

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

NOTICE OF CONTRACT NO. 071B5500134

between

THE STATE OF MICHIGAN

and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
Royal Oak Storage (Royal Oak Mini Storage, LLC) 313 Hudson Street Royal Oak, MI 48607	Andrea Hoff	andrea@royaloakstorage.com
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(248) 591-6580	3412

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	DTMB	Brice Sample	(517) 335-9450	sampleb@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	David Hatch	(517) 284-7044	hatchd@michigan.gov

CONTRACT SUMMARY

DESCRIPTION:

Record Storage Services for Quad Counties

INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
3 Years	September 1, 2015	August 31, 2018	5, one year
PAYMENT TERMS	F.O.B.	SHIPPED TO	
N/A	N/A	N/A	
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:			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:		\$4,905,948.00	

For the Contractor:

_____,
Contract Administrator

Date

For the State:

_____,

State of Michigan

Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and Royal Oak Mini Storage, LLC dba Royal Oak Storage (“**Contractor**”), a Michigan Limited Liability Company. This Contract is effective on September 1, 2015 (“**Effective Date**”), and unless terminated or renewed, expires in three years on August 31, 2018.

This Contract may be renewed for up to five (5) additional one (1) year period(s) in any combination of full year periods up to a maximum contract length of eight years (3 base years plus 5 one year options). Renewal must be by written agreement of the parties.

This Contract may be used by all public entities listed in Exhibit A, Section 1.011 including all State agencies and local units of government; including but not limited to municipalities, counties, townships, school districts, public colleges and universities, etc.

The parties agree as follows:

1. **Duties of Contractor.** Contractor must perform the services and provide the deliverables described in **Exhibit 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 Exhibit 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:
<i>David Hatch 525 W. Allegan, 1st Floor Lansing, MI 48933 hatchd@michigan.gov 517-284-7044</i>	<i>Andrea Hoff 313 E Hudson Ave Royal Oak, MI 48067 andrea@royaloakstorage.com 248-591-6580</i>

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

If to State:	If to Contractor:
<i>David Hatch 525 W. Allegan, 1st Floor Lansing, MI 48933 hatchd@michigan.gov 517-284-7044</i>	<i>Ed Mamou 313 E Hudson Ave Royal Oak, MI 48067 ed@rorecycling.com 248-541-4020</i>

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**”):

If to State:	If to Contractor:
<i>Brice Sample 3400 N. Grand River Ave Lansing, MI 48909 sampleb@michigan.gov 517-335-9450</i>	<i>Andrea Hoff 313 E Hudson Ave Royal Oak, MI 48067 andrea@royaloakstorage.com 248-591-6580</i>

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 Exhibit 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, or 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.



Insurance Type	Additional Requirements
Commercial General Liability Insurance	
<p><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</p> <p><u>Deductible Maximum:</u> \$50,000 Each Occurrence</p>	<p>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 using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 04; (2) include a waiver of subrogation; and (3) for a claims-made policy, provide 3 years of tail coverage.</p>
Umbrella or Excess Liability Insurance	
<p><u>Minimal Limits:</u> \$5,000,000 General Aggregate</p>	<p>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 a waiver of subrogation.</p>
Motor Vehicle Insurance	
<p><u>Minimal Limits:</u> \$1,000,000 Per Occurrence</p>	
Workers' Compensation Insurance	
<p><u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.</p>	<p>Waiver of subrogation, except where waiver is prohibited by law.</p>
Employers Liability Insurance	
<p><u>Minimal Limits:</u> \$100,000 Each Accident \$100,000 Each Employee by Disease \$500,000 Aggregate Disease.</p>	
Cyber Liability Insurance	
<p><u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual Aggregate</p>	<p>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) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.</p>
Hired and Non-Owned Motor Vehicle Insurance	
<p><u>Minimal Limits:</u> \$1,000,000 Per Accident</p>	<p>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 a waiver of subrogation.</p>



If Contractor's policy contains limits higher than the minimum limits, the State is entitled to coverage to the extent of the higher limits. The minimum limits are not intended, and may not be construed to limit any liability or indemnity of Contractor to any indemnified party or other persons.

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase 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.

7. **Administrative Fee and Reporting.** Contractor must pay an administrative fee of 1% on all payments made to Contractor under the Contract including transactions with the State (including its departments, divisions, agencies, offices, and commissions), MiDEAL members, and other states (including governmental subdivisions and authorized entities). Administrative fee payments must be made by check payable to the State of Michigan and mailed to:

Department of Technology, Management and Budget
Financial Services – Cashier Unit
Lewis Cass Building
320 South Walnut St.
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.

8. **Extended Purchasing Program.** The Contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, public 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 negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, extended purchasing program 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, provide all necessary documentation and signatures, and continue to perform, with the third party, its obligations under the Contract.
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 Exhibit 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 Exhibit 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. **Reserved.**

18. **Reserved.**

19. **Reserved.**

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 Exhibit 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 Contract Activities purchased under the Contract are for the State's exclusive use. Prices are exclusive of all taxes, and Contractor is solely responsible for payment of any applicable taxes.

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/cpexpress> 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 Exhibit 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 purchase 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. Reserved.

31. State Data.

- a. Ownership. The State's data ("**State Data,**" which will be treated by Contractor as Confidential Information) includes: (a) the State's data collected, used, processed, stored, or generated as the result of the Contract Activities; (b) personally identifiable information ("**PII**") collected, used, processed, stored, or generated as the result of the Contract Activities, including, without limitation, any information that identifies an individual, such as an individual's social security number or other government-issued identification number, date of birth, address, telephone number, biometric data, mother's maiden name, email address, credit card information, or an individual's name in combination with any other of the elements here listed; and, (c) personal health information ("**PHI**") collected, used, processed, stored, or generated as the result of the Contract Activities, which is defined under the Health Insurance Portability and Accountability Act (HIPAA) and its related rules and regulations. State Data is and will remain the sole and exclusive property of the State and all right, title, and interest in the same is reserved by the State. This Section survives the termination of this Contract.
- b. Contractor Use of State Data. Contractor is provided a limited license to State Data for the sole and exclusive purpose of providing the Contract Activities, including a license to collect, process, store, generate, and display State Data only to the extent necessary in the provision of the Contract Activities. Contractor must: (a) keep and maintain State Data in strict confidence, using such degree of care as is appropriate and consistent with its obligations as further described in this Contract and applicable law to avoid unauthorized access, use, disclosure, or loss; (b) use and disclose State Data solely and exclusively for the purpose of providing the Contract Activities, such use and disclosure



being in accordance with this Contract, any applicable Statement of Work, and applicable law; and (c) not use, sell, rent, transfer, distribute, or otherwise disclose or make available State Data for Contractor's own purposes or for the benefit of anyone other than the State without the State's prior written consent. This Section survives the termination of this Contract.

- c. Extraction of State Data. Contractor must, within one (1) business day of the State's request, provide the State, without charge and without any conditions or contingencies whatsoever (including but not limited to the payment of any fees due to Contractor), an extract of the State Data in the format specified by the State.
- d. Backup and Recovery of State Data. Unless otherwise specified in Exhibit A, Contractor is responsible for maintaining a backup of State Data and for an orderly and timely recovery of such data. Unless otherwise described in Exhibit A, Contractor must maintain a contemporaneous backup of State Data that can be recovered within two (2) hours at any point in time.
- e. Loss of Data. In the event of any act, error or omission, negligence, misconduct, or breach that compromises or is suspected to compromise the security, confidentiality, or integrity of State Data or the physical, technical, administrative, or organizational safeguards put in place by Contractor that relate to the protection of the security, confidentiality, or integrity of State Data, Contractor must, as applicable: (a) notify the State as soon as practicable but no later than twenty-four (24) hours of becoming aware of such occurrence; (b) cooperate with the State in investigating the occurrence, including making available all relevant records, logs, files, data reporting, and other materials required to comply with applicable law or as otherwise required by the State; (c) in the case of PII or PHI, at the State's sole election, (i) notify the affected individuals who comprise the PII or PHI as soon as practicable but no later than is required to comply with applicable law, or, in the absence of any legally required notification period, within 5 calendar days of the occurrence; or (ii) reimburse the State for any costs in notifying the affected individuals; (d) in the case of PII, provide third-party credit and identity monitoring services to each of the affected individuals who comprise the PII for the period required to comply with applicable law, or, in the absence of any legally required monitoring services, for no less than twenty-four (24) months following the date of notification to such individuals; (e) perform or take any other actions required to comply with applicable law as a result of the occurrence; (f) without limiting Contractor's obligations of indemnification as further described in this Contract, indemnify, defend, and hold harmless the State for any and all claims, including reasonable attorneys' fees, costs, and expenses incidental thereto, which may be suffered by, accrued against, charged to, or recoverable from the State in connection with the occurrence; (g) be responsible for recreating lost State Data in the manner and on the schedule set by the State without charge to the State; and, (h) provide to the State a detailed plan within 10 calendar days of the occurrence describing the measures Contractor will undertake to prevent a future occurrence. Notification to affected individuals, as described above, must comply with applicable law, be written in plain language, and contain, at a minimum: name and contact information of Contractor's representative; a description of the nature of the loss; a list of the types of data involved; the known or approximate date of the loss; how such loss may affect the affected individual; what steps Contractor has taken to protect the affected individual; what steps the affected individual can take to protect himself or herself; contact information for major credit card reporting agencies; and, information regarding the credit and identity monitoring services to be provided by Contractor. This Section survives the termination of this Contract.

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 non-State Data Confidential Information is not feasible,



such party must destroy the non-State Data Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party.

33. Data Privacy and Information Security.

- a. Undertaking by Contractor. Without limiting Contractor's obligation of confidentiality as further described, Contractor is responsible for establishing and maintaining a data privacy and information security program, including physical, technical, administrative, and organizational safeguards, that is designed to: (a) ensure the security and confidentiality of the State Data; (b) protect against any anticipated threats or hazards to the security or integrity of the State Data; (c) protect against unauthorized disclosure, access to, or use of the State Data; (d) ensure the proper disposal of State Data; and (e) ensure that all employees, agents, and subcontractors of Contractor, if any, comply with all of the foregoing. In no case will the safeguards of Contractor's data privacy and information security program be less stringent than the safeguards used by the State, and Contractor must at all times comply with all applicable State IT policies and standards, which are available to Contractor upon request.
- b. Audit by Contractor. No less than annually, Contractor must conduct a comprehensive independent third-party audit of its data privacy and information security program and provide such audit findings to the State.
- c. Right of Audit by the State. Without limiting any other audit rights of the State, the State has the right to review Contractor's data privacy and information security program prior to the commencement of Contract Activities and from time to time during the term of this Contract. During the providing of the Contract Activities, on an ongoing basis from time to time and without notice, the State, at its own expense, is entitled to perform, or to have performed, an on-site audit of Contractor's data privacy and information security program. In lieu of an on-site audit, upon request by the State, Contractor agrees to complete, within 45 calendar days of receipt, an audit questionnaire provided by the State regarding Contractor's data privacy and information security program.
- d. Audit Findings. Contractor must implement any required safeguards as identified by the State or by any audit of Contractor's data privacy and information security program.
- e. State's Right to Termination for Deficiencies. The State reserves the right, at its sole election, to immediately terminate this Contract or a Statement of Work without limitation and without liability if the State determines that Contractor fails or has failed to meet its obligations under this Section.

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 7 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. 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.
- 42. 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.
- 43. 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.



- 44. 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.
- 45. 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.
- 46. 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.
- 47. 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.
- 48. Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
- 49. Order of Precedence.** In the event of a conflict between the terms and conditions of the Contract, the exhibits, a purchase order, or an amendment, the order of precedence is: (a) the purchase order; (b) the amendment; (c) Exhibit A; (d) any other exhibits; and (e) the Contract.
- 50. 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.
- 51. Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
- 52. 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.
- 53. Entire Contract and Modification.** This Contract is the entire agreement and replaces all previous agreements between the parties for the Contract Activities. This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**").



Exhibit A Statement of Work (SOW)

1.010 Project Identification

1.011 Project Request

This is a Contract for off-site document storage and retrieval services for State of Michigan (SOM) Agencies and local units of government. Local units of government include, but are not limited to, municipalities, counties, townships, school districts, public colleges and universities, etc. The services will first be implemented within a multi-county (Wayne, Macomb, Oakland and Genesee) area. This Contract allows for future expansion and utilization to other counties and Agencies within the State.

The Department of Technology, Management and Budget (DTMB), Office of Support Services (OSS), Records Management Services (RMS) establishes this Contract that Agencies must utilize to store their inactive, boxed records off-site, if not at the State Record Center. Agencies that are not within the initial geographic areas of this Contract are not obligated to use this Contract, as new geographic areas are agreed upon by the State and Contractor Agencies will be required to utilize this contract at the discretion of RMS.

The Contract includes the following classification of inactive records stored. The preferred format is boxed storage.

1. Box Storage – These records will consist of a variety of boxed material that may include, but not be limited to, fiscal records, contract records, internal customer records, personnel records, administrative records, case files, etc.

The Contract includes tiered pricing based on increased volumes (i.e. a discount to the State for larger volumes of document storage and use of services).

1.012 Background

DTMB, RMS is responsible for managing the creation, maintenance, preservation and disposition of the records of all State departments and agencies. RMS is also responsible for assisting local governments with their records management needs.

Due to Agencies being consolidated and moved together to reduce their office space, the amount of office space available for storage of inactive records has become an issue. In many cases the volume of records needing to be stored has forced Agencies to seek alternative means for storing their records outside of their office space.

RMS must ensure that the records are being maintained properly and that the established retention & disposal schedules are being followed appropriately. Doing so will reduce the volume being stored and reduce the risk associated with not following the retention & disposal schedules.

1.020 Scope of Work and Deliverables

1.021 In Scope

The following applies to the overall management, storage and retrieval of records stored by State or local government agencies.

All State Agencies and local units of government that utilize Contractor's records management, storage, and retrieval services must do so under the direction and control of RMS. Request for storage of State records must originate from within the individual offices of the various State Agencies. To assure that all administrative, fiscal, legal and historical needs of the State government are provided for efficiently and cost-effectively, all requests to utilize this Contract require an approved SOW from RMS. **No documents are to be stored by the Contractor without RMS approval.** Local Units of Government that utilize this Contract must have individual SOWs and billing will operate the same way through RMS.



The Contractor must provide a full range of storage and logistical services to the Agencies that are unable to utilize the SOM Record Center in Lansing, MI, due to logistical issues or excessive volume and/or retrieval demands on a centrally managed basis. Turnaround time for the various records being stored vary, requiring either same day pickup or eight business hours (Next Day) from receipt of request. The intent of this Contract is to store inactive, boxed records, however, in rare occurrences certain record collections may require 24/7 access. These situations will be specifically addressed and the terms and conditions specified in a SOW.

The Contractor must:

1. Provide safe, secure storage for various SOM records.
2. Be responsible for records in Contractor care and custody from acceptance of material at Contractor facility or pick-up from State, during transport, storage, and until delivered back to the State's custody.
3. Provide storage and retrieval of hardcopy paper documents that meet the SOM specifications in boxes supplied by the SOM.
4. Retrieve items stored by Agencies and perform internal electronic tracking within the Contractor's facility.
5. Refile previously retrieved items into their proper container(s), and/or interfile new items into existing containers as instructed and allowed for in a SOW.
6. Label all media appropriately with Agency identification and content identification.
7. Assist the Agencies in developing a Statement of Work (SOW) for new storage applications as needed.
8. Advise the requesting Agency and RMS regarding storage solutions.
9. Provide pickup and delivery services.
10. Perform destruction of records according to State specifications.

1.022 Work and Deliverable

The Contractor must provide deliverables/services and staff, and otherwise do all things necessary for or incidental to the performance of work, as set forth below:

The Contractor must develop an overall project framework as a basis for attaining the objectives of each requested SOW. Essential to the process of this is the preparation of a sound approach to attaining the objectives of each project. The Contractor must advise the requesting Agency and the RMS of the best method for securing cost effective storage and handling of material associated with this Contract. The Contractor must assist the requesting Agency in identifying techniques that can be deployed to reduce the cost associated with indexing material to be stored and its associated costs.

The following is a preliminary analysis of the major tasks associated with this Contract; Agency specific SOWs may have additional tasks.

A. Statement of Work (SOW)

The Contractor must:

1. Assist agency in preparing a Statement of Work (SOW) for a cost effective solution under this contract. The Contractor must develop the SOW with agency within two to three weeks from time of request for SOW assistance. There must be no direct charge associated with this task. Contractor must provide a sample SOW that an agency (or other public entity would use) with proposal.
2. Agree and sign a SOW, and get Agency and Contract Compliance Inspector (CCI) approval, for each new record collection prior to any pickup or storage being performed. The CCI's role is to ensure compliance with state law, best practices as it relates to Records Management and the terms and conditions of this contract.



3. Include all information necessary to identify all billable tasks, accounting codes and other information deemed necessary to obtain an accurate estimate of the cost associated with the off-site storage and handling, in the SOW. The SOW must include, but may not be limited to, the following:
 - a. Agency customer information (including billing/budget codes)
 - b. Contact information
 - c. Record Series number for record being stored
 - d. Retention period
 - e. Scope and objective of the project
 - f. Pickup and delivery schedule
 - g. Document preparation specifications (If applicable)
 - h. Indexing specifications
 - i. Product finishing and labeling specifications
 - j. Quantitative cost estimate and line item detail
 - k. Any other information deemed relevant to the project
4. File a copy of the final signed and approved SOW with the RMS. Any changes to the process, only of the SOW, must be agreed upon in writing by the CCI and the Contractor and filed with the SOW. Changes in services on a SOW, that have a quality or financial impact, require signatures from the Agency, CCI and Contractor.
5. Coordinate the pickup and delivery of materials and products in accordance with the SOW.

B. General Requirements

The Contractor must:

1. House and staff all services performed under this Contract within the United States of America (preferably in the State of Michigan). All records storage facilities under this contract must be in the State of Michigan. The initial facility should be in one of these four State of Michigan counties – Wayne, Genesee, Oakland, or Maycomb (or close enough to provide services under the terms of this contract).

Contractor Response

Royal Oak Storage (ROS) is a Michigan company headquartered at 313 East Hudson, Royal Oak, MI 48067. Subsidiary locations are in Royal Oak and Madison Heights. Within the State of Michigan, ownership has additional warehousing facilities in White Lake, Grand Rapids and Romulus. ROS will utilize existing facilities as well as acquire additional necessary resources central to SOM needs.

2. Build all necessary quality control mechanisms in the process in order to ensure the desired result.
3. Contractor will have 30 calendar days from the start date of the contract to prepare facility for intake of records. The parties may agree to a schedule that allows intake of records to occur sooner. If Contractor cannot keep this obligation the State may at its option (1) obtain a credit equal to liquidated damages or (2) assess liquidated damages.
4. Use the same terms and conditions as Agencies, for local units of government that choose to utilize this Contract.
5. Make records available to the SOM five days a week, Monday through Friday 7:00AM EST to 6:00PM EST except State holidays. The Contractor must also accommodate emergency retrieval outside of the normal working hours on a 24 hour a day, seven day a week basis, as needed. Occasionally, Agencies may require an emergency retrieval outside of the normal working hours on a 24 hour a day, seven day a week basis. Details of the turn-a-round time and expectations of services above and beyond the normal work day will be defined in the SOWs from the Agencies that are submitted to RMS or the Vendor.



C. Communication

The Contractor and State will communicate on a regular basis regarding the work submission process (i.e. flow of work from the State to the Contractor). Mainly in regards to Contractors ability to meet the ongoing needs of the State. The work submission process will be in constant development with a primary emphasis on the contractor having available resources to meet the requirements noted in this Contract.

The Contractor must:

1. Dedicate the required resources (space, staff, and equipment) to satisfy the need of the individual storage services and the requesting Agencies. This includes current services as well as future. Contractor will expand storage facilities to accommodate the growing needs of the State. Any expansion or new facility will meet the requirements of this Contract; and must be inspected and approved by the RMS prior to use. Additional resources will be available through Royal Oak Recycling such as trucks and labor under the terms and costs of this contract.
2. Remain flexible, complete all services in a timely manner, and communicate with the CCI and the Agency whenever the need arises.

D. New Agency Submission Process

In conjunction with the Contractors responsibilities in Section 1.022(A) an Agency must do the following to obtain services under this contract.

1. A request for service to be established is submitted by the Agency to RMS or the Contractor via phone or e-mail.
2. The Agency, Contractor and RMS jointly develop a strategy to produce the desired storage requirements and/or recommend alternatives.
3. The Contractor creates an SOW including cost estimates for review and approval by Agency and RMS.
4. The Agency, Contractor and RMS sign the SOW.
5. The Agency submits records to Contractor for storage.

E. Ordering/Customer Service

The Contractor must:

1. Accept requests electronically, by phone, facsimile, and by written order. Emergency requests must be received by phone. See **Exhibit B for contact information.**
2. Provide a Statewide toll-free phone number for phone orders.
3. Have internal controls, approved by RMS, to ensure that requests for storage are placed by authorized individuals from the SOM and that a SOW was created.
4. Have a 24 hour per day, seven day per week customer service department with an individual specifically assigned to SOM accounts.

F. Electronic Access

The Contractor must:

1. Have a system (i.e. Internet database, software, etc.) for real-time access with the ability for data editing by authorized staff at the various Agencies utilizing this Contract.



2. Provide training of the system to the Agencies upon request, at no additional charge to the State or requesting Agency. Live training is preferred, but training may be in the form of a video, web based tutorial, or written manual.
3. Edit the system and indicate permanent withdrawal of the file from inventory as requested by the Agency, on occasions when the Agency has retrieved a closed file and determined it will not be returned to the Contractor.
4. Not charge a fee to the SOM for the system, ongoing maintenance of the system, editing the system, and any necessary training.
5. Contractor must provide a backup of the system on a weekly or bi-weekly basis, and shall store this backup offsite from any of the storage facilities in use under this contract.

The Contractor's system must:

5. Allow authorized staff to view availability/status of record, request specific records, supplies and/or services from the storage facility.
6. Allow the Agency and the Contractor the ability to enter information into the Contractor's database for new material being sent for storage.
7. Utilize unique information to identify and track the record throughout its life cycle. This information will be identified in the SOW.
8. Restrict information by Agency to only allow access for what the Agency has submitted.

G. Pickup of Material for Storage

The Agency will notify the Contractor when material is ready for storage.

The Contractor must:

1. Verify that the Agency has a SOW on file so that the Contractor can proceed. If no SOW exists then the Contractor must create the SOW and obtain proper signatures prior to scheduling any pickup or accepting any boxes. When the SOW is in place, the Contractor must pick up new files or boxes within 24 hours of notification.
2. Not accept the boxes if the record cannot be associated with a specific Record Series number. Material must be categorized and identified by the SOM Record Series number listed on the Agencies Retention & Disposal Schedule for the Contractor to accept the boxes.
3. Enter the information into the Contractor's system if specified to do so in the SOW.
4. Not charge a fee if the Agency completes the data entry into the system.
5. Provide barcoded labels to affix to the box/file to identify it throughout the pickup, storage, retrieval process and disposition. The Agency may also affix their own label to provide additional identification to the record.
6. Count and verify the correct number of boxes was picked up by utilizing a job order or work order type document to track the chain of custody. The Contractor may utilize an automated system to assist in the verification process.



7. Pick up material from numerous locations throughout the Wayne, Oakland, Macomb and Genesee Counties. The frequency of pickups will be identified in the SOW, if possible. The State encourages the Contractor to pick up records in a manner that reduces charges as much as possible, although it will ultimately be determined by the record activity. The exception is special projects, such as facility closures.

Contractor Response

Contractor will provide the services requested in this section in the following manner:

- Receive request for service. If not electronically, it is manually entered into the system.
- A work-order is created according to the SOW specifications and dispatch is scheduled for a pick-up within 24 hours of the request, or within 2 hours if requested, as long as the following can be confirmed:
 - Driver verifies with SOM staff member that the number of boxes exactly matches the work order.
 - Both the driver and the SOM staff member sign off on the work-order and a duplicate copy is left with the SOM.
- Driver never leaves the vehicle once the boxes have been retrieved until they are safely delivered to ROS.
- Upon arrival at ROS, boxes are unloaded in the secure staging area, scanned to receiving and subsequently scanned and shelved accordingly.

H. Box Storage System

These records consist of a variety of boxed material that may include, but not be limited to, fiscal records, contract records, internal customer records, personnel records, administrative records, case files, etc.

The Contractor must:

1. Not knowingly allow Agencies to store non-record material such as office supplies, blank forms, etc. If the Contractor becomes aware of a violation of this policy they should notify the CCI to resolve the issue with the Agency. Non-record material(s) will be refused, documented, and reported to the Agency.
2. Upon delivery, scan material into receiving and then scan material to a specific shelf location which must be tied directly to the main database used for tracking the record. This will allow confirmation that the material is placed in a timely manner.
3. Shelf all material within 24 hours of pickup.

I. Retrievals

The Contractor must:

1. Only allow authorized Agency staff identified in the SOW to access records for their respective Agency. The Contractor must not allow Agency staff to access other Agency records unless specifically identified in the SOW.
2. Allow Agencies to retrieve information via report, fax, website interface, email and phone from the requesting Agencies.
3. Identify the box and location on the record to ensure proper re-filing once returned. At a minimum, this must include, but is not limited to, the Date Requested, Requester and Parent Location.



4. Retrieve all requests within eight business hours of receiving the request to facilitate delivery the following day.
5. Create a printout, to be used as a packing slip, at the time of delivery that lists identifiable information as defined in the SOW. The Contractor and Agency must sign and date the printout to confirm delivery of requested material.

J. Pickup and Delivery

The Contractor must provide its own courier service. This service must not be subcontracted without written consent of the State.

The Contractor must:

1. Have job order or work order documentation, for tracking chain of custody of the records, for all pick-ups and deliveries.
2. Provide four levels of delivery service.
 - a. Standard Next Day – During regular business hours, material must be delivered the following business day.
 - b. Same Day – During regular business hours, material must be delivered within four hours of receiving request.
 - c. Priority – During regular business hours, material must be delivered within two hours of receiving request.
 - d. Emergency – Outside of regular business hours, material must be delivered within four hours as defined under the “Emergency Retrieval” section below.
3. Facilitate one stop, per location, per day, for all pick-ups and deliveries. The Contractor must plan pickups and deliveries in the most efficient and consistent manner. The Contractor must base all charges on a trip charge. There must not be a separate “Pick-Up” and “Delivery” for the same Agency building on the same day as separate charges, if a stop at a building is to “Pick-Up” and “Deliver” then there will only be one trip charge for that building. The only exception is if there is an Emergency Retrieval request.
4. Not charge for carts, lifts, pallets or other items used to temporary handle records.

K. Emergency Retrievals

All efforts will be made by the Agency to limit emergency retrievals, but occasionally Agencies require emergency retrieval outside of the normal working hours on a 24 hours a day, seven days a week basis. The normal working hours for this Contract are defined as the hours between 7:00AM EST thru 6:00PM EST, Monday through Friday excluding State recognized Holidays.

The State must: 1

1. Request Emergency Retrievals by phone and follow up with a written confirmation. **See Exhibit B for contact information.**

The Contractor must:

1. Retrieve and deliver documents within four hours of receiving a request.
When an emergency retrieval is required in less than the four-hour timeframe, the Contractor must pull the record within two hours of receiving the request and notify the requesting Agency that the record is available for pickup. In either case, the Contractor must provide the requesting Agency the option to have an Agency authorized staff pick up the records. Contractor has no limitations that will keep them from responding to an Emergency Retrieval request. Contractor will not charge any extraneous charges beyond those agreed to will be charged.



2. Require positive identification, such as a driver's license, SOM identification or a pre-determined identification code of the person receiving the records before the records are released. The Contractor must not release any records or information to any person other than those authorized by the Agency under any circumstance.

L. Unsuccessful Retrievals

In the event the Contractor is unable to locate the record being requested for regular or emergency requests, the Contractor must:

1. Immediately notify the requesting Agency. The Agency may be able to provide additional information that may assist in the retrieval.
2. Not charge a fee for unsuccessful requests.
3. Provide a complete chain of command and scanning history evaluate location (if applicable).

M. Re-Files

The Agency will contact the Contractor if they need records to be picked up, if no regular route and pickup schedule is established in the SOW.

The Contractor must:

1. Pick-up all re-files within five business days of receiving the request.
2. Notify RMS if they see a pattern developing where it would be more cost effective to have the Agency on a scheduled run.
3. Place re-files back into their original location within 24hrs of pick-up.
4. Utilize similar methods for tracking re-files as the new records, but utilize the information attached on the re-file.
5. Use an in-out process for re-file data entry that incurs no charge to the State.

N. Destruction

Contractor will notify the Agency of records that are eligible for destruction on a semi-annual basis by a Disposal Notice Report starting 6 months after this contract is executed in full. The Agency shall do one or more of the following: 1) sign off on the disposal notice, 2) identify boxes that are subject for disposition hold due to pending audit or litigation and provide detail of the nature of the litigation or audit and a proposed release date, or 3) identify boxes that require retention schedule modification. The requesting authority for Destruction of records is to be identified in each SOW.

The Contractor must:

1. Pull boxes that have met their retention period and have been authorized by the Agency to destroy or stage for pick-up, depending on the Agency.
2. Complete the destruction within five (5) business days of receipt. This time-frame may be extended based on volumes but must be agreed upon by the CCI.
3. Not charge to handle and transport material between the Contractor's facilities.



4. Meet the Federal IRS destruction size requirements of 5/16 particle size for Department of Treasury's documents. If the Contractor is unable to meet this particle size requirement then arrangements must be made to transfer the material to the Contractor of the SOM Certified Destruction Contract. The Contractor must destroy all other Agency material in a manner that meets, at minimum, the National Association for Information Destruction (NAID) particle size requirements.
5. Provide certificates of destruction identifying the time when material was destroyed, as requested or defined in the SOW. A blanket certificate of destruction is only allowed if specified in the SOW.
6. Provide any charges for retrieval, destruction and removal from database for destruction completed by the Contractor as an all-inclusive fee. The Contractor must not charge any other fees for destruction completed by the Contractor unless authorized by the CCI.
7. Provide any charges associated with retrieval, palletizing, shrink wrapping and removal from database for destruction completed for pick-up by the State or State approved destruction contractor, as an all-inclusive fee. The Contractor must not charge any other fees, for destruction completed, for material to be picked-up by the State or State approved destruction contractor unless authorized by CCI.
8. Not charge any storage fees for records after receipt of the destruction request.
9. Ensure the security of the records throughout the destruction process, including transportation from storage building(s) to the destruction facility. All access doors, docks, bays, vehicles, and gates to all facilities, shall be closed and locked when not in use.

O. Permanent Removal

Occasionally, Agencies require a collection or a portion of a collection of documents to be permanently removed from storage. The Agencies will identify these records to be retrieved via report, fax, website interface, email, or phone. The requesting authority for Permanent Removal is to be identified in each SOW.

The Contractor must:

1. Retrieve records, palletize, shrink-wrap and remove from the database upon notification from the Agency.
2. Prepare records for transport within 45 days from receipt of request. The 45 day term may be modified based on the size of the collection and must be agreed on between the Contractor and the CCI.
3. Specify the Contractor's location that the records are to be picked up at. The Contractor must not charge a handling fee in relation to centralizing the pallets or transporting them between Contractor facilities.
4. Provide the Agency a minimum of 10 business days to make arrangements for pick-up of material once the Contractor has notified the Agency that the records are ready.
5. Provide any charge for material not boxed as a one-time fee for carts or equipment used to handle the records. The Contractor must obtain CCI approval prior to purchasing any carts or equipment for material not boxed.



6. Agree that the SOM will only pay the all-inclusive price based on the type of record removal as defined in “**Exhibit C, Price Proposal**” for the permanent removal of SOM owned records and information. The Contractor must not charge any additional fees. Under special circumstances the SOM may agree to pricing based on an actual man-hour charge for a specific project. This agreement must be authorized by the CCI.

P. Right of Ownership

All data, materials, documentation and any other things developed by the Contractor for this Contract must belong exclusively to the SOM.

Q. Operational Resources

The Contractor must:

1. Maintain sufficient supplies to process records for storage such as, bar codes, transmittals, labels, extra boxes of the size specified by the State, and working forms.
2. Only accept boxes approved by SOM, RMS for storage. Box dimensions are 15” x 12” x 9.75” to be used for standard office records and 26” x 12” x 9.75” to be used for drawings and other oversized records. Boxes will be purchased and supplied by the Agency, using existing State office supply contracts. The box specifications will be provided after award of Contract.
3. Provide SOM staff with workspace at the storage site for the purpose of site visits to review, identify or reprocess records, upon request from the SOM.

Contractor Response

Pursuant to directives within the SOW, ROS will maintain a dedicated unit with a predetermined amount of stock at all times that is strictly dedicated to SOM.

SOM will have access to a secure and temperature controlled work area within our Royal Oak location.

R. Data Entry

If requested by an Agency, the Contractor must:

1. Provide data entry services as specified in a SOW which may include but is not limited to box and file entry services.
2. Guarantee a data entry accuracy rate greater than 99.5% or as otherwise specified in a SOW.
3. Maintain standard operating procedures that enable the Contractor to meet this accuracy standard.

S. General Security

The Contractor must:

1. Protect SOM records and information from vandalism, theft, unauthorized duplication, loss, damage or destruction while in the possession of the Contractor. Records to be imaged or microfilmed may contain confidential information that is prohibited by statute from disclosure.
2. Not transfer any records or information, regardless of format, content, or structure, to a facility not specified for the storage of State records in the response to this Contract without prior consent of the CCI.



3. Not allow any external sources, including off-shore, subcontractors, or consultants, regardless of physical location or employment status, to gain access to SOM records, microfilm, digital images, indexes, or other information generated as a result of this Contract, without the specific written consent of the Agency and the CCI.
4. Provide the location of all storage (physical and digital), processing, production, server room, backup facilities etc., used to fulfill this Contract.
5. Release requested records only to authorized representatives of the requesting Agency. The Contractor must require positive identification, such as a driver's license, SOM identification or a pre-determined identification code of the person receiving the records before the records are released. The Contractor must not release any records or information to any person other than those authorized by the Agency under any circumstance.
6. Provide safe handling, confidentiality and security over all records, indexes, and/or other digital information generated or stored as a result of this Contract, while in the Contractor's possession or Subcontractors possession. As a part of the safe handling of digital information gathered or stored under this contract, the Contractor must provide periodic backups of the system database.
7. Pay any cost incurred by the SOM, including the cost to recreate or recover lost, damaged or destroyed records while in the Contractor or Subcontractor's possession. The Contractor is held fully liable in the event of loss, damage, theft or destruction of any paper records or information in the Contractor's possession. See Standard Contract Terms, Section 32(e) – Loss of Data for further clarification.
8. Maintain appropriate documentation and standard operating procedures in regard to all aspects of security measures outlined in Section 1.022 throughout the term of this Contract and must provide a copy of all such documents to the CCI upon request.
9. At minimum, provide video surveillance of all entrances to buildings which may contain records associated with this contract.

T. Physical Security of Records and Storage Facilities

The Contractor must:

1. Protect all records from damage or exposure to the elements while in the possession of the Contractor. For liability for record damage or exposure to the elements, the chain of custody will transfer from the Agency to the Contractor, or Contractor to Agency, upon signature of the Job Order or Work Order. Contractor must report any incidents where damage to or exposure to the elements of State records happens within two days to the Agency (or Agencies) whose records are damaged and CCI. A standard report form shall be generated by the Contractor for reporting injury to physical records.
2. Permit random unannounced visits by the CCI to monitor security measures in place at the facility, during transport, or anytime State records are in the care and custody of the Contractor.
3. Provide an Annual Physical Security Report to RMS noting any and all incidents where any record has been damaged or exposed (as noted in item 1 of this section). This annual report should also include any security issues, incidents, or breaches with the facility or those arising out of the pick-up or delivery of State records over the prior year. The first report is due one year from the date of execution of the contract, and annually thereafter.



U. Storage Facility

The Contractor must:

1. The contractor should provide any and all details regarding the facility that is intended to be utilized for the contract, including address, security systems, fire systems, etc.
2. Provide a storage structure free from any defects which could allow damage to the records, (i.e. roof must be free of any problems which could allow leaks).
3. Ensure multi-floor facilities and storage systems are engineered to support all load bearing floors adequately.
4. As part of the proposal process Contractor shall provide a letter or report from a third party as to requirements 2 and 3 in this section. This third party should be a qualified facilities engineer or shelving manufacturer.
5. Utilize shelving/racking with industrial strength/grade and provide specs upon request from the CCI.
6. Store records in a heated, pest free, secure environment containing a fire suppression system.
7. Monitor all doors and windows to prevent and detect intrusion into the storage facility.
8. Maintain Visitor Logs to monitor access to the building or area within the building.
9. Keep all doors closed and secured at all times with the exception of deliveries/pick-ups.
10. Secure and monitor all of the Contractor's storage facility access points 24 hours a day, seven days a week, by a third party, offsite Security Company or comparable alternative approved by the SOM.
11. Have secure loading and unloading area(s).
12. Have adequate smoke and fire detection systems monitored 24 hours a day, seven days a week, by a third party, off-site security company. Have an automated alert system to notify fire and/or police as needed.
13. Have a 24-hour a day automatic fire suppression system.
14. Provide proof of bonding of all couriers and record center personnel, insurance coverage, and proof of an approved fire safety inspection upon request from the SOM.
15. Provide a storage facility that should protect the records from disasters such as fires, floods, riots, tornadoes, and explosives.
16. Store the records in rooms that have a locking door with smoke and heat detection direct to Police and Fire departments.
17. Use an automated alarm system to prevent un-authorized access to the facility and the records.
18. Restrict access to the facility to authorized personnel. Adequate security procedures and systems must be provided to prevent loss, theft, or destruction of public records to ensure safety and integrity of the records stored there.
19. Not store cellulose nitrate films in the storage facility.



V. Network/Data Security

The Contractor must:

1. Have in place and operating at Contractor facilities where State records are kept, the tools, practices, policies, procedures and other mechanisms to ensure a secure network environment and protect the confidentiality, integrity, privacy and regulatory issues of the State and the citizens for which it serves. The Contractor must employ firewalls and other access controls, intrusion detection, anti-virus software and any other necessary controls to ensure a secure network environment. Contract must provide documentation showing network/data protections in place or that will be in place prior to storing State records.
2. Monitor attacks upon the Contractor's network systems and report to the CCI any attempts to access State data within 3 days. The report should indicate if the attempt failed or succeeded. If succeeded then the report must also indicate which State records or information was accessed.
3. Maintain and frequently update current patch levels and current versions of the software used in association with the Contract.
4. Create and maintain backups for all data. Backups must be created and maintained in such a way as to ensure that full restoration of the system can be recovered. State-owned data or data about Contractors services to the State should be maintained in the United States and at no time should State data be housed, accessed, or used outside of the United States.
5. Store, maintain, and encrypt all backup tapes containing State-owned data in the SOM, if the Contractor utilizes a third party for back-up tape storage and protection. Otherwise, the Contractor must employ proper physical security measures as described in the Physical Security Section of this document.

Contractor Response

Multiple redundant servers now provide unprecedented flexibility and greatly enhanced security. Each with its own dedicated system, disaster recovery protection, and redundancy, the system is dramatically expandable, powerful and supportive of demanding database application.

W. Employee/Sub-Contractor Security

The Contractor must:

1. Perform drug testing and criminal background checks on all staff, including subcontracted staff, upon hiring and/or prior to the Contract start date. Not allow any staff to work under this contract, or in the facility, who fails a drug test; or whose background investigation shows criminal convictions including but not limited to the following – abuse of trust crimes, financial crimes, theft, drug/narcotics offenses, fraud, violent crimes (weapons, abuse, battery, assault, etc.). If any crimes outside of the previously listed are identified in a background search Contractor must obtain permission from RMS to hire this potential staff or to allow this current staff to work with the State records.
2. Have on file, confidentiality agreements for all individuals assigned to the performance of this Contract. Confidentiality agreements provided by the SOM for all staff and subcontractors must be updated annually (See **Exhibit E, Nondisclosure Agreement**). The annual affidavit of confidentiality must include a statement of certification that the employee or subcontractor has not committed any acts since the signing of the previous affidavit that would result in the change in the results of their existing background check. Any changes in staffing assigned to performance of this Contract by the Contractor must be reflected in new confidentiality statements on file.
3. Under certain circumstances for certain record collections, the Agency may require that only specific staff members be allowed to provide services for that Agency's records. Contractor must be able to



limit access to information related to certain applications to specific Contractor staff members as specified in a SOW.

4. Agree that any unauthorized disclosure by the Contractor or subcontractor, of any information contained in any of the records being stored, is cause for immediate cancellation of the Contract and may result in prosecution for any violation of applicable laws.
5. Not open any case files, or remove or add documents to any files unless specified in the SOW.
6. Remove or interfile records in the boxed storage collection only if authorized in the SOW.
7. Be bound to confidentiality of any information its staff may become aware of during the course of performing tasks associated with this Contract. Breaches of the confidentiality associated with the daily operation of the records stored under this Contract may constitute grounds for termination of the Contractor's staff or cancellation of the Contract in its entirety.
8. Immediately notify the Agency to have them reprocess, into the appropriate case file or box, any records or documents that become inadvertently separated.

X. Pickup/Delivery Security

The Contract requires frequent pick-up and deliveries to SOM facilities. This section addresses the Contractor's driver experience.

Contractor Must:

1. Protect all records from damage or exposure from the elements during storage and transit.
2. Maintain vehicles used for transportation of source materials or final productions in good working condition. The vehicles must remain locked at all times while transporting State materials.
3. Not use transportation vehicles for storage purposes temporary or otherwise. At the end of a pickup or delivery, the Contractor must maintain all State materials within the Contractor's secured building.
4. Provide the results of the security background checks required on Contractor's staff upon request of the CCI.
5. Provide to the SOM a list of all of the Contractor's delivery staff that will service SOM facilities, including name and date of birth (social security number or driver license number may be requested), if the SOM decides to perform a security background check.
6. Comply with the security access requirements of individual SOM facilities.
7. Comply with any heightened security requirements agreed upon in a new SOW for new record storage services.

Y. Termination

All records and information associated with this Contract created by the Contractor is the property of the SOM.

The Contractor must:

1. Turn over all records and information associated with this Contract upon termination in the manner prescribed by the State. See **Exhibit D, Transition Document**.
2. Not charge any fee to the SOM to retrieve, remove, and/or palletize the records in storage if the Contract is terminated as a result of Contractor's negligence, misrepresentation or misconduct.



1.030 Roles and Responsibilities

1.031 Contractor Staff, Roles, and Responsibilities

The Contractor must:

1. Interact with various third party vendors and State contractors as needed, required and coordinated by the CCI.
2. Designate a Key Staff – **Project Manager** to work on the Contract. The Project Manager must ensure a quality product is produced. The proposed Project Manager should have at least 5 years of experience supporting projects of this scope and size (private or public). Any change in Project Manager must be documented in writing and approved by the CCI. The Contractor must provide the name of the individual, work location, detailed descriptions of their roles and responsibilities, and the percentage of time assigned to the Contract.
3. Designate a Key Staff – **SOW Analyst** responsible for analyzing requested work, developing recommendations and alternatives, and writing the SOWs. The SOW Analyst must have at least three (3) years of experience in reviewing and drafting SOWs. This key staff person must not be compensated through volume based commissions. The Contractor must provide the name of the individual, work location, detailed descriptions of their roles and responsibilities, and the percentage of time assigned to the Contract.
4. Designate a Key Staff – **Billing Contact** to be on-site at the Contractor's storage facilities on a daily basis that the Agency Project Manager and CCI can readily contact and meet with to discuss daily provisions of the provided services. The Contractor must provide the name of the individual, work location, detailed descriptions of their roles and responsibilities, and the percentage of time assigned to the Contract.
5. Designate a Key Staff Person to be a primary point of contact available for RMS to discuss any billing issues. The Contractor must provide the name of the individual, work location, detailed descriptions of their roles and responsibilities, and the percentage of time assigned to the Contract.
6. List all other key staff proposed to properly service this Contract including the name of each individual, work locations, detailed descriptions of their roles and responsibilities, and the percentage of time each will be assigned to the Contract. Subcontractors must not be used to perform daily work on this Contract.

Contractor Staff

Project Manager – Ed Mamou – President

SOW Analyst - Andrea Hoff - Strategic Planning

Billing Contact – Nadine Jamil – Controller

Implementation – Craig Reeves – Director of Sales and Operations

Onsite Contact - Sharon Ulmer - Office manager



1.032 Staffing – subcontractors.

The legal business name; city; and a description of subcontractor’s organization; and information concerning subcontractor’s ability to provide the Contract Activities.

Subcontractor	Address	Description of the Contract Activities that will be performed or provided by the subcontractor
Royal Oak Recycling, Inc.	Royal Oak, MI	<p>Is owned by the same management as Royal Oak Storage (ROS).</p> <p>Will provide additional resources when ROS has need or is out of capacity. Such resources include the following and any additional resources as requested by the State that are within the scope of this contract.</p> <ul style="list-style-type: none"> • Trucks for initial intake of boxes. • Additional buildings for storage. <p>Will provide destruction facility per Contract requirements and under each SOW.</p>

1.040 Project Plan

1.041 Project Plan

See **Exhibit F**, Preliminary Project Plan

Contractor prepared and submitted a comprehensive preliminary project plan that addresses the work required prior to acceptance of boxes from the customers and the actual acceptance of boxes. Contractor provided a plan that explained how the Contractor will incorporate the States record keeping activities into the Contractor’s environment. Items that were included should addressed the preparation of the facility, software, personnel, and all things necessary to begin the service. The plan also included all start up activities and ongoing activities to start receiving and working with State records. The project plan had specific dates or time frames indicated. The final project plan will be submitted 15 days after contract execution and must be approved by the State’s CCI.

1.042 Project Plan Management

1. The Contractor must carry out the services in Section 1.022 under the direction and control of the DTMB, RMS.
2. The Contractor’s Project Manager must participate in meetings or teleconferences with the CCI to review progress, problems, training or other issues as requested by the SOM.
3. The Contractor must also participate in any emergency meeting deemed necessary by the CCI.

1.043 Reports

1. The Contractor must submit written monthly summaries of progress which outline items such as pending SOWs, accomplishments, and problems, real or anticipated. Any problems, real or anticipated, must be brought to the attention of the CCI. The Contractor must also notify the CCI of any significant deviation from previously agreed-upon work plans.
2. The Contractor must submit monthly reports to the CCI, which must include the number of files and boxes in storage, Storage space being billed, the number of files and boxes retrieved, the number of new files and boxes received, the number of files and boxes returned and re-filed, and the number/weight of files and boxes destroyed or purged. The report must be summarized and broken down by Agency with sub-totals.



The report must also total everything for a snapshot of the entire volume of records being stored. The report must be submitted via email in an excel spreadsheet in a format specified by the SOM.

3. The Contractor's system must be capable of providing customized reports, at no additional charge to the State.

1.050 Acceptance

1.051 General Criteria

The following general criteria will be used by the State to determine Acceptance of the services and/or deliverables provided under this Contract; and each approved SOW under the contract resulting from this Contract.

Deliverables

1. Provide services as required under Section 1.022, Work and Deliverables, Subsections A through Y.
2. Provide staff as required under Section 1.030, Staffing.
3. Participate in project planning meetings and provide reporting under Section 1.040.

1.052 Ongoing Acceptance

Ongoing acceptance occurs as Contractor performs the ongoing service as noted in the acceptance criteria defined in Section 1.051; and in each SOW that is approved under this contract ("**Ongoing Acceptance**").

In the event the work and/or deliverables are not acceptable to the State, the State will notify the Contractor in writing describing the deficiencies using a corrective action plan listing tasks with associated completion dates. The contractor has five (5) business days to respond to the notice indicating agreement to the terms unless an alternate solution is agreed by both parties. Upon completion, the State will have ten (10) business days to accept and approve the revised deliverable(s).

If the State does not approve the revised deliverable(s) after the third (3rd) attempt, the State shall have the option to negotiate an acceptable alternative, collect penalties for the incomplete and/or late deliverable, or terminate the Contract pursuant to Section 23, Termination for Cause of the Standard Contract Terms.

1.060 Proposal Pricing

1.061 Proposal Pricing

See **Exhibit C**, Price Proposal.

All pricing with this Contract must be associated with a specific line item. Any charges not associated with a specific line item must be pre-authorized and agreed upon in writing with the CCI. The Agencies that utilize this Contract do not have authority to enter into any agreements outside of this pricing structure and the SOM must not be held accountable for these unauthorized agreements.

All quantities listed on the **Exhibit C, Price Proposal** are estimates only. The SOM does not commit to procuring any specific amount of services over the life of any Contract.

The SOM will only pay for the actual storage space (cubic foot and/or Linear Feet) being occupied for a box or file on the date that the invoices are generated. Boxes that have been checked out will not be included.

Product descriptions used throughout the billing process (spreadsheets & invoices) must be consistent with the line item pricing identified in **Exhibit C**.



The Contractor must submit invoices monthly and they must be consistent in their format/appearance. There must be a separate invoice generated for each Agency and at minimum they must identify the department/division name, point of origin, SOW number and contain an itemized list of charges formatted by line item description, line item quantity, line item unit price, discounts applied and line item total. In addition to the total number of boxes these line items must include, but not be limited to, items identified in the **Exhibit C**. The Contractor must also create a summary invoice from which payment will be made that identifies each Agency and their monthly total.

The Contractor must provide supporting documentation upon request. Supporting documentation may include but may not be limited to: copies/originals of actual service orders and/or work orders, packing slips, route slips, etc. This documentation may also be requested as a summary within a worksheet or spreadsheet.

For audit purposes, the Contractor must submit a completed Excel spreadsheet containing line item detail for each invoice submitted during the month. This spreadsheet must be submitted electronically no later than the last business day of the month. The spreadsheet format will be provided to the Contractor by RMS at the beginning of each fiscal year. Product descriptions contained in the invoice must be consistent with those contained in the monthly Excel spreadsheet.

RMS is responsible for billing the Agency. All billing questions received from an Agency are to be forwarded to RMS for resolution.

Contractor's out-of-pocket expenses are not separately reimbursable by the State unless, on a case-by-case basis for unusual expenses, the State has agreed in advance and in writing to reimburse Contractor for the expense at the State's current travel reimbursement rates. See www.michigan.gov/dtmb for current rates.

1.062 Price Term

Prices quoted are firm for the entire length of the Contract.

Prices are subject to change at the end of each Contract period (base Contract period or Contract extension period). Such changes will be based on changes in actual costs incurred. Documentation of such changes will be provided with the request for price change in order to substantiate any requested change. Purchasing Operations reserves the right to consider various pertinent information sources to evaluate price increase requests (such as the CPI and PPI, US City Average, as published by the US Department of Labor, Bureau of Labor Statistics). Purchasing Operations also reserves the right to consider other information related to special economic and/or industry circumstances, when evaluating a price change request. Changes may be either increases or decreases, and may be requested by either party. Approved changes will be firm for the remainder of this Contract period unless further revised at the end of the next Contract period. Requests for price changes **MUST** be RECEIVED IN WRITING AT LEAST **60 DAYS** PRIOR TO THEIR REQUESTED EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, this Contract may be cancelled. **The Contractor remains responsible for performing according to this Contract's terms at this Contract's price for all orders received before price revisions are approved or before this Contract is cancelled.**

All volume discounts will be calculated and applied based on volumes achieved for the monthly billing cycle.

1.063 Tax Excluded from Price

(a) Sales Tax: For purchases made directly by the State, the State is exempt from State and Local Sales Tax. Prices must not include the taxes. Exemption Certificates for State Sales Tax will be furnished upon request.



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

1.064 Reserved

1.070 Additional Requirements

1.071 Additional Terms and Conditions specific to this Contract

A. Initial Transfer and Startup

The Contractor described how they would handle the initial transfer, startup and move associated with the records currently being stored by the incumbent Contractor. See **Exhibit D, Transition Document**.

Contractor Response

As per SOW and Project Plan

B. Standards and Public Acts

The Contractor must comply with all relevant standards and public acts associated with the storage and protection of records from the following list of organizations.

Additionally, where applicable and specified by the CCI, the Contractor must conform to standards as adopted by the National Fire Protection Association (NFPA), Professional Records and Information Services Management (PRISM), American National Standards Institute (ANSI), the Association for Information and Image Management (AIIM) and the International Standards Organization (ISO).

C. Liquidated Damages

Liquidated damages are intended to cover the costs to the State of Contractor's breach of this contract. Specifically:

1. For this Statement of Work, if the contractor fails to meet the date indicated on the project plan for acceptance of boxes, the contractor will be assessed \$1,000.00 per day until the contractor is ready to perform.
2. For Agency Statements of Work under this contract, a liquidated damages clause should be included in the Agency's Statement of Work with damages calculated to cover the cost of non-performance or breach of contract by Contractor. The calculated damages shall include in the liquidated damages clause the following items, which are not an exhaustive list – acceptance/pickup, disposal, security issues, billing issues, etc. These clauses should calculate liquid damages as actual damages (costs) to the Agency for the breach of contract.



Exhibit B

Royal Oak Storage Contacts

Ordering/Customer Service

Electronic: manager@royaloakstorage.com

Phone: 248-591-6580

Fax: 248-591-6581

Written: 313 E Hudson, Royal Oak, MI 48067

Toll-Free Phone: 844-677-2504

Emergency Contact

Contact: Andrea Hoff

Email: andrea@royaloakstorage.com

Phone: 248-765-9823



Exhibit C Price Proposal

This price proposal contains (1) a list of descriptions of price sheet line items (2) a price sheet and (3) a requested tiered volume pricing schedule.

Following is a list of description of price sheet line items:

All pricing for this Contract must be associated with a specific line item. Any charges not associated with a specific line item must be pre-authorized and agreed upon in writing with the CCI. The Agencies that utilize this Contract do not have authority to enter into any agreements outside of this pricing structure and the SOM must not be held accountable for these unauthorized agreements.

BOXED STORAGE, STANDARD – includes, but may not be limited to, the storage of a 1 cubic foot storage box sized approximately 15” Deep x 12” Wide x 10” High. Quantities within boxes may vary but the Contractor must charge as a single unit despite utilization of box space within box. The Contractor must create the monthly charge based on the actual number of boxes in storage at the time of billing each month. The SOM does not pay to “Hold” space for a container that is not in the storage facility. The SOM does not pay for storage space of boxes not shelved and entered into the Contractors storage system with a location associated to it. Growth of the boxed collection is anticipated due to the consolidation of the open-shelf system. Boxes must meet SOM specifications. No paper or odd size boxes are allowed without specific authorization by the CCI and must be identified in the SOW for the Agency submitting the boxes.

BOXED STORAGE, BANKER LETTER – includes, but may not be limited to, storage of a 1.67 cubic foot storage box sized approximately 24” Deep x 12” Wide x 10” High. Quantities within boxes may vary but the Contractor must charge as a single unit despite utilization of box space within box. The Contractor must create the monthly charge based on the actual number of boxes in storage at the time of billing each month. The SOM does not pay to “Hold” space for a container that is not in the storage facility. The SOM does not pay for storage space of boxes not shelved and entered into the Contractors storage system with a location associated to it. Growth of the boxed collection is anticipated due to the consolidation of the open-shelf system. Boxes must meet SOM specifications. No paper or odd size boxes are allowed without specific authorization by the CCI and must be identified in the SOW for the Agency submitting the boxes.

ADDITION OF NEW BOX – This must be an all-inclusive price associated with adding a new box to storage. The tasks associated with adding a new box for storage may include, but not be limited to, the following tasks. At minimum, these tasks must include, the handling of the boxes within the Contractor’s facilities, indexing of boxes into the Contractors Inventory Management System, the barcode labels used to track the boxes, physical placement of the box, and scanning and verification associated with inputting the location of the box into the Contractors Inventory Management System.

BOX RETRIEVAL – This must be an all-inclusive price that includes, but may not be limited to, the tasks associated with retrieving a box stored in the Contractor’s facility. At minimum, these tasks must include receiving of the order, creation of any tracking documentation (including barcode labels or packing slips), physically pulling the box, and staging for delivery. There must be no cost or fees charged for unsuccessful request of any type, regular or emergency.



RECORD RETRIEVAL FROM A BOX – This must be an all-inclusive price that includes, but may not be limited to, the tasks associated with retrieving a document or file stored in box in the Contractor's facility. At minimum, these tasks must include receiving of the order, creation of any tracking documentation (including barcode labels, out-cards or packing slips), physically pulling the document/file, packaging and staging for delivery. There must be no cost or fees charged for unsuccessful request of any type, regular or emergency.

RE-FILE OF BOX THAT WAS REQUESTED – This must be an all-inclusive price that includes, but may not be limited to, the tasks associated with re-filing a box that was requested from the Contractor's facility. At minimum, these tasks may include the handling of the material within the Contractor's facilities, physical placement of the box, the scanning and verification associated with inputting or updating the location of the material into the Contractor's box management system.

RE-FILE OF A RECORD THAT WAS REQUESTED FROM BOX – This will be an all-inclusive price that includes, but may not be limited to, the tasks associated with re-filing a document or file that was requested from a box stored in the Contractor's facility. At minimum, these tasks may include the handling of the material within the Contractor's facilities, looking up the physical location of the box that the material will be re-filed into, re-filing the document or file, the scanning and verification associated with inputting or updating the location of the material into the Contractor's box management system.

STANDARD NEXT DAY (REG.) DELIVERY/PICKUP – This service is utilized to deliver material that was requested the previous day. This is a round trip service which means there must not be separate charges for delivering an item and picking an item up from the same building. This service must deliver and/or pickup material from the Contractor's facility to or from a specific building. For buildings where there are multiple agencies there must only be one stop fee per day. For instances where the building has multiple Agencies being serviced on the same day the Contractor may charge an "Additional Agency Stop" fee in addition to the original Standard Delivery/Pickup fee.

SAME DAY DELIVERY – This service must be utilized to deliver material that has been requested to be delivered within four hours of receiving the request. The same rules associated with the standard delivery service must be applied to this service. This is a separate fee and must not be combined with any other delivery fees.

PRIORITY DELIVERY – This service must be utilized to deliver material that has been requested to be delivered within two hours of receiving the request. The same rules associated with the standard delivery service must be applied to this service. This is a separate fee and must not be combined with any other delivery fees.

EMERGENCY DELIVERY – This service must be utilized to deliver material that has been requested to be delivered after standard business hours or on the weekend as defined under the "Emergency Retrieval" Section. The same rules associated with the standard delivery service must be applied to this service. This is a separate fee and must not be combined with any other delivery fees.

BOX DESTRUCTION (IN-HOUSE) – This service must be an all-inclusive price that, at a minimum, includes the retrieval, handling, transporting, destruction and removal from Contractors Inventory Management System. There must be no additional fees or charges.



BOX DESTRUCTION (TO BE PICKED UP) – This service must be an all-inclusive price that, at a minimum, includes the retrieval, handling, prepping for transporting (palletized and shrink wrapped) and removal from Contractor’s Inventory Management System. There must be no additional fees or charges.

PERMANENT REMOVAL (OF A BOX) – This service must be an all-inclusive price that, at a minimum, includes the retrieval of specific boxes, handling, prepping for transporting (palletized and shrink wrapped) and removal from Contractor’s Inventory Management System. There must be no additional fees or charges.

PERMANENT REMOVAL (OF A BOXED COLLECTION) – This service must be an all-inclusive price that, at a minimum, includes the retrieval of a specific collection or an entire collection, handling, prepping for transporting (palletized and shrink wrapped) and removal from Contractor’s Inventory Management System. There must be no additional fees or charges.

LABOR RATE FOR SPECIAL PROJECTS – Under special circumstances the SOM may agree to pricing based on an actual man-hour charge for a specific project. This line item must be a specific labor rate used as a baseline to calculate special projects or request not identified in this Contract and is subject to modification based on specific project requirements.

CORRECTION OF AGENCY DATA ENTRY ERROR – This service must be an all-inclusive price used to correct data entry errors entered by SOM staff. An “occurrence” must include correcting all the fields used to identify an entry (box) within the Contractor’s Inventory Management System and may involve correcting multiple fields such as dates, descriptions or names within a single occurrence. Pricing must be based on correcting the occurrence and not be based on a per field, keystroke or hourly rate.

VOLUME PRICING – A volume pricing discount for increases in Monthly Number of Units for total volume of both Box Storage - Standard and Box Storage – Banker Letter. The volume discount will be based upon the Number of Units for the two price list items listed in this paragraph. The discount will be given each month that the Number of Units exceeds the required number of stored boxes per that category. If the Number of Units goes down below the minimum needed for a volume discount the discount is not applied that month. For any month a discount is applied it will be applied at the volume discount level based on the Number of Units for that month.



STORAGE SERVICES	CONTAINER SIZE	MONTHLY ESTIMATED NUMBER OF UNITS	CONTRACTOR'S COST PER UNIT		ESTIMATED MONTHLY COST	ESTIMATED ONE YEAR COST	ESTIMATED FIVE YEAR COST (CONTRACT TERM)
BOX STORAGE - STANDARD	15"d x 12"w x 10"h - 1 C.F.	225,000	\$0.168	PER BOX	\$37,800	\$453,600	\$2,268,000
BOX STORAGE - BANKER LETTER	24"d x 12"w x 10"h -- 1.67 C.F.	5,000	\$0.336	PER BOX	\$1,680	\$20,160	\$100,800
SUBTOTAL					\$39,480	\$473,760	\$2,368,800

SERVICES	MONTHLY ESTIMATED NUMBER OF UNITS	CONTRACTOR'S COST PER UNIT		ESTIMATED MONTHLY COST	ESTIMATED ONE YEAR COST	ESTIMATED FIVE YEAR COST (CONTRACT TERM)
ADDITION OF NEW BOX	700	.50	PER BOX	\$350	\$4,200	\$21,000
BOX RETRIEVAL	500	\$1.30	PER BOX	\$650	\$7,800	\$39,000
RECORD RETRIEVAL FROM A BOX	900	\$1.30	PER REC.	\$1170	\$14,040	\$70,200
RE-FILE OF BOX THAT WAS REQUESTED	500	\$1.30	PER BOX	\$650	\$7,800	\$39,000
RE-FILE OF AN RECORD THAT WAS REQUESTED FROM BOX	900	\$1.30	PER REC.	\$1170	\$14,040	\$70,200
SUBTOTAL				\$3990.00	\$47,880.00	\$239,400.00

DELIVERY SERVICES	MONTHLY ESTIMATED NUMBER OF UNITS	CONTRACTOR'S COST PER UNIT		ESTIMATED MONTHLY COST	ESTIMATED ONE YEAR COST	ESTIMATED FIVE YEAR COST (CONTRACT TERM)
STANDARD NEXT DAY DELIVERY/PICKUP	150	\$10.00	PER DELIVERY	\$1,500	\$18,000	\$90,000
ADDITIONAL AGENCY STOP FEE (AS DEFINED IN THE STANDARD DESCRIPTION)	40	\$2.50	PER AGENCY	\$100	\$1,200	\$6,000
SAME DAY DELIVERY	12	\$19.00	PER DELIVERY	\$144	\$1,728	\$8,640



PRIORITY DELIVERY	4	\$45.00	PER DELIVERY	\$225	\$1,125	\$5,625
EMERGENCY DELIVERY	2	\$250.00	PER DELIVERY	\$500	\$6,000	\$72,000
SUBTOTAL				\$2,469	\$29,628	\$148,140
DESTRUCTION/REMOVAL	MONTHLY ESTIMATED NUMBER OF UNITS	CONTRACTOR'S COST PER UNIT		ESTIMATED MONTHLY COST	ESTIMATED ONE YEAR COST	ESTIMATED FIVE YEAR COST (CONTRACT TERM)
BOX DESTRUCTION (IN-HOUSE)	2500	\$1.30	PER BOX	\$4,850	\$58,200	\$291,000
BOX DESTRUCTION (TO BE PICKED UP)	2500	\$1.30	PER BOX	\$4,850	\$58,200	\$291,000
FILE DESTRUCTION (IN-HOUSE)	2700	\$1.30	PER FILE	\$3,510	\$42,120	\$210,600
FILE DESTRUCTION (TO BE PICKED UP)	2700	\$1.30	PER FILE	\$3,510	\$42,120	\$210,600
FILE CONSOLIDATION	16,000	\$0.75 (assuming physical file relocation to a box)	PER LIN. FT.	\$12,000	\$144,000	\$720,000
PERMANENT REMOVAL (OF A BOX)	16	\$1.30	PER BOX	\$20.80	\$249.60	\$1,248
PERMANENT REMOVAL (OF A FILE)	320	\$1.30	PER FILE	\$416	\$4,992	\$24,960
PERMANENT REMOVAL (OF A BOXED COLLECTION)	5000	\$1.30	PER BOX	\$6,500	\$78,000	\$390,000
SUBTOTAL				\$35,656.80	\$427,881.60	\$2,139,408.00
MISCELLANEOUS	MONTHLY ESTIMATED NUMBER OF UNITS	CONTRACTOR'S COST PER UNIT		ESTIMATED MONTHLY COST	ESTIMATED ONE YEAR COST	ESTIMATED FIVE YEAR COST (CONTRACT TERM)
LABOR RATE FOR SPECIAL PROJECTS	2	\$35	PER HOUR	\$70	\$840	\$4,200
CORRECTION OF AGENCY DATA ENTRY ERROR	100	\$1	PER OCCURANCE	\$100	\$1,200	\$6,000
SUBTOTAL				\$170	\$2,040	\$10,200
TOTAL					\$981,189.60	\$4,905,948



Volume Discount Pricing

STORAGE SERVICES	MONTHLY NUMBER OF UNITS	State Requested Volume Discount Percentage (on total volume per category listed)	Bidder Offered Volume Discount Percentage (on total volume per category listed below)
BOX STORAGE - STANDARD	225,000	0%	2.5%
	275,000	5%	7.5%
	325,000	10%	12.5%
	375,000	15%	17.5%
	425,000	20%	22.5%
	500,000+	25%	27.5%
BOX STORAGE - BANKER LETTER	5,000	0%	2.5%
	10,000	5%	7.5%
	15,000	10%	12.5%
	20,000	15%	17.5%
	25,000	20%	22.5%
	30,000	25%	27.5%



Exhibit D Transition Plan

Upon notification of cancellation or termination of this contract the vendor will be required to cooperate with any new vendor selected in providing the services specified in this contract. 100% of the service levels must be maintained during the transition. This transition plan is developed for transferring boxes and the associated data. Due to the scope of this type of project transition work duties may overlap the terms of the contracts.

Assumptions:

Barcodes on the current vendor's boxes will be readable and usable in the new vendors system and there is only one barcode label on the exterior of the box.

Billing:

Storage fees under the current contract will discontinue on the day the boxes are scheduled to be removed from the current contractor's shelves. The SOM will only pay for storage on the actual number of boxes in storage on the day the billing invoice is generated.

Cost for permanent removal as defined in the Price Sheet will include all labor and material necessary for retrieval, palletizing and shrink-wrapping as one all-inclusive price. SOM will provide enough pallets to complete the transition. The pallets shall be 42" X 48" and in sturdy, condition.

Transition Process:

- SOM - Develop a project plan and timelines for the transition process associated with the following steps.
- SOM – Communicate with new vendor to determine data requirements of their box inventory management system.
- SOM – Provide new vendor with all existing Statements of Work for all current customers.
- Current Vendor - Shall provide all data associated with SOM work from their systems in accordance with the following (unless otherwise specified by the SOM at time of transition).
 - Access data file with each row of data representing one box.
 - A second Access data file where each file is represented in a single row. The data in that row must reference the box number where the file resides.
 - All data is to be transferred regardless of the status of the box or file (active, inactive, checked out, destroyed etc). The status of a box and/or file must be clear in the data provided.
 - Table definitions, field definitions and descriptions, and the necessary structure information necessary to create a data map for conversion to the new vendors system.
- Current Vendor – Provide initial report of the quantity, box size and physical building location of all state owned records managed under this contract.
- SOM – Create an initial moving plan that will specify the dates and volumes of boxes to be moved from the current vendor site locations and organization methodology that will be used to ensure accurate tracking of boxes throughout the transition process.
- New Vendor – Load data and validate in test environment
 - Perform test to ensure bar code functionality.
- New Vendor – Work with SOM to establish new process for agencies submitting boxes.
- SOM – Establish cut-off date for new material to stop being sent to legacy vendor.
 - SOM – Issue notice to agencies to hold any returns (files and boxes) until transition is complete.
 - New Vendor – Begins receiving new boxes from agencies.
 - Current Vendor – Discontinues all pickup activities of new material.
- Current Vendor – Provide final data to vendor.
- Current Vendor – Track any data that changes for the records associated with retrievals to an agency
- New Vendor – Accepts and validates data into production environment.



- Current Vendor – Provide final report of the quantity, box size and physical building location of all state owned records managed under this contract.
- SOM – Create a final moving plan that will specify the dates and volumes of boxes to be moved from the current vendor site locations.
- New Vendor – Picks up one week’s worth of pallets (number of pallets to be determined by moving plan) to be used and delivers to current vendor.
- Physical move steps to be completed each day:
 - Current Vendor (day 1) - Create a pick list that identifies all boxes to be pulled and delivered the following day. A copy of the pick list shall be emailed to the new vendor representative and the SOM contact (individuals to be determined) on the morning of the scheduled pickup.
 - Current Vendor (day 2)- Will palletize the boxes and label the pallets so as to be able to identify which boxes are on each pallet on any given day.
 - Barcode labels for all of the boxes need to face outwards, so they are visible without moving the box (see photo).
 - Stack 5 boxes high, 8 boxes per row, 40 boxes per pallet.
 - Pallets must be wrapped using a clear stretch film in such a way as to maintain the integrity of the shipment and allow for counting the boxes.
 - Current Vendor (Day 2) – Produce a physical copy of the pick list that will be used as a receipt of transfer (packing slip) for the deliver made to the new vendor and will document the total number of boxes for that delivery as well as the box/barcode numbers.
 - Current Vendor (day 3) – Will load into a company owned vehicles and deliver to the new vendors location in accordance with the moving plan.
 - Current Vendor (day 3) – Will unload pallets onto new vendors dock or staging area.
 - New Vendor (day 3) - Will count the number of boxes and sign off on the number of boxes received at the time of delivery.
 - Current Vendor (day 3) – Will wait for box count to take place by new vendor.
 - Both Vendors (day 3)– After count both will receive a copy of the packing slip prior to leaving dock.
 - New Vendor (day 3) - Will scan the actual box numbers (barcodes) into their system to validate that it is an authentic box (state owned) and confirm that they have received the boxes.
 - New Vendor – If for any reason a barcode cannot be validated into the system the box will be tagged on the front of the box in a manner which can be identified when placing boxes on shelving.
 - New Vendor – Will document on the packing slip boxes that failed to be validated and the reason if known.
 - New Vendor (day 4) – Will scan all boxes that have been validated to a specific shelf location.
 - New Vendor – Will set aside any boxes that cannot be validated.
 - New Vendor - Any boxes that could not be validated shall be communicated to the SOM by the end of each business day.
 - SOM – Will work with the appropriate resources to resolve any un-validated boxes.
 - New Vendor - Will return empty pallets to the loading dock to be picked up and reused by the current vendor on the next day.
 - Process repeats until all boxes are move.
- New Vendor – After all boxes have been scanned to shelves create a report that identifies boxes that appear to have not been transferred.
- SOM – Review and resolve any remaining issues.
- SOM – Review and authorize payments associated with transition.
- Current Vendor - 30 days after completion of the transition process, the current vendor shall delete all data associated with the boxes and files. The current vendor will send the SOM representative a written communication to that effect.



Exhibit E Nondisclosure Agreement

Department of Technology, Management and Budget / Office of Support Services and _____ (hereinafter Contractor/Vendor), have entered into a separate Contract for the provision of goods or services. During the course of providing such goods or services, the Contractor/Vendor may be exposed to, or come into possession of, information that is sensitive or confidential and prohibited from unauthorized use or disclosure under Section 54(d) of the Revenue Act, the Michigan Employment Security Act (Act No. 1 of the Public Acts of 1936, 1st Extra Session, MCL 421.54(d) and Revenue Act, Public Act 122 of 1941, MCL 205.28(1)(f), the Health Insurance Portability and Accountability Act (HIPAA) of 1996, Public law 104-191, Public Act 454 of 2004 Social Security Number Privacy Act, and Public Act 452 of 2004, as amended Identity Theft Protection Act.

To insure the continued protection and nondisclosure of such sensitive and confidential information, the Contractor/Vendor named above agrees to:

1. Not disclose any sensitive or confidential information the Contractor/Vendor may be exposed to, or come to possess, unless authorized by law and consistent with the Contractor/Vendor Contract.
2. Use the sensitive or confidential information only for the purposes authorized by law and consistent with the Contractor/Vendor Contract.
3. Store sensitive or confidential information in a place physically secure from access by unauthorized persons.
4. Use industry standards to store or process sensitive or confidential electronic information, in any format, not limited to magnetic tapes, hard drives, or mobile devices, in such a way that unauthorized persons cannot obtain the information by any means.
5. Have in effect written policies and procedures addressing the use and handling of sensitive or confidential information. Policies and procedures, at a minimum, must cover the: mitigation of breaches, training of personnel, restriction of employee access based on a need to know, and the reporting of unauthorized uses or disclosures to DTMB / Office of Support Services at the time the Contractor/Vendor becomes aware.
6. Train/instruct all personnel having access to the sensitive or confidential information about the precautions that must be taken to maintain the confidentiality of such information and about the criminal penalties that apply for unlawful disclosure of such information, and agrees to obtain and maintain on file a signed statement from all such personnel acknowledging that they have been so instructed and that they will adhere to the instructions and maintain the confidentiality of such information.
7. Dispose of information accessed or obtained, and any copies made thereof, after the purpose for which the information is accessed or maintained is served, either by returning such information or by appropriately destroying such information by shredding or using a method for electronic information that will render data unidentifiable.
8. On-site inspections, if deemed necessary, to assure that the confidentiality requirements of this Agreement and of state law are being met.
9. Ensure that any agent(s) or subcontractor(s) who has access to sensitive or confidential information agree to the same restrictions and conditions that apply to the Contractor/Vendor.

Failure to comply with any of these Contractual requirements may result in the termination of this agreement in accordance with the Contract for goods and services.



Michigan Penalties

MCL 205.28(1) (f) provides that you may not willfully browse any Michigan tax return or information contained in a return. Browsing is defined as examining a return or return information acquired without authorization and without a **need to know** the information to perform official duties. Violators are guilty of a **felony** and subject to **fines of \$5,000 or imprisonment for five years, or both.**

Any person who violates any other provision of the Revenue Act, MCL 205.1, et seq., or any statute administered under the Revenue Act, will be guilty of a misdemeanor and **fined \$1,000 or imprisonment for one year, or both**, MCL 205.27(4).

Michigan Employment Security Act (Act No. 1 of the Public Acts of 1936, 1st Extra Session, MCL 421.54(d) Disclosure of confidential information obtained from the agency punishable upon conviction by imprisonment for up to **90 days**, or a **fine of up to \$1,000, or both.**

Federal Penalties

If you willfully disclose federal tax returns or tax return information to a third party, you are guilty of a **felony** with a **fine of \$5,000 or imprisonment for five years, or both, plus prosecution costs** according to the Internal Revenue Code (IRC) §7213, 26 USC 7213.

In addition, inspecting, browsing or looking at a federal tax return or tax return information without authorization is a felony violation of IRC §7213A, 26 USC 7213A, subjecting the violator to a **\$1,000 fine or imprisonment for one year, or both, plus prosecution costs.**

In regard to medical information, HIPAA and DTMB's memorandum of understanding with the Michigan Department of Community Health (MDCH) requires DTMB employees and its contractors to protect the confidentiality of health information. Protected health information (PHI) means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 CFR § 164.501.

These Public Acts hold that any authorized representative who has access to Michigan tax returns and Michigan tax return information, Michigan Employment Security information, and or Medical information subject to the Health Insurance Portability and Accountability Act ("HIPAA") are subject to all applicable laws and regulations. All unauthorized uses or disclosures of information are subject to criminal and civil penalties under the Michigan Revenue Act and or the Michigan Employment Security Act (Act No. 1 of the Public Acts of 1936, 1st Extra Session, MCL 421.54(d) and the Health Insurance Portability and Accountability Act of 1996, Public law 104-191, as well as the Federal Internal Revenue Code (IRC) §7213, 26 USC 7213.

Vendor, Contractor or Subcontractor NONDISCLOSURE AGREEMENT



Certification

By signing this Agreement, I certify that I have read the above confidentiality provisions and understand that failure to comply is a felony.

I certify that I have viewed the Confidentiality Training video and or have read the Non-Disclosure Agreement.
Place check in box

Print name of employee signing this agreement Signature of person named above Date signed

Print Witness name (Required) Signature of Witness (Required) Date signed



Exhibit F **Preliminary Project Plan**

Transfer from Off Site Storage Location(s) to Royal Oak Storage

Introduction

Royal Oak Storage, established in 2001, is comprised of five large buildings totaling 400,000+ square feet. In today's world, security, accessibility, and accountability are keys to success for a large storage company. Royal Oak Storage accomplishes this with the latest security systems in place, an electronic gate, a complete 90-day digital video surveillance system, and the use of tracking and barcoding software specifically developed for the records management industry. All boxes are stored on racks, off the floor, accessible by only Royal Oak Storage employees. Also, a fire-protection sprinkler system is installed throughout the facility.

Statement of work

After review of SOM existing customer SOWs, provided by current vendor, The Agency and Royal Oak Storage will collaborate in development of the initial SOW. Following the signed approvals of CCI, The Agency, RMS and ROS, the document will be filed with the RMS. Any changes to the document at this point, from any party, will require new signatures and filing.

Preparation

Trucking, manpower and technology improvements will be addressed after a review of all existing vendor systems. This includes investment in an additional geographically strategic site based on the needs of SOM. We estimate the need to add 1 additional warehouse. In addition, there is capacity at the current storage sites located in the Metro Detroit region. ROS is committed and prepared to invest in any mechanisms to ensure that expectations of SOM are exceeded and we have the necessary experience and capabilities to immediately begin service.

Timing

We are capable of completing transition per SOM requirements. We have trucking and manpower available to transfer 225,000+ records. As one example of our strength, we successfully completed a fully operational multi-million dollar recycling facility within 3 months of contract signing.

Transition Steps

Upon validation of successful data assimilation into test environment, current vendor will discontinue pickup activities and ROS will begin receiving new boxes from Agency locations within the counties of Wayne, Genesee, Oakland and Macomb.

SOM will create a final moving plan and a specified number of pallets will be retrieved by ROS from current vendor. ROS will work closely with existing vendor to identify any process problems in test environment.

Location Transfer from Current Vendor:

1. Boxes that have been palletized, wrapped and labeled by current vendor are entered into a pick list and emailed to ROS and SOM
2. Physical copies of Pick list with total number of boxes and barcodes serves as receipts
3. In accordance with moving plan, boxes will be retrieved, transported and unloaded to staging area by current vendor. ROS will verify box count and both parties receive signed copies
4. ROS validates authenticity with scanned barcodes. Cross referencing by Royal Oak Storage employees includes scanning Royal Oak Storage barcode and any additional barcode.
5. Boxes are shelved accordingly. Any invalidated boxes are set-aside and issues are communicated to SOM the same day.



6. Empty pallets are retrieved by current vendor from ROS loading docks and the process repeats until all boxes have been transferred.
7. ROS identifies any boxes within the system that have not been transferred.
8. Remaining issues are resolved and payment is authorized
9. Current vendor deletes all SOM data 30 days from completion of transition