



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
 320 S. WALNUT ST., LANSING, MICHIGAN 48933  
 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number 7  
 to  
 Contract Number 071B5500045

<b>CONTRACTOR</b>	J D POWER AND ASSOCIATES
	320 E. Big Beaver Road
	Troy, MI 489083
	Brandy Duckworth
	678-936-9534
	brandy.duckworth@jdpa.com
CV0138727	

<b>STATE</b>	Program Manager	Various	MULTI
	Contract Administrator	Jillian Yeates (517) 275-1131 yeatesj@michigan.gov	DTMB

**CONTRACT SUMMARY**

**VEHICLE DATA ACCESS SERVICE**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
December 15, 2014	December 14, 2017	5 - 1 Year	December 14, 2022
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>		<input type="checkbox"/>		N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$475,000.00	\$0.00	\$475,000.00		

**DESCRIPTION**

Effective July 1, 2022, the Program Manager for Treasury has been updated to Jon Guthrie, guthriej1@michigan.gov, 517-636-0899, 7285 Parsons Dr., Dimondale, MI 48821 (Standard Contract Terms, Section 4).  
 All other terms, conditions, pricing and specifications remain the same. Per Contractor and Agency agreement and DTMB Central Procurement Services approval.

**Program Managers  
for  
Multi-Agency and Statewide Contracts**

<b>AGENCY</b>	<b>NAME</b>	<b>PHONE</b>	<b>EMAIL</b>
TREA	Jon Guthrie	517-636-0899	GuthrieJ1@michigan.gov
MDOS	John Strodbeck	517-636-5435	StrodbeckJ1@michigan.gov



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **6**  
 to  
 Contract Number **071B5500045**

<b>CONTRACTOR</b>	J D POWER AND ASSOCIATES
	320 E. Big Beaver Road
	Troy, MI 489083
	Brandy Duckworth
	678-936-9534
	brandy.duckworth@jdpa.com
CV0138727	

<b>STATE</b>	Program Manager	Various	MULTI
	Contract Administrator	Jillian Yeates (517) 275-1131 yeatesj@michigan.gov	DTMB

**CONTRACT SUMMARY**

<b>VEHICLE DATA ACCESS SERVICE</b>			
<b>INITIAL EFFECTIVE DATE</b>	<b>INITIAL EXPIRATION DATE</b>	<b>INITIAL AVAILABLE OPTIONS</b>	<b>EXPIRATION DATE BEFORE</b>
December 15, 2014	December 14, 2017	5 - 1 Year	December 14, 2022
<b>PAYMENT TERMS</b>		<b>DELIVERY TIMEFRAME</b>	
Net 45		N/A	
<b>ALTERNATE PAYMENT OPTIONS</b>			<b>EXTENDED PURCHASING</b>
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

<b>MINIMUM DELIVERY REQUIREMENTS</b>
N/A

<b>DESCRIPTION OF CHANGE NOTICE</b>				
<b>OPTION</b>	<b>LENGTH OF OPTION</b>	<b>EXTENSION</b>	<b>LENGTH OF EXTENSION</b>	<b>REVISED EXP. DATE</b>
<input type="checkbox"/>		<input type="checkbox"/>		N/A
<b>CURRENT VALUE</b>	<b>VALUE OF CHANGE NOTICE</b>	<b>ESTIMATED AGGREGATE CONTRACT VALUE</b>		
\$475,000.00	\$0.00	\$475,000.00		

**DESCRIPTION**

Effective February 8, 2022, Brandy Duckworth, Brandy.duckworth@jdpa.com, 678-936-9534, is hereby updated as the Contractor's Primary Contact, per Schedule A, Section 3.1, Subsections 1 and 4; Standard Contract Terms, Sections 2, 3, and 4. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and Agency agreement and DTMB Central Procurement Services approval.

**Program Managers  
for  
Multi-Agency and Statewide Contracts**

<b>AGENCY</b>	<b>NAME</b>	<b>PHONE</b>	<b>EMAIL</b>
TREA	Jason Mulligan	517-636-0534	MulliganJ3@michigan.gov
MDOS	John Strodbeck	517-636-5435	StrodbeckJ1@michigan.gov



**STATE OF MICHIGAN**  
**CENTRAL PROCUREMENT SERVICES**  
 Department of Technology, Management, and Budget  
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 P.O. BOX 30026 LANSING, MICHIGAN 48909

**CONTRACT CHANGE NOTICE**

Change Notice Number **5**  
 to  
 Contract Number **071B5500045**

<b>CONTRACTOR</b>	J D POWER AND ASSOCIATES
	8400 Westpark Drive
	McLean, VA 22102
	Dan Ruddy
	703-749-4707
	dan.ruddy@jdpa.com
	CV0138727

<b>STATE</b>	Program Manager	Multiple - See Attached	
	Contract Administrator	Jillian Yeates (517) 275-1131 yeatesj@michigan.gov	DTMB

**CONTRACT SUMMARY**

**VEHICLE DATA ACCESS SERVICE**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
December 15, 2014	December 14, 2017	5 - 1 Year	December 14, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input checked="" type="checkbox"/>	3 Years	<input type="checkbox"/>		December 14, 2022
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$280,000.00	\$195,000.00	\$475,000.00		

**DESCRIPTION**

Effective December 10, 2019, this Contract is exercising the final three options years and is increased by \$195,000.00. The revised expiration date is December 14, 2022.

Please note, the Contractor primary contact has been changed to Dan Ruddy (Section 3.1 Contractor Representative).

All other terms, conditions, specifications, and pricing remain the same. Per contractor and agency agreement, DTMB Central Procurement Services approval, and State Administrative Board approval on December 10, 2019.

**Program Managers  
for  
Multi-Agency and Statewide Contracts**

<b>AGENCY</b>	<b>NAME</b>	<b>PHONE</b>	<b>EMAIL</b>
TREA	Jason Mulligan	517-636-0534	MulliganJ3@michigan.gov
MDOS	John Strodbeck	517-636-5435	StrodbeckJ1@michigan.gov



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **4**

to

Contract Number **071B5500045**

<b>CONTRACTOR</b>	J.D. Power and Associates
	8400 Westpark Drive
	McLean, VA 22102
	Douglas Ott
	703-749-4710
	doug.ott@nada.com
	CV0138727

<b>STATE</b>	<b>Program Manager</b>	John Strodbeck	MDOS
		517-636-5435	
		strodbeck1@michigan.gov	
	<b>Contract Administrator</b>	Jillian Yeates	DTMB
		(517) 275-1131	
		yeatesj@michigan.gov	

**CONTRACT SUMMARY**

**VEHICLE DATA ACCESS SERVICE**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
December 15, 2014	December 14, 2017	5 - 1 Year	December 14, 2019
PAYMENT TERMS		DELIVERY TIMEFRAME	
Net 45		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

**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		
\$280,000.00	\$0.00	\$280,000.00		

**DESCRIPTION**

Effective October 1, 2018, the Program Manager has changed from Grace Ueberroth to John Strodbeck (Standard Contract Terms, Section 4).

All other terms, conditions, specifications and pricing remain the same. Per agency and vendor agreement and DTMB Procurement approval.



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

**CONTRACT CHANGE NOTICE**

Change Notice Number **3**  
 to  
 Contract Number **071B5500045**

<b>CONTRACTOR</b>	J.D. Power and Associates
	8400 Westpark Drive
	McLean, VA 22102
	Douglas Ott
	703-749-4710
	doug.ott@nada.com
*****2471	

<b>STATE</b>	<b>Program Manager</b>	Grace Ueberroth	MULTI
		517-322-3440	
		ueberrothg@Michigan.gov	
	<b>Contract Administrator</b>	Jillian Yeates	DTMB
		(517) 284-7019	
		yeatesj@michigan.gov	

**CONTRACT SUMMARY**

<b>VEHICLE DATA ACCESS SERVICE</b>			
<b>INITIAL EFFECTIVE DATE</b>	<b>INITIAL EXPIRATION DATE</b>	<b>INITIAL AVAILABLE OPTIONS</b>	<b>EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW</b>
December 15, 2014	December 14, 2017	5 - 1 Year	December 14, 2017
<b>PAYMENT TERMS</b>		<b>DELIVERY TIMEFRAME</b>	
Net 45		N/A	
<b>ALTERNATE PAYMENT OPTIONS</b>			<b>EXTENDED PURCHASING</b>
<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

**DESCRIPTION OF CHANGE NOTICE**

<b>OPTION</b>	<b>LENGTH OF OPTION</b>	<b>EXTENSION</b>	<b>LENGTH OF EXTENSION</b>	<b>REVISED EXP. DATE</b>
<input checked="" type="checkbox"/>	2 Years	<input type="checkbox"/>		December 14, 2019
<b>CURRENT VALUE</b>	<b>VALUE OF CHANGE NOTICE</b>	<b>ESTIMATED AGGREGATE CONTRACT VALUE</b>		
\$150,000.00	\$130,000.00	\$280,000.00		

**DESCRIPTION**

Effective November 21, 2017, the following amendments are hereby incorporated into this Contract:

1. This Contract is exercising two option years and is increased by \$130,000.00. The revised contract expiration date is December 14, 2019.
2. The pricing has been amended per the attached Amended Exhibit C Pricing.
3. All references to "Purchase Order(s)" for new requests will hereinafter be referred to as "Delivery Order(s)", (e.g. Exhibit A, Section 5.1, Section 6.1, Standard Terms and Conditions, Section 22, Section 49).
4. The Contract Administrator has been changed to Jillian Yeates.

All other terms, conditions, pricing and specifications remain the same, per Contractor and Agency agreement and DTMB Procurement approval.



**Contract No.071B5500045**

**Change Notice #3**

Online Access or Batch File of Manufacturer's Suggested Base List Prices for Vehicles

**AMENDED EXHIBIT C  
PRICING**

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).

**Online Web Access:**

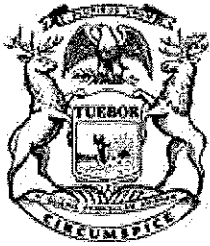
Contractor offered one annual price for online access regardless of the number of concurrent users (unlimited users) covering all Michigan Department of State offices. In addition, the price is regardless of the total annual vehicle valuations performed (unlimited look ups).

<b>Year</b>	<b>Price</b>
Year 1	\$15,000
Year 2	\$25,000
Year 3	\$35,000
Year 4 (Option Yr. 1, upon mutual agreement to continue the Contract)	\$40,000
Year 5 (Option Yr. 2, upon mutual agreement to continue the Contract)	\$40,000
Year 6 (Option Yr. 3, upon mutual agreement to continue the Contract)	\$40,000
Year 7 (Option Yr. 4, upon mutual agreement to continue the Contract)	\$40,000
Year 8 (Option Yr. 5, upon mutual agreement to continue the Contract)	\$40,000

**Batch File Pricing:**

Contractor offered one annual price for batch processing VINS for the Department of Treasury. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).

<b>Total Annual Vehicle Valuations (Records)</b>	<b>Price Per Year</b>
UNLIMITED RECORDS Year 1	\$25,000
UNLIMITED RECORDS Year 2	\$25,000
UNLIMITED RECORDS Year 3	\$25,000
UNLIMITED RECORDS Year 4	\$25,000
UNLIMITED RECORDS Year 5	\$25,000
UNLIMITED RECORDS Year 6	\$25,000
UNLIMITED RECORDS Year 7	\$25,000
UNLIMITED RECORDS Year 8	\$25,000



**STATE OF MICHIGAN  
ENTERPRISE PROCUREMENT**

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

**CONTRACT CHANGE NOTICE**

Change Notice Number **2**  
to  
Contract Number **071B5500045**

<b>CURRENT CONTRACTOR</b>	NADA Used Car Guide	<b>NEW CONTRACTOR</b>	J.D. Power and Associates
	8400 Westpark Drive		33191 Collection Center Drive
	McLean, VA 22102		Chicago, IL 60693-0331
	Douglas Ott		Douglas Ott
	703-749-4710		703-749-4710
	dott@nada.org		doug.ott@jdpa.org
*****4728	*****2471		

STATE CONTACTS			
<b>Program Manager</b>	Grace Ueberroth	DOS	<b>Contract Administrator</b>
	517-322-3440		
	ueberrothg@Michigan.gov		
	Dan Stevens	DTMB	
	(517) 284-7049		
	stevensd6@michigan.gov		

**CONTRACT SUMMARY**

**VEHICLE DATA ACCESS SERVICE**

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
December 15, 2014	December 14, 2017	5 - 1 Year	December 14, 2017
PAYMENT TERMS		DELIVERY TIMEFRAME	
NET45		N/A	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
P-Card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other <input type="checkbox"/>			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

**MINIMUM DELIVERY REQUIREMENTS**

N/A

**DESCRIPTION OF CHANGE NOTICE**

OPTION	LENGTH OF OPTION	EXTENSION	LENGTH OF EXTENSION	REVISED EXP. DATE
<input type="checkbox"/>	N/A	<input type="checkbox"/>	N/A	N/A
CURRENT VALUE	VALUE OF CHANGE NOTICE	ESTIMATED AGGREGATE CONTRACT VALUE		
\$150,000.00	\$0.00	\$150,000.00		

**DESCRIPTION**

Effective January 23, 2017, the Contractor's name and FEIN number has changed from NADA Services Corporation to J.D. Power and Associates.

Please note the Contract Administrator has been changed to Dan Stevens (Standard Contract Terms, Section 3).

All other terms, conditions, specifications and pricing remain the same. Per Contractor and Agency agreement, and DTMB Procurement approval.

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

**CHANGE NOTICE NO. 1**  
 to  
**CONTRACT NO. 071B5500045**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR	PRIMARY CONTACT	EMAIL
NADA Services Corporation; dba NADA Used Car Guide 8400 Westpark Drive McLean, VA 22102	Douglas Ott	dott@nada.org
	PHONE	VENDOR TAX ID # (LAST FOUR DIGITS ONLY)
	(703) 749-4710	4728

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
PROGRAM MANAGER	MDOS Treasury	Grace Ueberroth Jason Mulligan	(517) 322-3440 (517) 636-0534	ueberrothg@michigan.gov mulliganj3@michigan.gov
CONTRACT ADMINISTRATOR	DTMB	Chelsea Edgett	(517) 284-7031	edgettcc@michigan.gov

CONTRACT SUMMARY			
<b>DESCRIPTION:</b> Vehicle Data Access Service			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
December 15, 2014	December 14, 2017	Two, One-Year Options	December 14, 2017
PAYMENT TERMS	F.O.B.	SHIPPED TO	
NET45	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			

DESCRIPTION OF CHANGE NOTICE				
EXTEND CONTRACT EXPIRATION DATE	EXERCISE CONTRACT OPTION YEAR(S)	EXTENSION BEYOND CONTRACT OPTION YEARS	LENGTH OF EXTENSION/OPTION	EXPIRATION DATE AFTER CHANGE
<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes	<input type="checkbox"/>	<input type="checkbox"/>		
CURRENT VALUE		VALUE/COST OF CHANGE NOTICE	ESTIMATED REVISED AGGREGATE CONTRACT VALUE	
\$75,000.00		\$75,000.00	\$150,000.00	

**DESCRIPTION:**  
 Effective May 11, 2015, \$75,000.00 is hereby ADDED to the Contract on behalf of the Department of Treasury. The attached pricing for batch process VINs is hereby incorporated into the Contract. All other terms, conditions, specifications, and pricing remain the same. Per Contractor and agency agreement, and DTMB Procurement approval.

**Batch File Pricing:**

Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).

<b>Total Annual Vehicle Valuations (Records)</b>	<b>Price Per Year</b>
UNLIMITED RECORDS Year 1	\$25,000
UNLIMITED RECORDS Year 2	\$25,000
UNLIMITED RECORDS Year 3	\$25,000

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. 071B5500045**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
NADA Services Corporation; dba NADA Used Car Guide 8400 Westpark Drive McLean, VA 22102	Douglas Ott	dott@nada.org
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 749-4710	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	MDOS	Grace Ueberroth	(517)322-3440	<a href="mailto:ueberrothg@michigan.gov">ueberrothg@michigan.gov</a>
BUYER:	DTMB	Chelsea Edgett	(517)284-7031	<a href="mailto:edgettc@michigan.gov">edgettc@michigan.gov</a>

CONTRACT SUMMARY:			
<b>DESCRIPTION:</b>			
Vehicle Data Access Service			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three Years	12/15/2014	12/14/2017	Two, One-Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
NET45	N/A	N/A	N/A
<b>ALTERNATE PAYMENT OPTIONS:</b>			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
N/A			
<b>MISCELLANEOUS INFORMATION:</b>			
N/A			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			<b>\$75,000.00</b>

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

**CONTRACT NO. 071B5500045**  
 between  
**THE STATE OF MICHIGAN**  
 and

NAME & ADDRESS OF CONTRACTOR:	PRIMARY CONTACT	EMAIL
NADA Services Corporation; dba NADA Used Car Guide 8400 Westpark Drive McLean, VA 22102	Douglas Ott	dott@nada.org
	TELEPHONE	CONTRACTOR #, MAIL CODE
	(703) 749-4710	

STATE CONTACTS	AGENCY	NAME	PHONE	EMAIL
CONTRACT COMPLIANCE INSPECTOR:	MDOS	Grace Ueberroth	(517)322-3440	<a href="mailto:ueberrothg@michigan.gov">ueberrothg@michigan.gov</a>
BUYER:	DTMB	Chelsea Edgett	(517)284-7031	<a href="mailto:edgettc@michigan.gov">edgettc@michigan.gov</a>

CONTRACT SUMMARY:			
<b>DESCRIPTION:</b>			
Vehicle Data Access Service			
INITIAL TERM	EFFECTIVE DATE	INITIAL EXPIRATION DATE	AVAILABLE OPTIONS
Three Years	12/15/2014	12/14/2017	Two, One-Year Options
PAYMENT TERMS	F.O.B	SHIPPED	SHIPPED FROM
NET45	N/A	N/A	N/A
<b>ALTERNATE PAYMENT OPTIONS:</b>			AVAILABLE TO MiDEAL PARTICIPANTS
<input type="checkbox"/> P-card	<input type="checkbox"/> Direct Voucher (DV)	<input type="checkbox"/> Other	<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO
<b>MINIMUM DELIVERY REQUIREMENTS:</b>			
N/A			
<b>MISCELLANEOUS INFORMATION:</b>			
N/A			
<b>ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION:</b>			\$75,000.00

**THIS IS NOT AN ORDER:** This Contract Agreement is awarded on the basis of our inquiry bearing the solicitation #007114B0003002. Orders for delivery will be issued directly by the Department of State through the issuance of a Purchase Order Form.

**Notice of Contract #: 071B5500045**

<b>FOR THE CONTRACTOR:</b>	<b>FOR THE STATE:</b>
NADA Services Corporation	Signature
Firm Name	Tom Falik, Services Division Director
Authorized Agent Signature	Name/Title
Authorized Agent (Print or Type)	DTMB Procurement
Date	Enter Name of Agency
	Date



## STATE OF MICHIGAN

Contract No. 071B5500045  
Vehicle Data Access Service  
Online or Batch File of Manufacturer's Suggested Base List Prices for Vehicles

### EXHIBIT A STATEMENT OF WORK CONTRACT ACTIVITIES

#### Project Identification

This is a Contract to provide web-based vehicle data access services that include Manufacturer's Base List Price for vehicles including option packages but excluding any delivery charges. This Contract can be utilized by other State of Michigan (State) Departments or MiDEAL extended purchasing program members.

#### Background

MDOS is required by MCL 257.801(7) (b), to publish an annual listing of Manufacturer's Base List Prices each new model year. This process is manual and is extremely time-consuming and cumbersome. MDOS seeks a cost-effective and timely solution to obtain this information.

#### Requirements:

An interactive online web application that allows an MDOS customer service agent at any of 131 statewide locations to input a specific VIN and receive a Manufacturer's Base List Price for the vehicle including option packages but excluding any delivery charges (MDOS processes approximately 350,000 transactions per year that require this information). As an online service, it is available 24 hours a day, 7 days a week with no software to install. The program is instantly available to all MDOS designated staff that have Internet access at all of its 131 locations. Users log in at <http://www.nada.com/b2b/Homepage.aspx> and select the guide from which they need to obtain a value.;

- Additionally, Contractor must provide a text-delimited file that can be used to update the MDOS MSRP publication or imported into a database or spreadsheet for use by MDOS, only if requested by MDOS at the end of the Contract Term.

MDOS may elect to implement the batch option at the end of the Contract term.

#### Requirements

##### 1.1 Work and Deliverable

1. This contract must supply MDOS with access to Manufacturer Suggested Retail Prices for vehicles 1995 and newer.
2. This service can be provided to MDOS either as an online web access service or in the form of a database file that can be shared throughout MDOS (batch).
3. The service/data file must be kept up to date and provide updated models monthly.
4. The service/data file must provide data on all domestic makes and models sold in the United States from 1995 to date.
5. The service/data file must provide data on all foreign makes and models sold in the United States from 1995 to date.
6. The service must provide a mechanism for MDOS to request review or update of information.





7. The service must provide a research feature where vehicle information can be provided and the vendor's staff will research the vehicle and return information to the department within 5 business days.
8. If batch data access is provided, a text-delimited file that can be imported into a Microsoft 2010 Access database must be provided.  
All data format options should be identified.

Note: The below Sections 1.1.9 through 20 apply to online web access options.

9. The service and telephone support must be available 8 am – 5:30 pm (M, Tu, Th, F), 8 am – 7:30 pm (W) and 8 am – 1pm (Saturday).
10. The Contractor must provide all data and reports via a web browser, Microsoft Internet Explorer version 8 or later. No additional software or hardware will be required, and any modifications to the system must not require any updates on computers.
11. Contractor will be responsible for providing and maintaining access via usernames and passwords, or will provide MDOS the ability to manage this feature as part of the contract.
12. The system must accommodate at least 300 users each with a unique log-on ID and password.
13. Contractor must advise MDOS of any scheduled outages. All system outages/shutdowns must be reported immediately to the Program Manager or designee. Within 24 hours of problem resolution and restart, the Contractor must prepare and submit a report to the Program Manager or designee indicating elapsed downtime hours, start/end timeframes, reason for the outage, impact on the systems (lost data, etc.) for each occurrence and resolution to mitigate future occurrences.
14. System maintenance must be scheduled outside MDOS business hours noted in the above Section 1.1.9.
15. All testing and development must be done on nonproduction servers
16. The system response time for the end-user must not be excessively long. Data must populate within 10 seconds, and reports must populate within one minute.
17. Contractor must comply with Exhibit D, General Security Requirements.
18. All system upgrades must be provided at no additional cost during the term of the Contract.
19. The Contractor must work with the State and other Contractors (e.g. DTMB, information technology systems Contractors) to assist in problem resolutions including but not limited to, establishing new communications channels, downtime, testing, etc.

## **1.2 Training**

The Contractor must provide the following training:

1. A written Training Guide for the online web inquiry with a quick reference job aid for users.
2. File layouts for the text-delimited batch file with instructions for import into Access.
3. The Contractor must provide online tutorials, webinars and on-site visits as necessary at no additional charge.
4. The Contractor must provide documentation and training materials.

## **2. Acceptance**

### **2.1 Acceptance, Inspection and Testing**

The State will use the Acceptance terms listed in Section 16 of the Standard Contract Terms.

## **3. Staffing**



### 3.1 Contractor Representative

1. The Contractor's Product Representative, listed below, specifically assigned to State of Michigan accounts, will respond to State inquiries regarding the Contract Activities, answering questions related to ordering and delivery, etc. (the "Contractor Representative").

Product Representative: Douglas Ott, (703) 749-4710 office, (517) 425-1033 mobile, dott@nada.org

2. The Product Representative is responsible for resolving issues related to Contract Activities and to resolve technical issues elevated from the Call Center within 24 hours.
3. The Contractor must notify the Contract Administrator at least 14 calendar days before removing or assigning a new Contractor Representative.
4. Contractor's key staff applicable to Contract Activities (e.g., Research and Technical Support staff) are listed below:

- Douglas Ott – primary point of contact for all Contract Activities
- Tim Draper – responsible for NADA Online systems operation
- Cathy Dolan – Customer Service and Training Specialist
- Malissa Matchette– manages all service bureau processing functions

These staff will be located at the address listed on the Standard Contract Terms.

5.

### 3.2 Customer Service Toll-Free Number

The Contractor must specify its toll-free number for the State to make contact with the Contractor Representative. The Contractor Representative must be available for calls during the hours listed in section 1.1.9.

### 3.3 Technical Support, Repairs and Maintenance

The Contractor must specify its toll-free number for the State to make contact with the Contractor for technical support, repairs and maintenance. The Contractor must be available for calls and service during the hours listed in section 1.1.9.

When providing technical support, the Call Center must resolve the caller's issue within **60** minutes. If the caller's issue cannot be resolved within **2** hours, the issue must be elevated to the Product Representative within 24 hours.

### 3.4 Work Hours

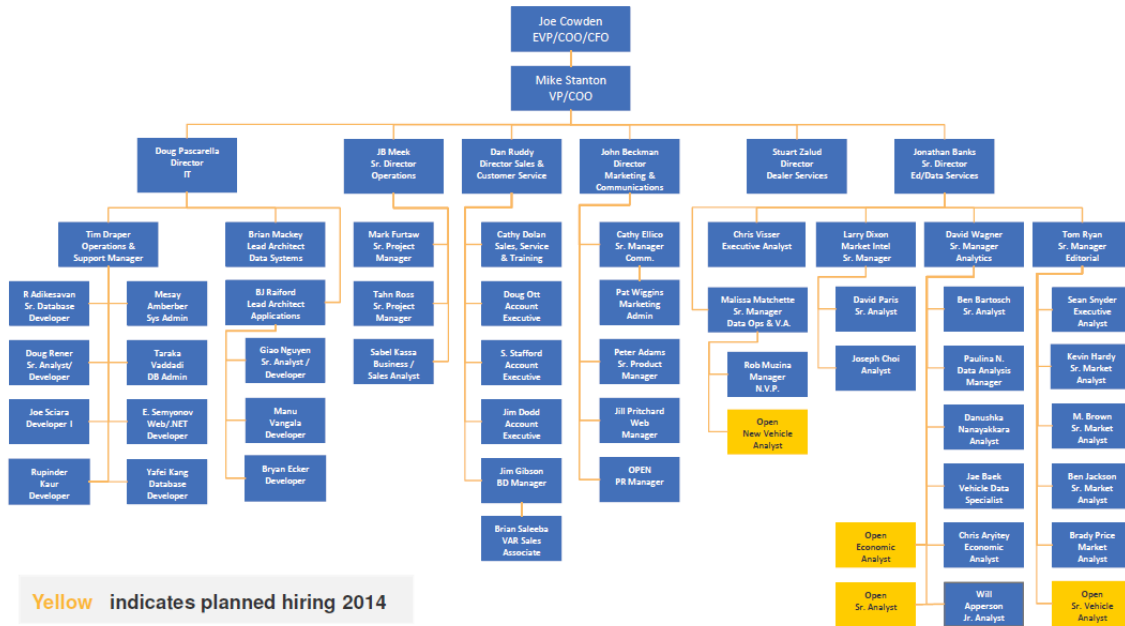
The Contractor must provide Contract Activities during the hours listed in section 1.1.9, and possible night and weekend hours depending on the requirements of the project.

### 3.5 Reserved



### 3.6 Organizational Chart

The Contractor's overall organizational chart that details staff members, by name and title, and subcontractors is listed below.



### 3.7 Disclosure of Subcontractors

If the Contractor intends to utilize subcontractors, the Contractor must disclose the following:

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

### 3.8 Security

The Contractor will be subject to the following security procedures (also see Exhibit D, General Security Requirements):

The Contractor shall not store or retain any MDOS input other than user accounts and/or passwords. The Contractor may monitor the number of application inquiries made by MDOS for invoicing purposes; however, the Contractor, shall not monitor, use, or store any inquiries made by MDOS for any other purpose or for data reselling.



**4. Project Management** - Upon acceptance of project plan, Product Representative will provide weekly updates to MDOS Program Manager until completion and acceptance of project implementation. After acceptance, Product Representative shall hold quarterly status meetings with Program Manager to communicate any changes in status and obtain MDOS feedback on program.

#### **4.1 Project Plan**

The Contractor will carry out this project under the direction and control of the MDOS Program Manager. Within 14 calendar days of the Effective Date, the Contractor must submit a project plan to the Program Manager for final approval. The plan must include: (a) the Contractor's organizational chart with names and title of personnel assigned to the project, which must align with the staffing stated in accepted proposals; and (b) the project breakdown showing sub-projects, tasks, and resources required.

#### **4.2 Meetings**

The Contractor must attend the following meetings: An initial kick-off meeting, weekly updates until project acceptance. Meetings can be held via teleconference.

The State may request other meetings, as it deems appropriate.

#### **4.3 Reporting**

The Contractor must provide highly detailed usage reports, upon request, including data of how many look ups by individual user, from each NADA guide, and for a selected date range, the actual vehicle information that was researched, as well as the time of day and VIN number.

The Contractor must also provide user reports showing who has access to the program, create/change/delete user accounts and to review how many times individual users have logged into the program.

The reports must be exportable to several standard formats including .PDF, Excel, and .CSV

### **5. Ordering**

#### **5.1 Authorizing Document**

The appropriate authorizing document for the Contract will be a P.O.

### **6. Invoice and Payment**

#### **6.1 Invoice Requirements**

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.

All invoices submitted to the State must include: (a) date; (b) purchase order; (c) quantity; (d) description of the Contract Activities; (e) unit price; (f) shipping cost (if any); and (g) total price. Overtime, holiday pay, and travel expenses will not be paid.

Volumes of inquiries should be provided on the invoice and broken down by location or user if possible.

#### **6.2 Payment Methods**

The State will make payment for Contract Activities via P.O. and electronic fund transfer (see Section 20 of Standard Contract Terms).

**7. Liquidated Damages**

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is an outage longer than three business days (including Saturday) causing late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$1,000 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work in Section 1.1, Requirements.



**STATE OF MICHIGAN**

Contract No.071B5500045

Online Access or a Batch File of Manufacturer's Suggested Base List Prices for Vehicles

**EXHIBIT B - RESERVED**



**STATE OF MICHIGAN**

Contract No.071B5500045

Online Access or Batch File of Manufacturer’s Suggested Base List Prices for Vehicles

**EXHIBIT C  
PRICING**

1. Pricing includes all costs, including but not limited to, any one-time or set-up charges, fees, and potential costs that Contractor may charge the State (e.g., shipping and handling, per piece pricing, and palletizing).

**Online Web Access:**

Contractor offered one annual price for online access regardless of the number of concurrent users (unlimited users) covering all Michigan Department of State offices. In addition, the price is regardless of the total annual vehicle valuations performed (unlimited look ups).

<b>Year</b>	<b>Price</b>
Year 1	\$15,000
Year 2	\$25,000
Year 3	\$35,000
Year 4 (Option Yr. 1, upon mutual agreement to continue the Contract)	\$40,000
Year 5 (Option Yr. 2, upon mutual agreement to continue the Contract)	\$40,000

**Text-Delimited File Pricing:**

Additionally, upon MDOS request at the end of the Contract term, Contractor must provide a text-delimited file that can be used to update the MDOS MSRP publication or imported into a database or spreadsheet for use by MDOS. This file must contain vehicle MSRP data for all makes and models of passenger vehicles and light-duty trucks.

One-time file of current MSRP data in text-delimited format at the end of the 3-year term price.	\$4,000.00
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## STATE OF MICHIGAN

Contract No.071B5500045

Online Access or Batch File of Manufacturer's Suggested Base List Prices for Vehicles

### EXHIBIT D General Security Requirements

On award of the Contract, the Contractor must comply with State and federal statutory and regulatory requirements, and rules; National Institute of Standards and Technology (NIST) publications; Control Objectives for Information and Related Technology (COBIT); all other industry specific standards; national security best practices and all requirements herein.

The Contractor must perform annual testing of all security control requirements to determine they are working as intended. Annual certification must be provided in writing to the CCI or designee in the form of a Service Organization Controls (SOC) 2, Type II review or similar audit report upon award.

#### A. Governing Security Standards and Publications

The State of Michigan information is a valuable asset that must be protected from unauthorized disclosure, modification, use, or destruction. Prudent steps must be taken to ensure that its integrity, confidentiality, and availability are not compromised.

The Contactor must collect, process, store, and transfer State personal, confidential, or sensitive data in accordance with the Contract, State of Michigan policies, and the laws of the State of Michigan and the United States, including, but is not limited to the following:

- The Michigan Identity Theft Protection Act, MCL 445.61 et seq;
- The Michigan Social Security Number Privacy Act, MCL 445.82 et seq.
- Family Educational Rights and Privacy Act

#### State of Michigan Policies

- The Contractor must comply with the State of Michigan information technology standards <http://www.michigan.gov/dmb/0,1607,7-150-56355-107739--,00.html>.

#### B. Security Risk Assessment

The Contractor must conduct assessments of risks and identify the damage that could result from unauthorized access, use, disclosure, disruption, modification, or destruction of information and information systems that support the operations and assets of the State. Security controls should be implemented based on the potential risks. The Contractor must ensure that reassessments occur whenever there are significant modifications to the information system and that risk assessment information is updated.

#### C. System Security Plan

The Contractor must develop and implement a security plan that provides an overview of the security requirements for the information system. If a security plan does not exist, the Contractor must provide a description of the security controls planned for meeting those requirements. The security plan must be reviewed periodically and revised to address system/organizational changes or problems.

#### D. Network Security

The Contractor is responsible for the security of and access to State data, consistent with legislative or administrative restrictions. Unsecured operating practices, which expose other connected networks to malicious security violations, are not acceptable. The Contractor must coordinate with DTMB to enter the proper pointers into the State of Michigan infrastructure.





## **E. Data Security**

The Contractor has the responsibility to protect the confidentiality, integrity, and availability of State of Michigan data that is generated, accessed, modified, transmitted, stored, disposed, or used by the system, irrespective of the medium on which the data resides and regardless of format (such as in electronic, paper or other physical form).

The Contractor must:

1. Process the personal data in accordance with the personal data protection laws of the State of Michigan and the United States.
2. Have in place appropriate technical and organizational internal and security controls to protect the personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, and which provide a level of security appropriate to the risk represented by the processing and the nature of the data to be protected. Technical and organizational security controls must be implemented that are appropriate to the risks, such as against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, presented by the processing.
3. Provide secure and acceptable methods of transmitting personal, confidential or sensitive information over telecommunication devices such as data encryption (128 bit minimum), Secure Socket Layer (SSL), dedicated leased line or Virtual Private Network (VPN).
4. Supply the State with information associated with security audits performed in the last three years upon award.
5. Have in place procedures so that any third party it authorizes to have access to the personal data, including processors, will respect and maintain the confidentiality, integrity, and availability of the data upon award.
6. Process the personal, confidential, and sensitive data only for purposes described in the Contract.
7. Identify to the State a contact point within its organization authorized to respond to enquiries concerning processing of the personal, confidential or sensitive data, and will cooperate in good faith with the Department.
8. Not disclose or transfer the personal, confidential, or sensitive data to a third party unless it is approved under this Contract.
9. Not use data transferred by the State as a result of this Contract for marketing purposes.

## **F. Media Protection**

- The Contractor must implement measures to provide physical and environmental protection and accountability for tapes, diskettes, printouts, and other media containing State personal, confidential, and sensitive information to prevent the loss of confidentiality, integrity, or availability of information including data or software, when stored outside the system. This can include storage of information before it is input to the system and after it is output.
- The Contractor must ensure that only authorized users have access to information in printed form or on digital media removed from the information system, physically control and securely store information media, both paper and digital, restrict the pickup, receipt, transfer, and delivery of such media to authorized personnel.



## **G. Media Destruction and Disposal**

The Contractor must sanitize or destroy information system digital media containing personal, confidential, or sensitive information before its disposal or release for reuse to prevent unauthorized individuals from gaining access to and using information contained on the media.

- Personal, confidential, or sensitive information must be destroyed by burning, mulching, pulverizing, or shredding. If shredded, strips should not be more than 5/16-inch, microfilm should be shredded to affect a 1/35-inch by 3/8-inch strip, and pulping should reduce material to particles of one inch or smaller.
- Disk or tape media must be destroyed by overwriting all data tracks a minimum of three times or running a magnetic strip over and under entire area of disk at least three times. If the CD, DVD, or tape cannot be overwritten it must be destroyed in an obvious manner to prevent use in any disk drive unit and discarded. Hand tearing, recycling, or burying information in a landfill are unacceptable methods of disposal. Electronic data residing on any computer systems must be purged based on retention periods required by the State.

## **H. Access Control**

The Contractor must limit information system access to authorized users, processes acting on behalf of authorized users, or devices (including other information systems) and to the types of transactions and functions that authorized users are permitted to exercise. Access must be immediately removed when a staff changes job duties or leaves the employment.

### **Authentication Process**

Authentication is the process of verifying the identity of a user. Authentication is performed by having the user enter a user name and password in order to access the system.

To help protect information from unauthorized access or disclosure, users must be identified and authenticated per the table below prior to accessing confidential or sensitive information, initiating transactions, or activating services.

Publicly available information such as the mother's maiden name, birth date, and address as the sole authenticator is not a secure means of authentication and should not be used.

Automatic user logons are prohibited. Device-to-device logons must be secured (preferably using client certificates or password via tunneled session). For certain implementations, source restrictions (sign-on can occur only from a specific device) provide a compensating control, in addition to the ID and password.

Authentication information (e.g., a password or PIN) must never be disclosed to another user or shared among users.

The authentication process is limited to three unsuccessful attempts and must be reinstated by the authorized personnel (preferably the System security Administrator). User accounts should be systematically disabled after 90 days of inactivity and must be deleted after one year of inactivity.

### **Password Requirements**

The purpose of a password is to authenticate a user accessing the system and restrict use of a userID only to the assigned user. To the extent that the functionality is supported within the technology or product, the controls listed must be implemented.



These following controls or content rules apply at any point where a new password value is to be chosen or assigned. These rules must be enforced automatically as part of a new password content checking process:

Password Property	Value
Minimum Length	Eight characters with a combination of alpha, numeric, and special characters
Composition	<ul style="list-style-type: none"> <li>• At least two numeric characters (0 through 9), neither of which may be at the beginning or the end of the password</li> <li>• A combination of two upper (A through Z) and lower case (a through z) letters</li> <li>• Special characters (!, @, #, \$, %, ^, &amp;, *, (, ), +, =, /, &lt;, &gt;, ?,.,, :, ;, \)</li> <li>• UserID in password is not allowed</li> </ul>
Expiration Requirement (Maximum Password Age):	30 days
Revocation	Passwords should be revoked after three failed attempts (the State strongly supports password revocation after three failed attempts if system allows). Passwords should be systematically disabled after 90 days of inactivity to reduce the risk of compromise through guessing, password cracking or other attack and penetration methods.
Temporary passwords	<ul style="list-style-type: none"> <li>• Must be randomly chosen or generated</li> <li>• System must force the user to change the temporary password at initial login</li> </ul>
Change process	<p>System must force user to:</p> <ul style="list-style-type: none"> <li>• Confirm their current password/PIN,</li> <li>• Reenter current password/PIN</li> <li>• Create a new password/PIN</li> <li>• Reenter new password/PIN</li> </ul> <p>System must prevent users from being able to consecutively change their password value in a single day (The goal is to prevent recycling through password history records to reuse an earlier-used password value)</p>
Login process	Password/PIN must not appear on the screen during the login process (The exception to this is during selection of a machine-generated password).
Encryption of passwords/PINs	Passwords must be stored and transmitted with a minimum of 128-bit encryption. Passwords must be masked when entered on any screen
Compromise of password/PIN	Must be changed immediately
Forgotten password/PIN	Must be reset by authorized person (system Security Administrator)
Current user password/PIN	Must not be maintained or displayed in any readable format on the system
Audit logs	Maintain a record of when a password was changed, deleted, or revoked. The audit trail shall capture all unsuccessful login and authorization attempts for a one year period.
Password history	Keep a password history and perform a check against the history to verify the password has not been used for a minimum of one year
Privileged account access (e.g. supervisor or root)	Security administrator must change the password for that account immediately when user changes responsibilities

**I. System Security Application Control**

Application controls apply to individual computer systems and may include such controls as data origin, input controls, processing controls, output controls, application access controls, application interfaces, audit trail controls, and system documentation. Application controls consist of mechanisms in place over each separate computer system to ensure authorized data is processed completely, accurately, and reliably. The Contractor is responsible for ensuring application controls are in place and functioning properly within their organization. Ongoing testing and reporting of controls must be part of the business process in order to have a solid understanding of risks, strengths, and weaknesses.

A comprehensive solution is required to ensure that business critical applications are handled efficiently and are prioritized. Dynamic recovery procedures and fail over facilities must be incorporated into the scheduling process whenever possible; and where manual processes are needed, extensive tools must be available to minimize delays and ensure critical services are least impacted.

**J. System Auditing**

The Contractor must (i) create, protect, and retain information system audit log records to the extent needed to enable the monitoring, analysis, investigation, and reporting of unlawful, unauthorized, or inappropriate information system activity, and (ii) ensure that the actions of individual information system users can be uniquely traced to those users so they can be held accountable for their actions.

The Contractor must observe the following guidelines regarding system auditing:

1. Audit record should contain the following:
  - date and time of the event
  - subject identity
  - type of event
  - how data changed
  - where the event occurred
  - outcome of the event
2. System alerts if audit log generation fails
3. System protects audit information from unauthorized access
4. Audit record should be reviewed by individuals with a “need to know” on a regular basis
5. Audit logs are retained for sufficient period of time.

**K. Configuration Control and Management**

The configuration management policy and procedures must be consistent with applicable federal laws, directives, policies, regulations, standards, and guidance.

**L. Incident Reporting**

The Contractor must immediately notify any security incidents and/or breaches to the CCI.

- The Contractor must have a documented and implemented Incident Response Policy and Procedure
- Incident handling form for consistent, repeatable process for monitoring and reporting when dealing with incidents.
- Incident response resource identified to assist users in handling and reporting incidents.
- Personnel trained in their incident response roles and responsibilities at least annually.

**M. Physical and Environmental Security**

The Contractor must have established physical and environmental security controls to protect systems, the related supporting infrastructure, and facilities against threats associated with their physical environment.

1. The Contractor must have established environmental protection for magnetic and other media from fire, temperature, liquids, magnetism, smoke, and dust.
2. The Contractor must control all physical access points to facilities containing information systems (except those areas within the facilities officially designated as publicly accessible), review physical security logs periodically, investigate security violations or suspicious physical access activities, and initiate remedial actions.
3. The Contractor must periodically review the established physical and environmental security controls to ensure that they are working as intended.

**N. Disaster Recovery and Business Continuity Plan**

The Contractor must have developed, periodically update, and regularly test disaster recovery and business continuity plans designed to ensure the availability of State data in the event of an adverse impact to the contractors information systems due to a natural or man-made emergency or disaster event.

**O. Security Awareness Training**

The Contractor must ensure their staff having access to State information are made aware of the security risks associated with their activities and of applicable laws, policies, and procedures related to security identified in Section A of this document, and ensuring that personnel are trained to carry out their assigned information security related duties.



# STATE OF MICHIGAN

## STANDARD CONTRACT TERMS

This STANDARD CONTRACT (“**Contract**”) is agreed to between the State of Michigan (the “**State**”) and NADA Services Corporation (“**Contractor**”), a Delaware corporation. This Contract is effective on December 15, 2014 (“**Effective Date**”), and unless terminated, expires on December 14, 2017.

This Contract may be renewed for up to five additional one year period(s). Renewal must be by written agreement of the parties.

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>Chelsea Edgett</i> <i>Constitution Hall</i> <i>525 W. Allegan St., 1<sup>st</sup> Floor North</i> <i>Lansing, MI 48917</i> <a href="mailto:EdgettC@michigan.gov">EdgettC@michigan.gov</a> <i>(517) 284-7031</i>	<i>Douglas Ott</i> <i>8400 Westpark Drive</i> <i>Mclean, VA 22102</i> <a href="mailto:dott@nada.org">dott@nada.org</a> <i>(703) 749-4710</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>Chelsea Edgett</i> <i>Constitution Hall</i> <i>525 W. Allegan St., 1<sup>st</sup> Floor North</i> <i>Lansing, MI 48917</i> <a href="mailto:EdgettC@michigan.gov">EdgettC@michigan.gov</a> <i>(517) 284-7031</i>	<i>Douglas Ott</i> <i>8400 Westpark Drive</i> <i>Mclean, VA 22102</i> <a href="mailto:dott@nada.org">dott@nada.org</a> <i>(703) 749-4710</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>Grace Ueberroth</i> <i>7064 Crowner Dr.</i> <i>Lansing, MI 48918</i> <a href="mailto:ueberrothg@michigan.gov">ueberrothg@michigan.gov</a> <i>(517) 322-3440</i>	<i>Douglas Ott</i> <i>8400 Westpark Drive</i> <i>Mclean, VA 22102</i> <a href="mailto:dott@nada.org">dott@nada.org</a> <i>(703) 749-4710</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, 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.

Insurance Type	Additional Requirements
<b>Commercial General Liability Insurance</b>	
<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: (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.
<b>Umbrella or Excess Liability Insurance</b>	
<u>Minimal Limits:</u> \$5,000,000 General Aggregate	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.
<b>Motor Vehicle Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	
<b>Workers' Compensation Insurance</b>	
<u>Minimal Limits:</u> Coverage according to applicable laws governing work activities.	Waiver of subrogation, except where waiver is prohibited by law.
<b>Employers Liability Insurance</b>	
<u>Minimal Limits:</u> \$100,000 Each Accident \$100,000 Each Employee by Disease \$500,000 Aggregate Disease.	

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. **MiDEAL Administrative Fee and Reporting.** Contractor must pay an administrative fee of 1% on all MiDEAL payments made to Contractor under the Contract including transactions with 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, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at [www.michigan.gov/mideal](http://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. **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 Exhibit 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 Exhibit 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 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 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.**

a.

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. **Reserved.**

a.

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**").