

**STATE OF MICHIGAN
 DEPARTMENT OF MANAGEMENT AND BUDGET
 OFFICE OF PURCHASING
 P.O. BOX 30026, LANSING, MI 48909
 OR
 530 W. ALLEGAN, LANSING, MI 48933**

July 31, 2008

**NOTICE
 OF
 CONTRACT NO. 071B8001022
 between
 THE STATE OF MICHIGAN
 and**

NAME & ADDRESS OF VENDOR Security Alarm Company 216 West Main Street Owosso, MI 48867	TELEPHONE Bill Nielsen (517) 723-8126
	VENDOR NUMBER/MAIL CODE
	BUYER (517) 335-4805 Larry Klayman
NIGP #990-05 Contract Administrator: Larry Klayman CS-138 # Nonjuris Alarm Services - FIA - WC-Fullerton/Jeffries District	
CONTRACT PERIOD: 10 Years From: September 15, 1998 To: September 15, 2008	
TERMS <p style="text-align: center;">N/A</p>	SHIPMENT <p style="text-align: center;">N/A</p>
F.O.B. <p style="text-align: center;">N/A</p>	SHIPPED FROM <p style="text-align: center;">N/A</p>
MINIMUM DELIVERY REQUIREMENTS <p style="text-align: center;">N/A</p>	

The terms and conditions of this Contract are those of REQ #431R8000948, this Contract Agreement and the vendor's quote dated 8/5/98. In the event of any conflicts between the specifications, terms and conditions indicated by the State and those indicated by the vendor, those of the State take precedence.

One Time Installation Cost: \$ 11,983.00

Monthly Lease Cost: \$ 30.00

Lease/Monitoring: \$ 14,400.00 (\$80.00/month x 120 months)

Total Contract Value: \$ 26,383.60

**CONTRACT #071B8001022
ALARM SERVICES
FIA - FULLERTON/JEFFRIES DISTRICT**

INTRUSION/FIRE:

Monthly Lease/Monitoring Cost: \$ 120.00

(shall include 2 monthly guard responses. Each guard response

Vendor agrees to pump dump stations and beach tanks at below locations for \$.045/gallon.

Septic Tank at Hayes State Park:

Beach (2) tanks pumped once per year

West Campground (2) silos pumped twice per year

East Campground (2) silos pumped twice per year

Campground (1) sanitation station tank pumped 4 times per year

Vendor agrees to pump septic tanks on an "on-call" basis. The vendor will be given as much notice as can be reasonably given. Schedule will be determined by facility manager.

Vendor must be licensed and insured. Septic waste must be disposed of in accordance with the local governing health department regulations at an approved licensed disposal site.

Vendor must show number of gallons and dates of pumping on invoices submitted for payment.

**Bill to: DNR
W.J. Hayes State Park
1220 Wampers Lake
Onsted, MI 49255**

SERVICES

TERMS AND CONDITIONS

CONTRACT NO. 071B8001022

GENERAL

Quotations are requested for the commodities or services specified hereunder to be furnished during the period as noted on "Invitation to Bid" form. Exact quantities to be purchased are unknown except that should a contract result from the inquiry, the successful bidder will be required to furnish all such materials as may be ordered during the contract period. Quantities specified if any, are estimates based on prior purchases, and the State is not obligated to purchase in these or any other quantities. Orders for delivery will be issued directly to the Contractor by various State departments on the Departmental Purchase Order/Contract Release Form and by the Purchasing Division on the Purchase Order Form. Orders may also be issued by local units of government. Bids are due and will be publicly opened and read at time as noted on the Invitation to Bid Form.

SPECIFICATIONS

Definite Specifications - All commodities and services to be furnished hereunder shall conform to the specifications as noted in the "Invitation to Bid" and/or copies of specifications attached.

F.O.B. POINT

Prices shall be quoted "F.O.B. Delivered" with transportation charges prepaid to any location in the State of Michigan.

PRICE

Prices quoted are the maximum for a period of 365 days from date contract becomes effective.

Prices are subject to change at the end of each 365 day period. Such changes shall be based on changes in actual costs incurred. Documentation of such changes must be provided with the request for price change in order to substantiate any requested change. Any such changes will not exceed the current annual change in the Consumer Price Index (CPI-U) for Services, U S City Average, as published by U S Department of Labor, Bureau of Labor Statistics. Changes may be either increases or decreases, and may be requested by either party. Approved changes shall be firm for the remainder of the contract period unless further revised at the end of the next 365 day period.

Requests for price changes shall be RECEIVED IN WRITING AT LEAST TEN DAYS PRIOR TO THEIR EFFECTIVE DATE, and are subject to written acceptance before becoming effective. In the event new prices are not acceptable, the CONTRACT may be cancelled.

The continued payment of any charges due after September 30th of any fiscal year will be subject to the availability of an appropriation for this purpose.

CASH DISCOUNT

Cash discounts, if any, shall be based on periods of 30 days or more after receipt of commodities or services, or vendor's invoice, whichever is later. Lesser periods will not be considered in determination of low bidder.

INDEMNIFICATION

1. General Indemnification

The Contractor shall indemnify, defend and hold harmless the State, its departments, divisions, agencies, sections commissions, officers, employees and agents, from and against all losses, liabilities, penalties, fines, damages and claims (including taxes), and all related costs and expenses (including reasonable attorneys' fees and disbursements and costs of investigation, litigation, settlement, judgments, interest and penalties), arising from or in connection with any of the following:

- (a) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from (1) the product provided or (2) performance of the work, duties, responsibilities, actions or omissions of the Contractor or any of its subcontractors under this contract.
- (b) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from a breach by the Contractor of any representation or warranty made by the Contractor in the contract;
- (c) any claim, demand, action citation, or legal proceeding against the State, its employees and agents arising out of related to occurrences that the Contractor is required to insure against as provided for in this contract;
- (d) any claim, demand, action, citation or legal proceeding against the State, its employees and agents arising out of or resulting from the death or bodily injury of any person, or the damage, loss or destruction of any real or tangible personal property, in connection with the performance of services by the Contractor, by any of its subcontractors, by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable; provided, however, that this indemnification obligation shall not apply to the extent, if any, that such death, bodily injury or property damage is caused solely by the negligence or reckless or intentional wrongful conduct of the State;
- (e) any claim, demand, action, citation or legal proceeding against the State, its employees and agents which results from an act or omission of the Contractor or any of its subcontractors in its or their capacity as an employer of a person.

2. Patent/Copyright Infringement Indemnification

The Contractor shall indemnify, defend and hold harmless the State, its departments, division, agencies, sections, commissions, officers, employees and agents from and against all loses, liabilities, penalties, fines, damages (including taxes), and all related costs and expenses (including reasonable attorney's fees and disbursements, costs of investigation, litigation, settlement, judgments, interest and penalties) incurred in connection with any action or proceeding threatened or brought against the State to the extent that such action or proceeding is based on a claim that any piece of equipment, software, commodity or service supplied by the Contractor or its subcontractors, or the operation of such equipment, software, commodity or service, or the use or reproduction of any documentation provided with such equipment, software, commodity or service infringes any United States or foreign patent, copyright, trade secret or other proprietary right of any person or entity, which right is enforceable under the laws of the United States. In addition, should the equipment, software, commodity, or service, or the operation thereof, become or in the Contractor's sole expense (i) procure for the State the right to continue using the equipment, software, commodity or service or, if such option is not reasonably available to the Contractor, (ii) replace or modify the same with equipment, software, commodity or service of equivalent function and performance so that it becomes non-infringing, or, if such option is not reasonably available to Contractor, (iii) accept its return by the State with appropriate credits to the State against the 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.

3. Indemnification Obligation Not Limited

In any and all claims against the State Of Michigan, or any of its departments, divisions, agencies, sections, commissions, officers, employees and agents, by any employee of the Contractor or any of its subcontractors, the indemnification obligation under the contract shall not be limited in any way by the amount or type of damages, compensation or benefits payable by or for the Contractor or any of its benefits acts. This indemnification clause is intended to be comprehensive, Any overlap in subclauses, or the fact that greater specificity is provided as to some categories of risk, is not intended to limit the scope of indemnification under any other subclause.

4. Continuation of Indemnification Obligation

The duty to indemnify will continue in full force and effect notwithstanding the expiration or early termination of the contract with respect to any claims based on facts or conditions which occurred prior to termination.

TAXES

The State of Michigan is exempt from Federal Excise Tax, State or Local Sales Tax. Bid prices shall not include such taxes. Exemption Certificates for Federal Excise Tax will be furnished upon request.

CONTRACTOR'S LIABILITY INSURANCE

The Contractor shall purchase and maintain such insurance as will protect him from claims set forth below which may arise out of or result from the Contractor's operations under the contract (Purchase Order), whether such operations be by himself or by any Subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable:

- (1) Claims under workers' compensation, disability benefit and other similar employee benefit act. A non-resident Contractor shall have insurance for benefits payable under Michigan's Workers' Compensation Law for any employee resident of and hired in Michigan; and as respects any other employee protected by workers' compensation laws of any other State the Contractor shall have insurance or participate in a mandatory State fund to cover the benefits payable to any such employee.
- (2) Claims for damages because of bodily injury, occupational sickness or disease, or death of his employees.
- (3) Claims for damages because of bodily injury, sickness or disease, or death of any person other than his employees, subject to limits of liability of not less than \$300,000 each occurrence and, when applicable \$300,000 annual aggregate, for non-automobile hazards and as required by law for automobile hazards.
- (4) Claims for damages because of injury to or destruction of tangible property, including loss of use resulting therefrom, subject to a limit of liability of not less than \$50,000 each occurrence for non-automobile hazards and as required by law for automobile hazards.
- (5) Insurance for Subparagraphs (3) and (4) non-automobile hazards on a combined single limit of liability basis shall not be less than \$300,000 each occurrence and when applicable, \$300,000 annual aggregate.

The insurance shall be written for not less than any limits of liability herein specified or required by law, whichever is greater, and shall include contractual liability insurance as applicable to the Contractor's obligations under the Indemnification clause of the contract (Purchase Order).

BEFORE STARTING WORK THE CONTRACTOR MUST FURNISH TO THE OFFICE OF PURCHASING, CERTIFICATE(S) OF INSURANCE VERIFYING LIABILITY COVERAGE. THE CONTRACT OR PURCHASE ORDER NO. MUST BE SHOWN ON THE CERTIFICATE OF INSURANCE TO ASSURE CORRECT FILING. These Certificates shall contain a provision that coverage afforded under the policies will not be cancelled until at least fifteen days prior written notice bearing the [Contract No.](#) or [Purchase Order No.](#) has been given to the Director of Purchasing.

YEAR 2000 COMPLIANCE

The Contractor warrants that all software for which the Contractor either sells or licenses to the State of Michigan and used by the State prior to, during, or after the calendar year 2000, includes or shall include, at no added cost to the State, design and performance so the State shall not experience software abnormality and/or the generation of incorrect results from the software, due to date oriented processing, in the operation of the business of the State of Michigan.

The software design, to insure year 2000 compatibility, shall include, but is not limited to: data structures (databases, data files, etc.) that provide 4-digit date century; stored data that contain date century recognition, including, but not limited to, data stored in databases and hardware device internal and all processing actions that use or produce date values that accommodates same century and multi-century formulas and date values: interfaces that supply data to and receive data from other systems or organizations that prevent non-compliant dates and data from entering any State system: user interfaces (i.e., screens, reports, etc.) that accurately show 4 digit years: and assurance that the year 2000 shall be correctly treated as a leap year within all calculation and calendar logic.

CANCELLATION

(a) The State may cancel the contract for default of the Contractor. Default is defined as the failure of the Contractor to fulfill the obligations of the quotation or contract. In case of default by the Contractor, the State may immediately and/or upon 30 days prior written notice to the Contractor cancel the contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees, and procure the services from other sources, and hold the Contractor responsible for any excess costs occasioned thereby.

(b) The State may cancel the contract in the event the State no longer needs the services or products specified in the contract, or in the event program changes, changes in laws, rules or regulations, relocation of offices occur, or the State determines that statewide implementation of the contract is not feasible, or if prices for additional services requested by the State are not acceptable to the State. The State may cancel the contract without further liability to the State, its departments, divisions, agencies, sections, commissions, officers, agents and employees by giving the Contractor written notice of such cancellation 30 days prior to the date of cancellation.

(c) The State may cancel the contract for lack of funding. The Contractor acknowledges that, if this contract extends for several fiscal years, continuation of this contract is subject to appropriation of funds for this project. If funds to enable the State to effect continued payment under this contract are not appropriated or otherwise made available, the State shall have the right to terminate this contract without penalty at the end of the last period for which funds have been appropriated or otherwise made available by giving written notice of termination to the Contractor. The State shall give the Contractor written notice of such non-appropriation within 30 days after it receives notice of such non-appropriation.

(d) The State may immediately cancel the contract without further liability to the State its departments, divisions, agencies, sections, commissions, officers, agents and employees if the Contractor, an officer of the Contractor, or an owner of a 25% or greater share of the Contractor, is convicted of a criminal offense incident to the application for or performance of a State, public or private contract or subcontract; or convicted of a criminal offense including but not limited to any of the following: embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, attempting to influence a public employee to breach the ethical conduct standards for State of Michigan employees; convicted under State or federal antitrust statutes; or convicted of any other criminal offense which in the sole discretion of the State, reflects on the Contractor's business integrity.

(e) The State may immediately cancel the contract in whole or in part by giving notice of termination to the Contractor if any final administrative or judicial decision or adjudication disapproves a previously approved request for purchase of personal services pursuant to Constitution 1963, Article 11, Section 5, and Civil Service Rule 4-6.

(f) The State may, with 30 days written notice to the Contractor, cancel the contract in the event prices proposed for contract modification/extension are unacceptable to the State.

METHOD OF AWARD

The State reserves the right to award by item, group of items, or total bid. The State further reserves the right to reject any or all bids if it is determined by the State Purchasing Director that the best interest of the State will be served by doing so. In determining an award, qualifications of the bidder, conformity with specification of goods and/or services, cost, and delivery terms will be considered.

MODIFICATION OF SERVICE

The Director of Purchasing reserves the right to modify this service during the course of this contract. Such modification may include changing the locations to be serviced, additional locations to be serviced, method or manner of performance of the work, number of days service is to be performed, addition or deletion of tasks to be performed, and/or any other modifications deemed necessary. Any changes in pricing proposed by the Contractor resulting from the proposed changes are subject to acceptance by the State. Changes may be increases or decreases.

IN THE EVENT PRICES ARE NOT ACCEPTABLE TO THE STATE, THE CONTRACT SHALL BE SUBJECT TO COMPETITIVE BIDDING BASED UPON THE NEW SPECIFICATION.

ASSIGNMENT

The Contractor shall not have the right to assign this contract or to assign or delegate any of its duties or obligations under this contract to any other party (whether by operation of law or otherwise), without the prior written consent of the State. Any purported assignment in violation of this Section shall be null and void. Further, the Contractor may not assign the right to receive money due under the contract without the prior written consent of the State Purchasing Director.

DELEGATION

The Contractor shall not delegate any duties or obligations under this contract to a subcontractor other than a subcontractor named in the bid unless the State Purchasing Director has given written consent to the delegation.

DISCLOSURE

All information in a bidder's proposal and any contract resulting from this ITB is subject to the provisions of the Freedom of Information Act. 1976 Public Act No. 442, as amended, MCL 15.231, *et seq.*

RIGHT TO KNOW ACT (ACT 80 OF 1986)

The "Right to Know Act" is intended to provide protection and information to employees who encounter hazardous substances at the workplace. To comply with this act it is necessary that you fulfill the following:

Labels

Labels on all incoming containers of hazardous chemicals must (1) clearly State the identity of the contents, (2) display appropriate hazard warning(s), (3) include first aid information, and (4) list the name and address of the chemical manufacturer, importer, or other responsible party.

Responsibility of Service Contractor

A service Contractor must comply with the requirements of Act 80 of 1986 with respect to the labeling of hazardous chemicals and the provision of Material Safety Data Sheets before such materials are introduced into the workplaces of a contracted service agency. Otherwise, such materials will not be allowed on the premises.

Material Safety Data Sheets

Material Safety Data Sheets related to hazardous chemicals must be presented to the appropriate State building supervisors prior to the introduction of such substances into buildings housing agencies of the State of Michigan. It is recommended that the format of OSHA Form 174, dated September 1985, be used as a standard for Material Safety Data Sheets.

CONTRACT PAYMENT

The specific payment for any contract entered into as the result of this ITB will be mutually agreed upon by the State and the Contractor. The schedule should show payment amount and should reflect actual work done by the payment dates, less any penalty cost charges accrued by those dates. As a general policy, statements should be forwarded by the 15th day of the following month.

ANNUAL SERVICE REVIEW

The State Agency may request an audit of the services provided under the terms of this contract. The audit will be a joint activity of the Using Agency and the Office of Purchasing.

An unsatisfactory audit will result in cancellation of the contract under terms of the Cancellation Clause in this contract. Further, should this contract be cancelled for cause, the Contractor so cancelled will not be allowed to participate in request(s) for continuation of this service.

The audit will consist of an evaluation of the total service quality, including responsiveness, timeliness of required reporting, and any other specifics as required under the terms of the contract. The results of the audit along with contract recommendations will be published by the Office of Purchasing and distributed to the Using Agency and the Contractor(s).

Should the Contractor desire, a meeting will be arranged between all concerned parties within 10 calendar days of the date the Contractor received, or could have reasonably been expected to receive his/her copy of the audit. This meeting will provide an opportunity for the Contractor to present his/her reactions to audit recommendations.

RECORD RETENTION AND AUDIT

The Contractor agrees to keep complete and accurate books of account and to make them available to the State for audit. All such records, documents, and financial statements pertinent to this agreement shall be retained for a period of ten years unless audited before then.

SECURITY SCREENING

The Department/Agency reserves the right to screen for the purpose of security all employees of the contractor who will work on these premises. The Contractor must replace any prospective employees who are found to constitute security risks. The State further reserves the right to recommend reassignment of personnel deemed unsatisfactory by the State. Such employees in either case, may not be assigned at any other State location.

NON-DISCRIMINATION CLAUSE

In the performance of any contract or purchase order resulting herefrom, the bidder agrees not to discriminate against any employee or applicant for employment, with respect to their hire, tenure, terms, conditions or privileges of employment, or any matter directly or indirectly related to employment, because of race, color, religion, national origin, ancestry, age, sex, height, weight, marital status, physical or mental disability unrelated to the individual's ability to perform the duties of the particular job or position. The bidder further agrees that every subcontract entered into for the performance of any contract or purchase order resulting herefrom will contain a provision requiring non-discrimination in employment, as herein specified, binding upon each subcontractor. This covenant is required pursuant to the Elliot Larsen Civil Rights Act, 1976 Public Act 453, as amended, MCL 37.2201, *et seq*, and the Persons with Disabilities Civil Rights Act, 1976 Public Act 220, as amended, MCL 37.1101, *et seq*, and any breach thereof may be regarded as a material breach of the contract or purchase order.

UNFAIR LABOR PRACTICES

Pursuant to 1980 Public Act 278, as amended, MCL 423.231, et seq, the State shall not award a contract or subcontract to an employer whose name appears in the current register of employers failing to correct an unfair labor practice compiled pursuant to Section 2 of the Act. A Contractor of the State, in relation to the contract, shall not enter into a contract with a subcontractor, manufacturer, or supplier whose name appears in this register. Pursuant to Section 4 of 1980 Public Act 278, MCL 423.324, the State may void any contract if, subsequent to award of the contract, the name of the Contractor as an employer, or the name of the subcontractor, manufacturer or supplier of the Contractor appears in the register.