



STATE OF MICHIGAN PROCUREMENT

Department of Corrections

206 E. Michigan Ave. Lansing MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number 2

to

Contract Number 200000001314

CONTRACTOR	Industrial Propane Services, Inc.	STATE	Program Manager	Gene Wood	MDOC
	303 W. Maple St.			810-240-3609	
	Byron, MI 48418			WoodG4@michigan.gov	
	Andy Bukowski		Contract Administrator	Arnold Vande Mark	MDOC
	810-266-4687			517-335-2083	
	andy@ipsequipment.com			VandemarkA@michigan.gov	
	CV0040047				

CONTRACT SUMMARY				
DESCRIPTION: Industrial Propane Preventative Maintenance Services				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 1, 2020	August 31, 2023	3- 1 year	8/31/2024	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45				
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card ☐ Payment Request (PRC) ☐ Other			☐ Yes ☐ No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	2 year	☐		8/31/2026
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$164,528.00		\$87,840.00	\$252,368.00	
DESCRIPTION: Effective 6/4/2024, this Contract is exercising the remaining 2 one-year option years and is increased by \$87,840.00. The revised contract expiration date is 8/31/2026. Pricing on this contract is also updated per revised Schedule B-Pricing. Contractor agreed to hold year 5 pricing for year 6 (option) of the contract if both remaining option years are exercised now. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Procurement approval, and State Administrative Board approval on 6/4/2024.				

FOR THE CONTRACTOR:

Industrial Propane Service, Inc.

Company Name

E-SIGNED by Andy Bukowski
on 2024-06-04 06:57:52 EST

Authorized Agent Signature

Andy Bukowski

Authorized Agent (Print or Type)

2024-06-04 06:57:52 UTC

Date

FOR THE STATE:

E-SIGNED by Julie Hamp
on 2024-06-16 19:18:14 EST

Signature

Deputy Director
Julie Hamp

Name & Title

Department of Corrections

Agency

2024-06-16 19:18:14 UTC

Date

STATE OF MICHIGAN

SCHEDULE B- PRICING (5/6/2024)

Quick payment terms: 1 % discount off invoice if paid within 10 days after receipt of invoice.

Year #	Description	Unit	Unit Cost
1.	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,375.00
2.	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,482.00
3.	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,550.00
4. (Optional)	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,604.00
5. (Optional)	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,660.00
6. (Optional)	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,660.00



STATE OF MICHIGAN PROCUREMENT

Department of Corrections

206 E. Michigan Ave. Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number **1**

to

Contract Number **200000001314**

CONTRACTOR	Industrial Propane Services, Inc.	STATE	Program Manager	Gene Wood	MDOC
	303 W. Maple St.			810-240-3609	
	Byron, MI 48418			WoodG4@michigan.gov	
	Andy Bukowski		Contract Administrator	Arnold Vande Mark	MDOC
	810-266-4687			517-335-2083	
	andy@ipsequipment.com			VandemarkA@michigan.gov	
	CV0040047				

CONTRACT SUMMARY				
DESCRIPTION: Industrial Propane Preventative Maintenance Services				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW	
September 1, 2020	August 31, 2023	3-1 year	8/31/2023	
PAYMENT TERMS		DELIVERY TIMEFRAME		
Net 45				
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
☐ P-card ☐ Payment Request (PRC) ☐ Other			☐ Yes ☐ No	
MINIMUM DELIVERY REQUIREMENTS				
N/A				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
☒	1 year	☐		8/31/2024
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$124,884.00		\$39,644.00	\$164,528.00	
DESCRIPTION: Effective 9/1/2023, This contract is exercising the first option year and is increased by \$39,644.00. The revised contract expiration date is August 31, 2024. Please note the State's Program Manager has been changed to Gene Wood. The following Amendments are also incorporated into this contract Per Attached Amendment 1. The sections being updated include the following: -Contract terms and Conditions -Contract Statement of Work (Schedule A) All other terms, conditions, specifications and pricing remain the same. Per contractor and agency agreement, and DTMB Procurement approval.				

FOR THE CONTRACTOR:

Industrial Propane Service, Inc.

Company Name

E-SIGNED by Andy Bukowski
on 2023-06-23 10:12:17 EST

Authorized Agent Signature

Andy Bukowski

Authorized Agent (Print or Type)

2023-06-23 10:12:17 UTC

Date

FOR THE STATE:

E-SIGNED by Lia Gulick
on 2023-06-23 10:56:13 EST

Signature

Lia Gulick MDOC-PROC-PROC

Name & Title

State of Michigan

Agency

2023-06-23 10:56:13 UTC

Date

Amendment 1- Effective 9/1/2023

State of Michigan's Standard Contract Terms:

37. **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.

Schedule A- Statement of Work:

4.7 Vendor Rules and Regulations (formally Vendor Handbook)

The Contractor will require all contractual staff, including temporary and subcontractor staff, working inside an MDOC correctional facility to review and verify acceptance of the MDOC Vendor Rules and Regulations upon award of Contract. The purpose of the MDOC Vendor Rules and Regulations is to provide the Contractor with general information regarding basic requirements of providing services to the MDOC and provide notice of work rules. Any revisions to the document will be provided to the Contractor throughout the Contract period, and all contractual staff, including temporary and subcontractor staff, must comply with all documentation provided. The Contractor must maintain copies of their staff's completion certificates for auditing purposes.

10. Americans with Disabilities Act

The Contractor must comply with the Americans with Disabilities Act (ADA) and the Rehabilitation Act and must notify the designated MDOC PMCD Contract Manager or designee within 24 hours of any request for reasonable accommodation made by Contractor's staff, including temporary and subcontractor staff.

Please Note: All reasonable accommodation aids, services, and equipment needed for Contractor's staff, including temporary and subcontractor staff, is to be provided by the Contractor.

11. Insurance Submittal

The Contractor must provide insurance certificates to the Contract Administrator upon contract award, and twenty days prior to the expiration date for each policy (see Standard Contract Term #6). The certificates must be emailed to MDOC-Procurement@michigan.gov.

12. Procurement, Monitoring and Compliance Division

The Procurement, Monitoring, and Compliance Division (PMCD) provides oversight of MDOC contracts and ensures contractors are delivering services according to contract requirements. The Contract Manager or assigned Contract Monitor will serve as the lead for all contract related issues. They will ensure the contractual requirements are being met through monitoring activities such as: scheduling kick off meetings, developing monitoring plans, managing service level agreements and transition timelines, and partnering with the MDOC program manager to ensure deliverables are met.

Should any issue(s) arise with a contractor's performance, PMCD is engaged to document the issue(s) and may pursue a model of progressive discipline that leverages tools such as meetings, Corrective Action Plan Requests, and Vendor Performance letters. When a Corrective Action Plan Request is issued, the State requires that the Contractor confirm receipt and submit their Plan of Action within the timeframe outlined in the request. The State also requires that the Contractor must cure, at no additional cost to the State, any deficiency identified in a Corrective Action Plan Request. The Plan of Action must include a solution that resolves the issue so that it does not reoccur.

PMCD utilizes a progressive correction process for unsatisfactory vendor performance. PMCD reserves the right to utilize any of its contract compliance tools to address contract deficiency(cies) whether progressive or not. PMCD will utilize corrective action tools according to the significance of the contract deficiency.

13. MDOC Provided Training

Contractor and/or subcontractor staff, as applicable, providing services under the MDOC contract are required to complete MDOC training prior to providing services or entering into MDOC facilities. The training assigned will be specific to Contractor worksite, level of offender contact, and the services provided under the Contract. Contact the MDOC Contract Manager or designee with any questions concerning MDOC training.

Contractor and/or subcontractor staff must complete MDOC provided training annually before the end of training year. (The State's training year is October 1st through September 30th.)

Contractor and/or subcontractor staff must annually review and accept the MDOC Vendor Rules and Regulations document as one of the training requirements. (See Vendor Rules section 4.7.)

Any contractor staff and/or subcontractor staff who do not complete training by the annual September 30th training deadline may have their permission to provide contract deliverables revoked, as determined by the Program Manager or designee.



STATE OF MICHIGAN PROCUREMENT

Michigan Department of Corrections

206 E. Michigan Ave. Lansing, MI 48909

PO Box 30003 Lansing MI 48909

NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **200000001314**

between

THE STATE OF MICHIGAN

and

CONTRACTOR	Industrial Propane Services, Inc.
	303 W. Maple St.
	Byron, MI 48418
	Andy Bukowski
	810-266-4687
	andy@industrialpropaneservice.com
	CV0040047

STATE	Program Manager	Trever LeBarre	MDOC
		517-643-6518	
		Lebarret@michigan.gov	
	Contract Administrator	Arnold Vande Mark	MDOC
		517-335-2083	
		vandemarka@michigan.gov	

CONTRACT SUMMARY			
DESCRIPTION: Industrial Propane Preventative Maintenance Services			
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☐ P-card ☐ Payment Request (PRC) ☐ Other			☐ Yes ☐ 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 the solicitation #200000000820. Orders for Service will be issued directly by the Department of Corrections through the issuance of a Delivery Order Form. The Preventative maintenance must be completed annually in September, October, and November of every year of the contract for all of the listed Correctional Facilities. The annual service must be completed by December 30th of each year.			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$124,884.00

FOR THE CONTRACTOR:

Industrial Propane Service, Inc
Company Name

Jeff Vandemark President
Authorized Agent Signature

Jeff Vandemark President
Authorized Agent (Print or Type)

7/29/2020
Date

FOR THE STATE:

Lia Gulick
Signature

Lia Gulick Deputy Director
Name & Title

Department of Corrections
Agency

07/30/2020
Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Industrial Propane Services, Inc. (“**Contractor**”), a Michigan corporation. This Contract is effective on September 1, 2020 (“**Effective Date**”), and unless terminated, expires on August 31, 2023.

This Contract may be renewed for up to three (3) additional one (1) year periods. Renewal is at the sole discretion of the State and will automatically extend the Term of this Contract. The State will document its exercise of renewal options via Contract Change Notice.

The parties agree as follows:

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

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

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

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

- 2. Notices.** All notices and other communications required or permitted under this Contract must be in writing and will be considered given and received: (a) when 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:
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Arnold Vande Mark 206 E. Michigan Ave. Lansing MI 48909 VandemarkA@michigan.gov (517) 335-2083	Jeff VandeMark 303 Maple Ave. Byron, MI 48418 Jeff@industrialpropaneservice.com 800-621-4137
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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:
Arnold Vande Mark 206 E. Michigan Ave. Lansing MI 48909 VandemarkA@michigan.gov (517) 335-2083	Jeff VandeMark 303 Maple Ave. Byron, MI 48418 Jeff@industrialpropaneservice.com 800-621-4137

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:
Trever LeBarre 206 E. Michigan Ave. Lansing, MI 48909 LebarreT@michigan.gov (517) 335-2069	Andy Bukowski 303 Maple Ave. Byron, MI 48418 Andy@industrialpropaneservices.com 810-625-1613

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 of "A-" or better, and a financial size of VII or better.

Required Limits	Additional Requirements
Commercial General Liability Insurance	
<u>Minimum 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.
Automobile Liability Insurance	
<u>Minimum Limits:</u> \$1,000,000 Per Accident	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	
<u>Minimum Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimum Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
Professional Liability (Errors and Omissions) Insurance	
<u>Minimum Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate	

<u>Deductible Maximum:</u>	
\$50,000 Per Loss	

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

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or delivery order number, at Contract formation and within 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 to be construed in any manner as waiving, restricting or limiting the liability of either party for any obligations under this Contract (including any provisions hereof requiring Contractor to indemnify, defend and hold harmless the State).

7. **RESERVED**

8. **RESERVED**

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

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

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

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

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

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

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

15. **Ordering.** Contractor is not authorized to begin performance until receipt of authorization as identified in Schedule A.
16. **Acceptance.** Contract Activities are subject to inspection and testing by the State within 30 calendar days of the State's receipt of them ("**State Review Period**"), unless otherwise provided in Schedule A. If the Contract Activities are not fully accepted by the State, the State will notify Contractor by the end of the State Review Period that either: (a) the Contract Activities are accepted but noted deficiencies must be corrected; or (b) the Contract Activities are rejected. If the State finds material deficiencies, it may: (i) reject the Contract Activities without performing any further inspections; (ii) demand performance at no additional cost; or (iii) terminate this Contract in accordance with Section 24, Termination for Cause.

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

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

17. **RESERVED**
18. **RESERVED**
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. **RESERVED**
21. **Terms of Payment.** Invoices must conform to the requirements communicated from time-to-time by the State. All undisputed amounts are payable within 45 days of the State's receipt. Contractor may only charge for

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

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

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

22. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Schedule A.
23. **Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or delivery order. The State will not pay for Contract Activities, Contractor's lost profits, or any additional compensation during a stop work period.
24. **Termination for Cause.** The State may terminate this Contract for cause, in whole or in part, if Contractor, as determined by the State: (a) endangers the value, integrity, or security of any location, data, or personnel; (b) becomes insolvent, petitions for bankruptcy court proceedings, or has an involuntary bankruptcy proceeding filed against it by any creditor; (c) engages in any conduct that may expose the State to liability; (d) breaches any of its material duties or obligations; or (e) fails to cure a breach within the time stated in a notice of breach. Any reference to specific breaches being material breaches within this Contract will not be construed to mean that other breaches are not material.

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

25. **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 26, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.

26. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 360 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.
27. **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.

28. **Infringement Remedies.** If, in either party's opinion, any piece of equipment, software, commodity, or service supplied by Contractor or its subcontractors, or its operation, use or reproduction, is likely to become the subject of a copyright, patent, trademark, or trade secret infringement claim, Contractor must, at its expense: (a) procure for the State the right to continue using the equipment, software, commodity, or service, or if this option is not reasonably available to Contractor, (b) replace or modify the same so that it becomes non-

infringing; or (c) accept its return by the State with appropriate credits to the State against Contractor's charges and reimburse the State for any losses or costs incurred as a consequence of the State ceasing its use and returning it.

29. **Limitation of Liability and Disclaimer of Damages.** IN NO EVENT WILL THE STATE'S AGGREGATE LIABILITY TO CONTRACTOR UNDER THIS CONTRACT, REGARDLESS OF THE FORM OF ACTION, WHETHER IN CONTRACT, TORT, NEGLIGENCE, STRICT LIABILITY OR BY STATUTE OR OTHERWISE, FOR ANY CLAIM RELATED TO OR ARISING UNDER THIS CONTRACT, EXCEED THE MAXIMUM AMOUNT OF FEES PAYABLE UNDER THIS CONTRACT. The State is not liable for consequential, incidental, indirect, or special damages, regardless of the nature of the action.
30. **Disclosure of Litigation, or Other Proceeding.** Contractor must notify the State within 14 calendar days of receiving notice of any litigation, investigation, arbitration, or other proceeding (collectively, "**Proceeding**") involving Contractor, a subcontractor, or an officer or director of Contractor or subcontractor, that arises during the term of the Contract, including: (a) a criminal Proceeding; (b) a parole or probation Proceeding; (c) a Proceeding under the Sarbanes-Oxley Act; (d) a civil Proceeding involving: (1) a claim that might reasonably be expected to adversely affect Contractor's viability or financial stability; or (2) a governmental or public entity's claim or written allegation of fraud; or (e) a Proceeding involving any license that Contractor is required to possess in order to perform under this Contract.
31. **State Data.** All data and information provided to Contractor by or on behalf of the State, and all data and information derived therefrom, is the exclusive property of the State ("**State Data**"); this definition is to be construed as broadly as possible. Upon request, Contractor must provide to the State, or a third party designated by the State, all State Data within 10 calendar days of the request and in the format requested by the State. Contractor will assume all costs incurred in compiling and supplying State Data. No State Data may be used for any marketing purposes.
32. **RESERVED**
33. **Non-Disclosure of Confidential Information.** The parties acknowledge that each party may be exposed to or acquire communication or data of the other party that is confidential, privileged communication not intended to be disclosed to third parties. 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.

34. **RESERVED**

35. **RESERVED**

36. **RESERVED**

37. **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.

38. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities;

(e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 24, Termination for Cause.

39. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
40. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
41. **Prevailing Wage.** Contractor must comply with prevailing wage requirements, to the extent applicable to this Contract.
42. **RESERVED**
43. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and Executive Directive 2019-09. Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.
44. **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.
45. **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.
46. **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.
47. **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.

48. **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.

49. **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.
50. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
51. **Schedules.** All Schedules and Exhibits that are referenced herein and attached hereto are hereby incorporated by reference. The following Schedules are attached hereto and incorporated herein:

Schedule A

Statement of Work

Schedule B

Pricing

52. **Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and schedules and exhibits which are hereby expressly incorporated, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
53. **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.
54. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
55. **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.

56. **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 / Master Agreement No. 200000001314
Industrial Propane Preventative Maintenance Services

SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES

BACKGROUND

The Michigan Department of Corrections (MDOC) has 12 correctional facilities throughout the State of Michigan that have alternate fuel systems called Propane Blending Systems. These systems were installed to provide back-up in the event the MDOC lost natural gas supply. Currently the MDOC has two facilities that are not operational because the facilities are currently closed. This Contract is for annual inspections to the 12 facilities listed in Schedule C, Correction Facility Locations.

SCOPE

This Contract is for annual inspections of the Industrial Propane Systems at the 12 facilities listed in Schedule C, Correctional Facility Locations. MDOC may add or delete locations and/or requirements based on need throughout the life of the Contract.

REQUIREMENTS

The Contractor must provide preventative maintenance, startup, and training for the facilities listed in Delivery Order(s). This includes, but is not limited to:

- A. Evaluate condition of equipment for operability.
- B. Startup systems-vaporizer(s), pumps, and mixing systems.
- C. Complete a load test.
- D. Advise the MDOC of necessary repairs.
- E. Check calibration and pressure settings to test flare.
- F. Introduce mixed product to system and observe process operations.
- G. Prepare recommended spare parts lists.
- H. Ensure proper signage and safety markings of required industry Codes and Standards are visible and legible.
- I. Test glycol to ensure adequate rust inhibitor levels.
- J. Bring facility equipment on-line and check for proper operation.
- K. Provide training regarding National Fire Protection Association (NFPA) Codes and Standards, Industry Standard Best Practices, as well as unit functionality and troubleshooting to facility staff. Training will be provided during the inspections and service maintenance as questions or issues arise.
- L. Ensure equipment meets all applicable industry rules, codes, and standards.
- M. Prepare Services Reports, noting condition of the equipment with recommendations (if required) of repairs or upgrades required to maintain compliance with NFPA Codes and Standards.
- N. Identify equipment repair requirements and perform recommended repairs after receiving approval.

Additional Requirements:

- A. The Preventative maintenance must be completed annually within the time window of September, October, and November for all years of Contract activity for all of the listed correctional facilities in Schedule C. The annual service must be completed by December 30th of each year.
- B. The Contractor shall contact the Program Manager prior to July 1st of each year to coordinate a schedule with the MDOC Physical Plant for inspections. Contractor shall provide a complete written schedule to the Program Manager prior to September 1st of each year.
- C. The Contractor employees must have a valid and current mechanical license throughout the term of this Contract. The Contractor must provide current mechanical licenses upon request.

- D. The Contractor must be Hazardous Material HM126F certified at all times during the contract period. The Contractor must provide a copy of the HM126F Certification upon request during the life of the Contract.

1. General Requirements

1.1. Transition

Contractor must work with MDOC to transition into and out of this Contract. Upon award, Contractor is responsible for, but not limited to:

- A. Ensuring their identified Inspector(s) are LEIN cleared and approved to enter MDOC facilities and be on MDOC property. (See Section 4.6)
- B. Develop a standard list of items/tools that are needed for inspections for review and approval by MDOC Program Manager and facilities. (See Section 4.6)

1.2. Training

The Contractor must provide the following training as needed to MDOC facility employees during annual inspections:

- A. Training relative to NFPA Codes and Standards;
- B. Industry Standard Best Practices;
- C. Unit Functionality and Troubleshooting; and
- D. Operation of the systems and maintenance and operation of equipment.

The Contractor must provide documentation and training materials when requested. If requested, the Contractor must provide within 30 calendar days of request.

2. Services Levels

2.1. Time Frames

All Contract Activities must be completed by December 30th of each Calendar year of the Contract for each correctional facility identified in Schedule C with exception of the first year (2020) if the facility has already been completed by the previous Contractor under a separate contract.

3. Acceptance

3.1. Acceptance, Inspection and Testing

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

- A. MDOC will consider contract activities accepted once all required reports are submitted to and approved by MDOC Program Manager or designee on an annual basis.
- B. If it is determined that a site was missed, work was not accepted as completed, or reports are missing information or are determined incomplete by MDOC Program Manager or designee, the Contractor is responsible for rework at no additional charge to the State within 10 business days of notification.

4. Staffing

4.1. Contractor Representative

The Contractor must appoint one (1) Project Manager, specifically assigned to State of Michigan accounts, that will respond to State inquiries regarding the Contract Activities, answering questions related to services and reports, etc. (the "Contractor Representative").

The Contractor must notify the MDOC Contract Administrator at least 30 calendar days before removing or assigning a new Contractor Representative.

4.2. Customer Service Toll-Free Number

The Contractor's Customer Service number to make contract with the Contractor Representative is **800-621-4137**. The Contractor Representative must be available for calls during the hours of 8 am to 5 pm EST.

4.3. Work Hours

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

4.4. Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors during the contract term, the Contractor must disclose to the MDOC Contract Administrator the following:

- A. The legal business name;
- B. Address;
- C. Telephone number;
- D. A description of subcontractor's organization and the services it will provide;
- E. Information concerning subcontractor's ability to provide the Contract Activities;
- F. The relationship of the subcontractor to the Contractor;
- G. Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship; and
- H. A complete description of the Contract Activities that will be performed or provided by the subcontractor.

Contractor must submit this information and obtain written approval by the State 30 days prior to any work being completed by any Subcontractor.

4.5. Security

- A. The Contractor, its staff, and any subcontractor staff will be subject the following security procedures:
 - 1. No active warrants or pending charges on any staff assigned to this contract.
 - 2. May not be under Federal, State or local jurisdiction as a prisoner. Must be off of Federal, State or local jurisdiction for five years from the date of discharge. Felony ex-prisoners will not be considered as contracted staff until they have been discharged from all sentences, including parole and probation, and are approved by the Deputy Director of the Correctional Facilities Administration (CFA). MDOC reserves the right to approve or decline applicants who have been involved in the criminal justice system depending on the circumstances.
 - 3. Not under investigation or under disciplinary action of the Michigan Department of Licensing and Regulatory Affairs.
 - 4. Has not engaged in sexual abuse in a prison, jail, lockup, community confinement facility, juvenile facility or other institution as defined in 42 U.S.C. 1997;
 - 5. Has not been convicted of engaging in, attempting to engage in or conspiracy to engage in sexual activity facilitated by force, overt or implied threats of force or coercion, or if the victim did not consent or was unable to consent or refuse.
 - 6. Has not been civilly or administratively adjudicated to have engaged in the activity described above.
 - 7. The MDOC may investigate the Contractor's and subcontractor's personnel before they may have access to MDOC facilities and systems. The scope of the background check is at the discretion of the MDOC and the results will be used to determine Contractor personnel eligibility for working within MDOC facilities and systems. The investigations will include Michigan State Police Background checks (ICHAT) and the Law Enforcement Information Network (LEIN) and may include the National Crime Information Center (NCIC) Finger Prints. Proposed Contractor personnel may be required to complete and submit an RI-8 Fingerprint Card for the NCIC Finger Print Check. Any request for background checks will be initiated by the MDOC and will be reasonably related to the type of work requested.

8. All delivery drivers, Contractor's and subcontractor's staff and technicians that are entering an MDOC facility must be LEIN cleared by MDOC at least 72 hours prior to facility entry. The Contractor's personnel must be LEIN cleared and received written approval from the MDOC's Contract Manager initially and annually by MDOC prior to any work with MDOC prisoners. The Contractor should attempt to get any and all staff/inspectors that potentially could go into a secure facility during the life of the contract pre-cleared through LEIN before a need is recognized. Should an emergency arise, MDOC may be able to LEIN clear individuals less than 72 hours if approved by the Contract Manager.
9. The Contractor and subcontractor personnel must request LEIN clearance in writing. The completed LEIN Information Form must be sent to and approved by MDOC prior to Contractor's personnel working with MDOC prisoners and annually following approval. There is no cost associated with the LEIN. The LEIN form and email address will be provided to the Contract awardee(s).
10. The Contractor must document if a Contractor's or subcontractor's personnel assigned to the Contract is related to or acquainted with a prisoner incarcerated and under the jurisdiction of the MDOC. For Contractor's personnel who are related to or acquainted with a prisoner, the Contractor's staff member must complete the Prisoner Contact Exception Request (CAJ-202) and submit it to the MDOC Program Manager or designee. The Contractor must ensure its personnel complete the form and notify the MDOC Program Manager of any changes throughout the contract term. The Contractor's and subcontractor's personnel will be required to enter State facilities. The State may require the Contractor's and subcontractor's personnel to wear State issued identification badges.
11. All vehicles entering a correctional facility must be inspected before entry of the secure perimeter.
12. The Contractor's and subcontractor's personnel must anticipate delays when visiting any correctional facility due to issues within the facility.
13. The Contractor's personnel must comply with the State's security and acceptable use policies for State IT equipment and resources. Furthermore, Contractor personnel must agree to the State's security and acceptable use policies before the Contractor personnel will be accepted as a resource to perform work for the State. The Contractor must present these documents to prospective Contractor personnel before the Contractor presents the individual to the State as a proposed resource. Contractor personnel must comply with all physical security procedures in place within the facilities where they are working.
14. The MDOC reserves the right to deny access to any correctional facility to anyone who fails to comply with any applicable State, Federal or local law, ordinance or regulation or whose presence may compromise the security of the facility, its members or staff. Weapons, alcoholic beverages, poison, and prescription drugs and controlled substances without written certification of needs from a licensed physician (does not include medical supplies for the facility), cellular devices, cameras, and audio or visual recording devices are prohibited from being brought into all MDOC correctional facilities. Tobacco products and smoking also are prohibited both inside a correctional facility and on facility grounds except as specifically authorized by MDOC policy. Wardens may prohibit other items from being brought into their respective correctional facilities.
15. Security is the facility's first priority and the Contractor and Contractor Personnel must be responsive and respectful of these needs.

16. The Contractor, Contractor's, and subcontractor's personnel must comply with and cooperate with all correctional facility rules, procedures and processes as well as State and federal laws. Contractor personnel must ensure that they are complying with all facility rules and regulations including, but not limited to, dress code and items allowed to be possessed.
 17. The Contractor's and subcontractor's personnel must follow the facility entry, exit, manifest process, to include the following: The Contractor personnel will receive an orientation and training by the MDOC on security, procedures, etc., inside the correctional facility. The Contractor must maintain a copy of the Contractor personnel's training certificates in the appropriate file for auditing purposes.
 - a) The Contractor personnel must follow all MDOC rules, procedures and security processes at all times.
 - b) The Contractor must ensure that all Contractor personnel working in a correctional facility are familiar and in compliance with the necessary routines and increased awareness of working inside a facility. Working inside the facility requires that the Contractor personnel develop positive and cooperative relationships with MDOC facility staff.
 18. The Contractor personnel must report any concerns, issues, or rule violations to the MDOC facility staff immediately.
 - a) The Contractor personnel must use the MDOC facility staff as a resource for questions and guidance working with prisoners and inside a correctional facility.
 - b) The Contractor personnel must defer to MDOC correctional facility staff for directions. The Contractor personnel must remember they are a guest in the facility and that security is the first priority of the facility.
 19. Contractor may be required to complete MDOC specific trainings and/or orientations before entering MDOC Facilities and during the life of the contract at no additional cost to MDOC.
- B. The Contractor's staff will also be dressed in company attire with logos, and will include the company name on vehicles and equipment used to complete services.
 - C. The State may require the Contractor's personnel to wear State issued identification badges.

4.6. Prison Rape Elimination Act of 2003 (PREA), 42 U.S.C. § 15601

- A. The Contractor and the Contractor Personnel shall comply with the Final Rule implementing PREA, all applicable PREA standards (Schedule E- PREA Standards) and the agency's policies. The Contractor and Contractor Personnel shall make itself familiar with and at all times shall observe and comply with all PREA regulations which in any manner affect the performance under this Contract. Failure to comply with the PREA standards and related policies of the MDOC will be considered a breach of contract and may result in termination of the contract.
- B. Contract Personnel who may have contact with prisoners must complete PREA training Program A - Correctional Facilities Administration (CFA) Security Regulations (Schedule F- CFA Security Regulations) prior to entrance in any MDOC Facility. Upon completion, Contractor Personnel shall submit a signed memorandum to the Contract Administrator documenting completion of the training and date of completion.

4.7. Vendor Handbook

- A. The Contractor must require all its employees working inside an MDOC correctional facility to read and sign the MDOC Vendor Handbook (Schedule G-MDOC Vendor Handbook). The purpose of the MDOC Vendor Handbook is to provide contractors with general information regarding basic requirements of working within the MDOC, provide notice of work rules and consequences of rule

violations. The awarded Contractor must provide copies of each signed Employee Acknowledgment to the PM at the completion of the employee orientation.

5. Project Management

5.1. Project Plan

The Contractor will carry out this service under the direction and control of the MDOC Program Manager.

5.2. Meetings

The Contractor must attend the following meetings:

- A. Kickoff meeting within 30 calendar days of the Effective Date of the Contract.
- B. Any additional meeting the State deems appropriate.

5.3. Reporting

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

- A. Annual Service Report noting condition of all equipment with recommendation (if required) of repairs or upgrades required to maintain compliance with NFPA Codes and Standards.
- B. Any additional report the State deems appropriate

6. Pricing

6.1. Price Term

Pricing is firm for the entire length of the Contract.

6.2. Price Changes

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

Following the presentation of supporting documentation, both parties will have 30 days to review the information and prepare a written response. If the review reveals no need for modifications, pricing will remain unchanged unless mutually agreed to by the parties. If the review reveals that changes are needed, both parties will negotiate such changes, for no longer than 30 days, unless extended by mutual agreement.

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

7. Ordering

7.1. Authorizing Document

The appropriate authorizing document for the Contract will be Delivery Order.

8. Invoice and Payment

8.1. Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) delivery order number; (c) facility; (d) description of the Contract Activities; (e) Contract (MA) number; (f) unit price; (g) Master Agreement (Contract) Number; and (h) total price. Overtime, holiday pay, and travel expenses will not be paid.

Invoices shall be emailed to MDOCAP@michigan.gov.

8.2. Payment Methods

The State will make payment for Contract Activities via Electronic Funds Transfer (EFT).

Payment will be due within 45 days of receipt of invoice or completion of services, whichever is later.

8.3. Procedure

All Services must be completed before December 31 of each contract year.

9. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$25 per day for each day Contractor fails to remedy the late or improper completion of the Work, as well as any Federal, State, or Local fines levied against MDOC due to late or flawed work of the Contractor.

STATE OF MICHIGAN

Contract / Master Agreement No. **200000001314**
Industrial Propane Preventative Maintenance Services

SCHEDULE B PRICING

Quick payment terms: 1 % discount off invoice if paid within 10 days after receipt of invoice.

Year #	Description	Unit	Unit Cost
1.	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,375.00
2.	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,482.00
3.	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,550.00
4. (Optional)	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,604.00
5. (Optional)	Provide Preventative Maintenance, Startup, and training on propane blending systems.	Each Facility	\$3,660.00