 20 Days from the State's receipt of the invoice or delivery of the Deliverable(s), whichever is later.
- No quick payment discount will be offered.

1.5.3 Price Term

Prices in **Attachment A and B** are firm for the term of the Contract.

1.5.4 Tax Excluded from Price

(a) Sales Tax: The State is exempt from sales tax for direct purchases. The bidder's prices must not include sales tax. DTMB-Purchasing Operations will furnish exemption certificates for sales tax upon request.

(b) Federal Excise Tax: The State may be exempt from Federal Excise Tax, or the taxes may be reimbursable, if articles purchased under any resulting Contract are used for the State's exclusive use. Certificates showing exclusive use for the purposes of substantiating a tax-free, or tax-reimbursable sale will be sent upon request. If a sale is tax exempt or tax reimbursable under the Internal Revenue Code, the bidder's prices must not include the Federal Excise Tax.

1.5.5 Invoices

The Contractor must provide a invoice that, at a minimum, includes:

- (a) Date
- (b) PO #
- (c) Quantity
- (d) Deliverable
- (e) Unit Price
- (f) Shipping Cost (if any)
- (g) Total Price.

1.6 Commodity Requirements

1.6.1 Customer Service

The Contractor must be able to receive orders by any of the following methods: electronically, phone, facsimile transmission, or by written order. If not, the bidder must explain its ordering capabilities. The Contractor must have internal controls, approved by DTMB-Purchasing Operations, to: (a) ensure that only authorized individuals place orders; and (b) verify any orders that appear to be abnormal.

The Contractor must have: (a) one or more knowledgeable individual(s) specifically assigned to State of Michigan accounts that will respond to State agency inquiries promptly; and (b) a statewide toll-free number for customer service calls.



1.6.2 Research and Development

The Contractor must have the ability to invest in new research and development.

1.6.3 Quality Assurance Program

The Contractor must have a Quality Assurance Program(s).

1.6.4 Warranty for Deliverable(s)

The Contractor must fulfill it's warranty as required by Section 2.13, Warranties.

1.6.5 Special Incentives –Deleted – Not/Applicable

1.6.6 Energy Efficiency

The State prefers to purchase energy-efficient products, including "Energy Star" certified products. The bidder must explain if it intends to provide energy-efficient or "Energy Star" certified products.

1.6.7 Environmental Requirements

The State prefers to purchase products that impact the environment less than competing products. Environmental components that may be considered include: recycled content, recyclables, and the presence of undesirable materials in the products, especially persistent, bioaccumulative, and toxic chemicals.

1.6.8 Recycled Content and Recyclability

(a) **Deliverable(s)**. Without compromising performance or quality, the State prefers Deliverable(s) containing higher percentages of recycled materials. The Contractor must indicate an estimate of the percentage of recycled materials, if any, contained in each Deliverable:

_____ % (total estimated percentage of recovered material)

_____10_____ % (estimated percentage of post-consumer material)

_____ % (estimated percentage of post-industrial waste)

(b) **Packaging**. The State prefers packaging materials that:

- (i) are made from recycled content that meets or exceeds all federal and state recycled content guidelines (currently 35% post-consumer for all corrugated cardboard);
- (ii) minimize or eliminate the use of polystyrene and other difficult to recycle materials;
- (iii) minimize or eliminate the use of packaging and containers or, in the alternative, minimize or eliminate the use of non-recyclable packaging and containers;
- (iv) provide for a return program where packaging can be returned to a specific location for recycling; and
- (v) contain materials that are easily recyclable in Michigan.

1.6.9 Materials Identification and Tracking

(a) **Hazardous Chemical Identification**. The bidder must list any hazardous chemical, as defined in 40 CFR §370.2, to be delivered. Each hazardous chemical must be properly identified, including any applicable identification number, such as a National Stock Number or Special Item Number. Material Safety Data Sheets must be submitted in accordance with the federal Emergency Planning and Community Right-to-Know Act, 42 USC 11001 *et seq.*, as amended. This list must be updated whenever any other chemical to be delivered is hazardous.

Chemical (if none, enter 'None')	Identification Number
None	



(b) **Mercury Content.** Under MCL 18.1261d, the bidder must offer mercury-free products whenever possible. The bidder must explain if it intends to provide products containing mercury and whether cost competitive alternatives exist. If cost competitive alternatives do not exist, the bidder must disclose the amount or concentration of mercury and justification as to why this particular product is essential. All products containing mercury must be labeled as containing mercury.

(c) **Brominated Flame Retardants.** The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible. (d) **Environmental Permits and Requirements.** The Contractor must disclose whether any of its facilities are in violation of any environmental laws. The Contractor must immediately notify DTMB-Purchasing Operations of the receipt of any EPA, State, or local agency communication indicating that any of the facilities are in violation of applicable environmental laws.

1.7 Extended Purchasing

1.7.1 MiDEAL

The Management and Budget Act, MCL 18.1263, permits the State to provide purchasing services to any city, village, county, township, school district, intermediate school district, non-profit hospital, institution of higher education, or community or junior college (MiDEAL Members). A current listing of approved MiDEAL Members is available at: www.michigan.gov/mideal. Estimated requirements for MiDEAL Members are not included in the quantities shown in this RFP.

The Contractor must check one box below:

Deliverable(s) will be supplied to the State and MiDEAL Members according to the terms and prices quoted, subject to Section 2.22.1, MiDEAL Requirements.

Deliverable(s) will not be supplied to MiDEAL Members.

1.7.2 State Employee Purchases- Deleted/NA



Article 2 – Terms and Conditions

2.1 Contract Term

2.1.1 Contract Term

The Contract term begins 11/16/2011 and expires 11/15/2014. All outstanding Purchase Orders will expire upon the termination of the Contract for any of the reasons listed in Section 2.16, Termination by the State, unless otherwise agreed to in writing by DTMB-Purchasing Operations. Absent an early termination, Purchase Orders issued, but not expired, by the end of the Contract's term will remain in effect until the next September 30.

2.1.2 Options to Renew

This Contract may be renewed for up to two additional one year period(s). Renewal must be by mutual written agreement of the parties, not less than 30 days before expiration of the Contract.

2.2 Payments and Taxes

2.2.1 Fixed Prices for Deliverable(s)

Prices are fixed for all Deliverable(s) and for all of the associated payment milestones and amounts.

2.2.2 Payment Deadlines

Undisputed invoices will be due and payable by the State, in accordance with the State's standard payment procedure as specified in 1984 PA 279, MCL 17.51 *et seq.*, within 45 days after receipt.

2.2.3 Invoicing and Payment – In General [Deleted, Not Applicable]

2.2.4 Pro-ration [Deleted, Not Applicable]

2.2.5 Final Payment and Waivers

The Contractor's acceptance of final payment by the State constitutes a waiver of all claims by the Contractor against the State for payment under this Contract, other than those claims previously filed in writing on a timely basis and still disputed. For other claims, final payment by the State will not constitute a waiver by either party of any rights as to the other party's continuing obligations, nor will it constitute a waiver of any claims under this Contract, including claims for Deliverable(s) not reasonably known to be defective or substandard.

2.2.6 Electronic Payment Requirement

As required by MCL 18.1283a, the Contractor must electronically register with the State at <http://www.michigan.gov/cpexpress> to receive electronic fund transfer (EFT) payments.

2.2.7 Employment Taxes

The Contractor must collect and pay all applicable federal, state, and local employment taxes.

2.2.8 Sales and Use Taxes

The Contractor must register and remit sales and use taxes on taxable sales of tangible personal property or services delivered into the State. If the Contractor lacks sufficient presence in Michigan to be required to register and pay taxes, it must do so on a voluntary basis. The requirement to register and remit sales and use taxes extends to (a) all members of a "controlled group of corporations" as defined in § 1563(a) of the Internal Revenue Code, 26 USC 1563(a), and applicable regulations; and (b) all organizations under common control that make sales at retail for delivery into the State. Any United States Department of Treasury regulation that references "two or more trades or businesses under common control" includes organizations such as sole proprietorships, partnerships (as defined in § 7701(a)(2) of the Internal Revenue Code, 26 USC 7701(a)(2)), trusts, estates, corporations, or limited liability companies.



2.3 Contract Administration

2.3.1 Issuing Office

This Contract is issued by DTMB-Purchasing Operations on behalf of Department of Treasury (State). **DTMB-Purchasing Operations is the only entity authorized to modify the terms and conditions of this Contract, including the prices and specifications.** The Contract Administrator within DTMB-Purchasing Operations for this Contract is:

Jim Wilson
Purchasing Operations
Department of Technology, Management and Budget
Mason Bldg, 2nd Floor
PO Box 30026
Lansing, MI48909
[E-mail]wilsonj4@michigan.gov
[Phone] 517-241-1916

2.3.2 Contract Compliance Inspector

The Contract Compliance Inspector, named below, will monitor and coordinate Contract activities on a day-to-day basis. However, monitoring of this Contract implies **no authority to modify the terms and conditions of this Contract, including the prices and specifications.**

Darron Birchmeier
Department of Treasury.

2.3.3 Project Manager – Deleted/NA

2.3.4 Contract Changes

(a) If the State requests or directs the Contractor to provide any Deliverable(s) that the Contractor believes are outside the scope of the Contractor's responsibilities under the Contract, the Contractor must notify the State before performing the requested activities. If the Contractor fails to notify the State, any activities performed will be considered in-scope and not entitled to additional compensation or time. If the Contractor begins work outside the scope of the Contract and then ceases performing that work, the Contractor must, at the request of the State, retract any out-of-scope work that would adversely affect the Contract.

(b) The State or the Contractor may propose changes to the Contract. If the Contractor or the State requests a change to the Deliverable(s) or if the State requests additional Deliverable(s), the Contractor must provide a detailed outline of all work to be done, including tasks, timeframes, listing of key personnel assigned, estimated hours for each individual per Deliverable, and a complete and detailed cost justification. If the parties agree on the proposed change, DTMB-Purchasing Operations will prepare and issue a notice that describes the change, its effects on the Deliverable(s), and any affected components of the Contract (Contract Change Notice).

(c) No proposed change may be performed until DTMB-Purchasing Operations issues a duly executed Contract Change Notice for the proposed change.

2.3.5 Price Changes

If allowed by Section 1.5.3, Price Term, the State and the Contractor will complete a pricing review (Review) every 365 days following the Effective Date, to allow for changes based on actual costs incurred. Requested changes may include increases or decreases in price and must be accompanied by supporting information indicating market support of proposed modifications (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics).

(a) The State may request a Review upon 30 days written notice that specifies what Deliverable is being reviewed. At the Review, each party may present supporting information including information created by, presented, or received from third parties.



(b) Following the presentation of supporting information, both parties will have 30 days to review the supporting information and prepare any written response.

(c) In the event the Review reveals no need for modifications of any type, pricing will remain unchanged unless mutually agreed to by the parties. However, if the Review reveals that changes may be recommended, both parties will negotiate in good faith for 30 days unless extended by mutual agreement of the parties.

(d) If the supporting information reveals a reduction in prices is necessary and Contractor agrees to reduce rates accordingly, then the State may elect to exercise the next one year option, if available.

(e) If the supporting information reveals a reduction in prices is necessary and the parties are unable to reach agreement, then the State may eliminate all remaining Contract renewal options.

(f) Any changes based on the Review must be implemented through the issuance of a Contract Change Notice.

2.3.6 Notices

All notices and other communications required or permitted under this Contract must be in writing and will be considered given when delivered personally, by fax (if provided) or by e-mail (if provided), or by registered mail, return receipt requested, addressed as follows (or any other address that is specified in writing by either party):

If to State:

State of Michigan
DTMB-Purchasing Operations
Attention: **Jim Wilson**
PO Box 30026
530 West Allegan
Lansing, MI 48909
[E-mail]wilsonj4@michigan.gov
[Fax]517-335-0046

Delivery by a nationally recognized overnight express courier will be treated as personal delivery.

2.3.7 Covenant of Good Faith

Each party must act reasonably and in good faith. Unless otherwise provided in this Contract, the parties will not unreasonably delay, condition or withhold their consent, decision, or approval any time it is requested or reasonably required in order for the other party to perform its responsibilities under the Contract.

2.3.8 Assignments

(a) Neither party may assign this Contract, or assign or delegate any of its duties or obligations under the Contract, to another party (whether by operation of law or otherwise), without the prior approval of the other party. The State may, however, assign this Contract to any other State agency, department, or division without the prior approval of the Contractor.

(b) If the Contractor intends to assign this Contract or any of the Contractor's rights or duties under the Contract, the Contractor must notify the State and provide adequate information about the assignee at least 90 days before the proposed assignment or as otherwise provided by law or court order. The State may withhold approval from proposed assignments, subcontracts, or novations if the State determines, in its sole discretion, that the transfer of responsibility would decrease the State's likelihood of receiving performance on the Contract or the State's ability to recover damages.

(c) If the State permits an assignment of the Contractor's right to receive payments, the Contractor is not relieved of its responsibility to perform any of its contractual duties. All payments must continue to be made to one entity.



2.3.9 Equipment

The State will not provide equipment and resources unless specifically identified in the Statement(s) of Work or other Contract exhibits.

2.3.10 Facilities [Deleted, Not Applicable]

2.4 Contract Management

2.4.1 Contractor Personnel Qualifications

All persons assigned by the Contractor to perform work must be employees of the Contractor or its majority-owned subsidiaries, or a State-approved Subcontractor, and must be fully qualified to perform the work assigned to them. The Contractor must include this requirement in any subcontract.

2.4.2 Contractor Key Personnel

- (a) The Contractor must provide the Contract Compliance Inspector with the names of Key Personnel.
- (b) The Contractor must dedicate Key Personnel to perform work for the duration of the Contract as provided in Section 1.3.3, Staff, Duties, and Responsibilities.
- (c) Before assigning a new individual to any Key Personnel position, the Contractor must notify the State of the proposed assignment, introduce the individual to the appropriate State representatives, and provide the State with a resume and any other reasonably requested information. The State must approve or disapprove the assignment, reassignment, or replacement of any Key Personnel. The State may interview the individual before making its decision. If the State disapproves an individual, the State will provide a written explanation outlining the reasons for the rejection.
- (d) The Contractor may not remove any Key Personnel from their assigned roles without the prior consent of the State. The Contractor's removal of Key Personnel without the prior consent of the State constitutes Unauthorized Removal. Unauthorized Removal does not include replacing Key Personnel for reasons beyond the Contractor's reasonable control, including illness, disability, death, leave of absence, personal emergency circumstances, resignation, or termination for cause. Unauthorized Removal does not include replacing Key Personnel because of promotions or other job movements allowed by the Contractor's personnel policies or Collective Bargaining Agreement(s), as long as the Contractor assigns the proposed replacement to train the outgoing Key Personnel for 30 days. Any Unauthorized Removal will be considered a material breach of the Contract.
- (e) The Contractor must notify the Contract Compliance Inspector and the Contract Administrator at least 10 Days before redeploying non-Key Personnel to other projects.

2.4.3 Removal or Reassignment of Personnel at the State's Request

The State may require the Contractor to remove or reassign personnel if the State has legitimate, good-faith reasons articulated in a notice to the Contractor. Replacement personnel must be fully qualified for the position. If the State exercises this right, and the Contractor cannot immediately replace the removed personnel, the State agrees to an equitable adjustment in schedule or other terms that may be affected.

2.4.4 Contractor Personnel Location

Subject to availability, the State may allow selected Contractor personnel to use State office space.

2.4.5 Contractor Identification

The Contractor's employees must be clearly identifiable while on State property by wearing a State-issued badge, and must clearly identify themselves and the company they work for whenever making contact with State personnel by telephone or other means.

2.4.6 Cooperation with Third Parties

The Contractor and its Subcontractors must cooperate with the State and its agents and other contractors, including the State's quality assurance personnel. The Contractor must provide reasonable access to its personnel, systems, and facilities related to the Contract to the extent that access will not interfere with or jeopardize the safety or operation of the systems or facilities.



2.4.7 Relationship of the Parties

The relationship between the State and Contractor is that of client and independent contractor. No agent, employee, or servant of the Contractor, or any of its subcontractors, is an employee, agent or servant of the State. The Contractor will be solely and entirely responsible for its acts and the acts of its agents, employees, servants, and subcontractors during the performance of the Contract.

2.4.8 Contractor Return of State Equipment/Resources

The Contractor must return to the State any State-furnished equipment, facilities and other resources when no longer required for the Contract in the same condition as when provided by the State, reasonable wear and tear excepted.

2.4.9 Background Checks

The State may investigate the Contractor's personnel before granting access to State facilities and systems. The scope of the background check is at the discretion of the State and the results will be used to determine eligibility for working within State facilities and systems. The investigations will include a Michigan State Police background check (ICHAT) and may include a Criminal Justice Information Services (CJIS) fingerprint check. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the CJIS fingerprint check.

2.4.10 Compliance With State Policies

All Contractor personnel must comply with the State's security and acceptable use policies for State IT equipment and resources, available at <http://www.michigan.gov/pcpolicy>. Contractor personnel must agree to the State's security and acceptable use policies before the State grants access to its IT equipment and resources. The Contractor must provide these policies to prospective personnel before requesting access from the State. Contractor personnel must comply with all physical security procedures in State facilities.

2.5 Subcontracting by Contractor

2.5.1 Contractor Responsible

The Contractor is responsible for the completion of all Deliverable(s). The State will consider the Contractor to be the sole point of contact with regard to all contractual matters, including payment of any charges for Deliverable(s). The Contractor must make all payments to its Subcontractors or suppliers. Except as otherwise agreed in writing, the State is not obligated to make payments for the Deliverable(s) to any party other than the Contractor.

2.5.2 State Approval of Subcontractor

(a) The Contractor may not delegate any duties under this Contract to a Subcontractor unless DTMB-Purchasing Operations gives prior approval to the delegation. Attached as **Exhibit A** is a list of the Subcontractors, if any, approved by the State as of the Effective Date. The State is entitled to receive copies of and review all subcontracts. The Contractor may delete or redact any proprietary information before providing it to the State.

(b) The State may require the Contractor to terminate and replace any Subcontractor the State reasonably finds unacceptable. The required replacement of a Subcontractor must be written and contain reasonable detail outlining the State's reasons. If the State exercises this right, and the Contractor cannot immediately replace the Subcontractor, the State will agree to an equitable adjustment in the schedule or other terms that may be affected by the State's required replacement. If this requirement results in a delay, the delay will not be counted against any applicable Service Level Agreement (SLA).

2.5.3 Subcontract Requirements

Except where specifically approved by the State, Contractor must include the obligations in Sections 2.24.2, Media Releases, 2.4, Contract Management, 2.11, Confidentiality, 2.12, Records and Inspections, 2.13, Warranties, 2.14, Insurance, and 2.23, Laws, in all of its agreements with Subcontractors.



2.5.4 Competitive Selection

Contractor must select Subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of this Contract.

2.6 Reserved

2.7 Performance

2.7.1 Time of Performance

(a) The Contractor must immediately notify the State upon becoming aware of any circumstances that may reasonably be expected to jeopardize the completion of any Deliverable(s) by the scheduled due dates in the latest State-approved delivery schedule and must inform the State of the projected actual delivery date.

(b) If the Contractor believes that a delay in performance by the State has caused or will cause the Contractor to be unable to perform its obligations according to specified Contract time periods, the Contractor must immediately notify the State and, to the extent practicable, continue to perform its obligations according to the Contract time periods. The Contractor will not be in default for a delay in performance to the extent the delay is caused by the State.

2.7.2 Service Level Agreements [Deleted, Not Applicable]

2.7.3 Liquidated Damages

The Contractor acknowledges that late or improper completion of the Deliverable(s) will cause loss and damage to the State, and that it would be impracticable and extremely difficult to determine the actual damage sustained by the State as a result. If there is late or improper completion of the Deliverable(s), the State is entitled to collect liquidated damages in the amount of \$5,000.00 and an additional \$2,500.00 per day for each day the Contractor fails to remedy the late or improper completion of the Deliverable(s). In the event the State terminates the Contract under Section 2.16, Termination by the State, the State will be entitled to collect liquidated damages until the date of termination. These amounts are not intended to be a penalty.

2.7.4 Excusable Failure

Neither party will be liable for any default, damage or delay in the performance of its obligations that is caused by government regulations or requirements, power failure, electrical surges or current fluctuations, war, forces of nature or acts of God, delays or failures of transportation, equipment shortages, suppliers' failures, acts or omissions of common carriers, fire, riots, civil disorders, labor disputes, embargoes, injunctions (provided the injunction was not issued as a result of any fault or negligence of the party seeking to have its default or delay excused), or any other cause beyond the reasonable control of a party; provided the non-performing party and any Subcontractors are without fault in causing the default or delay, and the default or delay could not have been prevented by reasonable precautions and cannot reasonably be circumvented by the non-performing party through the use of alternate sources, workaround plans, or other means, including disaster recovery plans.

If a party does not perform its contractual obligations for any of the reasons listed, the non-performing party will be excused from any further performance of its affected obligation(s) for as long as the circumstances prevail. The non-performing party must promptly notify the other party immediately after the excusable failure occurs, and when it abates or ends. Both parties must use commercially reasonable efforts to resume performance.

If any of the reasons listed substantially prevent, hinder, or delay the Contractor's performance of the Deliverable(s) for more than 10 Days, and the State reasonably determines that performance is not likely to be resumed within a period of time that is satisfactory to the State, the State may: (a) procure the affected Deliverable(s) from an alternate source without liability for payment so long as the delay in performance continues; or (b) terminate any portion of the Contract so affected and equitably adjust charges payable to the Contractor to reflect those Deliverable(s) that are terminated. The State must pay for all Deliverable(s) for which Final Acceptance has been granted before the termination date.



The Contractor will not have the right to any additional payments from the State as a result of any Excusable Failure or to payments for Deliverable(s) not provided as a result of the Excusable Failure. The Contractor will not be relieved of a default or delay caused by acts or omissions of its Subcontractors except to the extent that a Subcontractor experiences an Excusable Failure and the Contractor cannot reasonably circumvent the effect of the Subcontractor's default or delay in performance through the use of alternate sources, workarounds, plans, or other means, including disaster recovery plans.

2.8 Acceptance of Deliverable(s)

2.8.1 Quality Assurance

By tendering any Deliverable to the State, the Contractor certifies to the State that (a) it has performed reasonable quality assurance activities; (b) it has performed any reasonable testing; and (c) it has corrected all material deficiencies discovered during the quality assurance activities and testing. To the extent that testing occurs at State Locations, the State is entitled to observe and otherwise participate in the testing.

2.8.2 Delivery Responsibilities

Unless otherwise specified by the State in Section 1.4.5, Delivery Term, the following are applicable to all deliveries:

- (a) The Contractor is responsible for delivering the Deliverable(s) by the applicable delivery date to the location(s) specified in the SOW or individual Purchase Order.
- (b) The Contractor must ship the Deliverable(s) "F.O.B. Destination, within Government Premises."
- (c) The State will examine all packages at the time of delivery. The quantity of packages delivered must be recorded and any obvious visible or suspected damage must be noted at the time of delivery using the shipper's delivery document(s) and appropriate procedures to record the damage.

2.8.3 Process for Acceptance of Deliverable(s)

The State's review period for acceptance of the Deliverable(s) is governed by the applicable Statement of Work, and if the Statement of Work does not specify the State's review period, it is by default 30 Days for a Deliverable (State Review Period). The State will notify the Contractor by the end of the State Review Period that either:

- (a) the Deliverable is accepted in the form delivered by the Contractor;
- (b) the Deliverable is accepted, but noted deficiencies must be corrected; or
- (c) the Deliverable is rejected along with notation of any deficiencies that must be corrected before acceptance of the Deliverable.

If the State delivers to the Contractor a notice of deficiencies, the Contractor will correct the described deficiencies and within 30 Days resubmit the Deliverable(s) with an explanation that demonstrates all corrections have been made to the original Deliverable(s). The Contractor's correction efforts will be made at no additional charge. Upon receipt of a corrected Deliverable from the Contractor, the State will have a reasonable additional period of time, not to exceed 30 Days, to accept the corrected Deliverable.

2.8.4 Acceptance of Deliverable(s)

(a) The State's obligation to comply with any State Review Period is conditioned on the timely delivery of the Deliverable(s). The State Review Period will begin on the first Business Day following the State's receipt of the Deliverable(s).

(b) The State may inspect the Deliverable to confirm that all components have been delivered without material deficiencies. If the State determines that the Deliverable or one of its components has material deficiencies, the State may reject the Deliverable without performing any further inspection or testing.

(c) The State will only approve a Deliverable after confirming that it conforms to and performs according to its specifications without material deficiency. The State may, in its discretion, conditionally approve a Deliverable that contains material deficiencies if the State elects to permit the Contractor to correct those deficiencies post-approval. The Contractor remains responsible for working diligently to correct, within a reasonable time at the Contractor's expense, all deficiencies in the Deliverable that remain outstanding at the time of State approval.



(d) If, after three opportunities the Contractor is unable to correct all deficiencies, the State may: (i) demand that the Contractor cure the failure and give the Contractor additional time to do so at the sole expense of the Contractor; (ii) keep the Contract in force and perform, either itself or through other parties, whatever the Contractor has failed to do, and recover the difference between the cost to cure the deficiency and the Contract price plus an additional amount equal to 10% of the State's cost to cure the deficiency; or (iii) fully or partially terminate the Contract for default by giving notice to the Contractor. Notwithstanding the foregoing, the State cannot use, as a basis for exercising its termination rights under this Section, deficiencies discovered in a repeat State Review Period that could reasonably have been discovered during a prior State Review Period.

(e) The State, at any time and in its reasonable discretion, may reject the Deliverable without notation of all deficiencies if the acceptance process reveals deficiencies in a sufficient quantity or of a sufficient severity that renders continuing the process unproductive or unworkable.

2.8.5 Process for Approval of Written Deliverable(s) [Deleted, Not Applicable]

2.8.6 Process for Approval of Services [Deleted, Not Applicable]

2.8.7 Final Acceptance

Unless otherwise stated in the Statement of Work, "Final Acceptance" of a Deliverable occurs when that Deliverable has been accepted by the State following the applicable State Review Period.

2.9 Ownership [Deleted, Not Applicable]

2.10 State Standards [Deleted, Not Applicable]

2.11 Confidentiality

2.11.1 Confidential Information

As used in this Section, "Confidential Information" means all information of the parties, except information that is:

- (a) disclosable under the Michigan Freedom Of Information Act (FOIA);
- (b) now available or becomes available to the public without breach of this Contract;
- (c) released in writing by the disclosing party;
- (d) obtained from a third party or parties having no obligation of confidentiality with respect to such information;
- (e) publicly disclosed pursuant to federal or state law; or
- (f) independently developed by the receiving party without reference to Confidential Information of the furnishing party.

2.11.2 Protection and Destruction of Confidential Information

(a) Each party must use the same care to prevent unauthorized disclosure of Confidential Information as it uses to prevent disclosure of its own information of a similar nature, but in no event less than a reasonable degree of care. Neither the Contractor nor the State will: (i) make any use of the Confidential Information of the other except as contemplated by this Contract; (ii) acquire any interest or license in or assert any lien against the Confidential Information of the other; or (iii) if requested to do so, refuse for any reason to promptly return the other party's Confidential Information.

(b) Each party will limit disclosure of the other party's Confidential Information to employees, agents, and Subcontractors who must have access to fulfill the purposes of this Contract. Disclosure to, and use by, a Subcontractor is permissible where: (i) use of a Subcontractor is authorized under this Contract; (ii) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the Subcontractor's scope of responsibility; and (iii) 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 and of any Subcontractor having access to the State's Confidential Information may be required to execute a separate agreement to be bound by the confidentiality requirements of this Section.



(c) Upon termination of the Contract, Contractor must promptly return the State's Confidential Information or certify to the State that Contractor has destroyed all of the State's Confidential Information.

2.11.3 Exclusions

The provisions of Section 2.11, Confidentiality, will not apply where the receiving party is required by law to disclose the other party's Confidential Information, provided that the receiving party: (i) promptly provides the furnishing party with notice of the legal request; and (ii) assists the furnishing party in resisting or limiting the scope of the disclosure as reasonably requested by the furnishing party.

2.11.4 No Obligation to Disclose

Nothing contained in Section 2.11, Confidentiality, will be construed as obligating a party to disclose any particular Confidential Information to the other party.

2.11.5 Security Breach Notification

If Contractor breaches this Section, it must (i) promptly cure any deficiencies in Contractor's internal security controls; and (ii) comply with any applicable federal and state laws and regulations pertaining to unauthorized disclosures. Contractor and the State will cooperate to mitigate, to the extent practicable, the effects of any breach, intrusion, or unauthorized access, use, or disclosure. Contractor must notify the State of any unauthorized use or disclosure of Confidential Information, whether suspected or actual, within 10 days of becoming aware of the use or disclosure or a shorter time period as is reasonable under the circumstances. The State may require Contractor to purchase credit monitoring services for any individuals affected by the breach.

2.12 Records and Inspections

2.12.1 Inspection of Work Performed

The State's authorized representatives, at reasonable times and with 10 days prior notice, have the right to enter the Contractor's premises or any other places where work is being performed in relation to this Contract. The representatives may inspect, monitor, or evaluate the work being performed, to the extent the access will not reasonably interfere with or jeopardize the safety or operation of Contractor's systems or facilities. The Contractor must provide reasonable assistance for the State's representatives during inspections.

2.12.2 Retention of Records

(a) The Contractor must retain all financial and accounting records related to this Contract for a period of seven years after the Contractor performs any work under this Contract (Audit Period).

(b) If an audit, litigation, or other action involving the Contractor's records is initiated before the end of the Audit Period, the Contractor must retain the records until all issues arising out of the audit, litigation, or other action are resolved or until the end of the Audit Period, whichever is later.

2.12.3 Examination of Records

The State, upon 10 days notice to the Contractor, may examine and copy any of the Contractor's records that relate to this Contract. The State does not have the right to review any information deemed confidential by the Contractor if access would require the information to become publicly available. This requirement also applies to the records of any parent, affiliate, or subsidiary organization of the Contractor, or any Subcontractor that performs services in connection with this Contract.

2.12.4 Audit Resolution

If necessary, the Contractor and the State will meet to review any audit report promptly after its issuance. The Contractor must respond to each report in writing within 30 days after receiving the report, unless the report specifies a shorter response time. The Contractor and the State must develop, agree upon, and monitor an action plan to promptly address and resolve any deficiencies, concerns, or recommendations in the report.

2.12.5 Errors

(a) If an audit reveals any financial errors in the records provided to the State, the amount in error must be reflected as a credit or debit on the next invoice and subsequent invoices until the amount is paid or refunded in full. However, a credit or debit may not be carried forward for more than four invoices or beyond



the termination of the Contract. If a balance remains after four invoices, the remaining amount will be due as a payment or refund within 45 days of the last invoice on which the balance appeared or upon termination of the Contract, whichever is earlier.

(b) In addition to other available remedies, if the difference between the State's actual payment and the correct invoice amount, as determined by an audit, is greater than 10%, the Contractor must pay all reasonable audit costs.

2.13 Warranties

2.13.1 Warranties and Representations

The Contractor represents and warrants:

(a) It is capable of fulfilling and will fulfill all of its obligations under this Contract. The performance of all obligations under this Contract must be provided in a timely, professional, and workmanlike manner and must meet the performance and operational standards required under this Contract.

(b) The Contract appendices, attachments, and exhibits identify the equipment, software, and services necessary for the Deliverable(s) to comply with the Contract's requirements.

(c) It is the lawful owner or licensee of any Deliverable licensed or sold to the State by Contractor or developed by the Contractor for this Contract, and Contractor has all of the rights necessary to convey to the State the ownership rights or licensed use, as applicable, of any Deliverable(s). None of the Deliverable(s) provided by Contractor to the State, nor their use by the State, will infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party.

(d) If the Contractor procures any equipment, software, or other Deliverable(s) for the State (including equipment, software, and other Deliverable(s) manufactured, re-marketed or otherwise sold by the Contractor or under the Contractor's name), then the Contractor must assign or otherwise transfer to the State or its designees, or afford the State the benefits of, any manufacturer's warranty for the Deliverable(s).

(e) The Contract signatory has the authority to enter into this Contract on behalf of the Contractor.

(f) It is qualified and registered to transact business in all locations where required.

(g) Neither the Contractor nor any affiliates, nor any employee of either, has, will have, or will acquire, any interest that would conflict in any manner with the Contractor's performance of its duties and responsibilities to the State or otherwise create an appearance of impropriety with respect to the award or performance of this Contract. The Contractor must notify the State about the nature of any conflict or appearance of impropriety within two days of learning about it.

(h) Neither the Contractor nor any affiliates, nor any employee of either, has accepted or will accept anything of value based on an understanding that the actions of the Contractor, its affiliates, or its employees on behalf of the State would be influenced. The Contractor must not attempt to influence any State employee by the direct or indirect offer of anything of value.

(i) Neither the Contractor nor any affiliates, nor any employee of either, has paid or agreed to pay any person, other than bona fide employees and consultants working solely for the Contractor or the affiliate, any fee, commission, percentage, brokerage fee, gift, or any other consideration, contingent upon or resulting from the award or making of this Contract.

(j) The Contractor arrived at its proposed prices independently, without communication or agreement with any other bidder for the purpose of restricting competition. The Contractor did not knowingly disclose its quoted prices for this Contract to any other bidder before the award of the Contract. The Contractor made no attempt to induce any other person or entity to submit or not submit a proposal for the purpose of restricting competition.

(k) All financial statements, reports, and other information furnished by the Contractor to the State in connection with the award of this Contract fairly and accurately represent the Contractor's business, properties, financial condition, and results of operations as of the respective dates covered by the financial statements, reports, or other information. There has been no material adverse change in the Contractor's business, properties, financial condition, or results of operation.

(l) All written information furnished to the State by or for the Contractor in connection with the award of this Contract is true, accurate, and complete, and contains no false statement of material fact nor omits any material fact that would make the submitted information misleading.

(m) It will immediately notify DTMB-Purchasing Operations if any of the certifications, representations, or disclosures made in the Contractor's original bid response change after the Contract is awarded.

**2.13.2 Warranty of Merchantability**

The Deliverable(s) provided by the Contractor must be merchantable.

2.13.3 Warranty of Fitness for a Particular Purpose

The Deliverable(s) provided by the Contractor must be fit for the purpose(s) identified in this Contract.

2.13.4 Warranty of Title

The Contractor must convey good title to any Deliverable(s) provided to the State. All Deliverable(s) provided by the Contractor must be delivered free from any security interest, lien, or encumbrance of which the State, at the time of contracting, has no knowledge. Deliverable(s) provided by the Contractor must be delivered free of any rightful claim of infringement by any third person.

2.13.5 Equipment Warranty - Deleted/NA**2.13.6 New Deliverable(s)**

The Contractor must provide new Deliverable(s) where the Contractor knows or has the ability to select between new or like-new. Unless specified in Article 1, Statement of Work, equipment that is assembled from new or serviceable used parts that are like new in performance is acceptable only where the Contractor does not have knowledge or the ability to select one or the other.

2.13.7 Prohibited Products

Shipping of salvage, distressed, outdated, or discontinued goods to any State agency will be considered a material default by the Contractor. The brand and product number offered for all items will remain consistent for the term of the Contract, unless DTMB-Purchasing Operations has approved a change order under Section 2.3.4, Contract Changes.

2.13.8 Consequences For Breach

In addition to any remedies available in law, if the Contractor breaches any of the warranties contained in Section 2.13, Warranties, the breach may be considered a material default.

2.14 Insurance**2.14.1 Liability Insurance**

For the purpose of this Section, "State" includes its departments, divisions, agencies, offices, commissions, officers, employees, and agents.

(a) The following apply to all insurance requirements:

(i) The State, in its sole discretion, may approve the use of a fully-funded self-insurance program in place of any specified insurance identified in this Section.

(ii) Where specific coverage limits are listed in this Section, they represent the minimum acceptable limits. If the Contractor's policy contains higher limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits of coverage specified are not intended, and may not be construed to limit any liability or indemnity of the Contractor to any indemnified party or other persons.

(iii) If the Contractor fails to pay any premium for a required insurance policy, or if any insurer cancels or significantly reduces any required insurance without the State's approval, the State may, after giving the Contractor at least 30 days notice, pay the premium or procure similar insurance coverage from another company or companies. The State may deduct any part of the cost from any payment due the Contractor, or require the Contractor to pay that cost upon demand.

(iv) In the event the State approves the representation of the State by the insurer's attorney, the attorney may be required to be designated as a Special Assistant Attorney General by the Michigan Attorney General.

(b) The Contractor must:

(i) provide proof that it has obtained the minimum levels of insurance coverage indicated or required by law, whichever is greater. The insurance must protect the State from claims that are alleged or may arise or result from the Contractor's or a Subcontractor's performance, including any person directly or



indirectly employed by the Contractor or a Subcontractor, or any person for whose acts the Contractor or a Subcontractor may be liable.

- (ii) waive all rights against the State for the recovery of damages that are covered by the insurance policies the Contractor is required to maintain under this Section. The Contractor's failure to obtain and maintain the required insurance will not limit this waiver.
- (iii) ensure that all insurance coverage provided relative to this Contract is primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State.
- (iv) obtain insurance, unless the State approves otherwise, from any insurer that has an A.M. Best rating of "A" or better and a financial size of VII or better, or if those ratings are not available, a comparable rating from an insurance rating agency approved by the State. All policies of insurance must be issued by companies that have been approved to do business in the State.
- (v) maintain all required insurance coverage throughout the term of this Contract and any extensions. However, in the case of claims-made Commercial General Liability policies, the Contractor must secure tail coverage for at least three years following the termination of this Contract.
- (vi) pay all deductibles.
- (vii) pay for and provide the type and amount of insurance checked below:

(A) Commercial General Liability Insurance

Minimal Limits:

\$2,000,000 General Aggregate Limit other than Products/Completed Operations;
 \$2,000,000 Products/Completed Operations Aggregate Limit;
 \$1,000,000 Personal & Advertising Injury Limit; and
 \$1,000,000 Each Occurrence Limit.

Deductible maximum:

\$50,000 Each Occurrence

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the Commercial General Liability certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

(B) Umbrella or Excess Liability Insurance

Minimal Limits:

\$10,000,000 General Aggregate

Additional Requirements:

Umbrella or Excess Liability limits must at least apply to the insurance required in (A), General Commercial Liability. The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate. The Contractor also agrees to provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

(C) Motor Vehicle Insurance

Minimal Limits:

If a motor vehicle is used in relation to the Contractor's performance, the Contractor must have vehicle liability insurance on the motor vehicle for bodily injury and property damage as required by law.

(D) Hired and Non-Owned Motor Vehicle Coverage

Minimal Limits:

\$1,000,000 Per Accident



Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the vehicle liability certificate. The Contractor must also provide evidence that insurance policies contain a waiver of subrogation by the insurance company.

(E) Workers' Compensation Insurance

Minimal Limits:

The Contractor must provide Workers' Compensation coverage according to applicable laws governing work activities in the state of the Contractor's domicile. If the applicable coverage is provided by a self-insurer, the Contractor must provide proof of an approved self-insured authority by the jurisdiction of domicile.

For employees working outside of the state of the Contractor's domicile, the Contractor must provide certificates of insurance proving mandated coverage levels for the jurisdictions where the employees' activities occur.

Additional Requirements:

The Contractor must provide the applicable certificates of insurance and a list of states where the coverage is applicable. Contractor must provide proof that the Workers' Compensation insurance policies contain a waiver of subrogation by the insurance company, except where such a provision is prohibited or limited by the laws of the jurisdiction in which the work is to be performed.

(F) Employers Liability Insurance

Minimal Limits:

\$100,000 Each Accident;
 \$100,000 Each Employee by Disease
 \$500,000 Aggregate Disease

Additional Requirements:

The Contractor must list the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents as additional insureds on the certificate.

2.14.2 Subcontractor Insurance Coverage

Except where the State has approved a subcontract with other insurance provisions, the Contractor must require any Subcontractor to purchase and maintain the insurance coverage required in Section 2.14.1, Liability Insurance. Alternatively, the Contractor may include a Subcontractor under the Contractor's insurance on the coverage required in that Section. The failure of a Subcontractor to comply with insurance requirements does not limit the Contractor's liability or responsibility.

2.14.3 Certificates of Insurance and Other Requirements

Before the Contract is signed, and not less than 20 days before the insurance expiration date every year thereafter, the Contractor must provide evidence that the State and its agents, officers, and employees are listed as additional insureds under each commercial general liability and commercial automobile liability policy. The Contractor must provide DTMB-Purchasing Operations with all applicable certificates of insurance verifying insurance coverage or providing satisfactory evidence of self-insurance as required in Section 2.14.1, Liability Insurance. Each certificate must be on the standard "accord" form or equivalent and **MUST CONTAIN THE APPLICABLE CONTRACT OR PURCHASE ORDER NUMBER**. Each certificate must be prepared and submitted by the insurer and must contain a provision indicating that the coverage afforded will not be cancelled, materially changed, or not renewed without 30 days prior notice, except for 10 days for nonpayment of premium, to the Director of DTMB-Purchasing Operations. The notice to the Director of DTMB-Purchasing Operations must include the applicable Contract or Purchase Order number.



2.15 Indemnification

2.15.1 General Indemnification

To the extent permitted by law, the Contractor must indemnify, defend, and hold the State harmless from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest and penalties), accruing or resulting to any person, firm, or corporation that may be injured or damaged by the Contractor in the performance of this Contract and that are attributable to the negligence or tortious acts of the Contractor, any of its subcontractors, or by anyone else for whose acts any of them may be liable.

2.15.2 Code Indemnification [Deleted, Not Applicable]

2.15.3 Employee Indemnification

In any claims against the State, its departments, agencies, commissions, officers, employees, and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation will not be limited in any way by the amount or type of damages, compensation, or benefits payable by or for the Contractor or any of its subcontractors under worker's disability compensation acts, disability benefit acts, or other employee benefit acts. This indemnification clause is intended to be comprehensive. Any overlap in provisions, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other provisions.

2.15.4 Patent/Copyright Infringement Indemnification

(a) To the extent permitted by law, the Contractor must indemnify and hold the State harmless from liability, including all claims and losses, and all related costs and expenses (including reasonable attorneys' fees and costs of investigation, litigation, settlement, judgments, interest, and penalties) resulting from any action threatened or brought against the State to the extent that the action is based on a claim that any piece of equipment, software, commodity, or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, infringes any United States patent, copyright, trademark or trade secret of any person or entity.

(b) If, in the State's or the Contractor's opinion, any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or its operation, use, or reproduction, is likely to become the subject of an infringement claim, the Contractor must, at its expense: (i) procure for the State the right to continue using the equipment, software, commodity or service or, if this option is not reasonably available to the Contractor; (ii) replace or modify to the State's satisfaction the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if this option is not reasonably available to Contractor; (iii) accept its return by the State with appropriate credits to the State against the Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

(c) Notwithstanding the foregoing, the Contractor has no obligation to indemnify or defend the State for, or to pay any costs, damages or attorneys' fees related to, any infringement claim based upon: (i) equipment, software, commodity or service developed based on written specifications of the State; (ii) use of the equipment, software, or commodity in a configuration other than implemented or approved by the Contractor, including any modification of the same by the State; or (iii) the combination, operation, or use of the equipment, software, or commodity with equipment, software, or commodities not supplied by the Contractor under this Contract.

2.15.5 Continuing Obligation

The Contractor's duty to indemnify under Section 2.15, Indemnification, continues in full force and effect, notwithstanding the expiration or early cancellation of the Contract, with respect to any claims based on facts or conditions that occurred before expiration or cancellation.

2.15.6 Indemnification Procedures

These procedures apply to all indemnity obligations:



(a) After the State receives notice of an action or proceeding involving a claim for which it will seek indemnification, the State must promptly notify the Contractor of the claim and take, or assist the Contractor in taking, any reasonable action to avoid a default judgment against the Contractor. Failure to notify the Contractor does not relieve the Contractor of its indemnification obligations except to the extent that the Contractor can prove damages attributable to the notification failure. Within 10 days following receipt of notice from the State relating to any claim, the Contractor must notify the State whether the Contractor agrees to assume control of the defense and settlement of that claim (a "Notice of Election"). After notifying the Contractor of a claim and before the State receives the Contractor's Notice of Election, the State is entitled to defend against the claim, at the Contractor's expense, and the Contractor will be responsible for any reasonable costs, including attorney fees, incurred by the State in defending against the claim during that period.

(b) If the Contractor delivers a Notice of Election relating to any claim: (i) the State is entitled to participate in the defense of the claim and to employ counsel at its own expense to assist in handling the claim and to monitor and advise the State about the status and progress of the defense; (ii) the Contractor must, at the request of the State, demonstrate the Contractor's financial ability to carry out its defense and indemnity obligations under this Contract; (iii) the Contractor must periodically advise the State about the status and progress of the defense and must obtain prior approval of the State before entering into any settlement of the claim or ceasing to defend against the claim; and (iv) to the extent that any principles of Michigan governmental or public law may be involved or challenged, the State has the right, at its own expense, to control the defense of that portion of the claim. The State may retain control of the defense and settlement of a claim by notifying the Contractor within 10 days after the State's receipt of the Contractor's information requested by the State under clause (ii) of this paragraph, if the State determines that the Contractor has failed to demonstrate to the reasonable satisfaction of the State the Contractor's financial ability to carry out its defense and indemnity obligations under this Section. 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. In the event the insurer's attorney represents the State under this Section, the insurer's attorney may be required to be designated as a Special Assistant Attorney General by the Attorney General of the State of Michigan.

(c) If the Contractor does not deliver a Notice of Election relating to any claim of which it is notified, the State may defend the claim in a manner it deems appropriate, at the cost and expense of the Contractor. If it is determined that the claim was one against which the Contractor was required to indemnify the State, upon request of the State, the Contractor must promptly reimburse the State for all reasonable costs and expenses.

2.15.7 Limitation of Liability

Neither the Contractor nor the State is liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability does not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of this Contract calling for liquidated damages; or to court costs or attorneys' fees awarded by a court in addition to damages after litigation based on this Contract.

2.16 Termination by the State

2.16.1 Notice and Right to Cure

If the Contractor breaches the Contract, and the State, in its sole discretion, determines that the breach is curable, the State will provide the Contractor notice of the breach and a period of at least 30 days to cure the breach. The State does not need to provide notice or an opportunity to cure for successive or repeated breaches or if the State determines, in its sole discretion, that a breach poses a serious and imminent threat to the health or safety of any person or the imminent loss, damage, or destruction of any real or tangible personal property.

2.16.2 Termination for Cause

(a) The State may fully or partially terminate this Contract for cause by notifying the Contractor if the Contractor: (i) breaches any of its material duties or obligations (including a Chronic Failure to meet any SLA); or (ii) fails to cure a breach within the time period specified in a notice of breach provided by the State.



(b) The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees and court costs, and any additional costs the State incurs to procure the Deliverable(s) from other sources. Re-procurement costs are not consequential, indirect, or incidental damages, and cannot be excluded by any other terms otherwise included in this Contract, provided the costs are not in excess of 50% more than the prices for the Deliverable(s).

(c) If the State partially terminates this Contract for cause, any charges payable to the Contractor will be equitably adjusted to reflect those Deliverable(s) that are terminated. The State must pay for all Deliverable(s) for which Final Acceptance has been granted before the termination date. Any services or related provisions of this Contract that are terminated for cause must cease on the effective date of the termination.

(d) If the State terminates this Contract for cause and it is determined, for any reason, that the Contractor was not in breach of the Contract, the termination will be deemed to have been a termination under Section 2.16.3, Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in that Section.

2.16.3 Termination for Convenience

The State may fully or partially terminate this Contract for its convenience if the State determines that a termination is in the State's best interest. Reasons for the termination are within the sole discretion of the State and may include: (a) the State no longer needs the Deliverable(s) specified in this Contract; (b) a relocation of office, program changes, or changes in laws, rules, or regulations make the Deliverable(s) no longer practical or feasible for the State; (c) unacceptable prices for Contract changes; or (d) falsification or misrepresentation, by inclusion or non-inclusion, of information material to a response to any RFP issued by the State. The State may terminate this Contract for its convenience by giving Contractor notice at least 30 days before the date of termination. If the State chooses to terminate this Contract in part, any charges payable to the Contractor must be equitably adjusted to reflect those Deliverable(s) that are terminated.

2.16.4 Termination for Non-Appropriation

(a) If this Contract extends for more than one fiscal year, continuation of this Contract is subject to the appropriation or availability of funds. If sufficient funds to enable the State to continue payment are not appropriated or otherwise made available, the State must fully or partially terminate this Contract at the end of the last period for which funds have been appropriated or otherwise made available. The State must give the Contractor notice at least 30 days before the date of termination, unless the State receives notice of the non-appropriation or unavailability less than 30 days before the end of the last period for which funds have been appropriated or otherwise made available.

(b) If funding for this Contract is reduced by law, or funds to pay the Contractor for the Deliverable(s) are not appropriated or are otherwise unavailable, the State may, upon 30 days notice to the Contractor, change the Deliverable(s) in the manner and for the periods of time the State may elect. The charges payable under this Contract will be equitably adjusted to reflect any Deliverable(s) not provided because of the reduction.

(c) If the State fully or partially terminates this Contract for non-appropriation, the State must pay the Contractor for all work-in-progress performed through the effective date of the termination to the extent funds are available.

2.16.5 Termination for Criminal Conviction

The State may terminate this Contract immediately and without further liability or penalty if the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor is convicted of a criminal offense related to a State, public, or private Contract or subcontract.

2.16.6 Termination for Approvals Rescinded

The State may terminate this Contract if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services under Constitution 1963, Article 11, § 5, and Civil Service Rule 7-1. In that case, the State will pay the Contractor for all work-in-progress performed through the effective date of the termination. The Contract may be fully or partially terminated and will be effective as of the date stated in the notice.

**2.16.7 Rights and Obligations upon Termination**

- (a) If the State terminates this Contract for any reason, the Contractor must:
- (i) stop all work as specified in the notice of termination;
 - (ii) take any action that may be necessary, or that the State may direct, to preserve and protect Deliverable(s) or other State property in the Contractor's possession;
 - (iii) return all materials and property provided directly or indirectly to the Contractor by any entity, agent, or employee of the State;
 - (iv) transfer title in and deliver to the State, unless otherwise directed, all Deliverable(s) intended to be transferred to the State at the termination of the Contract (which will be provided to the State on an "As-Is" basis except to the extent the State compensated the Contractor for warranty services related to the materials);
 - (v) to the maximum practical extent, take any action to mitigate and limit potential damages, including terminating or limiting subcontracts and outstanding orders for materials and supplies; and
 - (vi) take all appropriate action to secure and maintain State information confidentially in accordance with Section 2.11, Confidentiality.

(b) If the State terminates this Contract under Section 2.16.3, Termination for Convenience, the State must pay the Contractor all charges due for Deliverable(s) provided before the date of termination and, if applicable, as a separate item of payment, for work-in-progress, based on a percentage of completion determined by the State. All completed or partially completed Deliverable(s) prepared by the Contractor, at the option of the State, become the State's property, and the Contractor is entitled to receive equitable compensation for those Deliverable(s). Regardless of the basis for the termination, the State is not obligated to pay or otherwise compensate the Contractor for any lost expected future profits, costs, or expenses incurred with respect to Deliverable(s) not actually completed.

(c) If the State terminates this Contract for any reason, the State may assume, at its option, any subcontracts and agreements for Deliverable(s), and may pursue completion of the Deliverable(s) by replacement contract or as the State deems expedient.

2.16.8 Reservation of Rights

In the event of any full or partial termination of this Contract, each party reserves all rights or remedies otherwise available to the party.

2.16.9 Contractor Transition Responsibilities

If this Contract terminates under Section 2.16, Termination by the State, the Contractor must make reasonable efforts to transition the performance of the work, including all applicable equipment, services, software, and leases, to the State or a third party designated by the State within a reasonable period of time that does not exceed 30 days from the date of termination. The Contractor must provide any required reports and documentation.

2.16.10 Transition Payments

If the transition responsibilities outlined in Section 2.16.9, Contractor Transition Responsibilities, arise based on a termination of this Contract, reimbursement will be governed by the provisions of Section 2.16, Termination by the State. If the transition results from expiration, the Contractor will be reimbursed for all reasonable transition costs (i.e., costs incurred after the expiration within the time period in Section 2.16.9 that result from transition operations) at the Contract rates. The Contractor must prepare an accurate accounting from which the State and the Contractor may reconcile all outstanding accounts.

2.17 Termination by the Contractor**2.17.1 Termination**

If the State breaches the Contract and the Contractor, in its sole discretion, determines that the breach is curable, then the Contractor will provide the State with notice of the breach and a time period (not less than 30 days) to cure the breach.



The Contractor may terminate this Contract if the State: (a) materially breaches its obligation to pay the Contractor undisputed amounts due; (b) breaches its other obligations to an extent that makes it impossible or commercially impractical for the Contractor to complete the Deliverable(s); or (c) does not cure the breach within the time period specified in a notice of breach. The Contractor must discharge its obligations under Section 2.20, Dispute Resolution, before it terminates the Contract.

2.18 Stop Work

2.18.1 Stop Work Order

The State may, by issuing a Stop Work Order, require that the Contractor fully or partially stop work for a period of up to 90 calendar days, and for any further period to which the parties agree. Upon receipt of the Stop Work Order, the Contractor must immediately take all reasonable steps to minimize incurring costs. Within the period of the Stop Work Order, the State must either: (a) terminate the Stop Work Order; or (b) terminate the work covered by the Stop Work Order as provided in Section 2.16, Termination by the State.

2.18.2 Termination of Stop Work Order

The Contractor must resume work if the State terminates a Stop Work Order or if it expires. The parties will agree upon an equitable adjustment in the delivery schedule, the Contract price, or both, and the Contract must be modified, if: (a) the Stop Work Order results in an increase in the time required for, or the Contractor's costs properly allocated to, the performance of the Contract; and (b) the Contractor asserts its right to an equitable adjustment within 20 days after the end of the Stop Work Order by submission of a request for adjustment to the State; provided that, the State may receive and act upon the Contractor's request submitted at any time before final payment. Any adjustment will conform to the requirements of Section 2.3.4, Contract Changes.

2.18.3 Allowance of the Contractor's Costs

If the State fully or partially terminates the work covered by the Stop Work Order, for reasons other than material breach, the termination is a termination for convenience under Section 2.16, Termination by the State, and the State will pay reasonable costs resulting from the Stop Work Order in arriving at the termination settlement. The State is not liable to the Contractor for lost profits because of a Stop Work Order issued under Section 2.18, Stop Work.

2.19 Reserved

2.20 Dispute Resolution

2.20.1 General

(a) The Contractor must submit any claim related to this Contract to the State under Section 2.3.6, Notices, together with all supporting documentation for the claim.

(b) The representatives of the Contractor and the State must meet as often as the parties reasonably deem necessary to gather and furnish to each other all information related to the claim.

(c) During the course of negotiations, each party will honor all reasonable requests made by the other for non-privileged information reasonably related to the claim.

2.20.2 Informal Dispute Resolution

(a) If, after a reasonable time following submission of a claim under Section 2.20.1, General, the parties are unable to resolve the claim, the parties must meet with the Director of DTMB-Purchasing Operations, or his or her designee, for the purpose of attempting to resolve the dispute without the need for formal legal proceedings.

(b) Within 60 calendar days of the meeting with the Director of DTMB-Purchasing Operations, or such other time as agreed to by the parties, the Director of DTMB-Purchasing Operations will issue a written recommendation regarding settlement of the claim. The Contractor must notify DTMB-Purchasing Operations within 21 days after the recommendation is issued whether the Contractor accepts or rejects the recommendation. Acceptance by the Contractor constitutes the final resolution of the claim addressed in the recommendation, and the Contractor may not assert that claim in any future litigation or other proceeding between the parties.



(c) The recommendation of the Director of DTMB-Purchasing Operations is not admissible in any future litigation or other proceeding between the parties. The conduct and statements made during the course of negotiations or dispute resolution under Section 2.20, Dispute Resolution, are subject to Michigan Rule of Evidence 408 and are not admissible in any future litigation or other proceeding between the parties.

(d) This section will not be construed to prohibit either party from instituting formal proceedings to avoid the expiration of any applicable limitations period, to preserve a superior position with respect to other creditors, or under Section 2.20.3, Injunctive Relief.

(e) DTMB-Purchasing Operations will not mediate disputes between the Contractor and any other entity, except State agencies, concerning responsibility for performance of work.

2.20.3 Injunctive Relief

A claim between the State and the Contractor is not subject to the provisions of Section 2.20.2, Informal Dispute Resolution, where a party makes a good faith determination that a breach of the Contract by the other party will result in damages so immediate, so large or severe, and so incapable of adequate redress that a temporary restraining order or other injunctive relief is the only adequate remedy.

2.20.4 Continued Performance

Each party will continue performing its obligations under the Contract while a claim is being resolved, except to the extent the claim precludes performance and without limiting either party's right to terminate the Contract as provided in Section 2.16, Termination by the State or Section 2.17, Termination by the Contractor. A claim involving payment does not preclude performance.

2.21 Disclosure Responsibilities

2.21.1 Disclosure of Litigation

(a) Within 30 days after receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "Proceeding") that arises during the term of this Contract, the Contractor must disclose the following to the Contract Administrator:

- (i) A criminal Proceeding involving the Contractor (or any Subcontractor) or any of its officers or directors;
- (ii) A parole or probation Proceeding;
- (iii) A Proceeding involving the Contractor (or any Subcontractor) or any of its officers or directors under the Sarbanes-Oxley Act; and
- (iv) A civil Proceeding to which the Contractor (or, if the Contractor is aware, any Subcontractor) is a party, and which involves (A) a claim that might reasonably be expected to adversely affect the viability or financial stability of the Contractor or any Subcontractor; or (B) a claim or written allegation of fraud against the Contractor (or, if the Contractor is aware, any Subcontractor) by a governmental or public entity arising out of the Contractor's business dealings with governmental or public entities.

(b) Information provided to the State from the Contractor's publicly filed documents will satisfy the requirements of this Section.

(c) If any Proceeding that is disclosed to the State or of which the State otherwise becomes aware, during the term of this Contract, would cause a reasonable party to be concerned about: (i) the ability of the Contractor (or a Subcontractor) to continue to perform this Contract; or (ii) whether the Contractor (or a Subcontractor) is engaged in conduct that is similar in nature to the conduct alleged in the Proceeding and would constitute a breach of this Contract or a violation of federal or state law, regulations, or public policy, then the Contractor must provide the State all requested reasonable assurances that the Contractor and its Subcontractors will be able to continue to perform this Contract.

2.21.2 Other Disclosures

The Contractor must notify DTMB-Purchasing Operations within 30 days of:

- (a) becoming aware that a change in the Contractor's ownership or officers has occurred or is certain to occur; or
- (b) any changes to company affiliations.



2.21.3 CallCenter Disclosure – Deleted/NA

2.22 Extended Purchasing

2.22.1 MiDEAL Requirements

(a) The Contractor must ensure that all purchasers are MiDEAL Members before extending the Contract pricing.

(b) The Contractor must submit quarterly reports of MiDEAL purchasing activities to DTMB-Purchasing Operations.

(c) To the extent that MiDEAL Members purchase Deliverable(s) under this Contract, the quantities of Deliverable(s) purchased will be included in determining the appropriate rate wherever tiered pricing based on quantity is provided.

(d) The Contractor must submit invoices to and receive payment from MiDEAL Members on a direct and individual basis.

2.22.2 State Administrative Fee – Deleted/NA

2.22.3 State Employee Purchase Requirements – Deleted/NA

2.23 Laws

2.23.1 Governing Law

This Contract is governed by, and construed according to, the substantive laws of the State of Michigan without regard to any Michigan choice of law rules that would apply the substantive law of another jurisdiction to the extent not inconsistent with or preempted by federal law.

2.23.2 Compliance with Laws

The Contractor must comply with all applicable federal, state, and local laws and ordinances in providing the Deliverable(s).

2.23.3 Jurisdiction

Any dispute arising from the Contract must be resolved in the State of Michigan. With respect to any claim between the parties, the Contractor consents to venue in Ingham County, Michigan, and irrevocably waives any objections to this venue that it may have, such as lack of personal jurisdiction or *forum non conveniens*. The Contractor must appoint agents in the State of Michigan to receive service of process.

2.23.4 Nondiscrimination

In the performance of the Contract, the Contractor agrees not to discriminate against any employee or applicant for employment, with respect to his or her hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, or physical or mental disability. The Contractor further agrees that every subcontract entered into for the performance of this Contract will contain a provision requiring non-discrimination in employment, as specified here, binding upon each Subcontractor. This covenant is required under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and any breach of this provision may be regarded as a material breach of the Contract.

2.23.5 Unfair Labor Practices

Under 1980 PA 278, MCL 423.321, *et seq.*, the State must not award a Contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled under MCL 423.322. This information is compiled by the United States National Labor Relations Board. A Contractor of the State, in relation to the Contract, must not enter into a contract with a Subcontractor, manufacturer, or supplier whose name appears in this register. Under MCL 423.324, the State may void any Contract if, after award of the Contract, the name of the Contractor as an employer or the name of the Subcontractor, manufacturer or supplier of the Contractor appears in the register.



2.23.6 Environmental Provision

For the purposes of this section, "Hazardous Materials" include asbestos, ACBMs, PCBs, petroleum products, construction materials including paint thinners, solvents, gasoline, oil, and any other material the manufacture, use, treatment, storage, transportation or disposal of which is regulated by the federal, state, or local laws governing the protection of the public health, natural resources, or the environment:

(a) The Contractor must use, handle, store, dispose of, process, transport, and transfer any Hazardous Material according to all federal, State, and local laws. The State must immediately advise the Contractor of the presence of any known Hazardous Material at the work site. If the Contractor encounters material reasonably believed to be Hazardous Material that may present a substantial danger, the Contractor must: (i) immediately stop all affected work; (ii) notify the State in accordance with Section 2.3.6, Notices; (iii) notify any entities required by law; and (iv) take appropriate health and safety precautions.

(b) The State may issue a Stop Work Order if the material is a Hazardous Material that may present a substantial danger and the Hazardous Material was not brought to the site by the Contractor, or does not wholly or partially result from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Materials. The State may remove the Hazardous Material, render it harmless, or terminate the affected work for the State's convenience.

(c) If the Hazardous Material was brought to the site by the Contractor, or wholly or partially results from any violation by the Contractor of any laws covering the use, handling, storage, disposal of, processing, transport and transfer of Hazardous Material, or from any other act or omission within the control of the Contractor, the Contractor must bear its proportionate share of the delay and costs involved in cleaning up the site and removing and rendering harmless the Hazardous Material according to applicable laws.

2.23.7 Freedom of Information

This Contract and all information submitted to the State by the Contractor is subject to the Michigan Freedom of Information Act(FOIA), 1976 PA 442, MCL 15.231, *et seq.*

2.23.8 Workplace Safety and Discriminatory Harassment [Deleted, Not Applicable]

2.23.9 Prevailing Wage [Deleted, Not Applicable]

2.23.10 Abusive Labor Practices

The Contractor may not furnish any Deliverable(s) that were produced fully or partially by forced labor, convict labor, forced or indentured child labor, or indentured servitude.

"Forced or indentured child labor" means all work or service (1) exacted from any person under the age of 18 under the menace of any penalty for its nonperformance and for which the worker does not offer himself voluntarily; or (2) performed by any person under the age of 18 under a contract the enforcement of which can be accomplished by process or penalties.

2.24 General Provisions

2.24.1 Bankruptcy and Insolvency

The State may, without prejudice to any other right or remedy, fully or partially terminate this Contract and, at its option, take possession of the work-in-progress and finish the work-in-progress by whatever method the State deems appropriate if:

- (a) the Contractor files for bankruptcy protection;
- (b) an involuntary petition is filed against the Contractor and not dismissed within 30 days;
- (c) the Contractor becomes insolvent or a receiver is appointed due to the Contractor's insolvency;
- (d) the Contractor makes a general assignment for the benefit of creditors; or
- (e) the Contractor or its affiliates are unable to provide reasonable assurances that the Contractor or its affiliates can provide the Deliverable(s) under this Contract.

Contractor will place appropriate notices or labels on the work-in-progress to indicate ownership by the State. To the extent reasonably possible, work-in-progress must be stored separately from other stock and marked conspicuously with labels indicating State ownership.

**2.24.2 Media Releases**

News releases (including promotional literature and commercial advertisements) pertaining to the RFP and this Contract or the project to which it relates will not be made without prior approval by the State, and only in accordance with the instructions from the State.

2.24.3 Contract Distribution

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

2.24.4 Permits

Contractor must obtain and pay any associated costs for all required governmental permits, licenses, and approvals for the delivery, installation, and performance of the Contract.

2.24.5 Website Incorporation

The State is not bound by any content on the Contractor's website unless incorporated directly into this Contract.

2.24.6 Future Bidding Preclusion [Deleted, Not Applicable]**2.24.7 Antitrust Assignment**

The Contractor assigns to the State any claim for overcharges 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.

2.24.8 Disaster Recovery

Contractor and the State recognize that the State provides essential services in times of natural or man-made disasters. Therefore, except as mandated by federal disaster response requirements, Contractor personnel dedicated to providing Deliverable(s) under this Contract will provide the State with priority.

2.24.9 Legal Effect

The State is not liable for costs incurred by the Contractor or for payment(s) under this Contract until the Contractor is authorized to perform under Section 1.2.4, Ordering.

2.24.10 Entire Agreement

This Contract constitutes the entire agreement between the parties and supersedes all prior agreements, whether written or oral, with respect to the subject matter. All attachments referenced in this Contract are incorporated in their entirety and form part of this Contract.

2.24.11 Order of Precedence

Any inconsistency in the terms associated with this Contract will be resolved by giving precedence to the terms in the following descending order:

- (a) Mandatory sections (2.1.1, Contract Term, 2.24.9, Legal Effect, 2.2.2, Payment Deadlines, 2.14, Insurance, 2.15, Indemnification, 2.16, Termination, 2.23, Governing Law, 2.15.7, Limitation of Liability);
- (b) The most recent Statement of Work related to this Contract;
- (c) All sections from Article 2 - Terms and Conditions, not listed in subsection (a);
- (d) Any attachment or exhibit to the Contract documents;
- (e) Any Purchase Order, Direct Voucher, or Procurement Card Order issued under the Contract; and
- (f) Bidder Responses contained in any of the RFP documents.

2.24.12 Headings

The captions and section headings used in this Contract are for convenience only and may not be used to interpret the scope and intent of this Contract.

**2.24.13 Form, Function and Utility**

If this Contract is for statewide use, but the Deliverable(s) does not meet the form, function, and utility required by a State agency, that agency may, subject to State purchasing policies, procure the Deliverable(s) from another source.

2.24.14 Reformation and Severability

Each provision of the Contract is severable from all other provisions of the Contract. If any provision of this Contract is held unenforceable, then the Contract will be modified to reflect the parties' original intent. All remaining provisions of the Contract remain in full force and effect.

2.24.15 Approval

Unless otherwise provided in this Contract, approval(s) must be in writing and must not be unreasonably withheld or delayed.

2.24.16 No Waiver of Default

Failure by a party to insist upon strict adherence to any term of the Contract does not waive that party's right to later insist upon strict adherence to that term, or any other term, of the Contract.

2.24.17 Survival

The provisions of this Contract that impose continuing obligations, including warranties, indemnification, and confidentiality, will survive the expiration or termination of this Contract.



Attachment A, MI 10-40A Book Printing Price Proposal (Section 1.2.2.2)- Deleted – Not/Applicable



Attachment B, Books and Forms Printing Price Proposal (Section 1.2.2.3)

Section B Printing Estimates

Item:	Annual Quantity	Press & Bindery	Total Price	Price of Negative/each	2nd Color/M	Saddle-Stitch/M	# Hours to Saddle Stitch all books	Price per Additional 1,000	4-Page Signature +/-
B1: MI-1040 CR-7 Book	850,000	\$20.56	\$17,473.73	\$0.00	\$2.98	\$11.54	154.5	\$18.50	\$8.34/\$4.94
B2: MI-1040 Income Tax Return	170,000	\$10.29	\$1,748.53	\$0.00	\$1.09			\$9.26	
B3: MI-1040 CR Form	115,000	\$8.03	\$922.94	\$0.00	\$1.11			\$7.22	
B4: Schedule 1/Schedule 2	85,000	\$10.57	\$898.77	\$0.00	\$1.55			\$9.52	
B5: MI-1040 CR7 Form	25,000	\$29.21	\$730.26	\$0.00	\$2.76			\$26.29	
B6: MI-1040 CR2 Book	3,000	\$339.06	\$1,017.18	\$0.00	\$30.62	\$21.00	1.0	\$305.15	\$141.94
B7: MI-1040ES	3,000	\$249.36	\$748.09	\$0.00	\$18.53			\$224.43	
B8: Michigan Business Tax Book	3,000	\$1,334.82	\$4,004.47	\$0.00	\$192.41	\$163.33	1.0	\$1,201.34	\$141.94**
B9: MI-1040 CR5 Book	2,000	\$503.18	\$1,006.37	\$0.00	\$30.62	\$21.00	2.0	\$452.87	\$208.65
B10: SUW Instruction Book (1)	390,000	\$21.88	\$8,531.65	\$0.00	\$38.49	\$11.75	71	\$18.50	\$
B11: SUW Withholding Guide (1)	235,000	\$48.28	\$11,345.71	\$0.00	\$15.00	\$11.75	43	\$41.04	\$17.40
B12: Paper Reproducible Packet	1,100	\$2,473.28	\$2,702.30	\$0.00	\$325.00			\$1,515.49	
TOTALS			\$						

Notes:

(1) Items B10 and B13 will not be printed in the first Contract year.

**Item B8: Single Business Tax Book: 4-less pages - \$70.97 4 additional pages - \$141.94

***Item B12: Repro Pack: 4-less pages - \$4.94 4 additional pages - \$12.89
8-less pages - \$8.10 8 additional pages - \$20.95



Attachment C, Schedule of Deliveries

Shipping Information								
<u>Item</u>	<u>Print Quantity</u>	<u>Mailing Vendor - Direct Mail</u>	<u>Mail Vendor - Bulk Distribution</u>	<u>Contract Comp. Insp.</u>	<u>Reproducible Packet Vendor</u>	<u>TreasuryOperationsCenter</u>	<u>SUW Vendor</u>	<u>DTMB Warehouse</u>
Section A:								
MI-1040 Book	475000	50,000	375,000	400	1,000	3,000		45,600
Section B:								
CR7 Book	850000	608,000	175,000	400	1,000	3,000		62,600
1040/Sch W	170000		155,000	100		500		14,400
MI-1040CR form	115000		108,000	30		500		6,470
Schedule 1 / Sch 2	85000		65,000	30		500		19,470
MI-1040CR7 form	25000		24,970	30				0
CR2 Book	3000	900		30		200		1,870
MI-1040ES	3000			30	1,000			1,970
SBT Book	3000			30		200		2,770
CR5 Book	2000	500		30				1,470
SUW Line x Line BK	390000			30			389,970	
Withholding Guide	235000			30	1,000		233,970	
Reproducible Packet	1000		820	10		15		155

Shipping Addresses

Address for the Reproducible Packet vendor will be provided once the contract is awarded.

Contract Compliance Inspector

DarronBirchmeier
 RichardH.AustinBuilding
 430 W. Allegan
 Lansing, MI48922
 (517) 241-3548

DTMB Warehouse

Attn: Donna King
 7461 Crowner Drive
 Lansing, MI48913
 (517) 322-6678

TreasuryOperationsCenter

Attn: Pat Cotter
 7285 Parsons Drive
 Dimondale, MI48821
 (517) 636-4537



**Direct Mail, Bulk Distribution & SUW
Vendor (Wolverine Solutions Group)**

Attn: Belinda Schultz/Mia Kajdic
1601 Clay Street
Detroit, MI48211
(313) 873-6800