



STATE OF MICHIGAN PROCUREMENT

Department of Corrections

206 E. Michigan Avenue, Lansing, MI 48833
P.O. Box 30003, Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number **4**

to

Contract Number **180000001265**

ATD – American Co
135 Greenwood Ave
Wyncote PA 19095-1396
Sharon Gowton
215-576-1000
AMERICAN@ATD-AMERICAN.COM
CV0007342

Program Manager	Deann Gallagher	MDOC
	989-584-3941 ext. 259-0600	
	GallagherD1@michigan.gov	
Contract Administrator	Ethan Todd	MDOC
	517-241-5056	
	ToddE1@michigan.gov	

CONTRACT SUMMARY

DESCRIPTION: Broadcloth or sheeting fabric, MSI

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
September 19, 2018	September 18, 2021	Two – one year options	September 18, 2022
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 30		20 – 40 Calendar Days	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
None			

DESCRIPTION OF CHANGE NOTICE

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	1 year	<input type="checkbox"/>		September 18, 2023
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$659,540.00		\$110,000.00	\$769,540.00	

DESCRIPTION:

Effective August 16, 2022, the following changes are made to this Contract:

The State is exercising an option year for this Contract and increasing the value by \$110,000. The revised aggregate contract value is \$769,540.00.

The revised contract expiration date is September 18, 2023.

All references to "Vendor Handbook" are revised to "Vendor Rules and Regulations."

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement.

FOR THE CONTRACTOR:

ATD – American Co
Company Name

Authorized Agent Signature

Jonathan Zaslow
Authorized Agent (Print or Type)

Date

FOR THE STATE:

Signature

Lia Gulick, Deputy Director
Name & Title

Department of Corrections
Agency

Date



STATE OF MICHIGAN PROCUREMENT

Department of Corrections

206 E. Michigan Avenue, Lansing, MI 48933

P.O. Box 30003, Lansing, MI 48909

CONTRACT CHANGE NOTICE

Change Notice Number 1
to
Contract Number 180000001265

CONTRACTOR	ATD – American Co
	135 Greenwood Ave.
	Wyncote PA 19095-1396
	Sharon Gowton
	(215) 576-1000
	AMERICAN@ATD-AMERICAN.COM
	CV0007342

STATE	Deann Gallagher	MDOC
	(989) 584-3941 ext. 259-0600	
	GallagherD1@michigan.gov	
	Cathy Carr	MDOC
	(517) 241-2192	
	CarrC@michigan.gov	

CONTRACT SUMMARY				
DESCRIPTION: Broadcloth or sheeting fabric, MSI				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGES NOTED BELOW	
September 19, 2018	September 18, 2021	Two – one year options	September 18, 2021	
PAYMENT TERMS		DELIVERY TIME FRAME		
Net 30		20 – 40 calendar days		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-card <input type="checkbox"/> Payment Request (PRC) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
MINIMUM DELIVERY REQUIREMENTS				
None				
DESCRIPTION OF CHANGE NOTICE				
OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		
CURRENT VALUE		VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE	
\$319,500.00			\$319,500.00	
DESCRIPTION: Effective DATE, the following amendments are incorporated into this Contract per attached Attachment A. This change includes the following: Change in subcontractor and revision to Standard Terms, Section 42. Nondiscrimination. All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement.				

FOR THE CONTRACTOR:

ATD-AMERICAN CO

Company Name


Authorized Agent Signature

JONATHAN ZASLOW

Authorized Agent (Print or Type)

4/26/19

Date

FOR THE STATE:


Signature

Lia Gulick – Acting Deputy Director

Name & Title

Department of Corrections

Agency

5-1-19
Date

**180000001265 Change Notice 1
Attachment A**

Schedule A, Statement of Work 3.3. Disclosure of Subcontractors
The Contractor has disclosed they will use the following subcontractor:

Coplan Industries
P. O. Box 1208
Burlington NC 27215
336-228-0272

Has been changed to:

The Contractor has disclosed they will use the following subcontractor:

Hayes Dye & Finishing
600 Northwest Blvd
Winston-Salem, NC 27101
336-725-1391

Contract Terms

42. Nondiscrimination. Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.

Is changed to the following:

42. Nondiscrimination. Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, and Executive Directive 2019-09, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex (as defined in Executive Directive 2019-09), height, weight, marital status, partisan considerations, any mental or physical disability, or genetic information that is unrelated to the person's ability to perform the duties of a particular job or position. Breach of this covenant is a material breach of this Contract.



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Corrections
206 E. Michigan Avenue, Lansing MI 48933
P.O. Box 30003, Lansing, MI 48909

NOTICE OF CONTRACT - Revised

CONTRACT NO. 180000001265

between

THE STATE OF MICHIGAN

and

CONTRACTOR	ATD-American Co.
	135 Greenwood Ave.
	Wyncote PA 19095-1396
	Sharon Gowton
	(215) 576-1000
	AMERICAN@ATD-AMERICAN.COM
	CV0007342

STATE	Program Manager	DeAnn Gallagher	MDOC
		(989) 584-3941 ext 259-0600	
	GallagherD1@michigan.gov		
	Contract Manager	Andrew Fotenakes	MDOC
		517-335-1061	
	FotenakesA@michigan.gov		
Contract Administrator	Cathy Carr	MDOC	
	(517) 241-2192		
CarrC@michigan.gov			

CONTRACT SUMMARY			
DESCRIPTION: Broadcloth or sheeting fabric, MSI			
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Net 30		20 - 40 calendar days	
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			
None			
MISCELLANEOUS INFORMATION			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$319,500.00

FOR THE CONTRACTOR:

ATD-AMERICAN CO

Company Name



Authorized Agent Signature

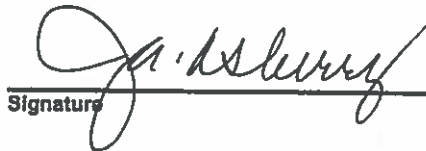
JONATHAN ZASLOW

Authorized Agent (Print or Type)

9/20/18

Date

FOR THE STATE:



Signature

Jeri Ann Sherry, Deputy Director

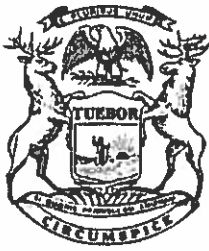
Name & Title

Department of Corrections

Agency

Date

9/25/18



STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Corrections
206 E. Michigan Avenue, Lansing MI 48933
P.O. Box 30003, Lansing, MI 48909

NOTICE OF CONTRACT

CONTRACT NO. 180000001265

between

THE STATE OF MICHIGAN

and

CONTRACTOR	ATD-American Co.
	135 Greenwood Ave.
	Wyncote PA 19095-1396
	Sharon Gowton
	(215) 576-1000
	AMERICAN@ATD-AMERICAN.COM
	CV0007342

STATE	Program Manager	DeAnn Gallagher	MDOC
		(989) 584-3941 ext 259-0600	
		GallagherD1@michigan.gov	
	Contract Manager	Andrew Fotenakes	MDOC
		517-335-1061	
		FotenakesA@michigan.gov	
	Contract Administrator	Cathy Carr	MDOC
		(517) 241-2192	
		CarrC@michigan.gov	

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<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			
None			
MISCELLANEOUS INFORMATION			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$319,500.00

FOR THE CONTRACTOR:

ATD-AMERICAN CO

Company Name



Authorized Agent Signature

JONATHAN ZASLOW

Authorized Agent (Print or Type)

9/18/18

Date

FOR THE STATE:

Signature

Jeri Ann Sherry, Deputy Director

Name & Title

Department of Corrections

Agency

Date



STATE OF MICHIGAN

STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("Contract") is agreed to between the State of Michigan (the "State") and ATD-American Co. ("Contractor"), a Pennsylvania Corporation. This Contract is effective on September 19, 2018 ("Effective Date"), and unless terminated, expires on September 18, 2021.

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

The parties agree as follows:

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

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

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

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

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

If to State:	If to Contractor:
Purchasing Michigan Department of Corrections Grandview Plaza, 5 th Floor PO Box 30003 Lansing, MI 48909	Sharon Gowton 135 Greenwood Ave. Wyncote PA 19095-1396 AMERICAN@ATD-AMERICAN.COM (215) 576-1000

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

State:	Contractor:
Cathy Carr, Buyer Michigan Department of Corrections Grandview Plaza, 5 th Floor PO Box 30003 Lansing, MI 48909 carrc@michigan.gov (517) 241-2192	Jonathan Zaslow 135 Greenwood Ave. Wyncote PA 19095-1396 AMERICAN@ATD-AMERICAN.COM (215) 576-1000

Contract Manager. The Contract Manager for each party is the sole point of contact for each party on all contract related issues. The Contract Manager will work with the Contract Administrator/Buyer if there are reasons to modify any terms of this Contract:

State:	Contractor:
Andrew Fotenakes Grandview Plaza, 5 th Floor PO Box 30003 Lansing, MI 48909 FotenakesA@michigan.gov (517) 335-1061	Sharon Gowton 135 Greenwood Ave. Wyncote PA 19095-1396 AMERICAN@ATD-AMERICAN.COM (215) 576-1000

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

State:	Contractor:
DeAnn Gallagher Michigan State Industries Carson City Garment Factory Carson City Correctional Facility 10274 Boyer Road Carson City, MI 48811 GallagherD1@michigan.gov (989) 584-3941 ext. 2590600	Sharon Gowton 135 Greenwood Ave. Wyncote PA 19095-1396 AMERICAN@ATD-AMERICAN.COM (215) 576-1000

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

Required Limits	Additional Requirements
Commercial General Liability Insurance	

<u>Minimal Limits:</u> \$1,000,000 Each Occurrence Limit \$1,000,000 Personal & Advertising Injury Limit \$2,000,000 General Aggregate Limit \$2,000,000 Products/Completed Operations <u>Deductible Maximum:</u> \$50,000 Each Occurrence	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.
Automobile Liability Insurance	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
Workers' Compensation Insurance	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
Employers Liability Insurance	
<u>Minimal Limits:</u> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	

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

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

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

7. Reserved.

- 8. Extended Purchasing Program.** This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at www.michigan.gov/mideal. Upon written agreement between the State and Contractor, this contract may also be extended to: (a) State of Michigan employees and (b) other states (including governmental subdivisions and authorized entities).

If extended, Contractor must supply all Contract Activities at the established Contract prices and terms. The State reserves the right to impose an administrative fee and negotiate additional discounts based on any increased volume generated by such extensions.

Contractor must submit invoices to, and receive payment from, 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 and provide all necessary documentation and signatures.
14. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

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

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

obligations to correct deficiencies in accordance with the time response standards set forth in this Contract.

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

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

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

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

21. **Liquidated Damages.** Liquidated damages, if applicable, will be assessed as described in Schedule A.
22. **Stop Work Order.** The State may suspend any or all activities under the Contract at any time. The State will provide Contractor a written stop work order detailing the suspension. Contractor must comply with the stop work order upon receipt. Within 90 calendar days, or any longer period agreed to by Contractor, the State will either: (a) issue a notice authorizing Contractor to resume work, or (b) terminate the Contract or 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 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "Transition Responsibilities"). This Contract will automatically be extended through the end of the transition period.
26. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

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

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

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

their obligations to keep all Confidential Information confidential. Disclosure to a subcontractor is permissible where: (a) use of a subcontractor is authorized under this Contract; (b) the disclosure is necessary or otherwise naturally occurs in connection with work that is within the subcontractor's responsibilities; and (c) Contractor obligates the subcontractor in a written contract to maintain the State's Confidential Information in confidence. At the State's request, any employee of Contractor or any subcontractor may be required to execute a separate agreement to be bound by the provisions of this Section.

- c. Cooperation to Prevent Disclosure of Confidential Information. Each party must use its best efforts to assist the other party in identifying and preventing any unauthorized use or disclosure of any Confidential Information. Without limiting the foregoing, each party must advise the other party immediately in the event either party learns or has reason to believe that any person who has had access to Confidential Information has violated or intends to violate the terms of this Contract and each party will cooperate with the other party in seeking injunctive or other equitable relief against any such person.
- d. Remedies for Breach of Obligation of Confidentiality. Each party acknowledges that breach of its obligation of confidentiality may give rise to irreparable injury to the other party, which damage may be inadequately compensable in the form of monetary damages. Accordingly, a party may seek and obtain injunctive relief against the breach or threatened breach of the foregoing undertakings, in addition to any other legal remedies which may be available, to include, in the case of the State, at the sole election of the State, the immediate termination, without liability to the State, of this Contract or any Statement of Work corresponding to the breach or threatened breach.
- e. Surrender of Confidential Information upon Termination. Upon termination of this Contract or a Statement of Work, in whole or in part, each party must, within 5 calendar days from the date of termination, return to the other party any and all Confidential Information received from the other party, or created or received by a party on behalf of the other party, which are in such party's possession, custody, or control; provided, however, that Contractor must return State Data to the State following the timeframe and procedure described further in this Contract. Should Contractor or the State determine that the return of any Confidential Information is not feasible, such party must destroy the Confidential Information and must certify the same in writing within 5 calendar days from the date of termination to the other party. However, the State's legal ability to destroy Contractor data may be restricted by its retention and disposal schedule, in which case Contractor's Confidential Information will be destroyed after the retention period expires.

33. Reserved.

34. Reserved.

35. Reserved.

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

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

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

37. **Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.
38. **Conflicts and Ethics.** Contractor will uphold high ethical standards and is prohibited from: (a) holding or acquiring an interest that would conflict with this Contract; (b) doing anything that creates an appearance of impropriety with respect to the award or performance of the Contract; (c) attempting to influence or appearing to influence any State employee by the direct or indirect offer of anything of value; or (d) paying or agreeing to pay any person, other than employees and consultants working for Contractor, any consideration contingent upon the award of the Contract. Contractor must immediately notify the State of any violation or potential violation of these standards. This Section applies to Contractor, any parent, affiliate, or subsidiary organization of Contractor, and any subcontractor that performs Contract Activities in connection with this Contract.
39. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
40. **Reserved.**
41. **Reserved.**
42. **Nondiscrimination.** Under the Elliott-Larsen Civil Rights Act, 1976 PA 453, MCL 37.2101, *et seq.*, and the Persons with Disabilities Civil Rights Act, 1976 PA 220, MCL 37.1101, *et seq.*, Contractor and its subcontractors agree not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, marital status, or mental or physical disability. Breach of this covenant is a material breach of this Contract.
43. **Unfair Labor Practice.** Under MCL 423.324, the State may void any Contract with a Contractor or subcontractor who appears on the Unfair Labor Practice register compiled under MCL 423.322.
44. **Governing Law.** This Contract is governed, construed, and enforced in accordance with Michigan law, excluding choice-of-law principles, and all claims relating to or arising out of this Contract are governed by Michigan law, excluding choice-of-law principles. Any dispute arising from this Contract must be resolved in Michigan Court of Claims. Contractor consents to venue in Ingham County, and waives any objections, such as lack of personal jurisdiction or *forum non conveniens*. Contractor must appoint agents in Michigan to receive service of process.
45. **Non-Exclusivity.** Nothing contained in this Contract is intended nor will be construed as creating any requirements contract with Contractor. This Contract does not restrict the State or its agencies from acquiring similar, equal, or like Contract Activities from other sources.
46. **Force Majeure.** Neither party will be in breach of this Contract because of any failure arising from any disaster or acts of god that are beyond their control and without their fault or negligence. Each party will use commercially reasonable efforts to resume performance. Contractor will not be relieved of a breach or delay caused by its subcontractors. If immediate performance is necessary to ensure public health and safety, the State may immediately contract with a third party.
47. **Dispute Resolution.** The parties will endeavor to resolve any Contract dispute in accordance with this provision. The dispute will be referred to the parties' respective Contract Administrators or Program Managers.

Such referral must include a description of the issues and all supporting documentation. The parties must submit the dispute to a senior executive if unable to resolve the dispute within 15 business days. The parties will continue performing while a dispute is being resolved, unless the dispute precludes performance. A dispute involving payment does not preclude performance.

Litigation to resolve the dispute will not be instituted until after the dispute has been elevated to the parties' senior executive and either concludes that resolution is unlikely, or fails to respond within 15 business days. The parties are not prohibited from instituting formal proceedings: (a) to avoid the expiration of statute of limitations period; (b) to preserve a superior position with respect to creditors; or (c) where a party makes a determination that a temporary restraining order or other injunctive relief is the only adequate remedy. This Section does not limit the State's right to terminate the Contract.

48. **Media Releases.** News releases (including promotional literature and commercial advertisements) pertaining to the Contract or project to which it relates must not be made without prior written State approval, and then only in accordance with the explicit written instructions of the State.
49. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
50. **Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
51. **Severability.** If any part of this Contract is held invalid or unenforceable, by any court of competent jurisdiction, that part will be deemed deleted from this Contract and the severed part will be replaced by agreed upon language that achieves the same or similar objectives. The remaining Contract will continue in full force and effect.
52. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
53. **Survival.** The provisions of this Contract that impose continuing obligations, including warranties and representations, termination, transition, insurance coverage, indemnification, and confidentiality, will survive the expiration or termination of this Contract.
54. **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "Contract Change Notice"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

STATE OF MICHIGAN

Contract 180000001265
Broadcloth or Sheeting Material

SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES

SCOPE

This is a Contract for a Contractor to provide broadcloth or sheeting material. Michigan Department of Corrections (MDOC) reserves the right to add or delete material to best meet the needs of the ordering entity.

REQUIREMENTS

1. General Requirements

1.1. Product Specifications

The Contractor must provide broadcloth or sheeting material for the MDOC, Michigan State Industries (MSI) for use in the production of prisoner pajama items according to the following specifications. The Contractor will be required to provide the broadcloth or sheeting material as ordered and within the time constraints required. The Contractor is solely responsible to ensure that products delivered meet the specifications and requirements of this Contract.

Broadcloth or Sheeting Material, Plain

- 65/35 cotton/polyester blend
- Weight 3.5 – 4.5 oz. per square yard.
- Color shall be light blue. Color of material delivered must match the color of the sample provided and must be consistent throughout the term of the Contract.
- Rolls 65"-66.5" wide packaged on cardboard tubing with 1-1/2" inside diameter.
- Rolls must contain approximately 225-250 linear yards of broadcloth or sheeting material.
- Each roll shall be labeled with the linear yardage, color and fabric type in English.
- The product must have product labels that state the country where the product was manufactured and finished.
- Material must have two selvage edges.

The Contractor has disclosed the location of the manufacture to be the United States. If the Contractor changes the location of manufacturing, the Contractor must notify the Contract Administrator 60 calendar days prior to the change.

1.2. Warranties

All deliverables must have a minimum one (1) year warranty against any and all manufacturer's defects.

If there are deficiencies in the deliverables, the State will notify the Contractor by email of the deficiencies. The Contractor will have 30 calendar days to correct and resubmit the deliverables at no cost to the State. Unused fabric may be returned for full credit or refund as determined by the State.

All shipping costs for defective, damaged and/or flawed products will be at no cost to the State. The Contractor is solely responsible to coordinate the refund/return/replacement of damaged and/or flawed products.

1.3. Recall Requirements and Procedures

In the event of a recall, the Contractor must immediately notify MDOC Contract Administrator, Contract Manager, and Program Manager by email. The Contractor must provide instructions detailing the process to return the products to the Contractor at the expense of the Contractor. The Contractor is solely responsible for notifying MDOC and coordinating the return of the products.

1.4. Reserved

1.5. Minimum Order

There is no minimum order quantity. There is no specific guarantee of the number of orders that will be placed or total quantity ordered during the contract period.

1.6. Incorrectly Filled Orders

All returns for incorrectly filled orders must be at no cost to the State.

The Contractor is solely responsible to coordinate the refund/return/replacement of incorrectly filled orders.

1.7. Return Policy and Procedure

In the event that the State wants to return the items for reasons other than warranty, defects, or incorrectly filled orders, the State will email notification to the Contractor. The Contractor will accept the return of material for full refund. The State shall pay the return shipping costs and will be assessed a 20% restocking fee.

2. Service Levels

2.1. Time Frames

The receipt of order date is pursuant to Section 2, Notices, of the Standard Contract Terms.

The requested delivery dates will be stated on the delivery order. Deliveries will be made within 20 – 40 calendar days after receipt of order.

The Contractor is solely responsible to ensure that they or any suppliers/subcontractors meet the delivery requirement.

2.2. Delivery

Deliveries will be accepted 7:30 a.m. through 1:30 p.m., EST/EDT Monday through Friday, excluding State of Michigan holidays. The State of Michigan holidays are: New Year's Day, Martin Luther King Jr. Day, President's Day, Memorial Day, Independence Day, Labor Day, General Election Day on even numbered years, Veterans Day, Thanksgiving Day, Day after Thanksgiving, Christmas eve, Christmas Day, and New Year's eve.

Deliveries locations will be stated on the Purchase Order/Delivery Order.

The State reserves the right to add, delete, or change the delivery addresses.

Trailer length for delivery trucks is limited to maximum 53 feet length with 13 foot clearance. There shall be nothing loaded on or in the truck other than items being delivered to MSI.

Delivery drivers must obtain Law Enforcement Information Network (LEIN) clearance at least 24 hours prior to delivery by contacting the MDOC Program Manager at 989-584-3941 ext. 2590600.

The Contractor is responsible for delivering the product to the delivery location specified on the purchase order. Delivery to any other facility or warehouse will not be accepted unless approved by the MDOC Contract Administrator prior to delivery. Factory superintendents and staff do not have the authority to approve of alternate delivery locations. The State reserves the right to require that delivery be made directly to the factory which is located inside a correctional facility.

The Contractor should be aware that there is a possibility of a delay at any of the correctional facilities which prohibits delivery carriers entering the facility at time of arrival. The State will not be responsible for any additional charges which may arise due to delivery delays caused by a mobilization or any other reason.

The Contractor must contact the Program Manager at least two business days before a delivery to schedule the delivery.

Persons under the age of 17 years old and pets/animals are not allowed on the delivery truck.

2.3. Reporting

The Contractor must provide various reports to the MDOC Contract Administrator, Contract Manager, Program Manager, or designees, upon request. Examples may include itemized reports of total items purchased by MDOC, open invoice reports, delivery compliance reports, quality reports, and proof of delivery documentation.

2.4. Meetings

The State may request meetings as it deems appropriate.

3. Staffing

3.1. Contractor Representative

The Contractor must notify the MDOC Contract Administrator immediately upon assigning a new Contractor Representative.

The Contractor Representative specifically assigned to the MDOC account is:

Gigi Scott-Epps
135 Greenwood Ave
Wyncote PA 19095-1396
(215) 576-1000
AMERICAN@ATD-AMERICAN.COM

The Contractor Representative shall be located within the continental United States.

The Contractor must provide the name, title, telephone number, fax number, email address and physical location of the Customer Service Representative to the Contract Administrator in the event of assigning a new Contractor Representative.

3.2. Customer Service Toll-Free Number

The Contractor must have a toll-free number for the State to make contact with the Contractor Representative. The toll-free number is 800-523-2300. The Contractor Representative must be available for calls during the hours of 8 am to 5 pm EST/EDT, Monday through Friday.

3.3. Disclosure of Subcontractors

The Contractor has disclosed they will use the following subcontractor:

Coplan Industries
P. O. Box 1208
Burlington NC 27215
336-226-0272

Changes to the subcontractor must be approved by the State through the issuance of a Contract Change Notice. If the Contractor changes subcontractor/manufacturers, the State reserves the right to require new samples for testing and approval.

If the Contractor proposes to change subcontractors, the Contractor shall disclose to the MDOC Contract Administrator the following:

- The legal business name; address; telephone number;
- A description of subcontractor's organization and the services it will provide;
- Information concerning subcontractor's ability to provide the contract activities;
- The relationship of the subcontractor to the Contractor;
- Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship;
- A complete description of the Contract Activities that will be performed or provided by the subcontractor;
- Of the total cost, the price of the subcontractor's work.

3.4. Security

The Contractor's staff may be required to make deliveries to or enter State facilities.

The Contractor will be subject to the following security procedures:

1. All Contractor and subcontractor staff working on the Contract must undergo a security and background check, to include at a minimum ICHAT <http://apps.michigan.gov/ichat/home.aspx>, to be performed by the Contractor at its expense.
2. The Contractor's and subcontractor's staff that are entering an MDOC facility must be Law Enforcement Information Network (LEIN) cleared by the MDOC prior to facility entry. The Contractor must submit the LEIN information to the MDOC Program Manager at least two business days prior to the facility visit. If an employee of the Contractor or subcontractor has a felony or misdemeanor conviction (excluding minor driving offenses), that employee may not be permitted to enter any MDOC facility. The LEIN check is no cost to the Contractor.
3. The Contractor's and subcontractor's staff may be required to complete and submit an RI-8 Fingerprint Card for Finger Print Checks to the MDOC.
4. The Contractor must anticipate delays when visiting any facility due to issues within that facility.
5. All vehicles entering an MDOC facility must be inspected before entry of the secure perimeter.
6. The MDOC reserves the right to deny access to any facility to any Contractor(s)/ subcontractor(s) staff members who fails to comply with any applicable State, Federal or local law, ordinance or regulation or whose presence may compromise the security of the facility, its members or staff.
7. Weapons, alcoholic beverages, poison, and prescription drugs and controlled substances without written certification of needs from a license physician (does not include medical supplies for the facility), cellular devices, cameras, and audio or visual recording devices are prohibited from being brought into all MDOC correctional facilities. Tobacco products and smoking also are prohibited both inside a correctional facility and on facility grounds except as specifically authorized by MDOC policy. Wardens may prohibit other items from being brought into their respective correctional facilities. Smoking is prohibited.
8. The MDOC may require the Contractor's and subcontractor's personnel to wear State-MDOC issued identification badges.
9. If the Contractor's and subcontractor's staff is ever required to enter MDOC facilities, the Contractor will be asked to: (a) explain how it intends to ensure the security of MDOC facilities, (b) whether it uses uniforms and ID badges, etc., (c) identify the company that will perform background checks, and (d) the scope of the background checks.

4. Pricing

4.1. Price Term

Pricing is firm for the entire length of the Contract. Adjustments may be requested, in writing, by either party during an option year and will be firm for 365 calendar days after the effective date of the price change.

The Contractor has disclosed that they have a pricing agreement for firm pricing with the subcontractor through 12/31/18 which will be reviewed annually.

Prices are "F.O.B. Destination, within Government Premises" with transportation charges included in the unit price. The State will not pay any freight.

The Contractor has disclosed the major cost factors to be the following.

Cost Factors	Percentage of Total Cost
Raw fabric	50%
Finishing/dyeing	40%
Packaging/shipping	10%

4.2. Price Changes

The State prefers a 60 calendar day notice when possible of the Contractor's intention to request a price change.

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

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

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

5. Ordering

5.1. Authorizing Document

The appropriate authorizing document for the Contract will be a Purchase Order release from the Contract referred to in the State's new SIGMA software as a Delivery Order (DO). The Contractor is not authorized to begin performance until receipt of a Purchase Order/Delivery Order.

5.2 Order Verification

The Contractor must have internal controls to verify abnormal orders and to ensure that only authorized individuals place orders.

5.3 Overages and Shortages

The State expects deliveries to be made complete without overages, shortages, or backorders in the time frame specified. In the event that the Contractor is unable to meet these requirements, the Contractor must contact the MDOC Program Manager as soon as the Contractor is aware the delivery will be late or incomplete. Acceptance of a partial or late delivery does not exempt the Contractor from the delivery terms of this contract.

The Contractor must notify the MDOC Program Manager by email in advance of any overages or shortages.

MDOC will not pay for overages in excess of 5%. Overages in excess of 5% will be retained by MDOC at no cost to MDOC or the vendor may pick up the overages within 10 business days.

The Contractor must ship at least 95% of the quantity ordered for the purchase order to be considered complete. The Contractor must ship all backorders in excess of 5% by subsequent deliveries.

In the event that the contract items are on backorder, the State reserves the right to cancel the Purchase Order and to purchase the items from other sources.

6. Delivery

6.1. Delivery Programs

The Contractor will utilize a third-party freight carrier for delivery.

6.2. Packaging and Palletizing

The Contractor must include a packing slip with each delivery. The packing slip must be enclosed in an envelope and attached to the outer side of palletized material for easy access. The packing slip must include the Contractor's name, contract number called a master agreement (MA) in the state's software, purchase order/delivery order number date, deliverable, shipped quantity, quantity on backorder, and name of the MSI factory. The packing slip must be written in English.

Packaging must be optimized to permit the lowest freight rate. Shipments must be palletized whenever possible using manufacturer's standard 4-way shipping pallets.

Pallets must not exceed 2,000 pounds, including the pallet weight.

Pallets must be securely banded or shrink wrapped.

7. Acceptance

7.1. Acceptance, Inspection and Testing

Signing for the delivery does not constitute acceptance. Acceptance will be once the State has verified: the requested quantities are delivered in the requested time frame, product is verified to conform to the specifications of the contract, and the quantities are verified with the purchase order and packaging slip.

8. Invoice and Payment

8.1. Invoice Requirements

All invoices submitted to the State must include: (a) date; (b) contract/MA number (c) purchase order/delivery order number; (d) quantity; (e) product description; (f) unit of measurement as stated on the Contract; (g) unit price; and (h) total price.

Invoices should be received by MDOC within 30 business days of delivery of goods.

Invoices may be emailed to MDOCAP@michigan.gov. Questions and concerns may also be emailed to MDOCAP@michigan.gov.

8.2. Payment Methods

The State will make payment for Contract Activities via Electronic Funds Transfer (EFT). The Contractor is required to register to receive payments by EFT <http://www.michigan.gov/SIGMAVSS>.

9. Additional Requirements

9.1. Environmental and Energy Efficient Products

The Contractor has disclosed that it does not use environmental and energy efficient products at this time. If the Contractor provides energy efficient products in the future, the Contractor must provide certifications to the State if requested.

If there are changes in the environmental and energy efficient products, the Contractor must notify the Contract Administrator, Contract Manager, and Program Manager by email and identify any energy efficient, bio-based, or otherwise environmental friendly products used in the products. Contractor must include any relevant third-party certification, if requested.

9.2. Hazardous Chemical Identification

The Contractor has disclosed that there are no hazardous chemicals in the product.

If there are any changes that affect the hazardous chemical identification, the Contractor must notify the Contract Administrator, Contract Manager, and Program Manager by email and identify any hazardous chemicals that will be provided or applied to the commodity furnished under the contract prior to shipping the product.

9.3. Mercury Content

Pursuant to MCL 18.1261d, mercury-free products must be procured when possible.

The Contractor has disclosed that the products are mercury free.

If there are any changes that affect the mercury content, the Contractor must notify the Contract Administrator, Contract Manager, and Program Manager by email and must explain the amount or concentration of mercury, and whether cost competitive alternatives exist. If cost competitive alternatives do not exist, the Contractor must provide justification as to why the particular product is essential.

9.4. Brominated Flame Retardants

The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible.

The Contractor disclosed that the products do not contain Brominated Flame Retardants.

If there are any changes that affect BFR content, the Contractor must notify the Contract Administrator, Contract Manager, and Program Manager by email and must disclose the BFRs contents.

STATE OF MICHIGAN

Request For Proposal No. 180000001265
Broadcloth Material

SCHEDULE B PRICING MATRIX

ITEM #	DESCRIPTION	U/M	ESTIMATED UNIT COST
1.	Broadcloth/sheeting material as stated in Schedule A, Statement of Work 1.1 Product Specifications	Linear Yards	\$1.278