



STATE OF MICHIGAN
CENTRAL PROCUREMENT SERVICES
 Department of Technology, Management, and Budget
 525 W. ALLEGAN ST., LANSING, MICHIGAN 48913
 P.O. BOX 30026 LANSING, MICHIGAN 48909

CONTRACT CHANGE NOTICE

Change Notice Number **2**
 to
 Contract Number **18000000739**

CONTRACTOR	MORTON SALT, INC.
	444 W. Lake St., Suite 3000
	Chicago, IL 60606
	Anthony Patton
	312-807-2496
	apatton@mortonsalt.com
	CV0012362

STATE	Program Manager	Melissa Longworth	MDOT
		517-636-4386	
		LongworthM@michigan.gov	
	Contract Administrator	Steven Motz	DTMB
		(517) 331-6086	
		motzs1@michigan.gov	

CONTRACT SUMMARY

BULK SALT, EARLY FILL & SEASONAL BACK-UP- STATEWID

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
September 1, 2018	August 31, 2023	5 - 1 Year	August 31, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
		See Section 1.3 Delivery and Acceptance	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

See Section 1.3 Delivery and Acceptance

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		August 31, 2023
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$0.00	\$1,988,910.44	\$1,988,910.44		

DESCRIPTION

Effective September 1st, 2020 this contract is hereby amended to include FY 2020-2021 annual road salt pricing, which has been attached as Schedule B. The contract value is increased by \$1,988,910.44 to account for State of Michigan anticipated spend.

All other terms, conditions, specifications and pricing remain the same per agency and vendor agreement, and Central Procurement Services approval.

MDOT DROP POINTS: 2020/2021 SALT ORDER **Seasonal Backup Morton** 26,000 \$ 1,767,335.00

Item	MDOT Region	County	Agency Type	Drop Point Name	Drop Point Address	Drop Point Phone Number	Inside Delivery	Delivery Hours	Seasonal Fill Up Tons	Awarded Vendor	Seasonal 2020 \$/Ton	Seasonal 2020 Total Cost	Billing Address	Billing Contact
22	North	Manistee	County	Bear Lake	8946 Chippewa Hwy, Bear Lake, MI	(231) 889-0000	Yes	Monday through Thursday between 7:00 am and 2:30 pm	500	Morton	\$ 72.48	\$ 36,240.00	North Region Office 1088 M-32 East, Gaylord, MI, 49735	Sandra Budzinski BudzinskiS@michigan.gov 989-731-5090 ext. 329
1	Grand	Allegan	MDOT	Fennville	5252 E. M-89, Fennville, MI	(269) 561-6701	Yes	Monday through Thursday between 6:00 am and 2:30 pm	2,500	Morton	\$ 72.00	\$ 180,000.00	Grand Region - Reed City Office 19424 US-10, Reed City, MI 49677	Maria Finkbeiner 231-832-5322 FinkbeinerM@michigan.gov
2	Grand	Allegan	MDOT	Plainwell	596 11th St., Plainwell, MI	(269) 685-5350	No	Monday through Thursday between 6:00 am and 2:30 pm	2,000	Morton	\$ 72.00	\$ 144,000.00	Grand Region - Reed City Office 19424 US-10, Reed City, MI 49677	Maria Finkbeiner 231-832-5322 FinkbeinerM@michigan.gov
3	Grand	Barry	MDOT	Hastings	1300 E. Quimby Rd., Hastings, MI	(269) 945-3493	No	Monday through Thursday between 6:00 am and 2:30 pm	2,500	Morton	\$ 70.90	\$ 177,250.00	Grand Region - Reed City Office 19424 US-10, Reed City, MI 49677	Maria Finkbeiner 231-832-5322 FinkbeinerM@michigan.gov
6	Southwest	Calhoun	MDOT	Marshall	1242 S. Kalamazoo Ave., Marshall, MI	(269) 781-2894	Yes	Monday through Thursday between 6:00 am and 3:30 pm	1,000	Morton	\$ 61.99	\$ 61,990.00	Southwest Region Office 1501 East Kilgore Road, Kalamazoo, MI 49001	Robin Lester LesterR@michigan.gov 269-337-3961
7	Southwest	Calhoun	County	Marshall CRC	13300 Fifteen Mile Rd., Marshall, MI	(269) 781-9841	Yes	Monday through Thursday between 6:00 am and 3:30 pm	3,500	Morton	\$ 61.99	\$ 216,965.00	Southwest Region Office 1501 East Kilgore Road, Kalamazoo, MI 49001	Robin Lester LesterR@michigan.gov 269-337-3961
8	Southwest	Calhoun	County	Battle Creek	1040 South Raymond Rd, Battle Creek, MI	(269) 781-9841 / 269-209-5607	No	Monday through Thursday between 6:00 am and 3:30 pm	1,500	Morton	\$ 61.99	\$ 92,985.00	Southwest Region Office 1501 East Kilgore Road, Kalamazoo, MI 49001	Robin Lester LesterR@michigan.gov 269-337-3961
10	Southwest	Kalamazoo	MDOT	Kalamazoo	5673 West Main St., Kalamazoo, MI	(269) 381-7331	Yes	Monday through Thursday between 6:00 am and 3:30 pm	6,000	Morton	\$ 71.56	\$ 429,360.00	Southwest Region Office 1501 East Kilgore Road, Kalamazoo, MI 49001	Robin Lester LesterR@michigan.gov 269-337-3961
10	University	Livingston	MDOT	Brighton	10102 East Grand River Ave, Brighton, MI 48116	(810) 229-4250	Yes	Monday through Thursday between 6:00 am and 2:30 pm	6,500	Morton	\$ 65.93	\$ 428,545.00	Brighton Transportation Service Center 10321 E Grand River Ave, Ste 500, Brighton, MI 48116	Sandra Feldhahn FeldhahnS@michigan.gov 810-225-2600

		North	Grand	Southwest	University	Total Award
Morton Salt	Total Department of Transportation Tons	500	7,000	12,000	6,500	26,000
	Minimum Purchase Amount (80%)	400	5,600	9,600	5,200	
	Maximum Purchase Amount (130%)	650	9,100	15,600	8,450	

MiDEAL and STATE AGENCY DROP POINTS: 2020/2021 SALT ORDER

Early Fill-Up

Morton

16 \$ 577,410.00

Region	Item	County	Org. Name	Drop Point Address	City	State	Zip	Org. Phone	Early Fill	Price Per Ton	Extended Price
6-University	47	Washtenaw	MiDEAL	Lincoln Consolidated Schools	7901 Willis Road	Ypsilanti	Michigan	48197 (734) 484-7039	50	\$ 60.15	\$ 3,007.50
6-University	48	Washtenaw	MiDEAL	CHELSEA, CITY OF	440 W North St	Chelsea	Michigan	48118 (734) 216-1252	50	\$ 60.15	\$ 3,007.50
6-University	49	Washtenaw	MiDEAL	ANN ARBOR, CITY OF	4251 Stone School Road	Ann Arbor	Michigan	48108 (734) 794-6500	1,000	\$ 60.15	\$ 60,150.00
6-University	50	Washtenaw	MiDEAL	CHELSEA SCHOOL DISTRICT	500 E Washington	Chelsea	Michigan	48118 (734) 433-2256	50	\$ 60.15	\$ 3,007.50
6-University	51	Washtenaw	Agency	DCH-CENTER FOR FORENSIC PSYCHIATRY-Agency	8303 Platt Rd.	Saline	Michigan	48176 (734) 295-4544	50	\$ 60.15	\$ 3,007.50
6-University	52	Washtenaw	MiDEAL	WASHTENAW COUNTY ROAD COMMISSION	5250 West Michigan Avenue	Ypsilanti	Michigan	48197 (734) 761-1500	1,850	\$ 60.15	\$ 111,277.50
6-University	53	Washtenaw	MiDEAL	WASHTENAW COUNTY ROAD COMMISSION	1222 E N Territorial Rd	Whitmore Lake	Michigan	48189 (734) 761-1500	2,100	\$ 60.15	\$ 126,315.00
6-University	54	Washtenaw	MiDEAL	WASHTENAW COUNTY ROAD COMMISSION	219 N. Ann Arbor Street	Manchester	Michigan	48158 (734) 761-1500	600	\$ 60.15	\$ 36,090.00
6-University	55	Washtenaw	MiDEAL	WASHTENAW COUNTY ROAD COMMISSION	630 W. Middle Street	Chelsea	Michigan	48118 (734) 761-1500	450	\$ 60.15	\$ 27,067.50
6-University	56	Washtenaw	MiDEAL	WASHTENAW COUNTY ROAD COMMISSION	555 North Zeeb Road	Ann Arbor	Michigan	48103 (734) 761-1500	2,400	\$ 60.15	\$ 144,360.00
6-University	57	Washtenaw	MiDEAL	ANN ARBOR PUBLIC SCHOOLS	601 W. Stadium Blvd	Ann Arbor	Michigan	48104 (734) 994-8118	250	\$ 60.15	\$ 15,037.50
6-University	58	Washtenaw	MiDEAL	SAINT JOSEPH MERCY HEALTH SYSTEM	5337 McAuley Drive	Ypsilanti	Michigan	48197 (734) 712-3769	50	\$ 60.15	\$ 3,007.50
6-University	59	Washtenaw	MiDEAL	WASHTENAW INTER SCHOOL DISTRICT	3090 Judd Rd	Milan	Michigan	48160	300	\$ 60.15	\$ 18,045.00
6-University	60	Washtenaw	MiDEAL	SALINE, CITY OF	1234 Tefft Ct	Saline	Michigan	48176 (734) 429-5624	200	\$ 60.15	\$ 12,030.00
6-University	61	Washtenaw	MiDEAL	DEXTER COMMUNITY SCHOOLS	2200 N Parker Rd	Dexter	Michigan	48130 (734) 424-4100	150	\$ 60.15	\$ 9,022.50
6-University	61B	Washtenaw	MiDEAL	Loch Alpine Sanitary Authority	8875 Dexter-Chelsea Rd	Dexter	Michigan	48130 (734) 904-2938	50	\$ 60.15	\$ 3,007.50

MiDEAL and STATE AGENCY DROP POINTS: 2020/2021 SALT ORDER **Seasonal Backup** **Morton** 50,255 43 \$ 3,507,383.90

Region	Item	County	MiDEAL	Org. Name	Drop Point Address	City	State	Zip	Org. Phone	Seasonal	Price Per Ton	Extended Price
2-North	32	Manistee	MiDEAL	MANISTEE COUNTY ROAD COMMISSION	8946 Chippewa Hwy	Bear Lake	Michigan	49614	(231) 889-0000	500	\$ 72.48	\$ 36,240.00
2-North	33	Manistee	MiDEAL	MANISTEE, CITY OF	280 Washington Street	Manistee	Michigan	49660	(231) 723-7132	600	\$ 72.48	\$ 43,488.00
3-Grand	1	Allegan	MiDEAL	HOLLAND, CITY OF	333 Wyngarden Way	Holland	Michigan	49423	(616) 928-2400	2,500	\$ 72.00	\$ 180,000.00
3-Grand	2	Allegan	MiDEAL	MARTIN, VILLAGE OF-LESS THAN 50 TON	1609 N. 10th Street	Martin	Michigan	49070		25	\$ 72.00	\$ 1,800.00
3-Grand	3	Allegan	MiDEAL	Douglas, City of	486 Water Street	Douglas	Michigan	49406	(616) 218-6798	250	\$ 72.00	\$ 18,000.00
3-Grand	4	Allegan	MiDEAL	WAYLAND UNION SCHOOLS	324 W Sycamore	Wayland	Michigan	49348	(269) 792-2012	50	\$ 72.00	\$ 3,600.00
3-Grand	5	Allegan	MiDEAL	PLAINWELL COMMUNITY SCHOOLS	680 Starr Rd	Plainwell	Michigan	49080	(269) 685-6338	100	\$ 72.00	\$ 7,200.00
3-Grand	6	Allegan	MiDEAL	ALLEGAN COUNTY ROAD COMMISSION	2594 -12th Street	Shelbyville	Michigan	49344	(269) 673-2184	750	\$ 72.00	\$ 54,000.00
3-Grand	7	Allegan	MiDEAL	ALLEGAN COUNTY ROAD COMMISSION	3667 - 136th Avenue	Hamilton	Michigan	49419	(269) 673-2184	750	\$ 72.00	\$ 54,000.00
3-Grand	8	Allegan	MiDEAL	ALLEGAN COUNTY ROAD COMMISSION	1308 Lincoln Road	Allegan	Michigan	49010	(269) 673-2184	750	\$ 72.00	\$ 54,000.00
3-Grand	9	Allegan	MiDEAL	ALLEGAN COUNTY ROAD COMMISSION	5337 124th Avenue (M-89)	Fennville	Michigan	49348	(269) 673-2184	750	\$ 72.00	\$ 54,000.00
3-Grand	10	Allegan	MiDEAL	OTSEGO, CITY OF	243 N FARMER	OTSEGO	Michigan	49078	(269) 692-3391	150	\$ 72.00	\$ 10,800.00
3-Grand	11	Allegan	MiDEAL	ALLEGAN, CITY OF	691 Airway Dr.	Allegan	Michigan	49010	(269) 686-1115	200	\$ 72.00	\$ 14,400.00
3-Grand	12	Allegan	MiDEAL	SAUGATUCK, CITY OF	3338 Blue Star Highway	Saugatuck	Michigan	49453	(269) 857-2603	250	\$ 72.00	\$ 18,000.00
3-Grand	13	Allegan	MiDEAL	WAYLAND, CITY OF	965 S. Main Street	Wayland	Michigan	49348	(269) 792-0686	400	\$ 72.00	\$ 28,800.00
3-Grand	14	Allegan	MiDEAL	PLAINWELL, CITY OF	126 Fairlane Street	Plainwell	Michigan	49080	(269)685-9363	300	\$ 72.00	\$ 21,600.00
3-Grand	15	Barry	MiDEAL	MIDDLEVILLE, VILLAGE OF	608 Sheridan St.	Middleville	Michigan	49333	(269) 795-2094	250	\$ 70.90	\$ 17,725.00
3-Grand	16	Barry	MiDEAL	HASTINGS CITY OF	301 East Court Street	Hastings	Michigan	49058	(269) 945-2468	900	\$ 70.90	\$ 63,810.00
3-Grand	17	Barry	MiDEAL	BARRY COUNTY ROAD COMMISSION	1725 West M-43 Highway	Hastings	Michigan	49058	(269) 945-3449	6,000	\$ 70.90	\$ 425,400.00
3-Grand	18	Barry	MiDEAL	NASHVILLE, VILLAGE OF	202 1/2 S. Main	Nashville	Michigan	49073	(517) 852-9571	100	\$ 70.90	\$ 7,090.00
3-Grand	35	Montcalm	MiDEAL	HOWARD CITY, VILLAGE OF	605 Cedar	Howard City	Michigan	49329	(231) 937-4311	50	\$ 73.64	\$ 3,682.00
3-Grand	36	Montcalm	MiDEAL	LAKEVIEW, VILLAGE OF	10300 North Street	Lakeview	Michigan	48850	(989) 352-7473	50	\$ 73.64	\$ 3,682.00
3-Grand	37	Montcalm	MiDEAL	GREENVILLE, CITY OF	218 E. FAIRPLAINS	GREENVILLE	Michigan	48838	(616) 754-5098	550	\$ 73.64	\$ 40,502.00
3-Grand	47	Newaygo	MiDEAL	FREMONT, CITY OF	805 W. Oak Street	Fremont	Michigan	49412	(231) 924-2101	50	\$ 72.23	\$ 3,611.50
3-Grand	48	Newaygo	MiDEAL	NEWAYGO COUNTY ROAD COMMISSION	White Cloud Facility 935 E. One Mile Road	White Cloud	Michigan	49349	(231)689-6682	6500	\$ 72.23	\$ 469,495.00
3-Grand	49	Newaygo	MiDEAL	NEWAYGO COUNTY ROAD COMMISSION	Newayo Facility 8527 S. Mundy	Newaygo	Michigan	49337	(231)689-6682	200	\$ 72.23	\$ 14,446.00
3-Grand	50	Oceana	MiDEAL	OCEANA COUNTY ROAD COMMISSION	3501 W. Polk Rd	Hart	Michigan	49420	(231) 873-4226	4300	\$ 69.86	\$ 300,398.00
3-Grand	51	Oceana	MiDEAL	OCEANA COUNTY ROAD COMMISSION	100 W. M20	Shelby	Michigan	49455	(231) 873-4226	2500	\$ 69.86	\$ 174,650.00
5-Southwest	23	Calhoun	MiDEAL	SPRINGFIELD, CITY OF	601 Avenue A	Springfield	Michigan	49037	(269) 441-9277	600	\$ 61.99	\$ 37,194.00
5-Southwest	24	Calhoun	MiDEAL	MARSHALL, CITY OF	1242 S. Kalamazoo	Marshall	Michigan	49068	(269) 781-3985	100	\$ 61.99	\$ 6,199.00
5-Southwest	25	Calhoun	MiDEAL	BATTLE CREEK, CITY OF	2000 W. River Road	Battle Creek	Michigan	49017	(269) 966-1646	7000	\$ 61.99	\$ 433,930.00
5-Southwest	28	Kalamazoo	MiDEAL	KALAMAZOO, CITY OF	1415 HARRISON	KALAMAZOO	Michigan	49007	(269) 337-8020	3000	\$ 71.56	\$ 214,680.00
5-Southwest	29	Kalamazoo	MiDEAL	PARCHMENT, CITY OF	300 Maple	Parchment	Michigan	49004	(269) 720-3469	200	\$ 71.56	\$ 14,312.00
5-Southwest	30	Kalamazoo	MiDEAL	PORTAGE, CITY OF	7719 S. Westnedge Ave.	Portage	Michigan	49002	(269) 324-9284	1500	\$ 71.56	\$ 107,340.00
5-Southwest	31	Kalamazoo	MiDEAL	VICKSBURG, VILLAGE OF	210 N. Main Street	Vicksburg	Michigan	49097	(269) 649-1919	100	\$ 71.56	\$ 7,156.00
5-Southwest	32	Kalamazoo	MiDEAL	ROAD COMMISSION OF KALAMAZOO COUNTY	3801 East Kilgore Road	Kalamazoo	Michigan	49001	(269) 381-3171	5000	\$ 71.56	\$ 357,800.00
5-Southwest	33	Kalamazoo	MiDEAL	KALAMAZOO VALLEY COMMUNITY COLLEGE	6767 West O Ave.	Kalamazoo	Michigan	49003	(269) 488-4305	50	\$ 71.56	\$ 3,578.00
5-Southwest	34	Kalamazoo	Agency	DMVA	2501 26th St Bldg 2590-AGENCY	Augusta	Michigan	49012	(517) 481-7655	500	\$ 71.56	\$ 35,780.00
5-Southwest	35	Kalamazoo	MiDEAL	KALAMAZOO PUBLIC SCHOOLS	514 Lake St	Kalamazoo	Michigan	49001	(269) 337-0132	350	\$ 71.56	\$ 25,046.00
5-Southwest	36B	Kalamazoo	MiDEAL	WESTERN MICHIGAN UNIVERSITY	1201 Oliver Street - Salt Dome	Kalamazoo	Michigan	49008	(269) 387-8804	500	\$ 71.56	\$ 35,780.00
6-University	52	Livingston	MiDEAL	PINCKNEY, VILLAGE OF	1600 Paterson Lake rd.	Pinckney	Michigan	48169		150	\$ 65.93	\$ 9,889.50
6-University	53	Livingston	MiDEAL	BRIGHTON, CITY OF	420 S. Third St.	Brighton	Michigan	48116	(810) 225-9282	1400	\$ 65.93	\$ 92,302.00
6-University	54	Livingston <50	Agency	DOC-Woodland Center Correctional	9036 E M-36-AGENCY	Whitmore Lake	Michigan	48189	(734) 449-3946	30	\$ 65.93	\$ 1,977.90



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CONTRACT CHANGE NOTICE

Change Notice Number **1**
 to
 Contract Number **180000000739**

CONTRACTOR	Morton Salt Inc.
	444 W. Lake St., Suite 3000
	Chicago, IL 60606
	Anthony Patton
	312.807.2496
	bids@mortonsalt.com
	CV0012362

STATE	Program Manager	Melissa Longworth	MDOT
		517-599-8135	
		LongworthM@Michigan.gov	
	Contract Administrator	Steven Motz	DTMB
		(517) 331-6086	
		motzs1@michigan.gov	

CONTRACT SUMMARY

BULK SALT, EARLY FILL & SEASONAL BACK-UP-STATEWIDE

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
September 1, 2018	August 31, 2023	5 - 1 Year	August 31, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
NET 45		See Section 1.3 Delivery and Acceptance	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

MINIMUM DELIVERY REQUIREMENTS

See Section 1.3 Delivery and Acceptance

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		August 31, 2023
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$0.00	\$0.00	\$0.00		

DESCRIPTION

Effective May 1, 2020 specific provisions in Schedule A, Statement of Work, Contract Activities are updated through this Change Notice and will take effect during the 2020 Early Fill and 2021 Seasonal Backup periods.

All other terms, conditions, specifications and pricing remain the same per MDOT, Contractor, and Central Procurement Services approval.

Program Managers for

Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
SW	Melissa Longworth	517-599-8135	longworthm@michigan.gov

The following changes are made and agreed to between the State and Contractor:

#	Contract Section	Current Language prior to this CN	Replaced through this CN																							
1	1.3 Delivery and Acceptance	<i>No current Language here</i>	All quantities delivered must be +/- 10% of the amount indicated on the delivery order for each drop point.																							
2	1.3.1 Time Frames	<p>EARLY FILL TIMEFRAMES</p> <p>e. Once early fill salt deliveries begin for a drop point, deliveries must continue until that particular drop point has received the entire quantity specified on the delivery order, prior to moving to another drop point. Delivery of a drop point's total quantity must be completed within 10 business days of the date the delivery began. (See Deductions 1.3.7)</p>	<p>EARLY FILL TIMEFRAMES</p> <p>e. Once early fill salt deliveries begin for a drop point, deliveries must continue until that particular drop point has received the entire quantity specified on the delivery order. MDOT and MiDEAL members have limited resources and equipment for accepting deliveries and this requirement enables us to have resources where needed at the time of delivery. For drop point orders less than or equal to 2500 tons, delivery of a drop point's total quantity must be completed within 10 business days of the date the delivery began. For drop point orders between 2500 tons and 3750 tons, delivery of a drop point's total quantity must be completed within 15 business days of the date the delivery began. For drop point orders greater than or equal to 3750 tons, delivery of a drop point's total quantity must be completed within 20 business days of the date the delivery began. (See Deductions 1.3.7)</p>																							
2	1.3.1 Time Frames	<p>SEASONAL BACK-UP TIMEFRAMES</p> <p>h. All deliveries shall begin within three business days and must be completed within five business days after the request for shipment or order. The deliveries will occur between October 1st through August 31st of each Contract year. The day count begins on the first business day after the order is placed. Delivery shall be made by the following formula 30% must be delivered by close of business on business day three, a total of 60% must be delivered by close of business on business day four and the entire 100% must be delivered by close of business on business day five. (See Deductions 1.3.7)</p>	<p>SEASONAL BACK-UP TIMEFRAMES</p> <p>h. All deliveries shall begin within three business days. For drop point orders less than or equal to 750 tons, delivery of a drop point's total quantity must be completed within 5 business days. For drop point orders between 750 tons and 2000 tons, delivery of a drop point's total quantity must be completed within 10 business days. For drop point orders greater than or equal to 2000 tons, delivery of a drop point's total quantity must be completed within 15 business days. All deliveries must meet the percent delivery requirements outlined below.</p> <table border="1" data-bbox="1059 1000 1970 1260"> <thead> <tr> <th rowspan="2">Business Day</th> <th colspan="3">Drop Point Order Quantity by Business Day</th> </tr> <tr> <th>Less than or equal to 750 tons</th> <th>Between 750 tons and 2000 tons</th> <th>Greater than or equal to 2000 tons</th> </tr> </thead> <tbody> <tr> <td>Day 3</td> <td colspan="3">Deliveries must begin</td> </tr> <tr> <td>Day 5</td> <td>100%</td> <td>50%</td> <td>30%</td> </tr> <tr> <td>Day 10</td> <td>N/A</td> <td>100%</td> <td>60%</td> </tr> <tr> <td>Day 15</td> <td>N/A</td> <td>N/A</td> <td>100%</td> </tr> </tbody> </table> <p>The day count begins on the first business day after the order is placed. (See Deductions 1.3.7)</p>	Business Day	Drop Point Order Quantity by Business Day			Less than or equal to 750 tons	Between 750 tons and 2000 tons	Greater than or equal to 2000 tons	Day 3	Deliveries must begin			Day 5	100%	50%	30%	Day 10	N/A	100%	60%	Day 15	N/A	N/A	100%
Business Day	Drop Point Order Quantity by Business Day																									
	Less than or equal to 750 tons	Between 750 tons and 2000 tons	Greater than or equal to 2000 tons																							
Day 3	Deliveries must begin																									
Day 5	100%	50%	30%																							
Day 10	N/A	100%	60%																							
Day 15	N/A	N/A	100%																							
3	1.3.7 Deductions	<p>EARLY FILL ONLY DEDUCTIONS</p> <p>h. For salt not delivered within 10 business days of the date the delivery began, for the undelivered portion of the salt that is late,</p>	<p>EARLY FILL ONLY DEDUCTIONS</p> <p>h. For salt not delivered within the allotted business days of the date the delivery began, as defined in section 1.3.1 (e) the contractor will be charged \$1000 per business day late.</p>																							

		there will be a 25% deduction penalty with increments of 5% per business day, not to exceed 50% overall.	
4	1.3.7 Deductions	<p><u>SEASONAL BACK-UP ONLY DEDUCTIONS</u></p> <p>i. For any salt not delivered by the close of business of the third business day after the order is placed (30% required of the total ordered), there will be a 25% deduction penalty with increments of 5% per business day, not to exceed 50% of the total ordered. For any salt not received by the close of business of the fourth business day after the order is placed (60% required of the total ordered), the receiving location may notify the Contractor that they will purchase the undelivered balance of the total ordered from an alternate source. The Contractor shall be responsible for any excess cost associated with this purchase as compared to the contract price for that location. The volume of salt purchased from the alternate source shall count toward the receiving location's 80% minimum order requirement. The day count shall follow the example provided below. This deduction for seasonal back-up deliveries shall not be assessed for deliveries ordered after April 15th.</p> <p>Example: At the close of business, as listed on the annual bidding document, unless an alternate delivery time has been mutually agreed to, on the third business day no salt, or less than 30% of the total ordered is delivered, a 25% deduction of the total ordered will be taken. On the fourth business day less than 60% of the total order has been delivered, an additional 5% deduction will be taken, on the fifth business day less than 100% of the total ordered has been delivered, and additional 5% deduction will be taken. For any subsequent business day that 100% of the salt ordered is not delivered an additional 5% deduction will be taken.</p>	<p><u>SEASONAL BACK-UP ONLY DEDUCTIONS</u></p> <p>i. For salt not delivered within the allotted business days of the date the order was placed, as defined in section 1.3.1 (h), the contractor will be charged \$1000 per business day late.</p> <p>The receiving location could also choose to notify the Contractor that they will purchase the undelivered balance of the total ordered from an alternate source. The Contractor shall be responsible for any excess cost associated with this purchase as compared to the contract price for that location. The volume of salt purchased from the alternate source shall count toward the receiving location's 80% minimum order requirement. If delivery delays are communicated in advance so the agency can plan accordingly, deduction for seasonal back-up deliveries shall not be assessed for deliveries ordered after April 15th.</p>
5	1.4.1 Proposal	Contractors selected for the Pre – Qualified Vendor Program will be asked to provide pricing	Contractors selected for the Pre – Qualified Vendor Program will be asked to provide pricing once a year throughout the course of the program, unless a

	Pricing	once a year throughout the course of the program. Prices quoted during the bid process will be firm for that particular year.	Rollover Option is utilized. Prices quoted during the bid process will be firm for that particular year. Rollover Option – Beginning at the close of the 2020 Early Fill and 2021 Seasonal Backup periods, the State reserves the right to negotiate pricing with awarded vendors from prior competitively bid season to “rollover” their awarded locations to the next season if mutual agreement can be reached between the State and Contractor. The maximum timeframe for a rollover is one season, and any locations that are extended through mutual agreement, must be competitively bid the following year.
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**STATE OF MICHIGAN
ENTERPRISE PROCUREMENT**

Department of Technology, Management and Budget
525 W. Allegan Street, Lansing, MI 48913
P.O. Box 30026, Lansing, MI 48909

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **171-180000000739**

between

THE STATE OF MICHIGAN

and

CONTRACTOR	Morton Salt Inc.
	444 W. Lake St., Suite 3000
	Chicago, IL 60606
	Anthony Patton
	312.807.2496
	bids@mortonsalt.com
	CV0012362

STATE	Program Manager	Melissa Longworth, P.E	MDOT
		517-636-4386	
		LongworthM@michigan.gov	
STATE	Contract Administrator	Lymon C. Hunter, CPPB	DTMB
		517-249-0476	
		HunterL@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: Bulk Salt, Early Fill & Seasonal Back-Up- Statewide & MiDEAL			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 1, 2018	August 31, 2023	5- 1 year	August 31, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		Per the attached specifications	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
THIS IS NOT AN ORDER: This contract agreement is awarded on the basis of our inquiry bearing ITN 18000000039. Orders for delivery will be issued directly by Departments and through the issuance of a Delivery Order.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$0

FOR THE CONTRACTOR:

Morton Salt, Inc. _____
Company Name

Authorized Agent Signature

Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Dan Stevens,
Category Manager, Commodities

Central Procurement

Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Morton Salt, Inc. (“**Contractor**”), an Illinois Corporation. The Bulk Salt, Early Fill and Seasonal Back-up Contract is effective on September 1, 2018 (“**Effective Date**”), and unless terminated, expires on August 31, 2023.

This Contract(s) may be renewed for up to 5 additional 1 year period(s). Renewal must be by written agreement of the parties and will automatically extend the Term of this Contract. The parties agree as follows:

The parties agree as follows:

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

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

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

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

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

If to State:	If to Contractor:
Lymon C. Hunter, CPPB, Category Specialist 525 West Allegan St. Constitution Hall-1 st Floor North Lansing, MI 48933 HunterL@michigan.gov (517) 249-0476	Anthony Patton 444 W. Lake St., Suite 3000 Chicago, IL 60606 bids@mortonsalt.com 312.807.2496

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

State:	Contractor:
Lymon C. Hunter, CPPB, Category Specialist 525 West Allegan St. Constitution Hall-1 st Floor North Lansing, MI 48933 HunterL@michigan.gov (517) 249-0476	Anthony Patton 444 W. Lake St., Suite 3000 Chicago, IL 60606 apatton@mortonsalt.com 312.807.2496

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

State:	Contractor:
Melissa Longworth, P.E. Region Support Engineer Maintenance Field Services Section 6333 Lansing Rd. Lansing, MI 48917 Office: 517-636-4386 Cell: 517-599-8135	Andrew Lorenzini 444 W. Lake St., Suite 3000 Chicago, IL 60606 alorenzini@mortonsalt.com 312.807.2859

5. **Performance Guarantee.** Contractor must at all times have financial resources sufficient, in the opinion of the State, to ensure performance of the Contract and must provide proof upon request. The State may require a performance bond (as specified in Schedule A) if, in the opinion of the State, it will ensure performance of the Contract.
6. **Insurance Requirements.** Contractor must maintain the insurances identified below and is responsible for all deductibles. All required insurance must: (a) protect the State from claims that may arise out of, are alleged to arise out of, or result from Contractor's or a subcontractor's performance; (b) be primary and non-contributing to any comparable liability insurance (including self-insurance) carried by the State; and (c) be provided by a company with an A.M. Best rating "F" "A" or better, and a financial size of VII or better

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04.
Umbrella or Excess Liability Insurance	
<u>Minimal Limits:</u> \$5,000,000 General Aggregate	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Work's Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u>	

\$500,000 Each Accident	
\$500,000 Each Employee by Disease	
\$500,000 Aggregate Disease.	

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

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

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

- Administrative Fee and Reporting.** The Contractor must pay an Administrative Fee on the sales transacted under this Contract including MDOT, other State agencies, and MiDEAL members. For Early Fill, the Contractor must remit the Administrative Fee in U.S. dollars by December 31, 2018. The Administrative Fee equals **\$.05 per ton** of the total sales. For Seasonal Back-up, the Contractor must remit the Administrative Fee in U.S. dollars within thirty (30) days after the end of the quarterly sales reporting period, which begins October 1st of each year during the Contract period. The Administrative Fee equals **\$.05 per ton** of the total quarterly sales reported. Contractor must include the Administrative Fee in their prices.

Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
 Cashiering
 P.O. Box 30681
 Lansing, MI 48909

Contractor must submit an itemized purchasing activity report, which includes at a minimum, the name of the purchasing entity and the total dollar volume in sales. Reports should be mailed to DTMB-Procurement.

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each calendar quarter.

- Extended Purchasing Program.** This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities). If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to impose an administrative fee and negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, MiDEAL members on a direct and individual basis.

9. **Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor.
10. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
11. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
12. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
13. **Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.
14. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

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

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

alters, or relieves Contractor of its obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

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

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

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

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

21. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Schedule A.
22. **Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or delivery order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.
23. **Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or

personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

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

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

24. **Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
25. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 180 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.
26. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

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

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

27. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.
28. **Limitation of Liability.** The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
29. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
30. **State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.
31. **Reserved**
32. **Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. The provisions of this Section survive the termination of this Contract.
 - a. **Meaning of Confidential Information.** For the purposes of this Contract, the term "**Confidential Information**" means all information and documentation of a party that: (a) has been marked "confidential" or with words of similar meaning, at the time of disclosure by such party; (b) if disclosed orally or not marked "confidential" or with words of similar meaning, was subsequently summarized in writing by the disclosing party and marked "confidential" or with words of similar meaning; and, (c) should reasonably be recognized as confidential information of the disclosing party. The term "Confidential Information" does not include any information or documentation that was: (a) subject to disclosure under the Michigan Freedom of Information Act (FOIA); (b) already in the possession of the receiving party without an obligation of confidentiality; (c) developed independently by the receiving party, as demonstrated by the receiving party, without violating the disclosing party's proprietary rights; (d) obtained from a source other than the disclosing party without an obligation of confidentiality; or, (e) publicly available when received, or thereafter became publicly available (other than through any unauthorized disclosure by, through, or on behalf

of, the receiving party). For purposes of this Contract, in all cases and for all matters, State Data is deemed to be Confidential Information.

- b. Obligation of Confidentiality. The parties agree to hold all Confidential Information in strict confidence and not to copy, reproduce, sell, transfer, or otherwise dispose of, give or disclose such Confidential Information to third parties other than employees, agents, or subcontractors of a party who have a need to know in connection with this Contract or to use such Confidential Information for any purposes whatsoever other than the performance of this Contract. The parties agree to advise and require their respective employees, agents, and subcontractors of their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.
- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

33. Reserved

34. Reserved

35. Reserved

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

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

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

37. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; and (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.
38. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
39. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
40. **Reserved.**
41. **Reserved**
42. **Nondiscrimination.** 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.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
43. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
44. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any

objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.

45. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
46. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
47. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers. Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.
48. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
49. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
50. **Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
51. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
52. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
53. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
54. **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work

or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

STATE OF MICHIGAN

Contract No. **171-18000000739**

Bulk Salt, Early Fill & Seasonal Back-Up

SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES

This exhibit identifies the anticipated requirements.

Initially this Contract will serve the Michigan Department of Transportation (MDOT). The State reserves the right to consolidate other State of Michigan purchases for Bulk Salt, Early Fill & Seasonal Back-Up under this Contract.

The State reserves the right to modify Contract items to meet the State of Michigan's needs as well as MiDEAL members.

Requirement
1. Specifications
1.1 The Contractor must provide the following:
See Schedules B & C.
1.2 Quality Assurance
The gradation shall be in accordance with the MDOT Specifications for Sodium Chloride (See Schedule B). The material shall also meet the requirements as referenced in the MDOT Materials Quality Assurance Procedures Manual. http://www.michigan.gov/mdot/0,4616,7-151-9622_11044_11367-207980--,00.html
1.3 Delivery and Acceptance
1.3.1 Time Frames
<u>EMERGENCY PREPAREDNESS</u>
In instances of extreme weather conditions, the State of Michigan, then MiDEAL members must be serviced first, before other customers.
<u>EARLY FILL & SEASONAL BACK-UP DELIVERIES</u>
a. The contractor is responsible for making sure the trucking is performed properly and in a timely manner. This includes shipping salt in trucks that are clean and dry. Failure to meet all delivery requirements may result in a fine and/or cancellation of the Contract and/or restriction of future bidding privileges with the State of Michigan.
b. MDOT deliveries will be accepted during delivery hours, as listed on the annual bidding document, unless alternate times have been mutually agreed to. All drop points must be contacted approximately 48 hours prior to delivery. All delivery dates must be approved by each drop point so proper staffing, equipment, and certification tests can be arranged. (See Deductions 1.3.7)

- c. If a particular salt storage facility is capable of accepting inside delivery (minimum inside clearance height of 26 feet), appropriate delivery trucks shall be used in order to allow for self-unloading inside the facility. **(See Deductions 1.3.7)**

EARLY FILL TIMEFRAMES

- d. All early fill salt deliveries to MDOT and MiDEAL members must be made by October 31st of each contract year. MDOT early fill road salt can be delivered starting October 1st. Exception; Select MDOT drop points may request early fill road salt be delivered starting September 1st. MiDEAL members early fill road salt can be delivered starting September 1st. MDOT and MiDEAL members reserves the right to impose a penalty on the Contractor for salt not delivered by October 31st of each contract year. If delivery orders do not occur by October 1st, the October 31st delivery deadline will be extended accordingly to guarantee a minimum 30 calendar day delivery window. **(See Deductions 1.3.7)**
- e. Once early fill salt deliveries begin for a drop point, deliveries must continue until that particular drop point has received the entire quantity specified on the delivery order, prior to moving to another drop point. Delivery of a drop point's total quantity must be completed within 10 business days of the date the delivery began. **(See Deductions 1.3.7)**

SEASONAL BACK-UP TIMEFRAMES

- f. Seasonal back-up delivery orders will be placed periodically (as needed) throughout the contract period, and all orders will be for minimum of 50 ton deliveries. Exception; unless a smaller amount is indicated on the annual bidding document.
- g. MDOT agrees to purchase a minimum of 80% of the quantities given in the annual bidding document. The contractor shall agree to furnish up to a maximum of 30% more than the quantities given in the annual bidding document. These percentages apply to the MDOT Region total awarded to the contractor, not each individual MDOT drop point within a MDOT Region that is awarded to the contractor. These percentages of the MDOT Region total awarded to the contractor may be distributed to any MDOT drop points within a certain MDOT Region that are awarded to the contractor. MDOT is not limited to these percentages per drop point. MDOT Regions are displayed in Schedule C, MDOT Regional Map. These percentages also apply to MiDEAL members, however, they apply to each individual drop point.
- h. All deliveries shall begin within three business days and must be completed within five business days after the request for shipment or order. The deliveries will occur between October 1st through August 31st of each Contract year. The day count begins on the first business day after the order is placed. Delivery shall be made by the following formula 30% must be delivered by close of business on business day three, a total of 60% must be delivered by close of business on business day four and the entire 100% must be delivered by close of business on business day five. **(See Deductions 1.3.7)**

1.3.2 Delivery Tickets

All salt to be delivered must be weighed on certified scales; the contractor shall, at their expense, have their scales certified and inspected, prior to beginning shipments, and on a monthly basis thereafter until all salt has been delivered. The certification and inspection shall be conducted by the specific scale manufacturer authorized service dealer. For Early Fill, the scales must be inspected and certified between August 15th and September 30th of every year. Copies of scale certification must be sent to the Program Manager or designee by October 15th of every year. For Seasonal Back Up, the scales must be inspected and certified between January 1st and February 15th of every year. Copies of scale certification must be sent to the Program Manager or designee by, March 1st of every year. The State can require re-certification of the scale, if a particular salt shipment is found to be +/- 1% off. In addition, all delivery tickets must be legible, computer generated, printed from a computerized scale, and in

<p>English units. All trucks shall be weighed empty, then weighed loaded, and the differential shall be the net weight recorded on the delivery ticket. Scale operators shall not pre-enter estimated empty truck tare weights. Hand written tickets are unacceptable. Scales must be cleaned on a regular basis, i.e., daily or weekly if appropriate. Also, the dock shall be maintained on a regular interval, i.e., weekly/biweekly. Violation of any of the above requirements can be grounds for rejection of salt shipment. (See Deductions 1.3.7)</p>
<p>1.3.3 Inconsistent Deliveries</p> <p>The state reserves the right to disallow the use of any dock, weigh station, trucking company, etc. that is used by the Contractor if it is discovered that there are inconsistencies regarding the quantity indicated on a delivery ticket and the actual amount received or verified by the re-weighing of a truck. MDOT has made arrangements with the appropriate enforcement authorities to increase the frequency of "spot checks" on trucks hauling salt to various delivery locations. If it is discovered that a particular delivery ticket exceeds the actual amount verified by re-weighing a truck, MDOT or the MiDEAL member will be instructed to pay based on the re-weigh quantity. The state will also seek the possible prosecution of companies that are found to be involved in a "short shipping" scheme designed to take advantage of the State of Michigan or any MiDEAL member included in this Contract.</p>
<p>1.3.4 Conveyor Deliveries</p> <p>Please note certain locations may require conveyor delivery, as listed on the annual bidding document.</p>
<p>1.3.5 Delivery Term</p> <p>Prices shall be "Free on Board (F.O.B.) Delivered and Unloaded". All costs associated with delivering salt to these drop points is included in each "Price per Ton." Other F.O.B. terms will not be accepted. Where the location allows, salt shall be unloaded inside the storage facility.</p>
<p>1.3.6 Trucking</p> <p>All loads of regular salt must be covered by an industry standard mesh tarp. If a load is delivered uncovered, or with the incorrect covering the load may be rejected.</p>
<p>1.3.7 Deductions</p> <p><u>EARLY FILL & SEASONAL BACK-UP DEDUCTIONS</u></p> <ol style="list-style-type: none"> a. For any salt delivered after delivery hours, as listed on the annual bidding document, unless alternate times have been mutually agreed to, there will be a 25% deduction penalty. b. Failure to contact drop points approximately 48 hours prior to delivery will result in a 25% deduction penalty. If the Contractor can reasonably establish that it has made one or more unsuccessful attempts to contact the drop point at least 48 hours prior to delivery, the 25% deduction will be waived. c. No salt orders will be accepted outside of the drop point's delivery hours, when the receiving location is not staffed. If the Contractor ships outside delivery hours, it will be their responsibility to pick up the salt and redeliver during delivery hours at the Contractor's expense. d. All delivery tickets must be legible, generated and printed from a computerized scale. Exception; receiving locations will allow a written ticket in emergency situations. Following

the emergency situation contractor must provide a computer generated ticket with tare weight. Failure to present a computer-generated ticket will result in a 100% deduction penalty.

- e. If a particular salt storage facility is capable of accepting inside delivery (minimum inside clearance height of 26 feet), and appropriate delivery trucks are not utilized in order to allow for self-unloading inside the facility there will be a 50% deduction penalty. Alternatively, the receiving location can opt to have the salt picked up at the Contractor's expense.
- f. Any of the above or below penalties can be rendered void if mutually agreed upon by the Contractor and the receiving location.

EARLY FILL ONLY DEDUCTIONS

- g. For each drop point that does not receive their total early fill salt quantity by October 31st of each contract year, the contractor will be charged \$1,000 per business day late.
- h. For salt not delivered within 10 business days of the date the delivery began, for the undelivered portion of the salt that is late, there will be a 25% deduction penalty with increments of 5% per business day, not to exceed 50% overall.

SEASONAL BACK-UP ONLY DEDUCTIONS

- i. For any salt not delivered by the close of business of the third business day after the order is placed (30% required of the total ordered), there will be a 25% deduction penalty with increments of 5% per business day, not to exceed 50% of the total ordered. For any salt not received by the close of business of the fourth business day after the order is placed (60% required of the total ordered), the receiving location may notify the Contractor that they will purchase the undelivered balance of the total ordered from an alternate source. The Contractor shall be responsible for any excess cost associated with this purchase as compared to the contract price for that location. The volume of salt purchased from the alternate source shall count toward the receiving location's 80% minimum order requirement. The day count shall follow the example provided below. This deduction for seasonal back-up deliveries shall not be assessed for deliveries ordered after April 15th.

Example: At the close of business, as listed on the annual bidding document, unless an alternate delivery time has been mutually agreed to, on the third business day no salt, or less than 30% of the total ordered is delivered, a 25% deduction of the total ordered will be taken. On the fourth business day less than 60% of the total order has been delivered, an additional 5% deduction will be taken, on the fifth business day less than 100% of the total ordered has been delivered, and additional 5% deduction will be taken. For any subsequent business day that 100% of the salt ordered is not delivered an additional 5% deduction will be taken.

1.4 Proposal Pricing

1.4.1 Pricing

Contractors selected for the **Pre – Qualified Vendor Program** will be asked to provide pricing once a year throughout the course of the program. Prices quoted during the bid process will be firm for that particular year.

EARLY FILL & SEASONAL BACK-UP

The State expects that the unit prices of salt will be the same for all drop points in the same County. Exception; Seasonal Back-up in Wayne County can be bid by drop point.

MOST FAVORED CUSTOMER

<p>The State, or any participating MiDEAL member expects to be considered the "Most Favored Customer" regarding salt purchased in the State. In other words, since the total quantity expected to be purchased as a result of this Pre – Qualified Vendor Program far exceeds the quantity that may be purchased by any other government entity in the State, the State expects to receive the "best price" during the Contract period for all locations.</p>
<p>1.4.2 Tax Excluded from Price</p>
<p>a. Sales Tax: The State is exempt from sales tax for direct purchases. The Contractor's prices must not include sales tax. DTMB-Central Procurement will furnish exemption certificates for sales tax upon request.</p> <p>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 Contractor's prices must not include the Federal Excise Tax.</p>
<p>2.0 Packaging</p>
<p>Packaging and containers, etc., shall be in accordance with supplier's commercial practice and shall meet the requirements of the State and rail and motor carrier freight classifications in effect at time of shipment, which will permit application of the lowest freight rate.</p>
<p>2.1 Training</p>
<p>The Contractor shall provide training on the proper use of their product. This includes but not limited to the unloading and loading, storage requirements, handling, field testing (if any), and proper application (quantity, rate, weather conditions, and temperatures to be used at). Training will be held in each Region.</p>
<p>2.2 Reporting</p>
<p>The Contractor shall submit to the Program Manager a bi-weekly summary of delivery's including quantities for each location and the quantity accumulation for tracking and testing purposes, or as agreed between Contractor and Program Manager.</p>
<p>2.3 Meetings</p>
<p>The Contractor must attend the following meetings:</p> <p>a. MDOT pre-season kick-off meeting each year. A one-time pre-contract kick-off meeting as deemed necessary. The State may cancel the pre-season meeting or request other meetings as it deems appropriate.</p> <p>b. In the event there are issues with the deliverables under this Contract, the Program Manager or designee, and the Contractor shall be afforded the opportunity to meet within three business days of request.</p>
<p>3. Staffing</p>
<p>3.1 Contractor Representative</p>
<p>Anthony Patton: bids@mortonsalt.com, 312-807-2496 <small>Phone Number</small></p> <p>Written: Anthony Patton 444 W. Lake St. Suite 3000 Chicago, IL 60606</p>
<p>The Contractor must notify the Contract Administrator at least seven business days before removing or assigning a new Contractor Representative.</p>

3.2 Customer Service Toll-Free Number
The Contractor must confirm whether it is able to receive orders by any of the following methods: e-mail, facsimile transmission, or by written order. If not, the Contractor must explain its ordering capabilities. The Contractor must have internal controls, to: (a) ensure that only authorized individuals place orders; and (b) verify any orders that appear to be abnormal. The Contractor Representative must be available for calls during the hours of 8 am to 5 pm EST.
Customer Service Ordering Info:
Morton Salt, Inc. Attn: Road Salt Department 444 W. Lake St., Suite 3000 Chicago, IL 60606 Email: buyroadsalt@mortonsalt.com Phone: 855-665-4540 Fax: 630-214-0725
24/7 emergency contact number: <u>Sales Rep. Debi Jones - Phone, 708-891-5847</u>
3.3 Disclosure of Subcontractors
The Contractor will utilize the following State of Michigan approved subcontractors:
Contractor must complete the following if applicable:
The legal business name; address; telephone number; a description of subcontractor's organization and the services it will provide; and information concerning subcontractor's ability to provide the Contract Activities.
The relationship of the subcontractor to the Contractor.
Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.
A complete description of the Contract Activities that will be performed or provided by the subcontractor.
4. Pricing
4.1 Price Term
Pricing is firm for a 365 day period ("Pricing Period"). The first pricing period begins on the Effective Date. Adjustments may be requested, in writing, by either party and will take effect no earlier than the next Pricing Period.
4.2 Electronic Catalog
To enable catalog management functionality, the Contractor must supply the State with product and pricing information as identified in this contract. The Contractor must supply the State with updated product and pricing information over the duration of the Contract using the then-current catalog template provided by the State. Product and price changes provided in this manner will not take effect until the catalog is updated in the State's procurement system.
5. Ordering
5.1 Authorizing Document
The appropriate authorizing document for the Contract will be Delivery Orders.
6. Invoice and Payment
6.1 Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) delivery order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); (g) total price; (h) product type, and (i) location delivered.
7.0 Payment Methods
The State will make payment for Contract Activities by Electronic Funds Transfer (EFT) as described in Standard Contract Terms, Section 20. 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 <i>et seq.</i> , within 45 days after receipt.
7.1 Payment Incentives
The Contractor is encouraged to offer quick payment terms. The number of days must not include processing time for payment to be received by the Contractor's financial institution. Quick payment terms: <u>0</u> % discount off invoice if paid within <u>N/A</u> days after receipt of invoice.

MICHIGAN DEPARTMENT OF TRANSPORTATION

SPECIFICATIONS FOR SODIUM CHLORIDE

Description:

These specifications cover salt, bulk rock, sodium chloride to be used for ice and snow removal and control.

General Requirements:

The material shall be in accordance with the current specifications for Sodium Chloride, ASTM D 632, except as modified below.

Chemical Composition:

Sodium Chloride (NaCl), Minimum, percent 95.00 %

Gradation:

<u>Sieve size</u>	<u>Percent passing</u>
1/2 inch	100 %
3/8 inch	95 - 100 %
No. 4	90 % maximum
No. 8	60 % maximum
No. 30	15 % maximum

Material passing the No. 30 sieve in excess of 15% will be deducted from the delivered weight of the salt. Material remaining on the 1/2" sieve will be deducted from the delivered weight of the salt.

Moisture Content:

Material with moisture content in excess of 1.5% will be deducted from the delivered weight of the salt.

Acceptance of Material:

The Contractor shall provide material certification, as defined in the Michigan Department of Transportation (MDOT) Materials Quality Assurance Procedures Manual, http://www.michigan.gov/mdot/0,4616,7-151-9622_11044_11367-207980--,00.htm

that the material furnished meets the requirements of these specifications for sodium chloride. MDOT reserves the right to sample and test the material on a random basis at the point of final delivery. Material contamination from foreign debris or frozen lumps of salt may be cause for immediate rejection at the point of delivery. These tests shall be for the purpose of determining acceptance, rejection, and/or adjustment in delivered weight.

SCHEDULE C

MDOT Regional Service Areas and Facilities

