



**CITY OF MADISON HEIGHTS**

**CITY HALL - COUNCIL CHAMBERS, 300 W. 13 MILE RD.**

**CITY COUNCIL REGULAR MEETING AGENDA**

**JUNE 26, 2023 AT 7:30 AM**

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**CALL TO ORDER**

**ROLL CALL**

**INVOCATION and PLEDGE OF ALLEGIANCE - COUNCILOR ROHRBACH**

**APPROVAL OF THE AGENDA:**

- [1.](#) Additions/Deletions

**PRESENTATIONS**

- [2.](#) 2023 Bike Rodeo Bicycle Winners

**PUBLIC HEARINGS:**

**ITEMS ON AGENDA OF INTEREST TO PARTIES IN THE AUDIENCE**

**MEETING OPEN TO THE PUBLIC:**

**CONSENT AGENDA:**

- [3.](#) City Manager - Amendment 1 - Interlocal Agreement with Oakland County Senior Matching Grant
- [4.](#) Special City Council Meeting Minutes of June 12, 2023
- [5.](#) Regular City Council Meeting Minutes of June 12, 2023

**COMMUNICATIONS:**

**REPORTS:**

- [6.](#) City Manager - Confirmation of Appointment of Police Chief
- [7.](#) CED Director - Microfiche Digital Conversion Project
- [8.](#) Finance Director - Amendments to FY 2022-23 Budget and Carryforwards to Amend FY 2023-24
- [9.](#) Police Chief - School Resource Officer (SRO) Agreement for the Lamphere District.
- [10.](#) City Manager - Park Renaming and Interlocal Agreement with OCPRC for Park Operations

**ITEMS FOR FUTURE PUBLIC HEARINGS:**

**BID AWARDS/PURCHASES:**

**ORDINANCES:**

**UNFINISHED BUSINESS:**

**MINUTES:**

**EXECUTIVE SESSION:**

**ADJOURNMENT**

NOTICE: Persons with disabilities needing accommodations for effective participation through electronic means in this meeting should contact the City Clerk at (248) 583-0826 or by email: [clerks@madison-heights.org](mailto:clerks@madison-heights.org) at least two working days in advance of the meeting. An attempt will be made to make reasonable accommodations.

DATE: June 20, 2023

TO: City Council

FROM: Melissa R. Marsh, City Manager

SUBJECT: Agenda Comments for the Regular Council Meeting of Monday, June 26, 2023

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The following are my comments on items appearing on the agenda of the Regular Council Meeting on Monday, June 26, 2023.

**PRESENTATIONS:**

2023 BIKE RODEO BICYCLE WINNERS PRESENTATION.

Chief Corey Haines has requested time at the Council meeting to present the Bike Rodeo winners with bikes from Trek Bike of Royal Oak, purchased by sponsor Michigan Schools & Government Credit Union.

**CONSENT AGENDA:**

It is the recommendation that the City Council approve the following items as part of the Consent Agenda:

AMENDMENT #1 – INTERLOCAL AGREEMENT WITH OAKLAND COUNTY SENIOR MATCHING GRANT

On February 13, 2023, City Council approved the Interlocal Agreement with Oakland County to participate in the Oakland Together Senior grant program. Due to federal funding requirements, the wording of this agreement needed to be amended and approved by the local governing body.

Therefore, I recommend City Council approve the Interlocal Agreement as amended and authorize the City Manager to execute this agreement on behalf of the City.

**REPORTS:**

CONFIRMATION OF APPOINTMENT OF POLICE CHIEF

With the retirement of Deputy City Manager/Police Chief Corey Haines, the Police Chief role will be vacant. Therefore, the City solicited internal applications to fill this position. An oral interview was conducted by a panel, it was the unanimous opinion of the interview panel that Deputy Chief LeMerise has thoroughly prepared himself to step into the role of Police Chief, and he will be an asset to the department and the Administration.

Pursuant to Section 3.6 of the City Charter, I respectfully request that City Council confirm my appointment of Brent LeMerise to the position of Police Chief of the City of Madison Heights. The appointment will be effective July 1, 2023.

### MICROFICHE DIGITAL CONVERSION PROJECT

The Community & Economic Development Department (CED) has approximately 30,000 files containing 948,500 microfiche images of historic buildings, property records, and related documents. The fiscal year 2024 budget includes \$50,000 to convert this data contained on film to a digital format uploaded to the city's cloud-based database.

Utilizing an existing contract with the State of Michigan Department of Technology, Management & Budget (DTMB) with the imaging vendor and Madison Heights-based business, Graphic Sciences Inc (GSI); staff received an estimate of \$64,231.48 to convert all this data.

Staff recommends that City Council approve an agreement with the DTMB, taking advantage of the existing State service agreement for imaging service, including uploading this data to the Laserfiche Cloud System not to exceed \$50,000, as well as the annual storage costs of this additional data in the cloud system estimated at \$1,500 annually for ongoing storage. *Any leftover files needing digital conversion will be considered in a future department budget.*

### AMENDMENTS TO FY 2023 BUDGET AND CARRYFORWARD TO AMEND FY 2024

The State of Michigan's Budget Law requires that City Council approve any budget amendments. Therefore, the budget amendments are submitted to ensure that the FY 2023 and 2024 Budgets comply with state law.

If the City Council concurs with the recommended amendments, the Council should approve the implementation of these amendments and appropriate the necessary funds, which require a supermajority vote.

### SCHOOL RESOURCE OFFICER (SRO) AGREEMENT WITH LAMPHERE SCHOOLS

Lamphere Schools received grant funding to add a School Resources officer to their schools during the 2023-24 school year; therefore, staff has worked closely with Lamphere Schools administrators on this agreement that outlines the terms and conditions of this position, including reimbursed at 60% of the cost plus 100% of the requested school overtime cost for the upcoming school year.

Staff and I recommend that City Council approve this agreement with Lamphere Schools for a School Resources Officer for the FY 2023-24 school year.

### PARK RENAMING AND INTERLOCAL AGREEMENT FOR PARK OPERATIONS WITH OCPRC

The interlocal agreement between the City of Madison Heights and the Oakland County Parks and Recreation Commission (OCPRC) establishes terms for the future operation, maintenance, improvement, and management of real property dedicated to public recreation owned by the City, which will be incorporated within Red Oaks County Park. This interlocal agreement is the first "official" step in moving forward with the complete redevelopment of Ambassador Park and eliminating the City's required Fifty-Thousand dollars (\$50,000) annual capital contribution for the George W. Suarez Friendship Woods maintenance.

With the execution of this agreement, OCPRC will:

1. Assume responsibility for Ambassador Park, a 7-acre public park located at 600 E Thirteen Mile Road.
2. Continue management of George W. Suarez Friendship Woods, located at 30330 Hales Road.
3. Transfer grounds maintenance responsibilities from OCPRC to the City of Madison Heights at the Youth Soccer Complex.

Approval of this legal agreement is a necessary step for the implementation of park improvement projects authorized and funded under the Healthy Communities Park and Outdoor Recreation Investment Plan approved by the Oakland County Board of Commissioners on October 20, 2022.

The agreement establishes a 20-year term with a transition period for implementation ending concurrently with the County's FY23 fiscal year. The pre-existing lease between the parties for the management and operation of the Friendship Woods property will be superseded to establish consistent provisions for both properties. The new terms release the City from cost-sharing responsibilities. The City and County also have a maintenance agreement for the Youth Soccer Complex where the City is responsible for the maintenance of the building and financial obligation for maintenance of the fields, including irrigation, mowing, and snow removal. However, Oakland County staff currently performs these services. This agreement releases the County from the obligation of providing these services while allowing the City to contract this with another contractor of their choosing.

Upon execution of the agreement by all parties, OCPRC will proceed with planning, public engagement, and the final design of park improvement projects funded under the Healthy Communities Plan. Preliminary plans include the development of an innovative play and activity area designed to create active interactions between multiple generations - especially children and seniors.

In addition, staff has been in conversations with OCPRC regarding the renaming of Ambassador. Given the processes Oakland County has in place for naming parks, they have suggested a park feature be named instead; however, this doesn't seem to be the scale the Historical Committee originally intended when proposing Ambassador Park renaming therefore after Mayor Pro Tem Bliss spoke to the family, we are suggesting City Council

approve an amendment to the original naming motion and approve renaming 12 Sherry Park McGillivray Park on July 17, 2023.

Staff and I request City Council consider approving two motions:

1. Approval of the Interlocal agreement with OCPRC allowing the following changes to take place at: Ambassador Park, George W. Suarez Friendship Woods and Nature Center, and the Red Oaks Youth Soccer Complex.

2. Amend Council motion CM-23-33 to rename Twelve-Sherry Park to McGillivray Park in honor of Gary McGillivray.



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** 6/26/2023

**PREPARED BY:** Corey K. Haines

**AGENDA ITEM CONTENT:** 2023 Bike Rodeo winners bicycle presentation

**AGENDA ITEM SECTION:** Presentations

**BUDGETED AMOUNT:** 0

**FUNDS REQUESTED:** 0

**FUND:** 0

**EXECUTIVE SUMMARY:**

Chief Haines to present Bike Rodeo winners Evan Brook & Quinlin McAlpine with bikes from Trek Bike of Royal Oak, purchased by sponsor Michigan Schools & Government Credit Union.

**RECOMMENDATION:**



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** 06/26/23

**PREPARED BY:** Melissa R. Marsh, City Manager

**AGENDA ITEM CONTENT:** Amendment - Interlocal Agreement Oakland Co. Senior Center Matching Grant

**AGENDA ITEM SECTION:** Communications

**BUDGETED AMOUNT:** \$0

**FUNDS REQUESTED:**

**FUND:** 470-265

**EXECUTIVE SUMMARY:**

On February 13, 2023 City Council approved the Interlocal Agreement with Oakland County to participate in the Oakland Together Senior grant program. Due to federal funding requirements, the wording of this agreement needed to be amended and reviewed by the local governing body.

**RECOMMENDATION:**

I recommend City Council approve the City of Madison Heights accepting this amended interlocal agreement and authorize the City Manager to execute this agreement on behalf of the City.



**AGREEMENT FOR LOCAL FISCAL RECOVERY FUND DISTRIBUTION BETWEEN  
OAKLAND COUNTY AND**

City of Madison Heights Senior Center

**Amendment 1**

The Parties agree to amend the **AGREEMENT FOR LOCAL FISCAL RECOVERY FUND DISTRIBUTION BETWEEN OAKLAND COUNTY AND** City of Madison Heights Senior Center ("Agreement") as follows:

1. The following sentence will be added to the end of the first paragraph on the first page of the Agreement: "Notwithstanding any language to the contrary in the Agreement, Public Body is a grantee of the funds it received under the Agreement. Public Body shall comply with all requirements in the Agreement regardless of its classification as a grantee."
2. Paragraph 5.f. under **PUBLIC BODY AFFIRMATIONS** will be deleted.
3. Paragraph 10. **COMPLIANCE WITH LAWS** will be modified to add subparagraph f. which states, "Public Body must comply with 2 C.F.R. Part D, Post Federal Award Requirements, being 200.300 et seq., where applicable."
4. This Amendment will be effective on June 13, 2023.
5. All contractual provisions of the Agreement not otherwise affected by this Amendment shall remain in full force and effect.

**FOR AND IN CONSIDERATION** of the mutual assurances, promises, acknowledgments, set forth in this Amendment 1 and for other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, the undersigned hereby execute this Amendment 1 on behalf of the Parties, and by doing so legally obligate and bind the Parties to the terms and conditions of this Amendment 1.

IN WITNESS WHEREOF, [insert name and title of public body official] hereby acknowledges that he/she has been authorized by a resolution of the City of Madison Heights a certified copy of which is attached, to execute this Amendment on behalf of Public Body and hereby accepts and binds Public Body to the terms and conditions of this Amendment.

EXECUTED: \_\_\_\_\_ DATE: \_\_\_\_\_  
[insert name of official, title, and name of public body]

WITNESSED: \_\_\_\_\_ DATE: \_\_\_\_\_  
[insert name, title]

[Type text]

IN WITNESS WHEREOF, David Woodward, Chairperson, Oakland County Board of Commissioners, hereby acknowledges that he has been authorized by a resolution of the Oakland County Board of Commissioners to execute this Amendment on behalf of Oakland County, and hereby accepts and binds Oakland County to the terms and conditions of this Amendment.

EXECUTED: \_\_\_\_\_

David Woodward, Chairperson  
Oakland County Board of Commissioners

DATE: \_\_\_\_\_

WITNESSED: \_\_\_\_\_

Oakland County Board of Commissioners  
County of Oakland

DATE: \_\_\_\_\_

[Type text]

City Council Special Meeting  
 Madison Heights, Michigan  
 June 12, 2023

A City Council Special Meeting was held on Monday, June 12, 2023 at 6:45 PM at City Hall  
 Executive Conference Room - 300 W. 13 Mile Road

**PRESENT**

Mayor Roslyn Grafstein  
 Mayor Pro Tem Mark Bliss

Councilwoman Aaron  
 Councilman Sean Fleming  
 Councilor Emily Rohrbach  
 Councilman David Soltis  
 Councilor Quinn Wright

**OTHERS PRESENT**

City Manager Melissa Marsh  
 Special Legal Counsel Andrea Pike  
 City Clerk Cheryl Rottmann

**MEETING OPEN TO THE PUBLIC:**

There were no members of the public wishing to speak.

**CC-23-137. Legal Counsel to Discuss Settlement Strategy in Pending Oakland  
 County Circuit Court Case No. 22-197465-CZ, Artic Fox, LLC v. City  
 of Madison Heights.**

Mayor Grafstein asked for a motion to enter into Closed Executive Session at 6:46 p.m.

Motion made by Councilor Rohrbach, Seconded by Councilwoman Aaron, to enter into  
 Closed Executive Session to discuss Discuss Settlement Strategy in Pending Oakland County  
 Circuit Court Case No. 22-197465-CZ, Artic Fox, LLC v. City of Madison Heights, which is  
 exempt from disclosure as provided under Section 8 of the Open Meetings Act.

Roll Call Vote:

Voting Yea: Mayor Grafstein, Mayor Pro Tem Bliss, Councilwoman Aaron, Councilman  
 Fleming, Councilor Rohrbach, Councilman Soltis, Councilor Wright

Motion carried.

**ADJOURNMENT:**

Having no further business, Mayor Grafstein adjourned the meeting at 7:27 p.m.

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Roslyn Grafstein, Mayor

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Cheryl E. Rottmann, City Clerk

City Council Regular Meeting  
Madison Heights, Michigan  
June 12, 2023

A City Council Regular Meeting was held on Monday, June 12, 2023 at 7:30 PM at City Hall - Council Chambers, 300 W. 13 Mile Rd.

**PRESENT**

Mayor Roslyn Grafstein  
Councilwoman Toya Aaron  
Mayor Pro Tem Mark Bliss  
Councilman Sean Fleming  
Councilor Emily Rohrbach  
Councilman David Soltis  
Councilor Quinn Wright

**OTHERS PRESENT**

City Manager Melissa Marsh  
Assistant City Attorney Tim Burns  
City Clerk Cheryl Rottmann

The invocation was given by Councilman Fleming and the Pledge of Allegiance followed.

**CM-23-138. Addition to the Agenda.**

Motion made by Councilor Rohrbach, Seconded by Councilor Wright, to add *Installation of Data Lines and of Cabling for the Active Adult Center* to the Agenda, under Consent Agenda.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor Wright

Motion carried.

**PRESENTATIONS:**

**Recognition of National Missing Children's Day May 24, 2023**

Councilman Soltis and Councilor Wright requested City Council recognize National Missing Children Day, which was May 24, 2023, this year. An Amber Alerting video published by the Federal Office of Juvenile Justice and Delinquency Prevention was shown.

**CM-23-139. Special Approval PSP 23-01 - 700 E. 14 Mile Road - Motor Vehicle Service Expansion.**

City Manager Marsh reviewed Special Approval Request PSP 23-01, 700 E. 14 Mile Road, for a motor vehicle service expansion.

Mayor Grafstein opened the public hearing at 7:40 p.m.

Frank Martin, Dorchen/Martin Associates, Inc., project architect, was present to answer any questions regarding the request. He stated that when the facility was initially designed, it was designed for potential expansion. He noted that the expansion will look just like the existing building.

Seeing no one further wishing to speak, Mayor Grafstein closed the public hearing at 7:42 p.m.

Motion made by Mayor Pro Tem Bliss, Seconded by Councilwoman Aaron, to approve the special use request PSP 23-01 for expanded motor vehicle repair facility associated with the existing Golling Kia dealership at 700 E. 14 Mile Road, with the conditions that bump and paint work shall not be permitted and the proposed auto wash shall be for the dealership and service facility patrons only, and not open for use by the general public.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-140. Special Approval PSP 23-02 - 201 W. Girard Avenue - Event and Banquet Facility.**

City Manager Marsh reviewed the Special Approval request, PSP 23-02, 201 W. Girard Avenue, for an event and banquet space.

Mayor Grafstein opened the public hearing at 7:44 p.m.

Michael Kozan, applicant and property owner, stated that he and his wife have renovated the building and are requesting that they be able to use the space for events and small banquets. He stated that they would like a capacity limit of 75.

Seeing no one further wishing to speak, Mayor Grafstein closed the public hearing at 7:46 p.m.

Mayor Pro Tem Bliss stated that he would like to give flexibility on the occupancy limit for the building and does not see the necessity for the 11 p.m. end time as recommended by staff. This building could serve a real need for our community. He stated that he would defer to the Fire Marshall for the occupancy limit.

Councilor Rohrbach concurred with Mayor Pro Tem Bliss' comments.

Mr. Kozan stated that when Fire Marshall initially came out, this was not the purposed use, so he would need to revisit to establish the occupancy based on a use for events and banquets.

Motion made by Mayor Pro Tem Bliss, Seconded by Councilman Fleming, to approve Special Approval PSP 23-02 for an existing rental warehouse space to host small events and banquets at 201 W. Girard Avenue.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

### **MEETING OPEN TO THE PUBLIC:**

Resident (name not given), stated that freedom of speech is a First Amendment right and the 43rd District Court fears video recording.

Kevin Wright, President of the Board of Directors of the Madison Heights Citizens United, stated that this Friday there will be a Juneteenth flag raising at 9 a.m. at City Hall. The 2023 Madison Heights Juneteenth celebration at Civic Center park is this Saturday and he summarized the day's events. He congratulated Chief Haines on his retirement, and he stated that he has had very positive interactions with him over the past years.

#### **CM-23-141. Consent Agenda.**

Motion made by Councilwoman Aaron, Seconded by Councilor Wright, to approve the Consent Agenda as read.

Councilman Fleming asked that the City Manager's comments be read pertaining to Item #6, Cost Participation Agreement - 2023 LRIP Program. City Manager Marsh read her comments on this Consent Agenda item.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

#### **CM-23-142. 2023 Festival in the Park Fireworks Display Permit.**

Motion made by Councilwoman Aaron, Seconded by Councilor Wright, to approve the permit for the 2023 Fireworks Display from Pyrotecnico Fireworks, Inc. and authorize the mayor to sign on the City's behalf.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

#### **CM-23-143. Cost Participation Agreement - 2023 LRIP Program: Commerce Drive.**

Motion made by Councilwoman Aaron, Seconded by Councilor Wright, to approve the Cost Participation Agreement for the 2023 Oakland County's Local Road Improvement Program (LRIP) and authorize the mayor to sign on behalf of the City electronically.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-144. City Council Regular Meeting Minutes of May 22, 2023.**

Motion made by Councilwoman Aaron, Seconded by Councilor Wright, to approve the Regular City Council Meeting minutes of May 22, 2023.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-145. Installation of Data Lines and Cabling for the New Active Adult Center.**

Motion made by Councilwoman Aaron, Seconded by Councilor Wright, to approve the installation of data lines and cabling for the new Active Adult Center by BPI in the amount of \$19,975.71

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-146. Confirmation of Deputy City Manager and Appointment as Acting City Manager in City Manager's Absence.**

Motion made by Councilor Rohrbach, Seconded by Councilman Fleming, to confirm the City Manager's appointment of Cheryl Rottmann as Deputy City Manager/City Clerk and appoint her to serve as Acting City Manager in temporary absences as assigned by the City Manager.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-147. Amendment #2 to the Madison Center Owner LLC Development Agreement – 29101 John R Rd.**

Motion made by Councilwoman Aaron, Seconded by Councilman Fleming, to approve and authorize the mayor to sign the proposed second and final amendment to the Development Agreement for the approved Brownfield Plan for 29101 John R Rd.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-148. Madison Heights Hazel Park Chamber Request for Beer Tent at Trail Tunes.**

Motion made by Mayor Pro Tem Bliss, Seconded by Councilor Rohrbach, to approve the following resolution authorizing this one-time liquor sales event for the 2023 Trail Tunes Event on September 9, 2023:

Resolution Authorizing the One-Time Sale, Possession and Use of Beer and Wine  
During the 2023 Trail Tunes Event at Civic Center Park.

WHEREAS, Madison Heights City Code Chapter 19 Section 19-57 requires City permission to allow for the sale, possession and consumption of beer and wine beverages in any City park; and

WHEREAS, the 2023 Trail Tunes event organizers in conjunction with the Madison Heights/Hazel Park Chamber of Commerce have requested permission to set up and operate a “Beer Tent” on Civic Center Park property; and

WHEREAS, the 2023 Trail Tunes Event will take place Saturday September 9th from 2:00 PM- 6:00 PM; and,

WHEREAS, the “Beer Tent” will be set up in a controlled area with security and licensed vendors and staff will be on hand through the entire event to ensure all policies and rules are being enforced; and

WHEREAS, the City is willing to make an exception to the City Alcohol Policy for this event only to allow the sale, possession, use and consumption of beer at Civic Center Park during the operational hours of the 2023 Trail Tunes Event.

WHEREAS, a part of the process of obtaining a Liquor License is obtaining approval from the governing board, before sending it to the Michigan Liquor Control Board for approval; and

WHEREAS, staff recommends the approval of the beer tent for this one event as set forth above conditioned upon the event having the proper liability insurance in place for this event and approval from the Michigan Liquor Control Board.

NOW THEREFORE BE IT RESOLVED that the Madison Heights City Council authorizes the one-time sale, possession and use of beer and wine during the 2023 Trail Tunes Event on Saturday, September 9, 2023 from 2:00 p.m. to 6:00 p.m. at Civic Center Park.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor Wright

Motion carried.

**CM-23-149. Proposal No. 2, Officers, Qualifications – Amendment.**

Motion made by Councilwoman Aaron, Seconded by Councilor Wright, approve a motion to amend CM-23-129 to modify the language to be within 100 words (exclusive



of caption) and consistent with requirements of Section 21(2) of the Home Rule City Act as follows:

**BY VIRTUE OF THE FOREGOING VOTE, THE CITY COUNCIL OF THE CITY OF MADISON HEIGHTS ADOPTS THE FOLLOWING RESOLUTION:**

**WITNESSETH:**

**WHEREAS**, the City of Madison Heights is a Michigan municipal corporation, duly and legally incorporated as a Home-Rule City, pursuant the provisions of 1909 Public Act 279, being specifically Michigan Compiled Laws (MCL) 117.1, et seq.; and,

**WHEREAS**, the Charter of the City of Madison Heights was adopted by a vote of the electors on December 6, 1955; and,

**WHEREAS**, Chapter 5, Section 5.1 of the City Charter, titled “Officers, Qualification,” specifically to wit: The eighth (8<sup>th</sup> full and unnumbered section), states as follows:

**Section 5.1.-Officers, Qualifications:**

No person shall be eligible to become a candidate for or hold an elective office in the City of Madison Heights who, at the time of the filing of his nominating petition for such elective office, has been elected to or is the holder of, an elective office in any other political subdivision of the State of Michigan. Such political subdivisions of the State of Michigan shall be deemed to mean any municipality, township, county or State of Michigan, other than the City of Madison Heights. No person shall be eligible to become a candidate for any elective office in the City of Madison Heights, except to succeed himself, who at the time of filing his nominating petition for elective office is the holder of any other elective office in the City of Madison Heights, unless at the time he files his nominating petition for elective office, he shall also file his resignation from such office to be effective not later than the first Monday in April following. At the time of the filing of the petition for an elective office in the City of Madison Heights in the manner hereinabove set forth, the candidate shall, upon the filing of petitions, file an affidavit setting forth his name, that fact that he is a qualified elector in the City of Madison Heights, the length of residence, and that he does not hold an elective office in any political subdivision of the State of Michigan, except the office he seeks, or, if he holds an elective office in the City, other than the office he seeks, that he has submitted his resignation therefrom. Such affidavit together with his petitions, shall be filed with the City Clerk. If any candidate fails to file such an affidavit at the time of filing of his petitions the Clerk shall not accept such petitions for filing. The candidate shall also file all of the affidavits or those instruments required under the election of the State of Michigan.

No person shall be a candidate for any or city election for more than one elective office.

(Amended September 12, 1961)

**WHEREAS**, the foregoing Charter section requires the resignation of any elected officeholder, from any non-city office, to become a candidate for mayor or city council, at the time of filing nominating petitions, instead of at the time of being elected to city office.

**WHEREAS**, the foregoing Charter section requires the resignation of an elected city council member, from any city office, to become a candidate for mayor, at the time of filing nominating petitions, instead of at time of being elected as mayor;

**NOW, THEREFORE, BE IT RESOLVED**, that Chapter 5, Section 5.1 of the City Charter, titled “Officers, Qualification,” specifically to wit: The eighth (8<sup>th</sup> full and unnumbered section), should be amended, in pertinent part, to state as follows:

No person, eligible to become a candidate for or hold the office mayor or council member of the City of Madison Heights, shall be required to resign their non-city elective office or city elective office, prior to their election as mayor or city council member. Non-city elective office shall be deemed to mean any municipal, township, county or state office. City elective office shall be deemed to mean mayor or council member of the city. When a person files their nominating petitions for mayor or city council, they shall also file a signed affidavit with the city clerk’s office, in conformity with state law. A person, who wins election as mayor or city council member, shall resign their non-city elective office or prior city elective office.

**BE IT FURTHER RESOLVED** that all other sections in Chapter 5, Section 5.1., not otherwise amended herein, shall remain in full force and effect; and,

**BE IT FURTHER RESOLVED** that said Charter Proposition shall be submitted to the voters for approval shall be as follows:

(Officers, Qualifications) – Proposal No. 2

Currently, Section 5.1 requires, in order to be eligible to be a candidate for election as mayor or council member, that a candidate for mayor or council must resign from Madison Heights elective office and from elective office in any other local government unit. The proposed amendment states that no candidate for mayor or city council must resign from their current elected offices until they win election as mayor or city council member. If approved, the revision takes effect with the 2025 regular city election and continues until otherwise amended.

Shall the proposed amendment to Section 5.1 be adopted?

- ☐ Yes.  
☐ No.

**BE IT FURTHER RESOLVED**, that the city clerk shall transmit a copy of this resolution to the Governor of the State of Michigan for approval of the proposed amendment and a copy of this resolution to the Attorney General of the State of Michigan for approval of proposed ballot language for the proposed amendment, as required by law.

**BE IT FURTHER RESOLVED**, that said Charter Amendment be submitted to the electors of the City of Madison Heights for a vote of approval at the election to be held on November 7, 2023; and,

**BE IT FURTHER RESOLVED**, that the Clerk of the City of Madison Heights is hereby authorized and directed to cause the notice of submission of said Charter Amendment proposition to be posted and published as a part of the notice of said election in the manner required by law.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
 Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
 Wright

Motion carried.

**CM-23-150. Approval of Purchase of Electronic Message Board for Civic Center Complex.**

Motion made by Councilor Rohrbach, Seconded by Councilor Wright, to approve the purchase of an electronic message board from Spectrum Neon Company of Madison Heights, in the amount of \$36,388 and authorize the City to submit a down payment of half that amount, \$18,194 to secure pricing until installation can be completed.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
 Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
 Wright

Motion carried.

**CM-23-151. Printing/Mailing of Recreation Brochure/City Newsletter.**

Motion made by Councilor Rohrbach, Seconded by Councilwoman Aaron, award the contract for the printing and mailing of the Recreation Brochure/Newsletter to KK Stevens Publishing at the unit prices indicated for a two-year contract term through June 12, 2025, with the option to extend thereafter upon written agreement of the parties, allowing for documented postage and paper increases if the market becomes too volatile, and also allowing for lower cost production at the City's sole discretion based upon paper cost and availability and to further authorize the City to proceed to the second or third

low vendors, Litho Printing or Accuform, respectively, in the unlikely event that the contract with KK Stevens Publishing is canceled for lack of performance.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-152. Purchase of Portable Hoist System.**

Motion made by Councilwoman Aaron, Seconded by Mayor Pro Tem Bliss, to approve the purchase of four Mohawk Wireless Series 800 Mobile Column Lifts, and two Support Stands as quoted to Equipment Distributors Incorporated, of Fair Haven, Michigan, through Sourcewell Contract 013020-MRL, in the amount of \$57,955.01.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-153. Purchase of a Sutphen SLR 75 Fire Engine.**

Motion made by Councilor Wright, Seconded by Councilman Fleming, to approve the purchase of a heavy-duty 75' rear mount aerial ladder (SLR) from Sutphen in the amount not to exceed \$1,480,217.53.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-154. Information Technology Contract – BPI.**

Motion made by Mayor Pro Tem Bliss, Seconded by Councilman Fleming, to approve the information technology services agreement with BPI Technology for one year from July 1, 2023, June 30, 2024, and with ITAC recommendation, grant the City Manager the authority to extend on an annual basis, in writing by both parties.

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CM-23-155. Ordinance 2194, Interference with Police, First Reading –  
POSTPONED UNTIL STAFF CAN REPORT BACK WITH  
RECOMMENDATION.**

Motion by Mayor Pro Tem Bliss, Seconded by Councilman Fleming, to approve Ordinance 2194, Interference with Police on First Reading and schedule the Second Reading for June 26, 2023.

Mayor Pro Tem Bliss asked for clarification on the language regarding the wording resisting, obstructing and interference.

Councilor Rohrbach stated that she wants the police to have the best tools that they need, but this language seems a bit broad.

Councilor Wright stated that he concurs with both Mayor Pro Tem Bliss and Councilor Rohrbach's statements. He stated that we are talking about a subjective matter, and while we need to give our law enforcement and first responders the tools they need, the language needs to be clearer.

In response to Councilwoman Aaron's question, Assistant City Attorney Burns stated that the reason we use the terms interfering and resisting is so that we don't have a litany of ordinances to address various types of behavior. This only relates to those resisting a lawful command. Resisting, interfering, and obstructing are terms incorporated for someone who is under a lawful order, and they make it difficult for the officer to conduct his job. This only relates to interfering with police trying to conduct their business in a safe and orderly manner.

In response to Councilman Soltis, Assistant City Attorney Burns stated that this ordinance has been in place for 20 years, it is only adding a line to address situations such as filing a false police report or communications to an officer where individuals are voluntarily lying to police officers.

*Substitute Motion #1- withdrawn.*

Motion by Mayor Pro Tem Bliss, Seconded by Councilor Rohrbach to approve Ordinance No. 2194 with the removal of the word "resisting" on First Reading and schedule a Second Reading for June 26, 2023.

Councilman Fleming asked for clarification on changing the ordinance by removing the word resisting wording, would that be amending the original ordinance. Assistant City Attorney Burns agreed with Councilman Fleming's interpretation.

*Substitute Motion #2*

Motion by Councilman Soltis, Seconded by Councilor Rohrbach, to postpone Ordinance No. 2194, for further comment and suggestions by staff for an upcoming City Council meeting.

Mayor Pro Tem Bliss requested that the Crime Commission have input on the ordinance and Councilors Wright and Rohrbach stated that they would like input from the HREC on this ordinance change as well.

Councilman Fleming requested a complete copy of the current ordinance wording for Council, the HREC, and the Crime Commission.

Vote on Substitute Motion #2:

Voting Yea: Mayor Grafstein, Councilwoman Aaron, Mayor Pro Tem Bliss,  
Councilman Fleming, Councilor Rohrbach, Councilman Soltis, Councilor  
Wright

Motion carried.

**CITY COUNCIL COMMENTS:**

Councilwoman Aaron thanked the officers at 12 Mile and John R that were assisting geese and ducks cross the street safely. She stated that she is proud of Kevin Wright and the work that he is doing. She spoke of her experience of organizing a musical at her church and reminded him to never let small beginnings discourage you; your event will continue to grow and people from all over will attend. June 24th is the city-wide garage sale from 10 a.m. to 3 p.m. Beginning June 19<sup>th</sup>, the summer feeding program is back at Lamphere High School. Children 0-18 can get free breakfast and lunch and those with special needs up to age 26 can get free meals. Adults can purchase meals as well. She wished a Happy Father's Day to her colleagues, noting that they are remarkable dads.

Mayor Pro Tem Bliss noted his Juneteenth shirt that he is wearing and encouraged all to come out and support the festival. He stated that he was appreciative of his peers for approving the Trail Tunes beer tent, and commented that there will be lots of great live music.

Councilor Wright stated that he thinks the beer tent is a fantastic idea and noted that the Madison Schools also had one. It was secure, safe and fun. The Art and Pride event was fantastic, he stated that he is looking forward to Juneteenth. The Madison Heights Citizens Untied are doing a fantastic job and he encourages everyone to come out to the flag raising as well. Juneteenth is an event for everyone, and he is happy everyone is embracing the event. He suggested establishing a Mental Health Task Force, commenting that the City can pool together resources. He stated that he is looking forward to seeing everyone at Festival in the Park, come out and enjoy. Juneteenth is a fantastic connection to the Festival in the Park where people come to celebrate liberation, freedom independence and the pursuit of happiness.

Assistant City Attorney Burns had no comments this evening.

City Manager Marsh congratulated the Police Department and Crime Commission on the successful Bike Rodeo event. On June 26th, the Monroe Park Pavillion will be dedicated for late Councilman Bob Gettings. She congratulated City Clerk Rottmann on her appointment to Deputy City Manger and stated that she is looking forward to working with her. She congratulated Chief Haines on his retirement.

City Clerk Rottmann updated the public on the progress of election legislation pertaining to Proposal 22-2. She stated the biggest impact will be the implementation on nine days of early voting and she is hoping things will be finalized at the State level in the next month or so. She stated that she will provide updates as things progress. She expressed her appreciation for Council's support and the City Manager's confidence in her for the Deputy City Manager position and promised to continue to work to the best of her ability for the citizens of Madison Heights.

Councilor Rohrbach thanked everyone for attending the plant sale and stated they had over \$6,000 in sales. All funds will go back into funding green activities. The Art and Pride picnic was awesome, Bike Rodeo was fantastic, and it is just fun to see people out and doing things. Thank you to everyone who participated. She stated that she is looking forward to Juneteenth as well. Happy Father's Day and congratulations to all of graduating seniors - enjoy the summer.

Councilman Fleming stated that the Memorial Day Parade went very well. He recognized Martha Kehoe and Andy McGillvarary for their work on the parade and noted there were lots of happy people. The Bike Rodeo was a great event as was the Art and Pride Picnic. He stated a Mental Health forum is currently being worked on. Summer is the time for power outages and he reminded residents that the Library, Fire Station, and possibly the new Active Adult Center are cooling centers. He is going to hold office hours at Library from 10 a.m to 12 p.m. or you can email him at [seandfleming@madison-heights.org](mailto:seandfleming@madison-heights.org).

Councilman Soltis reminded everyone to pay attention to the air quality. This is serious for seniors and those with compromised breathing. He congratulated the Deputy City Manager on her new position, the new Police Chief on his promotion, and Police Chief Corey Haines on his retirement, noting he did an amazing job for the City. Although National Missing Children day has passed, this is something that he is passionate about. He noted that before he ran in 2013, there was a huge bust of human trafficking and there was one minor who was rescued and this issue really hits home with him.

Mayor Graftstein stated she will be attending Juneteenth on Saturday and the flag raising on Friday. She thanked Kevin Wright and his wife for their efforts to make Juneteenth a successful event. She thanked Council for all of their conversation today. She congratulated Cheryl Rottmann on her new role. She commented that she is Interested to see how the beer tent works out and stated that she is glad the city-wide garage sale is happening again this year; make sure you reach out to the City so you can be included on the map. The Art and Pride Picnic was a great event and she thanked Councilwoman Aaron and Councilman Fleming for helping set up and Councilor Wright for tending at the grill. She concurred with the Mental Health Task Force concept. Mayor Grafstein thanked the organizers of the Memorial Day Parade and stated that she appreciates everyone who came out including our Gold Star Mother and our WWII veteran. The next Council meeting is June 26th.

## **ADJOURNMENT:**

Having no further business, Mayor Grafstein adjourned the meeting at 9:10 p.m.



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** 06/26/23

**PREPARED BY:** Melissa R. Marsh, City Manager

**AGENDA ITEM CONTENT:** Confirmation of Appointment of Police Chief

**AGENDA ITEM SECTION:** Reports

**BUDGETED AMOUNT:** \$0

**FUNDS REQUESTED:**

**FUND:** n/a

**EXECUTIVE SUMMARY:**  
See attached report.

**RECOMMENDATION:**

Pursuant to Section 3.6 of the City Charter, I respectfully request that City Council confirm my appointment of Brent LeMerise to the position of Police Chief of the City of Madison Heights. The appointment will be effective July 1, 2023.



**TO: Honorable Mayor and City Council**  
**FROM: Melissa R. Marsh, City Manager**  
**DATE: June 13, 2023**  
**RE: Confirmation of Appointment of Police Chief**

With the announcement of DCM/Police Chief Haines's intent to retire on June 30, 2023, the City posted to solicit internal applications to fill the position of Police Chief. We received one resume for the position from Deputy Chief Brent LeMerise.

An oral interview was conducted on June 7 by a panel consisting of myself, Human Resource Director Amy Misczak, and a third-party Waterford Police Chief Scott Underwood. It is the unanimous opinion of the interview panel that Deputy Chief LeMerise has thoroughly prepared himself to step into the role of Police Chief, and he will be an asset to the Department and the Administration.

Pursuant to Section 3.6 of the City Charter, I will request that City Council confirm my appointment of Brent LeMerise to the position of Police Chief of the City of Madison Heights at the regular City Council meeting of June 26, 2023. The appointment will be effective July 1, 2023.

A copy of Brent's resume is attached for your review.

# Brent LeMerise

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## OBJECTIVE

**To obtain the position of Police Chief of the Madison Heights Police Department.**

## TRAINING

- Police Executives' and New Chiefs' School
- Michigan Association of Chiefs of Police, Fall & Winter Conferences (2021-2023)
- Accreditation Manager
- Police Recruitment and Retention Training
- First Line Supervision: Leadership and Management Skills
- Supervision of the F.T.O. Program
- Pistol and Shotgun Instructor
- Detective and New Criminal Investigator (Basic Detective School)
- Criminal Interview and Interrogation Techniques
- Death Investigations
- Child Death Scene Investigation
- Forgery Investigation
- Law Enforcement Response to Non-Stranger Sexual Assault
- Basic Hostage Negotiation

## SKILLS

- **Planning:** Created emergency response plans for major events in Madison Heights including Festival in the Park, regularly met with Chief to discuss and address anticipated staffing needs, created performance improvement plans for deficient employees, planned FTO training schedules
- **Scheduling:** Implemented scheduling and payroll software remotely viewable to all department employees, improved outdated Detective Bureau scheduling calendar and call-in process, completed road patrol schedules
- **Coordinating:** Managed most major PD projects from 2022 through present, successfully coordinated police accreditation process, provided coordination for the entire FTO Cadre, coordinated the launch of the Recruitment Unit, coordinated several activities in the Detective Bureau
- **Leadership/Supervision:** Assigned as Road Patrol Sergeant for nearly 2 years, Detective Sergeant for approximately 1.5 years, Road Patrol Lieutenant for nearly 2 years, and Deputy Chief for over 1 year (over 7 years in promoted roles)
- **Technical Ability:** Maintain administrative rights in software programs for training, policies, scheduling/payroll, electronic personnel files, electronic evidence storage, and license plate reading, good typing and computer skills, familiarity with social media, proficient with available investigative tools

- Communication: Good verbal and written skills, detail-oriented, former negotiator for SE Oakland County SWAT (2007-2015), amended several department policies to comply with accreditation standards
- Interpersonal: In good standing with superiors, subordinates, city hall, fire department, and the public
- Morale building: Member of the Commendation Board for past the 10 years, customized electronic personnel software to include positive recognition of employees

## **EXPERIENCE    April 2022 – present                      City of Madison Heights**

### **DEPUTY POLICE CHIEF**

- Supervise daily operations of all department personnel
- Regularly meet with Chief, Training Bureau, Investigations Bureau, and Road Patrol to discuss improvement of law enforcement activities
- Review and identify potential liability situations such as use of force, vehicle pursuits, and employee injuries
- Recommend employee counseling, training, or discipline as needed
- Coordinate activities with City Hall such as employee applications, backgrounds for business license applicants, false alarm billing, and pawn shop billing
- Coordinate emergency response plans and police presence for special events
- Administrator over multiple software programs key to department functions
- Oversee annual employee performance evaluations
- Handle budgeting for traffic enforcement and bullet proof vest grants
- Monitor overtime expenditures, identify trends, and implement solutions
- Handle maintenance of department equipment, including body cameras and radios, in the absence of a station support officer

### **April 2020 – April 2022**

### **PATROL LIEUTENANT**

- Supervise sergeants, officers, and PSAs on my assigned shift
- Internal investigator: Investigate all employee complaints within my wingspan of supervision to include disciplinary recommendations
- FTO Commander: Maintain oversight of FTO Cadre who trains probationary sergeants, officers, and PSAs
- Accreditation Manager: Implement the best police practices through policy change and provide several hundred proofs of compliance to the state panel
- Complete annual work performance evaluations for subordinates
- Train department personnel in administrative systems such as Guardian Tracking, Power DMS, and evidence.com
- Additional responsibilities include Biohazard Exposure Control Officer, Sex Offender Registration Coordinator, and TED/Garbage Day Coordinator

### **July 2018 - April 2020**

### **DETECTIVE SERGEANT**

- Supervised and trained detective officers
- Performed the duties of detective lieutenant in his absence
- Handled or assisted other detective officers with more labor intensive and complex investigations while handling my own caseload

- Discussed and executed budget with detective lieutenant
- Reviewed and amended department policies with the detective lieutenant

#### **April 2016 - July 2018**

##### **PATROL SERGEANT**

- Supervised officers and PSAs on my assigned shift and handled any disciplinary issues through counseling or written documentation
- Conducted briefings, delegated tasks, and completed beginning of duty paperwork, checked/organized reports, problem solved, and made difficult decisions
- Regularly inspected road patrol equipment
- Properly communicated information to the relieving shift supervisor

#### **July 2010 - December 2015**

##### **DETECTIVE OFFICER**

- Handled nearly three thousand (3,000) investigations. Types of cases included complex financial crimes, armed robberies, CSCs, and a homicide
- Processed and handled evidence
- Interviewed victims, witnesses, and suspects involved in each investigation
- Organized facts and details in report form, completed/executed search warrants, presentation to prosecutor, and subsequent adjudication including subpoena service and testimony
- Provided assistance and training to other detectives
- Coordinated investigations with outside agencies

#### **December 2015 - April 2016**

#### **March 2003 - July 2010**

##### **PATROL OFFICER**

- Emergency and non-emergency response to calls for service
- Completion of incident/accident reports
- Made appropriate arrests and completed booking procedures
- Conducted traffic enforcement and issued citations

#### **March 2002 - March 2003      City of Grosse Pointe Woods**

##### **PUBLIC SAFETY OFFICER**

- Emergency and non-emergency response to calls for service using police vehicle or fire engine
- Completion of incident/accident reports
- Made appropriate arrests and completed booking procedures
- Conducted traffic enforcement and issued citations

**EDUCATION   May 2022 through present   Ferris State University**

- Currently working on Bachelor's Degree in Criminal Justice

**December 2000                      Macomb Community College**

- Associate's Degree in Law Enforcement

**ACADEMY   May 2002                      Macomb Community College**

- Basic Fire Academy

**December 2001                      Macomb Community College**

- Basic Police Academy



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** 6/12/23

**PREPARED BY:** Giles Tucker - CED

**AGENDA ITEM CONTENT:** CED Microfiche Conversion Services

**AGENDA ITEM SECTION:** Reports

**BUDGETED AMOUNT:** \$50,000

**FUNDS REQUESTED:** \$50,000

**FUND:** 101-728-818-0000; 101-728

**EXECUTIVE SUMMARY:**

The Community & Economic Development Department (CED) has approximately 30,030 files containing 948,540 microfiche images that contain historical building and property records and related documents. The current CED 2023-24 budget includes \$50,000 to convert this data contained on film to a digital format uploaded to the city's cloud-based database. Staff has discovered that the State of Michigan Department of Technology, Management & Budget (DTMB) has an existing contract with the imaging vendor and Madison Heights based business, Graphic Sciences Inc (GSI). However, the costs to scan, digitize, index, upload and store this data is estimated to be \$64,231.48 and an additional \$1,500 per year would be incurred in digital storage costs.

**RECOMMENDATION:**

Staff recommends that City Council authorize CED staff to enter into an agreement with the DTMB, taking advantage of the existing State service agreement for imaging service. Staff also recommends that City Council incur the necessary costs to upload this data to the Laserfiche Cloud System, as well as the annual storage costs of this additional data in the cloud system. Staff recommends that the total for these services be approved for a total not to exceed \$50,000 and an estimated \$1,500 annually for ongoing storage of this data. Any leftover files needing digital conversion will be considered in a future department budget.



## MEMORANDUM

To: Melissa Marsh, City Manager  
 From: Giles Tucker, Community & Economic Development Director  
 Date: April 18, 2022  
 Subject: Microfiche Digital Conversion

### BACKGROUND:

The Community & Economic Development Department (CED) has approximately 30,030 files containing an estimated 948,540 microfiche images of historical building and property records and related documents. These images are available for review using a microfilm reading machine. Storing and providing access to these records in this way takes up a considerable amount of space, is time-consuming for residents and staff, and relies on ageing equipment.

The CED budget includes \$50,000 for both FY 2023-24 and FY2025 towards costs for microfiche/microfilm digitization, file indexing and storage. Staff has discovered that the State of Michigan Department of Technology, Management & Budget (DTMB) has an existing contract with the imaging vendor and Madison Heights based business, Graphic Sciences Inc (GSI). The DTMB solicits bids for this contract, therefore the city has the option to forgo a separate bid solicitation process and use this existing State contract for services.

The State charges 12% of the total bill to use their existing service contract. Despite these additional costs, using this existing contract has many benefits beyond forgoing the public bid solicitation process. Doing so would ensure that our vendor would be properly insured, follows DTMB security requirements and imaging standards, and would manage any problems or disputes with the vendor. Further, given the size of a service agreement for imaging services for a state agency compared to an individual municipality, it is likely that this pricing would still be better compared to an independent bid solicitation despite the additional costs from DTMB, without any of the benefits.

In addition to scanning microfiche and labeling all the files, the images must also be uploaded, indexed, and digitally stored in the Laserfiche Cloud System. Uploading this data into our cloud database costs an estimated \$1,950 and the ongoing storage of this data in the cloud would be an additional \$1,500 per year. The following is a summary of these costs:

### COST SUMMARY:

DTMB (microfiche/microfilm digitization, file indexing and storage)	\$ 60,781.48
ICC Community Development Solutions (Data Upload Services)	\$ 1,950.00
ICC Community Development Solutions (Additional Annual Data Storage Fee)	\$ 1,500.00
<b>Estimated Total:</b>	<b>\$ 64,231.48 (+\$1,500 annually)</b>

**STAFF RECOMMENDATION:**

Staff recommends that the City Council authorize CED staff to enter into an agreement with the DTMB, taking advantage of the existing State service agreement for imaging service. Staff also recommends that City Council incur the necessary costs to upload this data to the Laserfiche Cloud System, as well as the annual storage costs of this additional data in the cloud system. Staff recommends that the total for these services be approved for a total not to exceed \$50,000 and an estimated \$1,500 annually for ongoing storage of this data. Any leftover files needing digital conversion will be considered in future budgets.





*Your Partner in document and information management*

1551 East Lincoln • Madison Heights, MI 48071 • 248.549.6600 • fax 248.549.2760

E-Mail me at [jillians@gsiinc.com](mailto:jillians@gsiinc.com)

## Overview of the City of Madison Heights

A review of the City of Madison Heights file collection was performed for the purpose of determining the volume, condition and structure of the files that are under consideration for a digital conversion. The microfiche is currently stored in seven 16" boxes. The microfiche is organized in 16-inch rows within a box. One box contains two and a half 16-inch rows, the remaining six boxes contain four rows of 16 inches. As a result of the overview an estimate of the conversion costs is also provided.

The files will be named by street number street name.

Field 1 11111 LINCOLN.PDF

### Conversion Estimate:

Media	Estimated Images	Estimated Files	File Naming
Microfiche	831,040	29,983	Street Number Street Name

### Conversion Cost Estimate:

Microfiche				
ITEM	VOLUME	UNIT	UNIT PRICE	Total Price
Scanning 16 MM	831,040	Per Image	\$0.0582	<b>\$48,366.53</b>
File Naming 29,983 x 15 characters per address	449,745	Per Character	\$0.0123	<b>\$5,531.86</b>
Pickup & Delivery	2	Trips	No Charge	
			<b>Totals</b>	<b>\$53,898.39</b>

**Next Step:** A production level test has been completed.



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E-Mail me at [jillians@gsiinc.com](mailto:jillians@gsiinc.com)

## Overview of the City of Madison Heights

A review of the City of Madison Heights file collection was performed for the purpose of determining the volume, condition and structure of the files that are under consideration for a digital conversion. The microfilm is currently stored in one 16" boxes. As a result of the overview an estimate of the conversion costs is also provided.

The PDF files will be named by the label from the microfilm top label.

Field 1 30289 WESTMORE\_30189 WESTMORE.PDF

### Conversion Estimate:

Media	Estimated Images	Estimated Files	File Naming
Microfilm	117,500	47	Label from microfilm

### Conversion Cost Estimate:

Microfiche				
ITEM	VOLUME	UNIT	UNIT PRICE	Total Price
Scanning 16 MM	117,500	Per Image	\$0.0582	<b>\$6,838.50</b>
File Naming 47 x 30 characters per roll	1,410	Per Character	\$0.0123	<b>\$28.91</b>
Pickup & Delivery	2	Trips	No Charge	
			<b>Totals</b>	<b>\$6,883.09</b>

**Next Step:** A production level test has been completed.

## CHANGE ORDER #MA4312\_05172023

### LASERFICHE CLOUD SYSTEM – ADDITIONAL SERVICES

**Client Name:** City of Madison Heights  
**Address:** 300 W. Thirteen Mile Rd.  
Madison Heights, MI 48071

**Contact Person:** Giles Tucker  
**Account Executive:** Bryan Fatka  
**Date:** 05-17-2023

Line Item Description	Model #	Quantity	Unit Price	Total
<b>Professional Services</b>				
*Data Upload Services		10	\$195.00	\$1,950.00
<b>Professional Services Subtotal</b>				<b>\$1,950.00</b>
<b>Laserfiche Cloud</b>				
Laserfiche Cloud - Additional Storage - 100 GB	CLSAL	5	\$300.00	\$1,500.00
<b>Laserfiche Cloud Subtotal</b>				<b>\$1,500.00</b>
<b>Grand Total</b>				<b>\$3,450.00</b>

*\*See Statement of Work on subsequent pages for additional information.*

*Remote Services include but are not necessarily limited to the following services: software order processing; project management; software implementation such as modification of server to reflect new license levels; installation or modification of server; client or scanning software; installation and/or configuration of add-on products, such as WebLink, Quick Fields or Workflow and configuration of hardware, such as scanners.*

**LSAP/SAAS:** 2<sup>nd</sup> year forward for this component is estimated to be: \$1,500.00\*  
\*subject to change based upon the then-current support prices for that year

**Payment Terms:** Billed as Services are completed.

**Price Validity:** Price is valid for 90 days from 05-17-2023

**(Client please fill out) Invoice for this Change Order to be sent to: Email:** \_\_\_\_\_

**Department:** \_\_\_\_\_ **Contact:** \_\_\_\_\_

This Change Order is subject to ICC Community Development Solutions Terms & Conditions and to the License Agreements for the software referred to above, all of which are available at <https://icc-cds.com/terms-conditions/> and are incorporated herein by reference, and client authorizes General Code to proceed with the project.

The prices and specifications in this Change Order are satisfactory and are hereby accepted. All work is to be performed under the same terms and conditions as specified in the original contract unless otherwise specified.

**CITY OF MADISON HEIGHTS, OAKLAND COUNTY, MICHIGAN**

**Signature** \_\_\_\_\_ **Date** \_\_\_\_\_

**Name** \_\_\_\_\_ **Title** \_\_\_\_\_

**APPENDIX A – STATEMENT OF WORK**

**Project Notes:** ICC-CD will take the images and metadata and build a Laserfiche Workflow to process said data and import it into their Laserfiche Cloud repository. For a breakdown of the proposed project see below:

Phase	ADDRESS provided as separate fields ('Street Number' and 'Street Name')
1. Project Setup/Receipt of Images	2 hours
2. Separation of Street Number and Street Name	N/A
3. Workflow to apply index, naming, and folder structure	2 hours
4. Customer acceptance/rework	2 hours
5. Delivery of images	2 hours
Project Management	2 hours
<b>TOTAL</b>	<b>10 Hours</b>

**Assumptions:**

This estimate assumes that the data provided for the address is divided into two separate fields will not need to be cleaned or reworked.

That ICC-CDS will input the index values in exactly as we receive them – there will be no clean-up.

These estimates are all assuming that we receive all 831,000 images at once and process in one single delivery from the customer/scanning vendor. If Madison Heights wants incremental deliveries, it will increase the hours needed (specifically for Phases 1, 2, and 3).



**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

Item 7.

**CONTRACT CHANGE NOTICE**

Change Notice Number **2**  
 to  
 Contract Number **180000000749**

<b>CONTRACTOR</b>	GRAPHIC SCIENCES INC
	1511 E. Lincoln Ave.
	Madison Heights, MI 48071
	Terry Buchanan
	248-549-6600
	terryb@gsiinc.com
	CV0032057

<b>STATE</b>	<b>Program Manager</b>	Jessie Weston	DTMB
		517-335-9145	
		WestonJ2@michigan.gov	
	<b>Contract Administrator</b>	Nichole Harrell	DTMB
		517-636-0313	
		harrelln@michigan.gov	

CONTRACT SUMMARY				
STATEWIDE DIGITAL IMAGING AND MICROFILM SERVICES				
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE	
June 1, 2018	May 30, 2023	2 - 1 Year	May 30, 2023	
PAYMENT TERMS		DELIVERY TIMEFRAME		
1%/15 AND NET 45		N/A		
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING	
<input type="checkbox"/> P-Card <input type="checkbox"/> PRC <input type="checkbox"/> Other			<input type="checkbox"/> Yes <input checked="" 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		
\$43,562,157.20	\$0.00	\$43,562,157.20		
DESCRIPTION				
Effective July 25, 2022, Section 7. Administrative Fee and Reporting and Section 8. Extended Purchasing Program of the Standard Contract Terms, are revised per the attached document.				
This Contract is also amended to include Schedule C - Appendix 7 - Security Addendum (attached).				
All other terms, conditions, specifications, and pricing remain the same. Per Vendor and Agency agreement, DTMB Central Procurement approval.				

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

AGENCY	NAME	PHONE	EMAIL
DTMB	Jessica Weston	517-335-9145	WestonJ2@michigan.gov

***Language Revisions to Standard Contract Terms.***

The Standard Contract Terms have been revised to include the following language in Section 7. Administrative Fee and Reporting. Additionally, Section 8. Extended Purchasing Program, is removed and listed as Reserved:

**7. Administrative Fee and Reporting.** Contractor must pay an administrative fee of 1% on all payments made to Contractor under the Contract with the State (including its departments, divisions, agencies, offices, and commissions). Administrative fee payments must be made online by check or credit card at: <https://www.thepayplace.com/mi/dtmb/adminfee>

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 [MiDeal@michigan.gov](mailto:MiDeal@michigan.gov).

The administrative fee and purchasing activity report are due within 30 calendar days from the last day of each calendar quarter.

**8. Reserved.**

- 9. Independent Contractor.** Contractor is an independent contractor and assumes all rights, obligations and liabilities set forth in this Contract. Contractor, its employees, and agents will not be considered employees of the State. No partnership or joint venture relationship is created by virtue of this Contract. Contractor, and not the State, is responsible for the payment of wages, benefits and taxes of Contractor's employees and any subcontractors. Prior performance does not modify Contractor's status as an independent contractor. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.
- 10. Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
- 11. Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
- 12. Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
- 13. Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.

## SCHEDULE C – EXHIBIT 7- SECURITY ADDENDUM

### IRS Publication 1075 (Rev. 11-2021)

#### Exhibit 7 Safeguarding Contract Language

##### I. PERFORMANCE

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by officers or employees with the following requirements:

- (1) All work will be performed under the supervision of the contractor.
- (2) The contractor and contractor's officers or employees to be authorized access to FTI must meet background check requirements defined in IRS Publication 1075. The contractor will maintain a list of officers or employees authorized access to FTI. Such list will be provided to the agency and, upon request, to the IRS.
- (3) FTI in hardcopy or electronic format shall be used only for the purpose of carrying out the provisions of this contract. FTI in any format shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection or disclosure of FTI to anyone other than the contractor or the contractor's officers or employees authorized is prohibited.
- (4) FTI will be accounted for upon receipt and properly stored before, during, and after processing. In addition, any related output and products require the same level of protection as required for the source material.
- (5) The contractor will certify that FTI processed during the performance of this contract will be completely purged from all physical and electronic data storage with no output to be retained by the contractor at the time the work is completed. If immediate purging of physical and electronic data storage is not possible, the contractor will certify that any FTI in physical or electronic storage will remain safeguarded to prevent unauthorized disclosures.
- (6) Any spoilage or any intermediate hard copy printout that may result during the processing of FTI will be given to the agency. When this is not possible, the contractor will be responsible for the destruction of the spoilage or any intermediate hard copy printouts and will provide the agency with a statement containing the date of destruction, description of material destroyed, and the destruction method.
- (7) All computer systems receiving, processing, storing, or transmitting FTI must meet the requirements in IRS Publication 1075. To meet functional and assurance requirements, the security features of the environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to FTI.
- (8) No work involving FTI furnished under this contract will be subcontracted without the prior written approval of the IRS.
- (9) Contractor will ensure that the terms of FTI safeguards described herein are included, without modification, in any approved subcontract for work involving FTI.
- (10) To the extent the terms, provisions, duties, requirements, and obligations of this contract apply to performing services with FTI, the contractor shall assume toward the subcontractor all obligations, duties and responsibilities that the agency under this contract assumes toward the contractor, and the subcontractor shall assume toward the contractor all the same obligations, duties and responsibilities which the contractor assumes toward the agency under this contract.
- (11) In addition to the subcontractor's obligations and duties under an approved subcontract, the terms and conditions of this contract apply to the subcontractor, and the subcontractor is bound and obligated to



the contractor hereunder by the same terms and conditions by which the contractor is bound and obligated to the agency under this contract.

(12) For purposes of this contract, the term “contractor” includes any officer or employee of the contractor with access to or who uses FTI, and the term “subcontractor” includes any officer or employee of the subcontractor with access to or who uses FTI.

(13) The agency will have the right to void the contract if the contractor fails to meet the terms of FTI safeguards described herein.

## II. CRIMINAL/CIVIL SANCTIONS

(1) Each officer or employee of a contractor to whom FTI is or may be disclosed shall be notified in writing that FTI disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any FTI for a purpose not authorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution.

(2) Each officer or employee of a contractor to whom FTI is or may be accessible shall be notified in writing that FTI accessible to such officer or employee may be accessed only for a purpose and to the extent authorized herein, and that access/inspection of FTI without an official need-to-know for a purpose not authorized herein constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution.

(3) Each officer or employee of a contractor to whom FTI is or may be disclosed shall be notified in writing that any such unauthorized access, inspection or disclosure of FTI may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000 for each unauthorized access, inspection, or disclosure, or the sum of actual damages sustained as a result of such unauthorized access, inspection, or disclosure, plus in the case of a willful unauthorized access, inspection, or disclosure or an unauthorized access/inspection or disclosure which is the result of gross negligence, punitive damages, plus the cost of the action. These penalties are prescribed by IRC sections 7213, 7213A and 7431 and set forth at 26 CFR 301.6103(n)-1.

(3) Additionally, it is incumbent upon the contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

(4) Granting a contractor access to FTI must be preceded by certifying that each officer or employee understands the agency’s security policy and procedures for safeguarding FTI. A contractor and each officer or employee must maintain their authorization to access FTI through annual recertification of their understanding of the agency’s security policy and procedures for safeguarding FTI. The initial certification and recertifications must be documented and placed in the agency’s files for review. As part of the certification and at least annually afterwards, a contractor and each officer or employee must be advised of the provisions of IRC sections 7213, 7213A, and 7431 (see Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 5, Civil Damages for Unauthorized Disclosure). The training on the agency’s security policy and procedures provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For the initial certification and the annual recertifications, the contractor and each officer or employee must sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

## III. INSPECTION

The IRS and the Agency, with 24 hour notice, shall have the right to send its inspectors into the offices and plants of the contractor to inspect facilities and operations performing any work with FTI under this contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. Based on the inspection, corrective actions may be required in cases where the contractor is found to be noncompliant with FTI safeguard requirements.



# 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 1

to

Contract Number 171180000000749

<b>CONTRACTOR</b>	GRAPHIC SCIENCES INC	<b>STATE</b>	Program Manager	Jessie Weston	DTMB
	1511 E. Lincoln Ave.			517-335-9145	
	Madison Heights, MI 48071		Contract Administrator	WestonJ2@michigan.gov	
	Greg Colton			Dan Stevens	DTMB
	248-549-6600			(517) 282-1432	
	gregc@gsiinc.com			stevensd6@michigan.gov	
	CV0032057				

### CONTRACT SUMMARY

#### STATEWIDE DIGITAL IMAGING AND MICROFILM SERVICES

INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE
June 1, 2018	May 30, 2023	2 - 1 Year	May 30, 2023
PAYMENT TERMS		DELIVERY TIMEFRAME	
1%/15 and 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		
\$43,562,157.20	\$0.00	\$43,562,157.20		

### DESCRIPTION

Effective February 15, 2019 this contract is hereby amended as follows:

- 1.) Update Contract Administrator to Dan Stevens
- 2.) Update Schedule B, Pricing.

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

CHANGE NOTICE NO. 1 TO CONTRACT NO. 171180000000749

Program Managers  
for  
Multi-Agency and Statewide Contracts

AGENCY	NAME	PHONE	EMAIL
DTMB	Jessica Weston	517-335-9145	westonj2@michigan.gov

DEPARTMENT OF TECHNOLOGY, MANAGEMENT AND BUDGET - RECORDS MANAGEMENT SERVICES  
PRICE LIST OF IMAGING/MICROFILM SERVICES EFFECTIVE JUNE 2018

Item 7.

MISCELLANEOUS SERVICES	PRICE PER UNIT
REMOTE SCAN LOCATION FIRST YEAR MONTHLY OPERATIONS (5,000 ENVELOPES) - TRAVERSE CITY	\$177,990.90 PER MONTH
REMOTE SCAN LOCATION POST FIRST YEAR MONTHLY OPERATIONS (5,000 ENVELOPES) - TRAVERSE CITY	\$168,319.99 PER MONTH
REMOTE SCAN LOCATION PER IMAGE PAST 5,000 ENVELOPES - TRAVERSE CITY	\$0.169 PER IMAGE



# STATE OF MICHIGAN ENTERPRISE PROCUREMENT

Department of Technology, Management & Budget

525 W. Allegan, Lansing, MI 48913  
P.O. Box 30026, Lansing, MI 48909

## NOTICE OF CONTRACT

NOTICE OF CONTRACT NO. **171 180000000749**

between

THE STATE OF MICHIGAN

and

<b>CONTRACTOR</b>	Graphic Sciences, Inc.
	1511 E. Lincoln Ave.
	Madison Heights, MI 48071
	Greg Colton, President
	248.549.6600
	GregC@gsiinc.com
	CV0032057

<b>STATE</b>	Program Manager	Jessie Weston	DTMB RMS
		517.335.9145	
		WestonJ2@michigan.gov	
	Contract Administrator	Brian Fairbrother	DTMB
		517.249.0457	
		FairbrotherB@michigan.gov	

CONTRACT SUMMARY			
<b>DESCRIPTION: Statewide Digital Imaging and Microfilm Services</b>			
INITIAL EFFECTIVE DATE	INITIAL EXPIRATION DATE	INITIAL AVAILABLE OPTIONS	EXPIRATION DATE BEFORE CHANGE(S) NOTED BELOW
6/1/2018	5/30/2023	2	N/A
PAYMENT TERMS		DELIVERY TIMEFRAME	
1% / 15 Net 45		See Section 2.1, Delivery	
ALTERNATE PAYMENT OPTIONS			EXTENDED PURCHASING
<input type="checkbox"/> P-card <input type="checkbox"/> Direct Voucher (DV) <input type="checkbox"/> Other			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
MINIMUM DELIVERY REQUIREMENTS			
N/A			
MISCELLANEOUS INFORMATION			
N/A			
ESTIMATED CONTRACT VALUE AT TIME OF EXECUTION			\$43,562,157.20

CONTRACT NO. 171 180000000749

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**FOR THE CONTRACTOR:**

\_\_\_\_\_  
**Company Name**

\_\_\_\_\_  
**Authorized Agent Signature**

\_\_\_\_\_  
**Authorized Agent** (Print or Type)

\_\_\_\_\_  
**Date**

**FOR THE STATE:**

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Jared Ambrosier, Director of Enterprise Sourcing**

\_\_\_\_\_  
**DTMB Procurement**

\_\_\_\_\_  
**Date**



# STATE OF MICHIGAN

## STANDARD CONTRACT TERMS

This STANDARD CONTRACT ("**Contract**") is agreed to between the State of Michigan (the "**State**") and Graphic Sciences, Inc. (**Contractor**), a Michigan Corporation. This Contract is effective on June 1, 2018 ("**Effective Date**"), and unless terminated, expires on May 30, 2023.

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

The parties agree as follows:

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

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

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

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

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

If to State:	If to Contractor:
Brian Fairbrother 525 W. Allegan St. Lansing, MI 48933 fairbrotherb@michigan.gov 517.249.0457	Greg Colton, President 1511 E. Lincoln Ave. Madison Heights, MI 48071 GregC@gsiinc.com 248.549.6600



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

State:	Contractor:
Brian Fairbrother 525 W. Allegan St. Lansing, MI 48933 fairbrotherb@michigan.gov 517.249.0457	Greg Colton, President 1511 E. Lincoln Ave. Madison Heights, MI 48071 GregC@gsiinc.com 248.549.6600

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

State:	Contractor:
Jessica Weston 3400 N. Grand River Ave. Lansing, MI 48909 Westonj2@michigan.gov 517.335.9145	Greg Colton, President 1511 E. Lincoln Ave. Madison Heights, MI 48071 GregC@gsiinc.com 248.549.6600

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

Required Limits	Additional Requirements
<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 endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds using endorsement CG 20 10 11 85, or both CG 2010 07 04 and CG 2037 07 0.  Coverage must not have exclusions or limitations related to sexual abuse and molestation liability.
<b>Umbrella or Excess Liability Insurance</b>	
<u>Minimal Limits:</u> \$5,000,000 General Aggregate	Contractor must have their policy endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds.
<b>Automobile Liability Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Per Occurrence	Contractor must have their policy: (1) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as additional insureds; and (2) include Hired and Non-Owned Automobile coverage.
<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> \$500,000 Each Accident \$500,000 Each Employee by Disease \$500,000 Aggregate Disease.	
<b>Privacy and Security Liability (Cyber Liability) Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Each Occurrence \$1,000,000 Annual 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) cover information security and privacy liability, privacy notification costs, regulatory defense and penalties, and website media content liability.
<b>Crime (Fidelity) Insurance</b>	
<u>Minimal Limits:</u> \$1,000,000 Employee Theft Per Loss	Contractor must have their policy: (1) cover forgery and alteration, theft of money and securities, robbery and safe burglary, computer fraud, funds transfer fraud, money order and counterfeit currency, and (2) endorsed to add "the State of Michigan, its departments, divisions, agencies, offices, commissions, officers, employees, and agents" as Loss Payees.
<b>Professional Liability (Errors and Omissions) Insurance</b>	
<u>Minimal Limits:</u> \$3,000,000 Each Occurrence \$3,000,000 Annual Aggregate  <u>Deductible Maximum:</u> \$50,000 Per Loss	
<b>Medical Malpractice Insurance</b>	
<u>Minimal Limits:</u>  \$1,000,000 Each Occurrence \$3,000,000 Annual Aggregate  <u>Deductible Maximum:</u> \$5,000 Each Occurrence	
<b>Property Insurance</b>	
<b>Environmental and Pollution Liability (Errors and Omissions)</b>	
<u>Minimal limits:</u> \$1,000,000 Each Occurrence \$2,000,000 Annual Aggregate	Contractor must have their policy: (1) be applicable to the work being performed, including completed operations equal to or exceeding statute of repose; (2) not have exclusions or limitations related to Transportation (upset overturn, spills during loading or unloading, Hazardous Materials Handling, and Non Owned disposal site liability; and (3) endorsed to add "the State of Michigan, its departments, division, agencies, offices, commissions, officers, employees, and agents" as additional insured.

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

Contractor must: (a) provide insurance certificates to the Contract Administrator, containing the agreement or purchase order number, at Contract formation and within 20 calendar days of the expiration date of the applicable policies; (b) require that subcontractors maintain the required insurances contained in this Section; (c) notify the Contract Administrator within 5 business days if any insurance is cancelled; and (d) waive all rights against the State for damages covered by insurance. Failure to maintain the required insurance does not limit this waiver.

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

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

Department of Technology, Management and Budget  
Cashiering  
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.** This contract is extended to MiDEAL members. MiDEAL members include local units of government, school districts, universities, community colleges, and nonprofit hospitals. A current list of MiDEAL members is available at [www.michigan.gov/mideal](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 impose an administrative fee and negotiate additional discounts based on any increased volume generated by such extensions. To utilize this service, agencies and MiDeal members must contact Jessie Weston, Program Manager, (517) 335-9145, [westonj2@michigan.gov](mailto:westonj2@michigan.gov) from DTMB Office of Support Services and Record Management.

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. Contractor hereby acknowledges that the State is and will be the sole and exclusive owner of all right, title, and interest in the Contract Activities and all associated intellectual property rights, if any. Such Contract Activities are works made for hire as defined in Section 101 of the Copyright Act of 1976. To the extent any Contract Activities and related intellectual property do not qualify as works made for hire under the Copyright Act, Contractor will, and hereby does, immediately on its creation, assign, transfer and otherwise convey to

the State, irrevocably and in perpetuity, throughout the universe, all right, title and interest in and to the Contract Activities, including all intellectual property rights therein.

10. **Subcontracting.** Contractor may not delegate any of its obligations under the Contract without the prior written approval of the State. Contractor must notify the State at least 90 calendar days before the proposed delegation, and provide the State any information it requests to determine whether the delegation is in its best interest. If approved, Contractor must: (a) be the sole point of contact regarding all contractual matters, including payment and charges for all Contract Activities; (b) make all payments to the subcontractor; and (c) incorporate the terms and conditions contained in this Contract in any subcontract with a subcontractor. Contractor remains responsible for the completion of the Contract Activities, compliance with the terms of this Contract, and the acts and omissions of the subcontractor. The State, in its sole discretion, may require the replacement of any subcontractor.
11. **Staffing.** The State's Contract Administrator may require Contractor to remove or reassign personnel by providing a notice to Contractor.
12. **Background Checks.** Upon request, Contractor must perform background checks on all employees and subcontractors and its employees prior to their assignment. The scope is at the discretion of the State and documentation must be provided as requested. Contractor is responsible for all costs associated with the requested background checks. The State, in its sole discretion, may also perform background checks.
13. **Assignment.** Contractor may not assign this Contract to any other party without the prior approval of the State. Upon notice to Contractor, the State, in its sole discretion, may assign in whole or in part, its rights or responsibilities under this Contract to any other party. If the State determines that a novation of the Contract to a third party is necessary, Contractor will agree to the novation and provide all necessary documentation and signatures.
14. **Change of Control.** Contractor will notify, at least 90 calendar days before the effective date, the State of a change in Contractor's organizational structure or ownership. For purposes of this Contract, a change in control means any of the following: (a) a sale of more than 50% of Contractor's stock; (b) a sale of substantially all of Contractor's assets; (c) a change in a majority of Contractor's board members; (d) consummation of a merger or consolidation of Contractor with any other entity; (e) a change in ownership through a transaction or series of transactions; (f) or the board (or the stockholders) approves a plan of complete liquidation. A change of control does not include any consolidation or merger effected exclusively to change the domicile of Contractor, or any transaction or series of transactions principally for bona fide equity financing purposes.

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

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

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

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

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

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

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

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

If the State terminates this Contract under this Section, the State will issue a termination notice specifying whether Contractor must: (a) cease performance immediately, or (b) continue to perform for a specified period. If it is later determined that Contractor was not in breach of the Contract, the termination will be deemed to

have been a Termination for Convenience, effective as of the same date, and the rights and obligations of the parties will be limited to those provided in Section 24, Termination for Convenience.

The State will only pay for amounts due to Contractor for Contract Activities accepted by the State on or before the date of termination, subject to the State's right to set off any amounts owed by the Contractor for the State's reasonable costs in terminating this Contract. The Contractor must pay all reasonable costs incurred by the State in terminating this Contract for cause, including administrative costs, attorneys' fees, court costs, transition costs, and any costs the State incurs to procure the Contract Activities from other sources.

24. **Termination for Convenience.** The State may immediately terminate this Contract in whole or in part without penalty and for any reason, including but not limited to, appropriation or budget shortfalls. The termination notice will specify whether Contractor must: (a) cease performance of the Contract Activities immediately, or (b) continue to perform the Contract Activities in accordance with Section 25, Transition Responsibilities. If the State terminates this Contract for convenience, the State will pay all reasonable costs, as determined by the State, for State approved Transition Responsibilities.
25. **Transition Responsibilities.** Upon termination or expiration of this Contract for any reason, Contractor must, for a period of time specified by the State (not to exceed 90 calendar days), provide all reasonable transition assistance requested by the State, to allow for the expired or terminated portion of the Contract Activities to continue without interruption or adverse effect, and to facilitate the orderly transfer of such Contract Activities to the State or its designees. Such transition assistance may include, but is not limited to: (a) continuing to perform the Contract Activities at the established Contract rates; (b) taking all reasonable and necessary measures to transition performance of the work, including all applicable Contract Activities, training, equipment, software, leases, reports and other documentation, to the State or the State's designee; (c) taking all necessary and appropriate steps, or such other action as the State may direct, to preserve, maintain, protect, or return to the State all materials, data, property, and confidential information provided directly or indirectly to Contractor by any entity, agent, vendor, or employee of the State; (d) transferring title in and delivering to the State, at the State's discretion, all completed or partially completed deliverables prepared under this Contract as of the Contract termination date; and (e) preparing an accurate accounting from which the State and Contractor may reconcile all outstanding accounts (collectively, "**Transition Responsibilities**"). This Contract will automatically be extended through the end of the transition period.
26. **General Indemnification.** Contractor must defend, indemnify and hold the State, its departments, divisions, agencies, offices, commissions, officers, and employees harmless, without limitation, from and against any and all actions, claims, losses, liabilities, damages, costs, attorney fees, and expenses (including those required to establish the right to indemnification), arising out of or relating to: (a) any breach by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable) of any of the promises, agreements, representations, warranties, or insurance requirements contained in this Contract; (b) any infringement, misappropriation, or other violation of any intellectual property right or other right of any third party; (c) any bodily injury, death, or damage to real or tangible personal property occurring wholly or in part due to action or inaction by Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable); and (d) any acts or omissions of Contractor (or any of Contractor's employees, agents, subcontractors, or by anyone else for whose acts any of them may be liable).

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

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

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

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

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

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

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

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

- 33. Warranties and Representations.** Contractor represents and warrants: (a) Contractor is the owner or licensee of any Contract Activities that it licenses, sells, or develops and Contractor has the rights necessary to convey title, ownership rights, or licensed use; (b) all Contract Activities are delivered free from any security interest, lien, or encumbrance and will continue in that respect; (c) the Contract Activities will not infringe the patent, trademark, copyright, trade secret, or other proprietary rights of any third party; (d) Contractor must assign or otherwise transfer to the State or its designee any manufacturer's warranty for the Contract Activities; (e) the Contract Activities are merchantable and fit for the specific purposes identified in the Contract; (f) the Contract signatory has the authority to enter into this Contract; (g) all information furnished by Contractor in connection with the Contract fairly and accurately represents Contractor's business, properties, finances, and operations as of the dates covered by the information, and Contractor will inform the State of any material adverse changes; (h) all information furnished and representations made in connection with the award of this Contract is true, accurate, and complete, and contains no false statements or omits any fact that would make the information misleading; and that (i) Contractor is neither currently engaged in nor will engage in the boycott of a person based in or doing business with a strategic partner as described in 22 USC 8601 to 8606. A



breach of this Section is considered a material breach of this Contract, which entitles the State to terminate this Contract under Section 23, Termination for Cause.

34. **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.
35. **Compliance with Laws.** Contractor must comply with all federal, state and local laws, rules and regulations.
36. **State Printing.** All printing in Michigan must be performed by a business that meets *one* of the following: (a) have authorized use of the Allied Printing Trades Council union label in the locality in which the printing services will be performed; (b) have on file with the Michigan Secretary of State, a sworn statement indicating that employees producing the printing are receiving prevailing wages and are working under conditions prevalent in the locality in which the printing services will be performed; or (c) have a collective bargaining agreement in effect and the employees are represented by an operations that is not influenced or controlled by management.
37. **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.
38. **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.
39. **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.
40. **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.
41. **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.
42. **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.

43. **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.
44. **Website Incorporation.** The State is not bound by any content on Contractor's website unless expressly incorporated directly into this Contract.
45. **Entire Agreement and Order of Precedence.** This Contract, which includes Schedule A – Statement of Work, and expressly incorporated schedules and exhibits, is the entire agreement of the parties related to the Contract Activities. This Contract supersedes and replaces all previous understandings and agreements between the parties for the Contract Activities. If there is a conflict between documents, the order of precedence is: (a) first, this Contract, excluding its schedules, exhibits, and Schedule A – Statement of Work; (b) second, Schedule A – Statement of Work as of the Effective Date; and (c) third, schedules expressly incorporated into this Contract as of the Effective Date. NO TERMS ON CONTRACTOR'S INVOICES, ORDERING DOCUMENTS, WEBSITE, BROWSE-WRAP, SHRINK-WRAP, CLICK-WRAP, CLICK-THROUGH OR OTHER NON-NEGOTIATED TERMS AND CONDITIONS PROVIDED WITH ANY OF THE CONTRACT ACTIVITIES WILL CONSTITUTE A PART OR AMENDMENT OF THIS CONTRACT OR IS BINDING ON THE STATE FOR ANY PURPOSE. ALL SUCH OTHER TERMS AND CONDITIONS HAVE NO FORCE AND EFFECT AND ARE DEEMED REJECTED BY THE STATE, EVEN IF ACCESS TO OR USE OF THE CONTRACT ACTIVITIES REQUIRES AFFIRMATIVE ACCEPTANCE OF SUCH TERMS AND CONDITIONS.
46. **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.
47. **Waiver.** Failure to enforce any provision of this Contract will not constitute a waiver.
48. **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.
49. **Contract Modification.** This Contract may not be amended except by signed agreement between the parties (a "**Contract Change Notice**"). Notwithstanding the foregoing, no subsequent Statement of Work or Contract Change Notice executed after the Effective Date will be construed to amend this Contract unless it specifically states its intent to do so and cites the section or sections amended.

## SCHEDULE A STATEMENT OF WORK CONTRACT ACTIVITIES

### BACKGROUND

The Department of Technology, Management and Budget (DTMB), Logistics and Operations Support (LOS), Records Management Services (RMS) will manage the creation, maintenance, preservation and disposition of the records of all State Agencies. RMS is also responsible for assisting local governments who are registered MiDEAL members with their records management needs.

State Agencies and local governments may, under certain conditions, choose to convert recorded information to microfilm and/or digital image format. Request for microfilm or digital imaging conversion of State records originate within the individual offices of the various State Agencies. To assure that all administrative, fiscal, legal and historical needs of State Government are provided efficiently and cost-effectively, all requests must be submitted to DTMB, RMS for approval. No microfilming or digital imaging is to be done by this Contractor without prior approval. Local government agencies that choose to utilize this Contract must do so under the same terms and conditions as State Agencies.

Many State Agencies and local governments that require microfilm and digital imaging do not have their own imaging capabilities, or they do not possess the resources to perform large back file conversions. They rely, instead, upon another source to provide that service. Providing for the needs of State Agencies on a centralized basis involves a full range of microfilm and imaging services, including but not limited to the operation of microfilm cameras, processors, duplicators, paper scanners, microfilm/fiche scanners, CD-R/DVD drives, various digital media recording devices, and other equipment to convert recorded information to microfilm and/or digital images. Additionally, State Agencies and local governments may require the processing of digital images submitted to the state via fax, email or other electronic submission into a form and order acceptable to the state, including but not limited to insertion of file separator and document separator sheets, cloning documents, and indicating which sections of documents are to be used. Turnaround time for job production ranges from same day to several weeks, depending upon the individual job requirements.

### SCOPE

The Contractor must provide microfilm, imaging, document preparation, and storage services on an as-needed basis.

### REQUIREMENTS

It is the responsibility of the Contractor to advise the requesting State Agency and RMS regarding the best method for obtaining the most favorable product. The Contractor must assist the requesting State Agency in identifying techniques that can be deployed to reduce the cost of conversion, including indexing and its associated costs. As the Program Manager for this contract, DTMB Records Management Services must approve all contract changes and change orders prior to their execution. All vendor complaints and requests for contract changes or related services must be directed to DTMB Records Management Services for resolution or escalation to Complaint to Vendor.

The following is a preliminary analysis of the major tasks involved for developing the end-product of this project. The Contractor is not constrained from supplementing this list with additional steps, sub tasks, or elements deemed necessary to permit the economically feasible development of alternative approaches, or the application or proprietary analytical techniques or production methods.

#### 1. General Requirements

All services performed under this Contract must be housed and staffed within the State of Michigan. The Contractor must build all necessary quality control mechanisms in the production process in order to ensure the desired result.

## IT State Standards

The Contractor must adhere to all existing standards as described within the comprehensive listing of the State's existing technology standards at <http://www.michigan.gov/dmb/0,4568,7-150-56355-108233---,00.html>.

To the extent that Contractor has access to the State's computer system, Contractor must comply with the State's Acceptable Use Policy, see [http://michigan.gov/cybersecurity/0,1607,7-217-34395\\_34476---,00.html](http://michigan.gov/cybersecurity/0,1607,7-217-34395_34476---,00.html). All Contractor Personnel will be required, in writing, to agree to the State's Acceptable Use Policy before accessing the State's system. The State reserves the right to terminate Contractor's access to the State's system if a violation occurs.

Contractor is not authorized to make changes to any State systems without prior written authorization from the State's Project Manager. Any changes Contractor makes to any State systems with the State's approval must be done according to applicable State procedures, including security, access, and configuration standards.

## 1.1. Product Specifications

### 1.1.1 Imaging

The Contractor must provide the following:

1. Scan from a variety of microfilm and paper formats and sizes to digital images.
2. Produce microfilm backup to digital images as needed or requested by State Agency.
3. Perform indexing of digital images and/or microfilm backups to digital images.
4. Perform preparation of documents to be scanned.
5. Perform image-finishing services on scanned images as needed or requested by State Agency.
6. Provide pickup and delivery services.
7. Provide compatible viewer or reader if requested by State Agency.
8. Perform customer programming functions related to document imaging as needed.
9. Perform Optical Character Recognition (OCR) image conversion to text as needed in straight text formats as well as Adobe Acrobat PDF.
10. Label all media returned with State Agency identification and content identification.
11. At a minimum, support image conversion to TIFF, JPEG, PDF, and PDF/A formats.
12. Assist the State Agency by developing an Authorized Ordering Document.
13. Advise the State Agency and RMS regarding the best method for obtaining the most favorable image.
14. Provide on-site equipment, staff, and scanning services to an Agency on occasion as needed. Adjustments must be made through this Contract for these services to be provided, on an as-needed/requested basis.
15. Assist the State Agency in identifying techniques that can be deployed to reduce indexing.
16. Produce images and import data structures compatible with, but not limited to, the following: FileNet P8 IBM Content Collector, FileNet Bulk Load Utility, IBM Datacap 9, and HPE CM DataPort 9.1.

### 1.1.2. Digital Imaging Specific Requirements

1. Digital images created under this Contract must meet the State Standards for capturing Digital Images from Paper or Microfilm unless otherwise specified in an Authorized Ordering Document which implicitly states that the standards are not being met per the agreement of the Contractor, RMS, and the Agency.
2. All images must be provided by the Contractor right-side-up unless otherwise specified in the Authorized Ordering Document.
3. Unless otherwise agreed to in an Authorized Ordering Document, after records have been imaged, the Contractor must retain the source documents and all associated product images and data for a minimum of 30 days, but not to exceed 60 days, in an organized, safe and secure manner until authorized to deliver back to Records Center, the Agency or the State Archives final disposition. During this time, the Contractor must maintain the same security and confidentiality measures over the records as described in the security portion of this Contract.

4. The Contractor will not retain any source materials or any copies produced by the Contractor, in digital or microfilm form, for six months beyond the quality assurance period set out in the Authorized Ordering Document unless otherwise specified in the Authorized Ordering Document.
5. The Contractor will provide regional scanning operations to serve the northern Lower Peninsula (Traverse City region) and the Upper Peninsula (Iron Mountain region) if required by a State Agency for mail-order operations that are time-sensitive due to laws and regulatory requirements. Costs for such operations will be billed as 1) monthly operating cost for scanning of up to 5,000 envelopes daily for the first year, with anticipation of the vendor recouping any start-up costs; 2) monthly operating cost for scanning of up to 5,000 envelopes daily past the first year; and 3) per-image cost for scanning of envelopes beyond the 5,000 daily threshold. If the vendor establishes such regional scanning operations solely for one project, there will be a 12-month commitment from the State Agency for the first year.

### 1.1.3. Microfilm

The Contractor must provide the following:

1. Perform microfilm creation and processing from a variety of paper formats and sizes including:
  - a. 16mm roll (unless otherwise specified in an Authorized Ordering Document, all 16mm roll film must contain single level blips)
  - b. 16mm jacket
  - c. 35mm roll
  - d. 35mm aperture card
  - e. 105 step and repeat
2. Process 16mm and 35mm roll film created by a State Agency.
3. Perform silver and diazo duplication of 16mm roll, 16mm jacket, 35 mm roll, 35 mm aperture card, and 105 microforms.
4. Perform indexing of microfilm images.
5. Perform preparation of documents to be microfilmed.
6. Provide pickup and delivery services.
7. Perform custom programming functions related to indexing of microfilmed images as needed.
8. Label all media returned with State Agency identification and content identification.
9. Perform inspection, splicing, repair and restoration of various microforms.
10. Assist the State Agency by developing a project Authorized Ordering Document.
11. Advise the State Agency and RMS regarding the best method for obtaining the most favorable image.
12. Provide on-site equipment, staff, and microfilm services to a State Agency, on occasion, as needed. Adjustments must be made throughout the life of the Contract for these services on an as-needed/requested basis.
13. Assist the State Agency by identifying techniques and/or processes that can be deployed to reduce indexing and overall project costs.

### 1.1.4. Microfilm Specific Requirements

1. Microfilm created under this Contract must meet the State Standards for Capturing Microfilm from Paper or the State Standards for Capturing of Microfilm from Digital Image unless otherwise specified in an Authorized Ordering Document which implicitly states that the standards are not being met per the agreement of the Contractor, RMS, and the Agency.
2. The State reserves the right to periodically verify the nonaffiliated test laboratory results by submitting selected and testable original Contractor film to a testing laboratory of its own choosing. The State will pay for this additional laboratory testing conducted at its request.
3. The Contractor must inspect the microfilm for fogged, blurred, scratched or overlapped images, faulty splicing, and for any other defects in its finished product. Improperly filmed records must be re-filmed with no more than three retakes permitted per roll and with no more than one splice per roll. Any splice must be placed at the end of the roll with a proper notation on the container label.
4. The original and diazo film produced by the Contractor is subject to selection for testing by RMS for adherence to applicable standards and quality requirements.

5. Finished silver roll film must be returned to the State in plastic containers. Diazo duplications of roll film must be returned in cardboard containers. Silver duplicates must be returned in acid-free cardboard container. Microfiche must be packaged in acid-free envelopes. Originals and diazo copies must not be joined together in the same envelope or wrapped together in same package.
6. The Contractor must fill out a quality control sheet for each roll processed indicating the resolution, density, D-min and D-max of that roll. The cost for charting for film produced by the Contractor must be included in the filming and/or processing cost.
7. The Contractor must perform weekly (or as necessary for current production volumes) testing of processed silver negatives to verify that they meet the Michigan Standards for Capturing Microfilm from Paper and the Michigan Standards for Capturing Microfilm from Digital Images. The vendor must retain certification test results and provide them upon request to the State. The Contractor must maintain sufficient information to identify all rolls of film run on a particular batch to be able to contact the Agency should a batch fail testing.
8. Failure to consistently perform testing, or failure to consistently meet the requirements, may result in cancellation of the Contract.
9. The Contractor must have Microfilm lab certification or oversight agreement from a major microfilm manufacturer.
10. Unless otherwise agreed to in the Authorized Ordering Document, after records have been microfilmed, the Contractor must retain the source documents and all associated product data for a minimum of 30 days, but not to exceed 60 days, in an organized, safe and secure manner until authorized to deliver back to Records Center, the Agency or the State Archives for final disposition. During this time the Contractor must maintain the same security and confidentiality measures over the records as described in the security portion of this Contract.
11. The Contractor will not retain any source materials or any copies produced by the Contractor, in digital or microfilm form, for six months beyond the quality assurance period set out in the Authorized Ordering Document unless otherwise specified in the Authorized Ordering Document.

#### **1.1.5. Job Setup**

1. The Agency, Contractor and Program Manager must agree and sign an Authorized Ordering Document for each job/application prior to any production being performed.
2. The Contractor must develop the Authorized Ordering Document based on a template provided by the Program Manager. The Authorized Ordering Document must contain all information necessary to identify all billable tasks and other information necessary to obtain the desired output. The Authorized Ordering Document must include, but must not be limited to, the following:
  - a. State Agency Information (including billing/budget codes)
  - b. Contact information
  - c. Purpose of the project
  - d. Scope and objective of the project
  - e. Pickup and delivery schedule
  - f. Sample for test methods and results (including quality attributes)
  - g. Document preparation specifications
  - h. Document scanning and/or filming specifications
  - i. Indexing specifications
  - j. Product finished and labeling specifications
  - k. Quality control specifications
  - l. Quantitative cost estimate and line item detail
  - m. Any other information deemed relevant to the project
3. RMS will retain the final signed and approved Authorized Ordering Document. Any changes to the Authorized Ordering Document after production begins must be agreed upon in writing by the Agency, Contractor, and RMS and filed with the Authorized Ordering Document. Changes in the production process that have a quality or financial impact requires an addendum to the Authorized Ordering Document.

#### **1.1.6. Work Submission Process Requirements**

1. The Agency must submit requests for service to RMS or the Contractor via phone or email.

2. The Agency, Contractor and RMS must jointly develop a strategy to produce the desired product and/or recommend alternatives.
3. The Contractor must provide test samples of desired product including cost estimates.
4. RMS must create an Authorized Ordering Document for review and approval by the Agency and the Contractor.
5. The Agency, Contractor and RMS must sign the Authorized Ordering Document.
6. The Agency must submit a completed job order form with the source document materials to the Contractor. The Contractor must convert the form and materials. At minimum, the job order must contain the following information:
  - a. Department
  - b. Division
  - c. Address
  - d. Authorized Ordering Document number
  - e. Contact person and phone number
  - f. Accounting codes as defined in the Authorized Ordering Document
  - g. Disposition of source documents
  - h. Description of materials received by the Contractor and pickup date
7. The Contractor must ensure that all necessary information is contained on the Job Order prior to pick up.
8. The Contractor must coordinate the pickup and delivery of materials and products in accordance with the Authorized Ordering Document.

#### **1.1.7. Data Entry and Security Requirements**

1. Providing microfilm and digital image capture services may require the Contractor to provide data entry services to support existing systems. The data entered must be formatted to be easily imported into the Agency system. Sorting and formatting of specific fields may be required for some applications.
2. All data entry must be verified with a guaranteed accuracy rate greater than 99.5 percent or as otherwise specified in an Authorized Ordering Document. The Contractor must maintain standard operating procedures that enable them to meet this accuracy requirement.
3. Imaging application projects may require the ability to transmit data and images via Virtual Private Network (VPN), private switched circuit, encrypted email attachment, or any other state-approved communication technology. The Contractor must have the ability and technical expertise to facilitate the establishment and management of these transmission mechanisms.
4. All State costs associated with creation and management of transmission mechanisms will be incurred by the State. Costs associated with the Contractor's equipment or resources necessary to make the proper connections will be incurred by the Contractor.

#### **1.1.8. Barcode Recognition Requirements**

The Contractor must be able to utilize various barcode formats including but not limited to two-dimensional barcodes for indexing of scanned documents.

#### **1.1.9. Import Utilities Requirements**

The Contractor must have image capture software and the technical expertise to produce import files for software products common to the document imaging industry. Specifically, the Contractor must have the capability, knowledge and applicable expertise to provide file structures to support the following applications: FileNet P8 IBM Content Collector, FileNet Bulk Utility, Microsoft Access, Microsoft Excel, IBM Datacap 9, HPE CM DataPort 9.1, and delimited text files.

The Contractor may offer an alternate bid that varies from the specifications. An alternate bid must clearly describe all variances from the specifications and the proposal must include descriptive literature that contains complete specifications, if available.

## **1.2. Warranties**

Each Authorized Ordering Document provides the Agency with an inspection period in order to verify the accuracy and completeness of the delivery. Additionally, each Authorized Ordering Document contains a quality assurance attachment that describes the process the Agency should follow in order to perform their own QA testing. If in the defined inspection period the Agency detects an error, GSI will fix or repair any faulty, inaccurate or incomplete work at no cost to the Agency.

## **1.3. Quality Assurance Program**

In addition to the quality control steps built into each production step Graphic Sciences will also perform a Quality Assurance examination of each completed job prior to the delivery of the job. The Quality Assurance examination process will be built on the principles provided in ANSI/ASQC Z1.4-1993, formerly known as Mil Standard 105.

## **1.4. Incentives**

The Contractor is responsible for delivering the product in a manner acceptable to both the Agency and RMS. If at any time it is determined that corrections, which are the responsibility of Graphic Sciences, Inc. are required to any product that has been delivered the corrections will be made at no cost to the State.

## **1.5. Penalties**

The State may leverage a penalty of 1 percent of the total job cost for each day that a job is delivered late or that the source material is returned late according to the timelines defined in the Authorized Ordering Document. The State may leverage a penalty of 10 percent of the total job cost for any invoices submitted more than 30 business days later than final delivery of a product. The State may leverage additional penalties that may be defined in the individual Authorized Ordering Document for failure to deliver jobs on time or according to the specifications or any other factor necessary to meet the business requirements.

## **2. Service Level Agreements**

The Contractor agrees to the attached Contract Monitoring Plan.

### **2.1. Delivery**

The Contractor must provide its own courier service. This service must not be contracted to a third party without written consent of the State. Specific jobs must be picked up and returned to the State Records Center located at 3400 N Grand River Ave, Lansing, Michigan, or directly from the Agency location. Pickup direct from the Agency is the preferred method. There must be no charge for pickup and delivery from Agencies. If the Contractor is proposing any pickup or delivery charges, they must be identified in the Authorized Ordering Document and agreed upon by the State.

The Contractor must schedule daily pickup and delivery services at the State Records Center. The Contractor must also schedule daily pickup and delivery services for the various Agencies in need of daily service.

### **2.2. Reserved**

### **2.3. Technical Support and Repairs**

The Contractor will provide technical support for the products and services Monday through Friday from 8 AM through 5 PM and can be reached at 800-397-6620.

### **2.4. Reserved**

### **2.5. Reporting**

The Contractor must create and provide weekly production reports via email in Excel spreadsheet format which must contain, but may not be limited to: pickup date, Authorized Ordering Document number, job number, customer, number of boxes/media, completion date, delivery date, box return date, return date,



and return location. The job number and relevant information must remain on the report until six months after all source documents, products, and by-products have been returned to the State.

The Contractor must submit written monthly summaries of progress which outline items such as pending Authorized Ordering Documents; status of current jobs in production; accomplishments; and problems, real or anticipated, which must be brought to the attention of RMS. The Contractor must notify RMS of any significant deviation from previously agreed-upon work plans, as well as the affected Agency.

The Contractor may be required to produce other regular report for specific jobs per the Authorized Ordering Document.

## **2.6. Meetings**

The State may request meetings as it deems appropriate.

## **3. Staffing**

### **3.1. Contractor Representative**

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

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

### **3.2. Key Personnel**

The Contractor must appoint one (1) Project Manager and one (1) Assistant Project Manager who will be directly responsible for the day to day operations of the Contract ("Key Personnel"). Key Personnel must be specifically assigned to the State account, be knowledgeable on the contractual requirements, and respond to State inquiries within 48 hours.

Project Manager  
Gregory Colton – President  
[GregC@gsiinc.com](mailto:GregC@gsiinc.com)  
248-549-6600

Contractor's Key Personnel must be available during the following times: 8am-5pm EST.

The Contractor may not remove or assign Key Personnel without the prior consent of the State. Prior consent is not required for reassignment for reasons beyond the Contractor's control, including illness, disability, death, leave of absence, personal emergency circumstances, resignation, or termination for cause. The State may request a résumé and conduct an interview before approving a change. The State may require a 30 calendar day training period for replacement personnel.

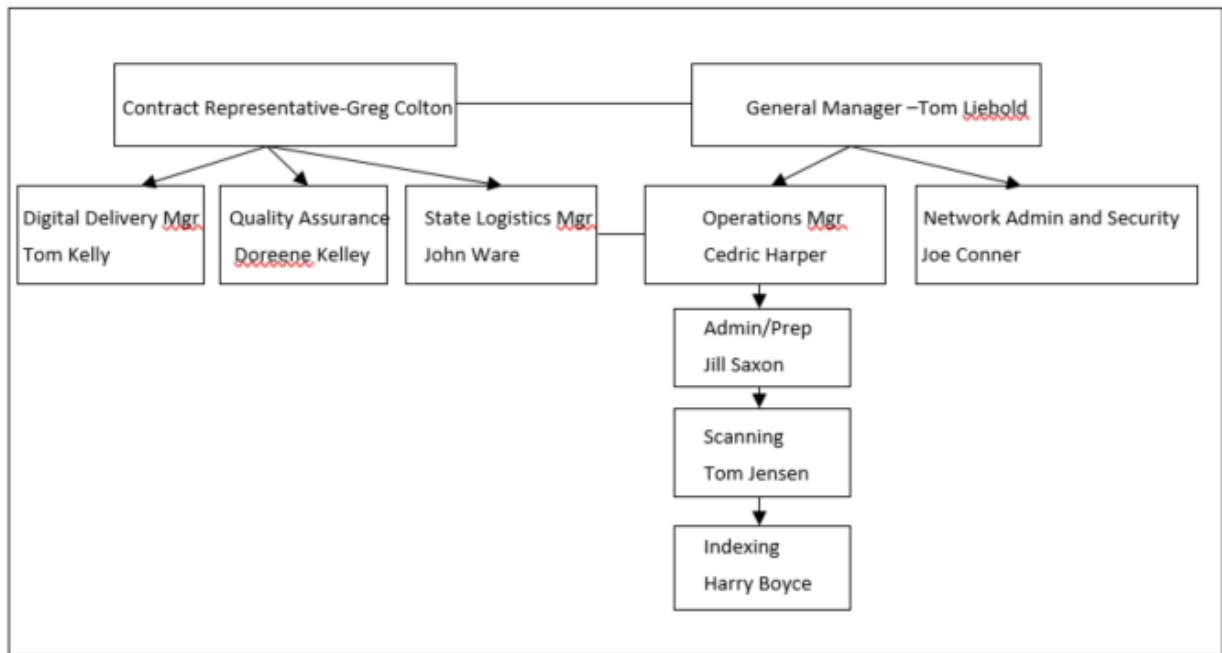
The Contractor must identify the Key Personnel, indicate where they will be physically located, describe the functions they will perform, and provide current chronological résumés.

### **3.3. Non-Key Personnel**

The Contractor must notify the Contract Administrator at least 30 calendar days before removing or assigning non-key personnel.

### **3.4. Organizational Chart**

The Contractor has provided the following organizational chart:



### 3.5. 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 of 8 am to 5 pm EST on State business days. The toll-free number is 800-397-6620.

### 3.6. 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 of 8 am to 5 pm EST on State business days. The toll-free number is 800-397-6620.

### 3.7. Disclosure of Subcontractors

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

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.

The relationship of the subcontractor to the Contractor.

Whether the Contractor has a previous working experience with the subcontractor. If yes, provide the details of that previous relationship.

A complete description of the Contract Activities that will be performed or provided by the subcontractor.

### 3.8. Security

The Contractor will be subject the following security procedures:

1. No records or information may be transferred outside the State of Michigan.
2. No external sources may have access to records or information.
3. The location of all record and information storage must be provided to the State.
4. Records and information must be protected from damage or exposure during storage and transit.
5. All staff must take annual confidentiality training and sign a certification.

6. Any staff regularly entering state buildings (analysts and drivers) will need state-issued ID badges.

The Contractor must take the required security measures to ensure the security of State facilities.

The Contractor's staff may be required to make deliveries to or enter State facilities. The contractor must: (a) ensure the security of State facilities, (b) use uniforms and ID badges, etc., (c) identify the company that will perform background checks, and (d) the scope of the background checks. The State may require the Contractor's personnel to wear State issued identification badges.

Records and information are essential to the operation of State government and must be protected from vandalism, theft, unauthorized duplication, loss, damage or destruction while in the possession of the Contractor. Records to be imaged or microfilmed may contain confidential information that is prohibited by statute from disclosure. Under no circumstances, unless specifically approved in a current Authorized Ordering Document, must any records or information, regardless of format, content or structure, be transferred outside the State of Michigan. Furthermore, the Contractor must not allow any external sources, including off-shore or out-of-State staff, subcontractors, or consultants, regardless of physical location or employment status, to gain access to State records, microfilm, digital images, indexes, or other information generated as a result of this Contract without the specific written consent of the Agency and the Program Manager. The location of all storage (physical and digital), processing, production, server room, backup facilities, etc., used to fulfill this Contract, must be provided to the State.

The Contractor must provide safe handling, confidentiality and security over all paper records, microfilm, digital images, indexes, and/or other digital information generated as a result of this Contract while in the Contractor's possession, including providing periodic backups of production work. This covers the period of time from when the microfilm or source documents leave the State office of origin until such time as the finished product is returned back to the designated Agency. This also includes the time during which the paper or microfilm records are being held after they have been converted, until they are destroyed or returned back to the State. The Contractor is held fully liable in the event of loss, damage, theft or destruction of any paper records or information contained on the microfilm or digital images, while in the Contractor's possession. Any cost incurred by the State, including the cost to recreate or recover lost, damaged or destroyed records, is the responsibility of the Contractor.

All external media used to transfer, or store State records must be encrypted to the current State standards as published by the Department of Technology, Management and Budget. The Contractor must maintain appropriate documentation and/or standard operating procedures in regard to all aspects of security measures outlined in this section throughout the term of this Contract and must provide a copy of all such documents to the Program Manager upon request.

The Contractor is subject to announced and unannounced security audits and site inspections after the start date of this Contract.

The Contract must enable records in the Contractor's possession to be retrieved by the Agency.

Upon request for a record to be retrieved, the Contractor must deliver the requested record(s) to the Agency from which they originated by the following workday, or the Contractor must allow a designated representative of the requesting Agency to come to the Contractor's facility and retrieve the record(s) within two hours of being notified unless otherwise specified in the Authorized Ordering Document.

The Contractor must release the requested records only to an authorized representative of the requesting Agency. The Contractor must require positive identification, such as a driver's license, State identification, or a pre-determined identification code of the person receiving the record(s) before the record(s) are released. Under no circumstances is the Contractor to release any records or information to any person other than those authorized by the Agency.

### **3.8.1. Physical Security**

All records must be protected from damage or exposure from the elements during storage and transit. Vehicles used for transportation of source materials or final productions must be maintained in good working condition and must remain locked at all times while transporting State materials. Transportation vehicles must not be used for storage purposes temporary or otherwise. At the end of a pickup or delivery, all State source or production materials must be maintained within the Contractor's secured building.

When records are in the possession of the Contractor, and not in actual production, they must be maintained in a secure room that is separate from the production area. The Contractor must permit random unannounced visits by RMS to monitor security measures in place.

All processing and storage areas for State records must have two locked doors at all entry points accessible only to authorized staff via key, access badge, keypad or other security measure. All buildings being used for processing or storage of State records must have a security system that is armed when staff is not present.

### **3.8.2. Network/Data Security**

To protect the confidentiality, integrity, privacy and regulatory issues of the State and the citizens for which it serves, the Contractor must have in place the tools, practices, policies, procedures and other mechanisms to ensure a security network environment. Specifically, the Contractor must employ firewalls and other access controls, intrusion detection, anti-virus software and any other necessary controls to ensure a secure network environment.

The Contractor must monitor attacks upon its network systems and report to the Program Manager any and all attacks that appear to be deliberate attempts to access State images or data.

The Contractor must maintain current patch levels on software used in association with the Contract.

The Contractor must create and maintain backup data for all production materials for no less than 30 days and no later than 60 days after delivery of the final product, unless otherwise specified in the Authorized Ordering Document. Backups must be created and maintained in a way that ensures full restoration can be achieved on any job order during the full length of time the Agency is allowed for quality inspection purposes. The Agency is allowed 30 days for quality inspection purposes unless otherwise specified in the Authorized Ordering Document.

If the Contractor utilizes a third part for backup tape storage and protection, all backup tapes containing State-owned data must be stored and maintained in Michigan and must be encrypted. Otherwise, proper physical security measures must be employed as described in the Physical Security Section of this Contract.

## **4. Pricing**

### **4.1. Price Term**

Pricing is firm for the entire length of the Contract.

## **5. Ordering**

### **5.1. Authorizing Document**

The appropriate Authorizing Document for the Contract will be Delivery Order Form (DO) or Delivery Purchase Order (DPO).

### **5.2 Order Verification**

The Contractor must have internal controls, approved by DTMB-Procurement, to verify abnormal orders and to ensure that only authorized individuals place orders.

## **6. Delivery**

### **6.1. Delivery Programs**

The Contractor agrees to make pickups within 24 hours of an authorization request.

In the event of an emergency the Contractor agrees to return a requested record within 2.5 hours of the request.

## **6.2. Packaging and Palletizing**

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

## **7. Acceptance**

### **7.1. Acceptance, Inspection and Testing**

Unless otherwise specified by an Agency and identified in the Authorized Ordering Document, the Contractor must inspect a minimum of 10 percent, by random sample, of each batch for image alignment, readability, contrast, overlapped images, data entry accuracy, and other defects in the finished product. Quality must be guaranteed with an accuracy rate greater than 99.5 percent or as otherwise specified in the Authorized Ordering Document. Failure to meet the accuracy rates specified, or quality expectations defined in the Authorized Ordering Document, must result in a complete re-processing of the batch at no additional cost to the State. A batch must be defined as a specific pickup. If a pickup is exceptionally large, for the purposes of inspection, the job must be broken into smaller, more manageable batches as defined in the Authorized Ordering Document.

Failure to maintain consistent quality microfilm will result in cancellation of the Contract. The Program Manager retains final authority to determine whether the images are acceptable and if the records need to be re-filmed. The Contractor must complete the re-filming or other corrective action within 10 business days after being notified that re-filming is necessary, unless additional time is deemed warranted by RMS. The 30-days review period must start over at the re-delivery of the corrected project.

The Agency will notify the Contractor within 30 days if the microfilm product does not meet acceptable quality levels. If disapproved due to Contractor error, the Contractor must re-film or otherwise perform appropriate corrective action at no additional cost to the State.

The Agency will notify the Contractor within 30 days if the digital imaging product does not meet acceptable quality levels. If disapproved due to Contractor error, the Contractor must re-scan the entire batch or otherwise perform appropriate corrective action at no additional cost to the State.

### **7.2. Final Acceptance**

RMS retains the final authority to determine whether the images are acceptable and if the records need to be re-scanned. The Contractor must complete the re-scanning or other corrective action within 10 business days after being notified that re-imaging is necessary, unless additional time is deemed warranted by RMS. The 30-day review period must start over at the re-delivery of the corrected product.

## **8. Invoice and Payment**

### **8.1. Invoice Requirements**

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. Payment terms are 1% / 15 Net 45.

### **8.2. Payment Methods**

The State will make payment for Contract Activities by Electronic Fund Transfer (EFT).

### **8.3. Procedure**

Deliverables are billed by the unit (scanned images, microfilm rolls, etc.); services such as data entry, document preparation and document processing are billed by the hour. The payment model should be fixed per-unit cost for deliverables and fixed per-hour cost for services.

## 9. Project Plan

The Contractor will carry out this project under the direction and control of the Program Manager. Within 30 calendar days of the Effective Date, the Contractor will 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.

The Contractor must create and provide uniquely numbered job order forms approved by RMS. The job order forms must be four-part Non-Carbon Reproduction (NCR forms) containing Agency contact information, billing code information, disposition of documents, description of source materials received by the Contractor and product and delivery information. A form sample will be provided to the Contractor for replication purposes.

## 10. Licensing Agreement

The Contractor will maintain licensing agreements with various companies for software and services required to perform the variety of services we offer. There are no licensing agreements between the Contractor and the State of Michigan for purposes of executing the services.

## 11. Liquidated Damages

Late or improper completion of the Contract Activities will cause loss and damage to the State and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, if there is late or improper completion of the Contract Activities the State is entitled to collect liquidated damages in the amount of \$5,000 and an additional \$100 per day for each day Contractor fails to remedy the late or improper completion of the Work.

Unauthorized Removal of Key Personnel will interfere with the timely and proper completion of the Contract, to the loss and damage of the State, and it would be impracticable and extremely difficult to fix the actual damage sustained by the State. Therefore, the State may assess liquidated damages against Contractor as specified below.

The State is entitled to collect \$500 per individual per day for the removal of any Key Personnel without prior approval of the State.

The State is entitled to collect \$500 per individual per day for an unapproved or untrained key personnel replacement.

## 12. Additional Requirements

The Contractor must maintain a second production site for any daily production work that meets critical business needs. The facility must be located a reasonable distance away from the primary facility so as to minimize the impact of weather or infrastructure related interruptions in service.

Graphic Sciences, Inc. will maintain a second site which is primarily dedicated to the storage of client records as a part of our document storage services offering. The building is located at 12975 Oakland Park Blvd, Highland Park, Michigan. The facility is approximately 22,000 square feet X 24 feet high. The building is fully secured, monitored for intrusion, smoke detection, fire detection and is on a constantly ON video surveillance system. Video is captured both at the entrance to the facility and throughout the interior of the facility. No State of Michigan records, documents or materials of any kind are housed in this facility. In the event that the production operation located at 1551 E. Lincoln Ave, Madison Heights, MI. were to become inoperable for an extended period of time, GSI will transfer the necessary hardware, software and personnel to the secondary location in order to maintain deliveries of critical materials. This operation would be sustainable at critical delivery levels for a matter of weeks.

### 12.1. Environmental and Energy Efficient Products

The Contractor must identify any energy efficient, bio-based, or otherwise environmental friendly products used in the products. Contractor must include any relevant third-party certification, including the verification of a United States department of agriculture certified bio based product label.

### 12.2. Hazardous Chemical Identification

In accordance with the federal Emergency Planning and Community Right-to-Know Act, 42 USC 11001, *et seq.*, as amended, the Contractor must provide a Material Safety Data Sheet listing any hazardous chemicals, as defined in 40 CFR §370.2, to be delivered. Each hazardous chemical must be properly identified, including any applicable identification number, such as a National Stock Number or Special Item Number.

The Contractor must identify any hazardous chemicals that will be provided under the contract.

### 12.3. Mercury Content

Pursuant to MCL 18.1261d, mercury-free products must be procured when possible. The Contractor must explain if it intends to provide products containing mercury, the amount or concentration of mercury, and whether cost competitive alternatives exist. If a cost competitive alternative does exist, the Contractor must provide justification as to why the particular product is essential. All products containing mercury must be labeled as containing mercury.

### 12.4. Brominated Flame Retardants

The State prefers to purchase products that do not contain brominated flame retardants (BFRs) whenever possible. The Contractor must disclose whether the products contain BFRs.

## 13. Standards and Public Acts

The Contractor must comply with all relevant standards and public acts including but not limited to:

- a. [State of Michigan Standards for Capturing Digital Images from Paper or Microfilm](#)
- b. [State of Michigan Standards for Capturing Microfilm from Paper](#)
- c. [State of Michigan Standards for Capturing Microfilm from Digital Images](#)
- d. [Social Security Number Privacy Act, PA 454 of 2004](#)

The Contractor must understand and assist Agencies to implement microfilm and imaging systems that comply with the following:

- e. [State of Michigan Best Practices for Reproducing Public Records](#)
- f. [State of Michigan Best Practices for Capturing Digital Images from Paper or Microfilm](#)
- g. [State of Michigan Best Practices for Capturing Microfilm from Paper](#)
- h. [State of Michigan Best Practices for Capturing Microfilm from Digital Images](#)

The Contractor must conform to standards as adopted by the American National Standards Institute (ANSI), the Association for Information and Image Management (AIIM), and the International Standards Organization (ISO).

## Contract Monitoring Plan

### Introduction

Contract management is the process of actively managing State contracts to ensure compliance with the requirements of an executed contract. This section outlines and describes activities that are necessary for effective contract management.

Category Level and Monitoring Frequency

Category Level 3 – Annually

The State and Contractor agree to the following Contract Monitoring Plan.

### Periodic Contract Monitoring

Contractor may be periodically monitored against the following.

- a) Contract Monitoring Report Criteria
  - a. Quality: Deliverables meet specifications
  - b. Timeliness: Deliverables received on schedule
  - c. Cost Control: Cost of Deliverables is at or below expected cost
  - d. Staff Knowledge: Supplier staff knowledgeable
  - e. Customer Service: Supplier staff helpful, prompt, and courteous
  - f. Invoicing: Invoices are timely and accurate
  - g. Overall Supplier Performance Rating

### Deliverables

Deliverable	Deliverable Description
Digital conversion	Conversion of paper or microfilm to digital images
Microfilm conversion	Conversion of paper or digital images to microfilm or duplication of microfilm

### Reports

Report	Reporting Description	Due Date
Weekly production report	This weekly report indicates the status of all jobs.	Every Friday
Monthly progress report	This monthly report addresses jobs under development or facing particular challenges, and how the vendor is resolving issues.	First working day of each month.



Monthly billing spreadsheet	This monthly report details all submitted invoices and deliverables for the month.	First Friday of each month
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### Service Level Agreements (SLA)

SLA	SLA Description
Forms	Job order forms will be in four-part non-carbon reproduction.
Security	The referenced physical security measures will be taken.
Equipment	The referenced equipment will be available and maintained.
Paperwork	The referenced paperwork must be maintained by the vendor on-site.
Policies & Procedures	The referenced policies and procedures must be maintained by the vendor on-site.
Information Technology	The reference IT requirements must be met by the vendor.
Meetings	The contractor must attend monthly meetings.

### Invoices and Payments

#### Invoice and Payment Requirements

- i. 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.

#### Payment Methods

- i. The State will make payment for Contract Activities by EFT (Electronic Fund Transfer)

Invoice/Payment Description	Invoice/Payment Frequency	Payment Method
The vendor will submit an invoice for each job.	Invoices are processed every two weeks.	The State will make payment for contract activities by EFT.

# STATE OF MICHIGAN

Contract No. 171 180000000749  
Statewide Imaging and Digital Microfilm

## SCHEDULE B PRICING

Service	Measurement	Cost
105MM Diazo duplication	Image	\$0.39
105MM Fiche scanning high speed	Image	\$0.051
105MM Step and Repeat microfilming	Image	\$0.14
16MM 2.5 MIL	Unit	\$11.32
16MM 2.5 MIL Diazo duplication	Unit	\$10.91
16MM 2.5 MIL Silver duplication	Unit	\$30.50
16MM 5 Channel Jackets loaded and labeled	Image	\$0.90
16MM 5 MIL	Unit	\$7.80
16MM 5 MIL Diazo duplication	Unit	\$8.63
16MM 5 MIL Silver duplication	Unit	\$16.65
16MM Jackets	Image	\$0.16
16MM Planetary microfilming	Image	\$0.100
16MM Roll 5 mil microfilm scanning	Image	\$0.052
16MM Rotary All Types	Image	\$0.04
35MM Aperature Cards loaded and labeled	Image	\$0.25
35MM Aperature Cards scanning	Image	\$0.89
35MM Diazo duplication	Unit	\$12.72
35MM Engineer Drawings All Sizes microfilming	Image	\$0.60
35MM Roll film scanning	Image	\$0.079
35MM Roll or Aperture Cards prints	Image	\$0.68
35MM Silver duplication	Unit	\$34.30
3M Mags Supplied and Loaded	Unit	\$4.25
Additional Quality Control	Hourly	\$30.24
All Engineering Drawings Digital Scanning	Image	\$0.96
Box Storage By The Month	Unit	\$0.32
CD-R Dupe	Unit	\$14.00
CD-R Master	Unit	\$14.00
Computer Run Time	Hourly	\$13.75
Custom Programming	Hourly	\$151.00
Data Entry	Hourly	\$38.410
Data Entry Heads Down	Keystroke	\$0.011
Decision Based Doc Prep	Hourly	\$35.330
Decision Based QC/Special Imaging	Hourly	\$33.100
Doc Prep	Hourly	\$19.730
Jackets Fiche 16MM Roll prints	Image	\$0.23

KODAK Type A ANSI Clip	Unit	\$2.10
OCR	Hourly	\$13.75
Per Linear Foot Digital Scanning	Foot	\$0.09
Silver 16MM Roll microfilm from digital images	Image	\$0.04
Up to 11 X 14 Digital Scanning	Image	\$0.0744
Up to 5.5 X 8.5 Digital Scanning black & white	Image	\$0.0447
Up to 5.5 X 8.5 Digital Scanning color	Image	\$0.07
Up to 8.5 X 14 Digital Scanning black & white	Image	\$0.0614
Up to 8.5 X 14 Digital Scanning color	Image	\$0.0744
White Envelopes	Unit	\$0.05
Remote scan location first year monthly operations (5,000 envelopes)	Monthly	\$203,069.12
Remote scan location post first year monthly operations (5,000 envelopes)	Monthly	\$193,857.86
Remote scan location per-image past 5,000 envelopes	Image	\$0.177

## Giles Tucker

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**From:** Amy Mischak  
**Sent:** Monday, March 13, 2023 10:39 AM  
**To:** Giles Tucker  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

**Follow Up Flag:** Follow up  
**Flag Status:** Flagged

Hi Giles. Yes I had a note for today to talk to you about this.  
 The MiDeal agreement is good to use as a cooperative bid, you can PDF the email to include with the agenda packet once you have the updated quote

Amy J. Mischak SPHR, SHRM-SCP  
 HR Director/Purchasing Coordinator  
 City of Madison Heights  
 248-583-0828 phone  
 248-588-8442 fax

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**From:** Giles Tucker <GilesTucker@Madison-Heights.org>  
**Sent:** Monday, March 13, 2023 10:34 AM  
**To:** Amy Mischak <AmyMischak@madison-heights.org>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

To circle back, Jessica confirms that they do have a conversion contract with SOM, and we can use this?

Once I know we are good on that front, I will bring up all the microfiche boxes and schedule a day for Graphic Science to come by and provide an updated quote based on whatever the pricing is at SOM. Once this is completed, would that be enough for a council packet?

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**From:** Giles Tucker <[gilestucker@madison-heights.org](mailto:gilestucker@madison-heights.org)>  
**Sent:** Wednesday, March 8, 2023 1:19 PM  
**To:** Weston, Jessica (DTMB) <[WestonJ2@michigan.gov](mailto:WestonJ2@michigan.gov)>; Amy Mischak <[AmyMischak@madison-heights.org](mailto:AmyMischak@madison-heights.org)>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

It is conversion to digital images.

---

**From:** Weston, Jessica (DTMB) <[WestonJ2@michigan.gov](mailto:WestonJ2@michigan.gov)>  
**Sent:** Wednesday, March 8, 2023 1:03 PM  
**To:** Amy Mischak <[AmyMischak@madison-heights.org](mailto:AmyMischak@madison-heights.org)>  
**Cc:** Giles Tucker <[gilestucker@madison-heights.org](mailto:gilestucker@madison-heights.org)>; Weston, Jessica (DTMB) <[WestonJ2@michigan.gov](mailto:WestonJ2@michigan.gov)>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

The state charges 12% of the total bill from GSI for its services. It is rolled into the invoice so both the GSI bill and the costs to the state are paid at the same time. The state pays GSI for its entire bill for state and local government work monthly and then bills back agencies and local governments to recoup the costs.

Is this project to convert microfiche to digital images? Just making sure it's not for microfiche reader repair. The contract covers conversion of paper and microfilm/fiche to digital images, and conversion of paper to microfilm/fiche. GSI does offer equipment repair and replacement but that is not included in the contract.

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**From:** Amy Misczak <[AmyMisczak@madison-heights.org](mailto:AmyMisczak@madison-heights.org)>  
**Sent:** Wednesday, March 8, 2023 12:43 PM  
**To:** Weston, Jessica (DTMB) <[WestonJ2@michigan.gov](mailto:WestonJ2@michigan.gov)>  
**Cc:** Giles Tucker <[gilestucker@madison-heights.org](mailto:gilestucker@madison-heights.org)>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

**CAUTION: This is an External email. Please send suspicious emails to [abuse@michigan.gov](mailto:abuse@michigan.gov)**

Thank you for the clarification. I understand now that it is an extendable contract and not MiDeal. We will take a look at the contract terms –

Without having looked at the document, I would assume there are fees/commissions due to the State for the administration of the contract. Those are assessed separately from any quote received from GSI?

Thanks again for all of the information it is much appreciated!

Amy J. Misczak SPHR, SHRM-SCP  
 HR Director/Purchasing Coordinator  
 City of Madison Heights  
 248-583-0828 phone  
 248-588-8442 fax

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**From:** Weston, Jessica (DTMB) <[WestonJ2@michigan.gov](mailto:WestonJ2@michigan.gov)>  
**Sent:** Wednesday, March 08, 2023 11:26 AM  
**To:** Amy Misczak <[AmyMisczak@madison-heights.org](mailto:AmyMisczak@madison-heights.org)>  
**Cc:** Weston, Jessica (DTMB) <[WestonJ2@michigan.gov](mailto:WestonJ2@michigan.gov)>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

Hi, thank you for inquiring about imaging services for Michigan local governments. The State of Michigan has a contract with an imaging vendor, Graphic Sciences Inc. (GSI), for creating digital images from paper or microfilm that can be used by local governments. This contract is not a part of MiDeal but rather is a service contract the State of Michigan extends to local governments as an option.

Scanning costs are a combination of a per page fee, an hourly document prep rate, and a per keystroke indexing fee. GSI will perform an assessment to provide a time and cost estimate. Then they will do a test and provide you with a sample. If the test and price work for you, the State draws up an agreement and work can begin.

The vendor bills the State of Michigan for all work performed under the contract (both for state agencies and local governments) once a month. The state then sends invoices to local governments for their work performed, and local governments pay the State of Michigan.

Local governments are not required to use this contract and are free to seek their own imaging vendor. However, using the contract has multiple benefits. The State of Michigan solicited bids for this contract, so any local government using it does not have to seek bids. DTMB RMS monitors the vendor for compliance with State security requirements, adherence to the State's imaging standards, and compliance with insurance requirements. The State also will manage any problems or disputes with the vendor on the local government's behalf.

The contract is available [here](#). I manage this contract for the State of Michigan, so please let me know if you have further questions or if you'd like to meet to discuss a potential project.

Jessie Weston, CRA  
Imaging Specialist  
Michigan Department of Technology, Management & Budget  
517-335-9145  
She/Her/Hers Pronouns




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**From:** Amy Mischak <[AmyMischak@madison-heights.org](mailto:AmyMischak@madison-heights.org)>  
**Sent:** Tuesday, March 7, 2023 11:19 AM  
**To:** Jillian Saxon <[jillians@gsiinc.com](mailto:jillians@gsiinc.com)>; Giles Tucker <[gilestucker@madison-heights.org](mailto:gilestucker@madison-heights.org)>; Weston, Jessica (DTMB) <[WestonJ2@michigan.gov](mailto:WestonJ2@michigan.gov)>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

**CAUTION: This is an External email. Please send suspicious emails to [abuse@michigan.gov](mailto:abuse@michigan.gov)**

Great thank you so much! I will wait to hear back with the link.

Amy J. Mischak SPHR, SHRM-SCP  
HR Director/Purchasing Coordinator  
City of Madison Heights  
248-583-0828 phone  
248-588-8442 fax

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**From:** Jillian Saxon <[JillianS@gsiinc.com](mailto:JillianS@gsiinc.com)>  
**Sent:** Tuesday, March 07, 2023 10:11 AM  
**To:** Amy Mischak <[AmyMischak@madison-heights.org](mailto:AmyMischak@madison-heights.org)>; Giles Tucker <[gilestucker@madison-heights.org](mailto:gilestucker@madison-heights.org)>; [westonj2@michigan.gov](mailto:westonj2@michigan.gov)  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

Good Morning Amy, The contract is with the State of Michigan, I am not sure the link is available on MiDEAL. I have included Jessie Weston from DTMB to assist with providing a link to the contract.

*Thank you*

Jillian Saxon  
Account Manager  
Graphic Sciences  
248-549-6600 Office  
248-302-8617 Mobile  
[www.scanittoday.com](http://www.scanittoday.com)

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**From:** Amy Mischak <[AmyMischak@madison-heights.org](mailto:AmyMischak@madison-heights.org)>  
**Sent:** Monday, March 6, 2023 4:08 PM  
**To:** Jillian Saxon <[JillianS@gsiinc.com](mailto:JillianS@gsiinc.com)>; Giles Tucker <[gilestucker@madison-heights.org](mailto:gilestucker@madison-heights.org)>; Danielle Patterson <[DPatterson@intellinetics.com](mailto:DPatterson@intellinetics.com)>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

Thank you. This is a contract through MiDEAL? Do you have a link to the online contract (not just the contract number)

Amy J. Mischak SPHR, SHRM-SCP  
HR Director/Purchasing Coordinator  
City of Madison Heights  
248-583-0828 phone  
248-588-8442 fax

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**From:** Jillian Saxon <[JillianS@gsiinc.com](mailto:JillianS@gsiinc.com)>  
**Sent:** Monday, March 06, 2023 3:48 PM  
**To:** Giles Tucker <[GilesTucker@Madison-Heights.org](mailto:GilesTucker@Madison-Heights.org)>; Danielle Patterson <[DPatterson@intellinetics.com](mailto:DPatterson@intellinetics.com)>  
**Cc:** Amy Mischak <[AmyMischak@madison-heights.org](mailto:AmyMischak@madison-heights.org)>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

Hi Giles and Amy,

Thank you for following up with us, we are excited to work with the City of Madison Heights! Graphic Sciences is the contract holder for Statewide digital scanning and microfilm services expiring May-2023 with two one year extension options, the current contract number is 171-180000000749.

Do you have availability on Wednesday March 8<sup>th</sup> for a 30 minute onsite visit or teams call to discuss pricing and your microfiche project? We have availability from 9 – 11:30, does this work for your team?

*Have a great afternoon*

Jillian Saxon  
Account Manager  
Graphic Sciences  
248-549-6600 Office

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**From:** Giles Tucker <[GilesTucker@Madison-Heights.org](mailto:GilesTucker@Madison-Heights.org)>  
**Sent:** Monday, March 6, 2023 2:50 PM  
**To:** Danielle Patterson <[DPatterson@intellinetics.com](mailto:DPatterson@intellinetics.com)>  
**Cc:** Jillian Saxon <[JillianS@gsiinc.com](mailto:JillianS@gsiinc.com)>; Amy Mischak <[AmyMischak@madison-heights.org](mailto:AmyMischak@madison-heights.org)>  
**Subject:** RE: Follow Up From Our Call - Microfiche Services

Hi Danielle & Jillian,

I have my purchasing Coordinator Amy on this email as well. It was my understanding that Graphic Sciences has a cooperative bid pricing structure, but Amy wasn't able any information regarding the cooperative pricing on the 2022 quote, and I am unclear who holds the contract – I've checked MiDeal (State of Michigan) and also Oakland County. It may be there but searching on keywords including company name is not bringing anything up.

Could you please help us find information regarding the cooperative pricing you offer and a copy of that contract?

Thanks!

Giles Tucker  
Community Development Director  
City of Madison Heights, MI  
Direct: (248) 837-2650  
Cell: (248) 670-0909

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**From:** Danielle Patterson <[dpatterson@intellinetics.com](mailto:dpatterson@intellinetics.com)>  
**Sent:** Tuesday, February 7, 2023 3:24 PM  
**To:** Giles Tucker <[GilesTucker@Madison-Heights.org](mailto:GilesTucker@Madison-Heights.org)>  
**Cc:** Jillian Saxon <[jillians@gsiinc.com](mailto:jillians@gsiinc.com)>  
**Subject:** Follow Up From Our Call - Microfiche Services

Hello Giles,

Thanks so much for taking my call today. It was a pleasure to meet you, albeit over the phone. I wanted to make sure you had my direct contact information and to introduce you to Jillian Saxon (cc'd here), an Account Executive on my team. We are really excited to work with the City of Madison Heights on this project!

I've attached for your reference the latest proposal provided by Rob. Please review and let me know what questions you have. If I don't hear back from you I'll reach back out the end of this week. If we have to get strategic on budgeting, we are happy to help. Thanks again for your time.

I look forward to reconnecting later this week!

Best,



Danielle Patterson

Sales Manager, Intellinetics DSS

+1.248.549.6600 (Michigan Office)

+1.828.577.0551 (Cell)

1551 E. Lincoln Ave

Madison Heights, MI 48071

■



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** June 26, 2023

**PREPARED BY:** Linda Kunath, Finance Director/Treasurer

**AGENDA ITEM CONTENT:** Amendments to FY 2022-23 Budget and Carryforwards to Amend the FY 2023-24 Budget

**AGENDA ITEM SECTION:** Reports

**BUDGETED AMOUNT:**

**FUNDS REQUESTED:**

**FUND:**

**EXECUTIVE SUMMARY:**

The State of Michigan's Budget Law requires that any budget amendments be approved by City Council. The budget amendments are submitted to ensure that the FY 2022-23 and FY 2023-24 Budgets are in compliance with state law. If the City Council concurs with the recommended amendments, the Council should approve the implementation of these amendments and appropriate the necessary funds.

**RECOMMENDATION:**

If the City Council concurs with the recommended amendments, the Council should approve the implementation of these amendments and appropriate the necessary funds.

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2022-23**

	FY 2022-23 Adopted Budget	FY 2021-22 Carryforward	Prior Approved Amendments	6/26/2023 Amendments	6/26/2023 Carryforward	FY 2022-23 Amended Budget
<b>General Fund (101)</b>						
<u>Revenues</u>						
Property Taxes	\$ 22,591,420	\$ -	\$ -	\$ -	\$ -	\$ 22,591,420
Business Licenses/Permits	417,800	-	-	103,820	-	521,620
Non-Business License/Permits	668,525	-	-	-	-	668,525
Federal Shared Revenues	1,571,062	-	-	119,871	-	1,690,933
State Shared Revenues	5,819,092	-	-	47,051	-	5,866,143
Other Governmental Revenues	165,956	-	-	-	-	165,956
County Shared Revenues	61,000	-	80,000	-	-	141,000
SMART Shared Revenues	70,019	-	-	-	-	70,019
Court Revenues	1,374,000	-	-	-	-	1,374,000
Charges for Services	262,730	-	-	-	-	262,730
Sales - Miscellaneous	16,874	-	-	-	-	16,874
Recreation Program Revenues	234,000	-	-	-	-	234,000
Miscellaneous Revenues	1,651,663	-	-	24,258	-	1,675,921
Sale of Fixed Assets	50,000	-	-	-	-	50,000
Departmental Charges	891,480	-	-	-	-	891,480
Transfers	84,869	-	-	-	-	84,869
(Contr. To)/Use of Fund Balance	5,299,210	1,360,325	2,082,105	-	(2,090,537)	6,651,103
Total Revenues	\$ 41,229,700	\$ 1,360,325	\$ 2,162,105	\$ 295,000	\$ (2,090,537)	\$ 42,956,593
<u>Expenditures</u>						
Mayor & Council	\$ 58,306	\$ -	\$ -	\$ -	\$ -	\$ 58,306
City Manager	262,383	2,600	-	-	-	264,983
Finance	793,202	-	-	-	-	793,202
City Clerk	398,073	-	-	-	(4,567)	393,506
Information Technology	292,317	-	18,561	-	(15,000)	295,878
Insurance	266,800	-	-	-	-	266,800
Board of Review	3,043	4,200	-	-	-	7,243
General Administration	338,619	-	-	-	(1,000)	337,619
Assessing	219,021	-	8,755	-	-	227,776
Election	83,638	-	-	-	(18,180)	65,458
DPS-Municipal Building	58,588	-	50,000	-	-	108,588
Legal	335,695	-	-	40,000	-	375,695
DPS-Custodial & Maintenance	190,442	-	80,000	-	-	270,442
Human Resources	473,001	-	-	-	(2,110)	470,891
District Court	1,459,129	354,600	-	-	(61,506)	1,752,223
Police	12,602,204	418,257	177,224	-	(694,335)	12,503,350
Fire	7,520,989	-	42,839	250,000	(624,339)	7,189,489
DPS-Streets	1,105,331	29,244	-	5,000	-	1,139,575
DPS-Solid Waste	2,999,813	405,124	-	-	(150,000)	3,254,937
Community Development	1,138,451	1,500	-	-	(5,200)	1,134,751
DPS-Recreation	304,728	-	-	-	-	304,728
DPS-Parks	1,099,691	137,300	-	-	(477,300)	759,691
DPS-Nature Center	59,600	-	-	-	-	59,600
DPS-Active Adult Center	498,778	7,500	-	-	(37,000)	469,278
Library	913,384	-	-	-	-	913,384
Pension Obligation Debt Services	1,028,279	-	-	-	-	1,028,279
Transfer Out	6,726,195	-	1,784,726	-	-	8,510,921
Total Expenditures	\$ 41,229,700	\$ 1,360,325	\$ 2,162,105	\$ 295,000	\$ (2,090,537)	\$ 42,956,593

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2022-23**

	FY 2022-23 Adopted Budget	FY 2021-22 Carryforward	Prior Approved Amendments	6/26/2023 Amendments	6/26/2023 Carryforward	FY 2022-23 Amended Budget
<b>Major Streets (202)</b>						
<u>Revenues</u>						
State Shared Revenues	\$ 2,425,224	\$ -	\$ -	\$ -	\$ -	\$ 2,425,224
County Shared Revenues	78,919	-	-	-	-	78,919
Miscellaneous Revenues	-	-	-	-	-	-
Prior Years Fund Balance	(548,884)	398,738	52,471	-	(492,508)	(590,183)
Total Revenues	<u>\$ 1,955,259</u>	<u>\$ 398,738</u>	<u>\$ 52,471</u>	<u>\$ -</u>	<u>\$ (492,508)</u>	<u>\$ 1,913,960</u>
<u>Expenditures</u>						
Construction	\$ 1,025,000	\$ 246,738	\$ 52,471	\$ -	\$ (492,508)	\$ 831,701
Maintenance	163,332	12,000	-	-	-	175,332
Traffic Services	158,769	-	-	-	-	158,769
Winter Maintenance	199,468	140,000	-	-	-	339,468
Administration	10,484	-	-	-	-	10,484
County Roads	98,206	-	-	-	-	98,206
Transfers	300,000	-	-	-	-	300,000
Total Expenditures	<u>\$ 1,955,259</u>	<u>\$ 398,738</u>	<u>\$ 52,471</u>	<u>\$ -</u>	<u>\$ (492,508)</u>	<u>\$ 1,913,960</u>
<b>Local Streets (203)</b>						
<u>Revenues</u>						
Property Taxes	\$ 1,718,796	\$ -	\$ -	\$ -	\$ -	\$ 1,718,796
State Shared Revenues	1,138,232	-	-	-	-	1,138,232
Miscellaneous Revenue	5,000	-	-	-	-	5,000
Transfers In	300,000	-	-	-	-	300,000
Prior Years Fund Balance	(302,931)	-	-	-	-	(302,931)
Total Revenues	<u>\$ 2,859,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,859,097</u>
<u>Expenditures</u>						
Construction	\$ 2,321,000	\$ -	\$ -	\$ -	\$ -	\$ 2,321,000
Maintenance	306,921	-	-	-	-	306,921
Traffic Services	155,775	-	-	-	-	155,775
Winter Maintenance	66,413	-	-	-	-	66,413
Administration	8,988	-	-	-	-	8,988
Transfers	-	-	-	-	-	-
Total Expenditures	<u>\$ 2,859,097</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,859,097</u>

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2022-23**

	FY 2022-23 Adopted Budget	FY 2021-22 Carryforward	Prior Approved Amendments	6/26/2023 Amendments	6/26/2023 Carryforward	FY 2022-23 Amended Budget
<b><u>Parks Maintenance &amp; Improvement Fund (208)</u></b>						
<u>Revenues</u>						
Miscellaneous	\$ 43,246	\$ -	\$ -	\$ -	\$ -	\$ 43,246
Prior Years Fund Balance	-	-	-	-	-	-
Total Revenues	<u>\$ 43,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,246</u>
<u>Expenditures</u>						
Parks Maintenance & Improvement	\$ 43,246	\$ -	\$ -	\$ -	\$ -	\$ 43,246
Transfers	-	-	-	-	-	-
Total Expenditures	<u>\$ 43,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,246</u>
<b><u>Downtown Development Authority (248)</u></b>						
<u>Revenues</u>						
Property Taxes	\$ 60,624	\$ -	\$ -	\$ -	\$ -	\$ 60,624
State Shared Revenues	35,213	-	-	-	-	35,213
Miscellaneous Revenue	250	-	-	-	-	250
Prior Years Fund Balance	33,172	-	-	-	(5,000)	28,172
Transfers In	-	-	-	-	-	-
Total Revenues	<u>\$ 129,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ 124,259</u>
<u>Expenditures</u>						
Downtown Development	\$ 107,390	\$ -	\$ -	\$ -	(5,000)	\$ 102,390
Transfers	21,869	-	-	-	-	21,869
Total Expenditures	<u>\$ 129,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (5,000)</u>	<u>\$ 124,259</u>
<b><u>Drug Forfeiture Fund (265)</u></b>						
<u>Revenues</u>						
Other Governmental Revenues	\$ 64,000	\$ -	\$ -	\$ -	\$ -	\$ 64,000
Miscellaneous Revenue	250	-	-	-	-	250
Transfers In	-	-	-	-	-	-
Prior Years Fund Balance	-	-	43,708	-	-	43,708
Total Revenues	<u>\$ 64,250</u>	<u>\$ -</u>	<u>\$ 43,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,958</u>
<u>Expenditures</u>						
Drug Forfeiture - State	\$ 64,250	\$ -	\$ 43,708	\$ -	\$ -	\$ 107,958
Total Expenditures	<u>\$ 64,250</u>	<u>\$ -</u>	<u>\$ 43,708</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,958</u>

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2022-23**

	FY 2022-23 Adopted Budget	FY 2021-22 Carryforward	Prior Approved Amendments	6/26/2023 Amendments	6/26/2023 Carryforward	FY 2022-23 Amended Budget
<b><u>Community Improvement Fund (276)</u></b>						
<u>Revenues</u>						
Federal Shared Revenues	\$ 145,607	\$ -	\$ -	\$ -	\$ -	\$ 145,607
Prior Years Fund Balance	-	-	-	-	-	-
Total Revenues	<u>\$ 145,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,607</u>
<u>Expenditures</u>						
Community Development	\$ 145,607	\$ -	\$ -	\$ -	\$ -	\$ 145,607
Total Expenditures	<u>\$ 145,607</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 145,607</u>
<b><u>Municipal Building Bond (370)</u></b>						
<u>Revenues</u>						
Transfers In	\$ 275,000	\$ -				\$ 275,000
Total Revenues	<u>\$ 275,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,000</u>
<u>Expenditures</u>						
Debt Service	\$ 275,000	\$ -				\$ 275,000
Total Expenditures	<u>\$ 275,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 275,000</u>
<b><u>Fire Station Debt Service (372)</u></b>						
<u>Revenues</u>						
Property Taxes	\$ 409,886	\$ -	\$ -	\$ -	\$ -	\$ 409,886
State Shared Revenues	25,000	-	-	-	-	25,000
Prior Years Fund Balance	24,828	-	-	-	-	24,828
Total Revenues	<u>\$ 459,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459,714</u>
<u>Expenditures</u>						
Debt Service	\$ 459,714	\$ -	\$ -	\$ -	\$ -	\$ 459,714
Total Expenditures	<u>\$ 459,714</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 459,714</u>
<b><u>Fire Station Building (468)</u></b>						
<u>Revenues</u>						
Transfers In	\$ 2,044,671	\$ -	507,086			\$ 2,551,757
Total Revenues	<u>\$ 2,044,671</u>	<u>\$ -</u>				<u>\$ 2,551,757</u>
<u>Expenditures</u>						
Capital Outlay	\$ 2,044,671	\$ -	507,086			\$ 2,551,757
Total Expenditures	<u>\$ 2,044,671</u>	<u>\$ -</u>				<u>\$ 2,551,757</u>

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2022-23**

	FY 2022-23 Adopted Budget	FY 2021-22 Carryforward	Prior Approved Amendments	6/26/2023 Amendments	6/26/2023 Carryforward	FY 2022-23 Amended Budget
<b><u>Municipal Building (470)</u></b>						
<u>Revenues</u>						
Bond Proceeds	\$ 6,321,000	\$ -	\$ -			\$ 6,321,000
Transfers In	4,406,524	-	1,277,640			5,684,164
Total Revenues	<u>\$ 10,727,524</u>	<u>\$ -</u>	<u>\$ 1,277,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,005,164</u>
<u>Expenditures</u>						
Capital Outlay	\$ 10,727,524	\$ -	\$ 1,277,640			\$ 12,005,164
Total Expenditures	<u>\$ 10,727,524</u>	<u>\$ -</u>	<u>\$ 1,277,640</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,005,164</u>
<b><u>Water &amp; Sewer Fund (592)</u></b>						
<u>Revenues</u>						
Sales of Water	\$ 4,655,870	\$ -	\$ -	\$ -	\$ -	\$ 4,655,870
Sales of Sewer	6,547,212	-	-	-	-	6,547,212
Charges for Services	50,000	-	-	-	-	50,000
Miscellaneous	143,800	-	-	-	-	143,800
Sale of Fixed Assets	12,000	-	-	-	-	12,000
Department Charges	115,000	-	-	-	-	115,000
Transfers	-	-	-	-	-	-
Prior Years Fund Balance	123,581	320,000	9,001	-	(306,000)	146,582
Total Revenues	<u>\$ 11,647,463</u>	<u>\$ 320,000</u>	<u>\$ 9,001</u>	<u>\$ -</u>	<u>\$ (306,000)</u>	<u>\$ 11,670,464</u>
<u>Expenditures</u>						
Sewage Disposal	\$ 4,813,502	\$ -	\$ -	\$ -	\$ -	\$ 4,813,502
Water Purchased	2,421,155	-	-	-	-	2,421,155
Water System Maintenance	836,569	-	-	-	-	836,569
Water Tapping & Installation	43,500	-	-	-	-	43,500
Sewer System Maintenance	597,053	-	-	-	-	597,053
General Service Building	194,992	-	-	-	-	194,992
General Administration	1,405,325	-	-	-	-	1,405,325
Capital Outlay	1,183,580	320,000	9,001	-	(306,000)	1,206,581
Debt Administration	151,787	-	-	-	-	151,787
Total Expenditures	<u>\$ 11,647,463</u>	<u>\$ 320,000</u>	<u>\$ 9,001</u>	<u>\$ -</u>	<u>\$ (306,000)</u>	<u>\$ 11,670,464</u>

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET  
FY 2022-23**

	FY 2022-23 Adopted Budget	FY 2021-22 Carryforward	Prior Approved Amendments	6/26/2023 Amendments	6/26/2023 Carryforward	FY 2022-23 Amended Budget
<b><u>Department of Public Services (650)</u></b>						
<u>Revenues</u>						
Contributions - General Fund	\$ 681,392	\$ -	\$ -	\$ -	\$ -	\$ 681,392
Contributions - Major Streets	137,762					137,762
Contributions - Local Streets	190,658					190,658
Contributions - Water/Sewer	1,234,447	-	-	-	-	1,234,447
Prior Years Fund Balance	-	-	-	-	-	-
Total Revenues	<u>\$ 2,244,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,244,259</u>
<u>Expenditures</u>						
Department of Public Services	\$ 2,244,259	\$ -	\$ -	\$ -	\$ -	\$ 2,244,259
Total Expenditures	<u>\$ 2,244,259</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,244,259</u>
<b><u>Motor Pool and Equipment Fund (661)</u></b>						
<u>Revenues</u>						
Contributions - General Fund	\$ 890,023	\$ -	\$ -	\$ -	\$ -	\$ 890,023
Contributions - Water/Sewer	104,188	-	-	-	-	104,188
Fund Balance	-	-	-	-	-	-
Total Revenues	<u>\$ 994,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 994,211</u>
<u>Expenditures</u>						
Motorpool	\$ 994,211	\$ -	\$ -	\$ -	\$ -	\$ 994,211
Total Expenditures	<u>\$ 994,211</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 994,211</u>
<b><u>Chapter 20 Drain Debt Service Fund (870)</u></b>						
<u>Revenues</u>						
Property Taxes	\$ 899,454	\$ -	\$ -	\$ -	\$ -	\$ 899,454
Total Revenues	<u>\$ 899,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 899,454</u>
<u>Expenditures</u>						
Services and Charges	\$ 191,000	\$ -	\$ -	\$ -	\$ -	\$ 191,000
Debt Service	708,454	-	-	-	-	708,454
Total Expenditures	<u>\$ 899,454</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 899,454</u>
Total Other Funds	\$ 34,489,014	\$ 718,738	\$ 1,382,820	\$ -	\$ (803,508)	\$ 36,294,150
Total General and Other Funds	\$ 75,718,714	\$ 2,079,063	\$ 3,544,925	\$ 295,000	\$ (2,894,045)	\$ 79,250,743



**EXHIBIT A**  
**City of Madison Heights**  
**Explanation of Amendments for FY 2022-23**

<b>General Fund Revenues (101)</b>	<b>Explanation</b>	<b>Amount</b>	<b>Account Number</b>
Business Licenses/Permits	Marijuana State Payment	\$ 103,820	101-014-439-0000
Federal Shared Revenues	FEMA Grant	119,871	101-021-505-5262
State Shared Revenue	Local Community Stabilization Sharing	47,051	101-023-573-0000
Miscellaneous Revenue	Interest Earned	24,258	101-044-665-5000
Prior Years Fund Balance	Use of Fund Balance	-	101-053-692-6970
Total General Fund Revenues		<u>\$ 295,000</u>	

<b>General Fund Expenditures (101)</b>	<b>Explanation</b>	<b>Amount</b>	<b>Account Number</b>
Legal Expenses	Legal Expenses	\$ 40,000	101-266-826-2000
Fire - Vehicles	Quint (Phase Funding)	150,000	101-336-985-0000
Fire - Improvements	Fire Station #1 - Roof Replacement (Phase Funding)	100,000	101-336-987-0000
Streets - Improvements	Gateway Project Design	5,000	101-446-987-0000
Total General Fund Expenditures		<u>\$ 295,000</u>	

Total General Fund Expenditures \$ 295,000

Total Exhibit A Budget Amendments \$ 295,000

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET FY 2023-24**

<b>General Fund (101)</b>	2023-24	2022-23	2023-24
	ORIGINAL	CARRY	AMENDED
	BUDGET	FORWARD	BUDGET
<u>Revenues</u>			
Property Taxes	\$ 24,439,961	\$ -	\$ 24,439,961
Business Licenses/Permits	521,581	-	521,581
Non-Business License/Permits	668,525	-	668,525
Federal Shared Revenues	10,000	-	10,000
State Shared Revenues	6,115,901	-	6,115,901
Other Governmental Revenues	175,658	-	175,658
County Shared Revenues	51,139	-	51,139
SMART Shared Revenues	70,019	-	70,019
Court Revenues	1,519,000	-	1,519,000
Charges for Services	261,530	-	261,530
Sales - Miscellaneous	9,500	-	9,500
Parks and Recreation	264,000	-	264,000
Miscellaneous Revenues	1,667,163	-	1,667,163
Sale of Fixed Assets	50,000	-	50,000
Department Charges	821,480	-	821,480
Transfers In	2,204,406	-	2,204,406
Prior Years Fund Balance	10,157	2,090,537	2,100,694
Total Revenues	\$ 38,860,020	\$ 2,090,537	\$ 40,950,557
<u>Expenditures</u>			
Mayor & Council	\$ 58,606	\$ -	\$ 58,606
City Manager	275,307	-	275,307
Finance	804,517	-	804,517
City Clerk	410,997	4,567	415,564
Information Technology	549,979	15,000	564,979
Insurance	267,590	-	267,590
Board of Review	3,043	-	3,043
General Administration	395,117	1,000	396,117
Assessing	228,309	-	228,309
Election	84,605	18,180	102,785
DPS-Municipal Building	60,878	-	60,878
Legal	375,000	-	375,000
DPS-Custodial & Maintenance	197,829	-	197,829
Human Resources	466,357	2,110	468,467
District Court	1,572,161	61,506	1,633,667
Police	13,637,187	694,335	14,331,522
Fire	9,450,680	624,339	10,075,019
DPS-Streets	1,358,313	-	1,358,313
DPS-Solid Waste	3,131,141	150,000	3,281,141
Community Development	1,289,288	5,200	1,294,488
DPS-Recreation	398,466	-	398,466
DPS-Parks	1,098,503	477,300	1,575,803
DPS-Nature Center	9,672	-	9,672
DPS-Active Adult Center	514,386	37,000	551,386
Library	937,946	-	937,946
Debt Services	1,027,043	-	1,027,043
Transfers Out	257,100	-	257,100
Total Expenditures	\$ 38,860,020	\$ 2,090,537	\$ 40,950,557

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET FY 2023-24**

<b>Major Streets (202)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
State Shared Revenues	\$ 2,491,266	\$ -	\$ 2,491,266
County Shared Revenues	78,919	-	78,919
Miscellaneous Revenues	-	-	-
Prior Years Fund Balance	186,197	492,508	678,705
Total Revenues	<u>\$ 2,756,382</u>	<u>\$ 492,508</u>	<u>\$ 3,248,890</u>
<u>Expenditures</u>			
Construction	\$ 1,425,000	\$ 492,508	\$ 1,917,508
Maintenance	202,116	-	202,116
Traffic Services	522,925	-	522,925
Winter Maintenance	200,837	-	200,837
Administration	11,333	-	11,333
County Roads	94,171	-	94,171
Transfers Out	300,000	-	300,000
Total Expenditures	<u>\$ 2,756,382</u>	<u>\$ 492,508</u>	<u>\$ 3,248,890</u>
<b>Local Streets (203)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Property Taxes	\$ 1,967,018	\$ -	\$ 1,967,018
State Shared Revenues	1,163,510	-	1,163,510
County Shared Revenues	80,000	-	80,000
Miscellaneous Revenue	5,000	-	5,000
Transfers In	300,000	-	300,000
Prior Years Fund Balance	(256,741)	-	(256,741)
Total Revenues	<u>\$ 3,258,787</u>	<u>\$ -</u>	<u>\$ 3,258,787</u>
<u>Expenditures</u>			
Construction	\$ 2,724,000	\$ -	\$ 2,724,000
Maintenance	313,760	-	313,760
Traffic Services	147,555	-	147,555
Winter Maintenance	63,209	-	63,209
Administration	10,263	-	10,263
Transfers Out	-	-	-
Total Expenditures	<u>\$ 3,258,787</u>	<u>\$ -</u>	<u>\$ 3,258,787</u>

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET FY 2023-24**

<b><u>Parks Maintenance &amp; Improvement Fund (208)</u></b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Miscellaneous Revenue	\$ 52,977	\$ -	\$ 52,977
Prior Years Fund Balance	-	-	-
Total Revenues	<u>\$ 52,977</u>	<u>\$ -</u>	<u>\$ 52,977</u>
<u>Expenditures</u>			
Maintenance	\$ 52,977	\$ -	\$ 52,977
Transfers Out	-	-	-
Total Expenditures	<u>\$ 52,977</u>	<u>\$ -</u>	<u>\$ 52,977</u>
 <b><u>Downtown Development Authority (248)</u></b>			
	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Property Taxes	\$ 174,548	\$ -	\$ 174,548
State Shared Revenues	39,077	-	39,077
Miscellaneous Revenue	250	-	250
Prior Years Fund Balance	(22,270)	5,000	(17,270)
Transfers In	-	-	-
Total Revenues	<u>\$ 191,605</u>	<u>\$ 5,000</u>	<u>\$ 196,605</u>
<u>Expenditures</u>			
Downtown Development Authority	\$ 112,928	\$ 4,395	\$ 117,323
Capital Outlay	55,000	605	55,605
Transfers Out	23,677	-	23,677
Total Expenditures	<u>\$ 191,605</u>	<u>\$ 5,000</u>	<u>\$ 196,605</u>
 <b><u>Drug Forfeiture Fund (265)</u></b>			
	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Other Governmental Revenues	\$ -	\$ -	\$ -
Miscellaneous Revenue	250	-	250
Transfers In	-	-	-
Prior Years Fund Balance	46,750	-	46,750
Total Revenues	<u>\$ 47,000</u>	<u>\$ -</u>	<u>\$ 47,000</u>
<u>Expenditures</u>			
Police	\$ 47,000	\$ -	\$ 47,000
Total Expenditures	<u>\$ 47,000</u>	<u>\$ -</u>	<u>\$ 47,000</u>

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET FY 2023-24**

<b>Community Improvement Block Grant (276)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Federal Shared Revenues	\$ 145,805	\$ -	\$ 145,805
Prior Years Fund Balance	-	-	-
Total Revenues	<u>\$ 145,805</u>	<u>\$ -</u>	<u>\$ 145,805</u>
<u>Expenditures</u>			
Community Development	\$ 145,805	\$ -	\$ 145,805
Total Expenditures	<u>\$ 145,805</u>	<u>\$ -</u>	<u>\$ 145,805</u>

<b>Municipal Building Bond (370)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Transfers In	\$ 257,100	\$ -	\$ 257,100
Total Revenues	<u>\$ 257,100</u>	<u>\$ -</u>	<u>\$ 257,100</u>
<u>Expenditures</u>			
Debt Service	\$ 257,100	\$ -	\$ 257,100
Total Expenditures	<u>\$ 257,100</u>	<u>\$ -</u>	<u>\$ 257,100</u>

<b>Fire Station Debt Service (372)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Property Taxes	\$ -	\$ -	\$ -
State Shared Revenues	-	-	-
Prior Years Fund Balance	-	-	-
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Expenditures</u>			
Debt Service	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

<b>Fire Station Building (468)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Transfers In	\$ -	\$ -	\$ -
Total Revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>Expenditures</u>			
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET FY 2023-24**

<b>Municipal Building (470)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Bond Proceeds	\$ -	\$ -	\$ -
Transfers In	-	-	-
Total Revenues	\$ -	\$ -	\$ -
<u>Expenditures</u>			
Capital Outlay	\$ -	\$ -	\$ -
Total Expenditures	\$ -	\$ -	\$ -

<b>Water &amp; Sewer Fund (592)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Sales of Water	\$ 5,395,832	\$ -	\$ 5,395,832
Sales of Sewer	7,215,000	-	7,215,000
Charges for Services	45,000	-	45,000
Miscellaneous Revenue	143,800	-	143,800
Sale of Fixed Assets	12,000	-	12,000
Department Charges	115,000	-	115,000
Transfers In	-	-	-
Prior Years Fund Balance	(753,583)	306,000	(447,583)
Total Revenues	\$ 12,173,049	\$ 306,000	\$ 12,479,049
<u>Expenditures</u>			
Sewage Disposal	\$ 4,952,294	\$ -	\$ 4,952,294
Water Purchased	2,490,593	-	2,490,593
Water System Maintenance	863,136	-	863,136
Water Tapping & Installation	43,500	-	43,500
Sewer System Maintenance	623,741	-	623,741
General Service Building	206,037	-	206,037
General Administration	1,426,984	-	1,426,984
Capital Outlay	1,415,159	306,000	1,721,159
Debt Service	151,605	-	151,605
Total Expenditures	\$ 12,173,049	\$ 306,000	\$ 12,479,049

<b>Department of Public Services (650)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Department Charges	\$ 2,328,850	\$ -	\$ 2,328,850
Prior Years Fund Balance	-	-	-
Total Revenues	\$ 2,328,850	\$ -	\$ 2,328,850
<u>Expenditures</u>			
Department of Public Services	\$ 2,328,850	\$ -	\$ 2,328,850
Total Expenditures	\$ 2,328,850	\$ -	\$ 2,328,850

**CITY OF MADISON HEIGHTS  
AMENDED BUDGET FY 2023-24**

<b>Motor Pool and Equipment Fund (661)</b>	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Department Charges	\$ 1,034,194	\$ -	\$ 1,034,194
Prior Years Fund Balance	-	-	-
Total Revenues	<u>\$ 1,034,194</u>	<u>\$ -</u>	<u>\$ 1,034,194</u>
<u>Expenditures</u>			
Motorpool	\$ 1,034,194	\$ -	\$ 1,034,194
Total Expenditures	<u>\$ 1,034,194</u>	<u>\$ -</u>	<u>\$ 1,034,194</u>
 <b>Chapter 20 Drain Debt Service Fund (870)</b>			
	2023-24 ORIGINAL BUDGET	2022-23 CARRY FORWARD	2023-24 AMENDED BUDGET
<u>Revenues</u>			
Property Taxes	\$ 850,187	\$ -	\$ 850,187
Total Revenues	<u>\$ 850,187</u>	<u>\$ -</u>	<u>\$ 850,187</u>
<u>Expenditures</u>			
General Administration	\$ 150,000	\$ -	\$ 150,000
Debt Service	700,187	-	700,187
Total Expenditures	<u>\$ 850,187</u>	<u>\$ -</u>	<u>\$ 850,187</u>
 Total Other Funds	<u>\$ 23,095,936</u>	<u>\$ 803,508</u>	<u>\$ 23,899,444</u>
Total General & Other Funds	<u>\$ 61,955,956</u>	<u>\$ 2,894,045</u>	<u>\$ 64,850,001</u>

**EXHIBIT B**  
**City of Madison Heights**  
**Explanation of Carryforwards from FY 2022-23 to FY 2023-24**

<b>General Fund Revenues (101)</b>	<b>Explanation</b>	<b>Amount</b>	<b>Account Number</b>
Prior Years Fund Balance	Use of Fund Balance	\$ 2,090,537	101-053-6970-000
Total General Fund Revenues		<u>\$ 2,090,537</u>	
<b>General Fund Expenditures (101)</b>	<b>Explanation</b>	<b>Amount</b>	<b>Account Number</b>
City Clerk - Contractual Services	Ordinance update-zoning text rewrite	\$ 4,567	101-215-960-9060
IT - Computer Equipment	Storage Area Network & Host Servers	15,000	101-228-982-0000
General Administration-Community Promotion	Civic Center Plaza Grand Opening Event	1,000	101-248-880-0000
Elections - Forms and Printing	Restock election envelopes/forms	8,000	101-262-729-0000
Elections - Contractual Services	Election equipment maintenance & early voting costs	10,180	101-262-818-0000
HR - Training	Staff Training	1,710	101-270-955-8600
HR - Education	Staff Training	400	101-270-960-0000
Court - Machinery & Equip	Court Recording Equipment	61,506	101-286-982-0000
Police - Tools and Supplies	Vehicle Change Over	51,000	101-301-766-0000
Police - Computer Services	ECW Phone Upgrades	56,400	101-301-818-3000
Police - Vehicles	Animal Control Van #119	35,000	101-301-985-0000
Police - Improvements	Police Department HVAC Replacement (Phase 1 of 3)	486,935	101-301-987-0000
Police - Improvements	Basement Wall Waterproofing	10,000	101-301-987-0000
Police - Improvements	Communications Conduit Reroute	25,000	101-301-987-0000
Police - Improvements	Dispatch Floor Repairs	30,000	101-301-987-0000
Fire - Radio Maintenance	Radio Upgrade	3,000	101-336-851-000
Fire - Furniture	Recliner Replacement	4,500	101-336-981-5000
Fire - Machinery and Equipment	Generator #553	70,000	101-336-982-0000
Fire - ALS Equipment	Tactical Medic Gear	4,000	101-336-982-5000
Fire - Vehicles	Quint (Phase Funding)'	150,000	101-336-985-0000
Fire - Vehicles	Ambulance Rescue Truck R71 #713	140,000	101-336-985-0000
Fire - Improvements	Kitchen Renovation	102,839	101-336-987-0000
Fire - Improvements	Fire Station 1 - HVAC Replacement (Phase 1 of 3)	50,000	101-336-987-0000
Fire - Improvements	Fire Station 1 - Roof Replacement	100,000	101-336-987-0000
Solid Waste - Vehicles	Street Sweeper #402 (Phase 1 of 2)	150,000	101-528-985-0000
Community Development-Contractual Service	City Portion of MEDC Grant Rewrite	5,200	101-728-818-0002
Parks - Improvements	Rosie's - Gardenia Parking Lot	75,000	101-752-987-0000
Parks - Improvements	Rosie's - Soccer Field Irrigation	20,000	101-752-987-0000
Parks - Improvements	Rosie's - Pavilion	75,000	101-752-987-0000
Parks - Improvements	Ballfield Lighting Upgrades	298,800	101-752-987-0000
Parks - Improvements	Furnance Huffman Building	8,500	101-752-987-0000
Active Adult Center - Tools & Supplies	Kitchen Items	5,000	101-758-985-0000
Active Adult Center - Vehicles	Senior Van #469	32,000	101-758-985-0000
Total General Fund Expenditures		<u>\$ 2,090,537</u>	
<b>Major Street Fund Revenues (202)</b>	<b>Explanation</b>	<b>Amount</b>	
Prior Years Fund Balance	Use of Fund Balance	\$ 492,508	202-053-692-6970
Total Major Street Fund Revenues		<u>\$ 492,508</u>	
<b>Major Street Fund Expenditures (202)</b>	<b>Explanation</b>	<b>Amount</b>	
MS - Construction	John R Overlay	\$ 492,508	202-450-988-0443
Total Major Street Fund Expenditures		<u>\$ 492,508</u>	
<b>Downtown Development Authority Revenues (248)</b>	<b>Explanation</b>	<b>Amount</b>	<b>Account Number</b>
Prior years fund balance	Use of Fund Balance	\$ 5,000	248-053-692-6970
Total Downtown Development Authority Revenues		<u>\$ 5,000</u>	
<b>Downtown Development Authority Expenditures</b>	<b>Explanation</b>	<b>Amount</b>	
Contractual Services	Tree planting	\$ 4,395	248-863-818-0000
Improvements	Tree planting	605	248-863-987-0000
Total Downtown Development Authority Expenditures		<u>\$ 5,000</u>	



**EXHIBIT B**  
**City of Madison Heights**  
**Explanation of Carryforwards from FY 2022-23 to FY 2023-24**

<b>Water &amp; Sewer Revenues (590)</b>	<b>Explanation</b>	<b>Amount</b>	<b>Account Number</b>
Prior years fund balance	Use of Fund Balance	\$ 306,000	592-053-692-6970
Total Water & Sewer Revenues		<u>\$ 306,000</u>	
<b>Water &amp; Sewer Expenditures (590)</b>	<b>Explanation</b>	<b>Amount</b>	<b>Account Number</b>
WS - Capital Outlay - Vehicles	Ford 3/4 ton pickup #460	\$ 60,000	592-901-985-0000
WS - Capital Outlay - Improvements	Concrete (Multiple Phases)	246,000	592-901-987-0000
Total Water & Sewer Expenditures		<u>\$ 306,000</u>	
Total Exhibit B Carryforward items		<u>\$ 2,894,045</u>	



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** 6/26/2023

**PREPARED BY:** Crystal Schell / Chief Corey Haines

**AGENDA ITEM CONTENT:** Service Agreement for School Resource Officer for Lamphere

**AGENDA ITEM SECTION:** Reports

**BUDGETED AMOUNT:**

**FUNDS REQUESTED:**

**FUND:**

**EXECUTIVE SUMMARY:**

See attached agreement

**RECOMMENDATION:**

Staff requested City Council approve the School Resource Officer (SRO) Agreement for the Lamphere District.

**CITY OF MADISON HEIGHTS AND LAMPHERE SCHOOL DISTRICT SHARED  
SERVICE AGREEMENT/MEMORANDUM OF UNDERSTANDING (MOU)  
FOR SCHOOL POLICE RESOURCE OFFICER**

This Agreement, made effective on the date indicated below, is entered into by and between the City of Madison Heights, a Michigan Municipal Corporation, whose principal offices are located at 300 W. Thirteen Mile Road, Madison Heights, Michigan 48071 (hereinafter referred to as "**City**") and the Lamphere School District, whose principal offices are located at 31201 Dorchester, Madison Heights, Michigan 48071 (hereinafter referred to as "**School District**").

WHEREAS, the School District is in need of the services and support of a Police/School Resource Officer ("**SRO**") to investigate criminal activity, civil infractions, and traffic violations upon school property and/or by students at the School District, and

WHEREAS, the Madison Heights Police Department ("**MHPD**") is desirous of providing police protection for the School District by providing the services of one (1) SRO, and

WHEREAS, the sharing of services and costs of a police officer to serve as SRO is in the best interest of the public.

NOW, THEREFORE, the parties hereto agree as follows:

**1. OBLIGATIONS OF THE CITY OF MADISON HEIGHTS.**

The City of Madison Heights shall provide the services of one (1) Madison Heights Police Officer to be known as the Police/School Resource Officer ("SRO") from August to June of each year during the times that the school district schools are in regular session. The City shall select the SRO. The City may assign, in its sole discretion, another Madison Heights Police Officer to serve as an SRO due to operational issues. The City shall provide advanced written notice of such replacement or reassignment and the reason for such replacement or reassignment. If the School District determines the SRO is unsuitable to serve as SRO, it may request, in writing, that the City choose another SRO, and the City shall comply with that request. The School District must provide written documentation regarding the reason(s) for the request. The SRO will be employed by MHPD to provide security on a routine basis to the School District. This shall be in accordance with this Agreement and all appropriate and applicable state laws, federal laws, local ordinances, and court orders. The number of SRO(s) may be increased upon a written mutual agreement of the parties.

A. It is the responsibility of the MHPD to ensure that the SRO performs all duties as provided for herein. The City is the sole employer of the SRO and shall have sole control over supervision and direction of the SRO. The School District shall immediately notify the City in writing of any/all performance concerns in order for the City to address any hiring, assignment, and/or disciplinary decisions.

B. The SRO shall perform the following duties associated with the position: investigation of incidents on and off campus that may impact campus security, staff, student, or visitors; long-term problem solving for criminal and safety concerns; early intervention for prevention of safety emergencies; and cooperation with School District personnel to implement safety protocols and strategies.

1. The SRO shall provide these services within the corporate limits of Madison Heights on a regular full-time basis during the standard school

week, Monday through Friday, excluding holidays and other designated days school is not in session, up to a maximum of 40 regular hours per week, excluding special events (i.e., school board meetings, athletic events, marching band events, dances, etc.).

2. During after-School Activities, the SRO is an employee of the City. The City retains the right and authority to manage and direct the services provided by the SRO.
- C. The City shall confirm that the SRO meets all requirements under Michigan and federal law necessary for the SRO to serve as SRO, including but not limited to successful completion of background checks under MCL 380.1230 et. seq. The City is responsible for costs related to all training requirements and background checks.
- D. The City shall determine the "Total SRO Costs/Wages/Benefits," which is defined as the sum of the costs incurred by the City for payment of the SRO's regular costs/wages/benefits for all regular hours, approved school-related overtime and overtime related benefits, vacation, holiday, and personal days, all payroll expenses including, but not limited to, payroll-based taxes, workers compensation, FICA, pension, medical benefits, prescription benefits, dental benefits, vision benefits, life insurance, sickness and accident benefits, post-retirement health, unemployment expenses, and uniform costs, calculated at the rates then applicable at the time the services were performed.

## 2. **OBLIGATIONS OF THE LAMPHERE SCHOOL DISTRICT.**

The School District shall pay to the City an amount equal to 15% of the Total SRO Costs/Wages/Benefits on a quarterly basis (i.e., 60% total each year). The School District is not an employer of the SRO and will not supervise, direct, or otherwise engage with the SRO in the context of the traditional employer-employee relationship. However, the School District will work with the SRO and the City to ensure the SRO has space on school grounds to perform the SRO's functions under this Agreement.

3. **FEES.** The City shall quarterly invoice the School District on or before October 15, January 15, April 15, and July 15 of each school year. The School District shall pay invoices within 15 days of receipt, except that disputed amounts are not due until 14 days after the dispute is resolved. The City's failure to submit invoices does not waive the School District's obligation to pay. The City shall provide the School District with a projected annual Total SRO Costs/Wages/Benefits amount by July 15<sup>th</sup> of each year. The City shall revise and promptly communicate to the School District if the City has reason to believe the costs to the School District for that school year will increase by 10% or more.
4. **CONFIDENTIALITY.** All information that is identified as confidential or proprietary and is received by either party in connection with the services provided under this Agreement shall be kept confidential to the extent permitted by law.

If an SRO receives personally identifiable information from education records while acting as a "school official" under (or as otherwise permitted by) the Family Educational Rights and Privacy Act, the SRO shall not disclose that information to the City or any party other than the School District, unless such disclosure is permitted under FERPA or any other applicable law.

5. **TERM OF AGREEMENT.** It is mutually agreed that the term of this Agreement shall be for an initial period of three (3) years, commencing with the effective date of this Agreement. This Agreement may be renewed annually thereafter by a new mutual written agreement executed by the parties on or before May 31<sup>st</sup> of each subsequent year. During the initial term or during any annual renewal each party reserves the right to terminate this Agreement upon thirty (30) days' written notice to the other party, with or without cause, for any reason, or for no reason whatsoever. The School District shall be responsible for the payment of services rendered under this Agreement through the effective date of termination.
6. **NOTICE.** Any notice under this Agreement shall be in writing and sent to the other party as follows: Madison Heights Police Department, ATTN: Police Chief, 280 W. 13 Mile Rd. Madison Heights, MI 48071, with a copy forwarded to the City Manager, 300 W. 13 Mile Rd. Madison Heights, MI 48071. Lamphere Public Schools, ATTN: Superintendent, 31201 Dorchester, Madison Heights, MI 48071, with a copy to the Lamphere School Board President at the same address.
7. **APPLICABLE LAW.** This Agreement is made and entered into in the State of Michigan and shall in all respects be interpreted, enforced, and governed in accordance with the laws of the State of Michigan.
8. **SEVERABILITY.** If a court of competent jurisdiction finds any provision of this Agreement invalid or unenforceable, then that provision shall be deemed severed from the Agreement. The remainder of this Agreement shall remain in full force.
9. **ENTIRE AGREEMENT.** This Agreement sets forth the entire Agreement and understanding between the parties as to the subject matter hereof and merges and supersedes all prior discussions, agreements and undertakings of every kind and nature between them with respect to the subject matter hereof, and no party hereto shall be bound by any condition, definition, warranty or representation other than as expressly provided for in this Agreement. This Agreement shall only be modified by mutual agreement of the parties in a signed writing.

[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, this Agreement is executed by the Parties on this

\_\_\_\_\_ day of \_\_\_\_\_ 2023.

WITNESSES:

CITY OF MADISON HEIGHTS

\_\_\_\_\_

\_\_\_\_\_  
Roslyn Grafstein, Mayor

\_\_\_\_\_

\_\_\_\_\_  
Cheryl Rottmann, City Clerk

WITNESSES:

LAMPHERE SCHOOL DISTRICT

\_\_\_\_\_

\_\_\_\_\_  
Dale Steen, Superintendent  
Lamphere School District

\_\_\_\_\_

\_\_\_\_\_  
Allison Minowa, President  
Lamphere School District Board



## AGENDA ITEM SUMMARY FORM

**MEETING DATE:** 06/26/23

**PREPARED BY:** Melissa R. Marsh, City Manager

**AGENDA ITEM CONTENT:** Interlocal Agreement with OCPRC for Park Operations and Park Renaming

**AGENDA ITEM SECTION:** Reports

**BUDGETED AMOUNT:** \$0

**FUNDS REQUESTED:**

**FUND:**

**EXECUTIVE SUMMARY:**

See attached report.

**RECOMMENDATION:**

Staff and I request City Council consider approving two motions:

1. Approval of the Interlocal agreement with OCPRC allowing the following changes to take place at: Ambassador Park, George W. Suarez Friendship Woods and Nature Center, and the Red Oaks Youth Soccer Complex.
2. Amend Council motion CM-23-33 to rename Twelve-Sherry Park to McGillivray Park in honor of Gary McGillivray.

**To: Honorable Mayor and City Council**

**From: Melissa R. Marsh, City Manager**

**Date: June 20, 2023**

**RE: Interlocal Agreement for Park Operations and Park Renaming**

The interlocal agreement between the City of Madison Heights and the Oakland County Parks and Recreation Commission (OCPRC) establishes terms for the future operation, maintenance, improvement, and management of real property dedicated to public recreation owned by the City, which will be incorporated within Red Oaks County Park. This interlocal agreement is the first “official” step in moving forward with the complete redevelopment of Ambassador Park and eliminating the City’s required Fifty-Thousand dollars (\$50,000) annual capital contribution for the George W. Suarez Friendship Woods maintenance.

With the execution of this agreement, OCPRC will:

1. Assume responsibility for Ambassador Park, a 7-acre public park located at 600 E Thirteen Mile Road.
2. Continue management of George W. Suarez Friendship Woods, located at 30330 Hales Road.
3. Transfer grounds maintenance responsibilities from OCPRC to the City of Madison Heights at the Youth Soccer Complex.

Approval of this legal agreement is a necessary step for the implementation of park improvement projects authorized and funded under the Healthy Communities Park and Outdoor Recreation Investment Plan approved by the Oakland County Board of Commissioners on October 20, 2022. A Letter of Intent between the parties regarding Ambassador Park was approved by the City Council and the Oakland County Economic Development and Infrastructure Committee in October 2022.

The agreement establishes a 20-year term with a transition period for implementation ending concurrently with the County's FY23 fiscal year. The pre-existing lease between the parties for the management and operation of the Friendship Woods property will be superseded to establish consistent provisions for both properties. The new terms release the City from cost-sharing responsibilities. The City and County also have a maintenance agreement for the Youth Soccer Complex where the City is responsible for the maintenance of the building and financial obligation for maintenance of the fields, including irrigation, mowing, and snow removal. However, Oakland County staff currently performs these services. This agreement releases the County from the obligation of providing these services while allowing the City to contract this with another contractor of their choosing.

Upon execution of the agreement by all parties, OCPRC will proceed with planning, public engagement, and the final design of park improvement projects funded under the Healthy Communities Plan. Preliminary plans include the development of an innovative play and activity area designed to create active interactions between multiple generations - especially children and seniors.

In addition, staff has been in conversations with OCPRC regarding the renaming of Ambassador. Given the processes Oakland County has in place for naming parks, they have suggested a park feature be named instead; however, this doesn’t seem to be the scale the Historical Committee originally intended when proposing Ambassador Park renaming therefore, after Mayor Pro Tem Bliss spoke to the family we are suggesting City Council



approve an amendment to the original naming motion and approve renaming 12 Sherry park McGillivray Park on July 17, 2023.

Staff and I request City Council consider approving two motions:

1. Approval of the Interlocal agreement with OCPRC allowing the following changes to take place at: Ambassador Park, George W. Suarez Friendship Woods and Nature Center, and the Red Oaks Youth Soccer Complex.
2. Amend Council motion CM-23-33 to rename Twelve-Sherry Park to McGillivray Park in honor of Gary McGillivray.

**INTERLOCAL PARTNERSHIP AGREEMENT  
FOR PARK OPERATION BETWEEN  
THE COUNTY OF OAKLAND  
AND  
THE CITY OF MADISON HEIGHTS**

This Agreement (the "Agreement") is made between the County of Oakland, a Constitutional and Municipal Corporation, 1200 North Telegraph, Pontiac, Michigan 48341 ("County"), by, through, and administered by its statutory agent the Oakland County Parks and Recreation Commission ("OCPRC") and the City of Madison Heights, 300 West Thirteen Mile, Madison Heights, Michigan 48071 ("City"). County and the City may also be referred to jointly as "Parties".

**INTRODUCTION AND PURPOSE OF AGREEMENT.**

- A. On February 3, 2022, the City and the County entered into a lease for OCPRC to operate, manage, plan, and maintain certain real property and a building as a public park, natural preservation area, and nature center located at 30300 Hales Street, Madison Heights, Michigan 48071, known as the George W. Suarez Friendship Woods at Red Oaks County Park.
- B. On September 7, 2022, the City and the County executed a letter of intent expressing a desire to negotiate a mutually acceptable agreement for OCPRC to operate, manage, plan, and maintain approximately 7 acres of real property located at 600 E. Thirteen Mile Road, Madison Heights, Michigan, 48071, known as Ambassador Park.
- C. To fund park improvements in areas most disproportionately impacted by the COVID 19 pandemic, OCPRC created the Healthy Communities Park and Outdoor Recreation Investment Plan ("Plan"), which utilizes the Coronavirus Local Fiscal Recovery Fund and OCPRC monies. These funds were leveraged by commitments from local governments with long term operational agreements to facilitate the expansion of the OCPRC Park System to incorporate additional parks, including parks in the City.
- D. In October 2022, the Oakland County Board of Commissioners appropriated Fifteen Million (\$15,000,000) dollars of Coronavirus Local Fiscal Recovery Fund monies, in Miscellaneous Resolution #22-338, to fund and support the Plan.
- E. The Parties now desire to terminate the February 3, 2022 lease relating to the George W. Suarez Friendship Woods lease and enter into this Agreement to effectuate the Plan, streamline the use of Coronavirus Local Fiscal Recovery Fund and OCPRC monies, delineate duties and responsibilities between the Parties with respect to operation, management, planning, and maintenance of George W. Suarez Friendship Woods and Ambassador Park.
- F. The Parties also desire to terminate the Grounds Maintenance Agreement for the Red Oaks Youth Soccer Complex dated January 24, 2011.

The Parties agree to the following terms and conditions:

1. **DEFINITIONS.** The following words and expressions used throughout this Agreement, whether used in the singular or plural, shall be defined, read, and interpreted as follows.
  - 1.1. **Agreement** means the terms and conditions of this Agreement and any other mutually agreed to written and executed modification, amendment, addendum, or exhibit approved in accordance with Section 2.
  - 1.2. **Capital Improvement Project** means a project that: (1) costs Thirty Thousand (\$30,000) dollars or more and (2) extends the life cycle of an existing facility or asset; replaces,

renovates, or remodels an existing facility or asset; or adds a new facility or asset.

- 1.3. **City** means the City of Madison Heights, its Council, departments, divisions, elected and appointed officials, board members, commissioners, authorities, committees, employees, agents, subcontractors, attorneys, volunteers, and/or any such persons' successors.
- 1.4. **City Employee** means any City employee, officer, manager, volunteer, attorney, contractor, subcontractor, and/or any such person's successors or predecessors (whether such persons act or acted in their personal, representative, or official capacities). "City Employee" shall also include any person who was a City Employee at any time during the term of this Agreement but, for any reason, is no longer employed, appointed, or elected in that capacity.
- 1.5. **Claims** means any alleged losses, claims, complaints, demands for relief or damages, lawsuits, causes of action, proceedings, judgments, deficiencies, liabilities, penalties, litigation, costs, and expenses, including, but not limited to, reimbursement for reasonable attorney fees, witness fees, court costs, investigation expenses, litigation expenses, amounts paid in settlement, and/or other amounts or liabilities of any kind which are incurred by or asserted against a Party, or for which a party may become legally and/or contractually obligated to pay or defend against, whether direct, indirect or consequential, whether based upon any alleged violation of the federal or the state constitution, any federal or state statute, rule, regulation, or any alleged violation of federal or state common law.
- 1.6. **County** means Oakland County, a Municipal and Constitutional Corporation, including, but not limited to, all of its departments, divisions, the County Board of Commissioners, elected and appointed officials, directors, board members, council members, commissioners, authorities, committees, employees, agents, volunteers, and/or any such persons' successors.
- 1.7. **County Employee** means any County employee, officer, manager, volunteer, attorney, contractor, subcontractor, and/or any such person's successors or predecessors (whether such persons act or acted in their personal, representative, or official capacities). "County Employee" shall also include any person who was a County Employee at any time during the term of this Agreement but, for any reason, is no longer employed, appointed, or elected in that capacity.
- 1.8. **Day** means any calendar day beginning at 12:00 a.m. and ending at 11:59 p.m.
- 1.9. **Effective Date**. The date all Parties sign the Agreement.
- 1.10. **Exhibits** means the following documents, which this Agreement includes and incorporates:
  - 1.10.1. **Exhibit A**: describes and depicts the Premises.
- 1.11. **OCPRC** means the Oakland County Parks and Recreation Commission, as established by resolution of the Oakland County Board of Commissioners pursuant to Public Act 261 of 1965, MCL 46.351, et seq.
- 1.12. **Park** means the park operated and managed by OCPRC on the Premises.
- 1.13. **Park Fees and Charges** means the following fees and charges: (1) equipment/facility rental fees, (2) event program fees, (3) sponsorship of events/programs by third parties, and (4) and all other fees and charges charged and collected by OCPRC associated with the use of the Park.
- 1.14. **Park Revenue** means the monies generated from the Park Fees and Charges received by OCPRC and grants, gifts, and donations received by OCPRC or by the City for the Park.
- 1.15. **Premises** means the real property that is described and depicted in Exhibit A.
- 1.16. **Transition Period** means a period of time commencing on the Effective Date and ending on September 30, 2023, or the date the City Council approves the Park Action Plan (as described in Section 4.7), whichever occurs last.

## 2. **AGREEMENT TERM/PROPERTY DESCRIPTION & TERMINATION.**

2.1. **Agreement Term.**

2.1.1. **Initial Term.** This Agreement shall commence on the Effective Date and end twenty (20) years from the Effective Date (“Initial Term”).

2.1.2. **Renewal Term.** On the date the Initial Term ends, this Agreement shall automatically renew, without action of either Party, for twenty (20) years (“Renewal Term”). However, if either Party provides written notice to the other Party, at least one hundred eighty (180) days before the end of the Initial Term, of its desire that the Agreement not renew, then the Agreement shall end on the last day of the Initial Term.

2.1.3. **Non-Renewal of Agreement.** The non-renewal of this Agreement pursuant to this Section shall not be deemed a termination of this Agreement under Section 2.7.

2.1.4. **Continuation of Terms and Conditions.** The terms and conditions contained in this Agreement shall not change during the Initial Term or Renewal Term, unless mutually agreed to by the parties in writing.

2.1.5. **Approval of Agreement.** The approval and terms of this Agreement and any amendments thereto shall be entered in the official minutes of the governing bodies of each Party. An executed copy of this Agreement and any amendments shall be filed by the County Clerk with the Secretary of State.

2.2. **Agreement Amendments.** All amendments or modifications to this Agreement shall be in writing and approved and filed as set forth in Section 2.1.

2.3. **Property Subject to Agreement.** The City grants the County use of the Premises for the purposes and according to the terms and conditions set forth herein.

2.4. **Use of Premises.** On the date the Transition Period ends, OCPRC shall have care, control, and use of the Premises to operate, manage, plan, maintain, and improve the Premises for public recreation activities, as further described and delineated herein, and to provide other recreation activities mutually agreed upon by the Parties. OCPRC shall obtain the City’s prior consent, in writing, to use the Premises for any purpose not described herein, such consent shall be given by the City’s Representative.

2.5. **Fee for Use of Premises.** The County shall not pay a monetary fee for the use of the Premises. The Parties acknowledge that the services provided by the County during this Agreement are adequate consideration for this Agreement.

2.6. **Designation of Park & Name of Park & Park Facilities.** During this Agreement, the park premises shall be designated as Red Oaks County Park. OCPRC may, with consent of the City’s Representative, designate a name for major park amenities and facilities within the Park.

2.7. **Termination/Expiration.**

2.7.1. **Termination by the City.** The City may terminate this Agreement, at any time, if OCPRC is notified in writing at least one hundred eighty (180) days prior to the effective date of termination and any one of the following occur: (1) the Premises are no longer being used for the purposes identified in this Agreement; (2) OCPRC provided the City with information at any time during this Agreement that was false or fraudulent; or (3) OCPRC materially fails to perform any of its obligations under this Agreement, and such failure is not cured within ninety (90) calendar days after written notice of default to OCPRC.

- 2.7.1.1. **Termination by the City in Absence of Default/Breach.** If the City terminates this Agreement, in the absence of default or breach by OCPRC, then the City shall reimburse OCPRC the amount of the non-depreciated value of Capital Improvement Projects to the Park, paid for by OCPRC, on the date of the termination notice.
- 2.7.1.2. **Termination by the City for Default/Breach.** If the City terminates this Agreement for default or breach by OCPRC, then the City does not have to reimburse OCPRC the non-depreciated value of Capital Improvement Projects to the Park paid for by OCPRC.
- 2.7.2. **Termination by OCPRC.** OCPRC may terminate this, at any time, if the City is notified in writing at least one hundred eighty (180) days prior to the effective date of termination and any one of the following occur: (1) the Premises are no longer being used for the purposes identified in this Agreement; (2) the City provided OCPRC with information, at any time during the Agreement term, that was false or fraudulent; (3) the City materially fails to perform any of its obligations under this Agreement, and such failure is not cured within ninety (90) calendar days after written notice of default to the City.
- 2.7.2.1. **Termination by OCPRC in Absence of Default/Breach.** If OCPRC terminates this Agreement in absence of default or breach by the City, then the City does not have to reimburse OCPRC the non-depreciated value of Capital Improvement Projects to the Park paid for by OCPRC.
- 2.7.2.2. **Termination by OCPRC for Default/Breach.** If OCPRC terminates this Agreement for default or breach of the City, then the City shall reimburse OCPRC the amount of the non-depreciated value of Capital Improvement Projects to the Park, paid for by OCPRC, on the date of the termination notice.
- 2.7.3. **Disposition of Personal Property Upon Expiration/Termination of Agreement.** Upon expiration or termination of this Agreement, for any reason, each Party shall retain ownership of personal property purchased by them, unless the Parties agree in writing otherwise. "Personal property" does not include buildings, fixtures, or Capital Improvements as described in Section 4.4.
- 2.7.4. **Condition of Park Upon Expiration/Termination of Agreement.** Upon the expiration or termination of this Agreement, OCPRC shall cease all Park management and operation, surrender the Premises to the City, and cooperatively work with the City to transfer Park management and operation.
- 2.7.5. **Payment for Non-Depreciated Capital Improvement Projects Upon Agreement Expiration.** If the Agreement is not renewed at the end of the Initial Term for the Renewal Term, then the City shall reimburse OCPRC the amount of the non-depreciated value of Capital Improvement Projects to the Park, paid for by OCPRC with non-Coronavirus Local Fiscal Recovery Fund monies, on the date the Agreement expires. Upon the expiration of the Renewal Term, the City shall not reimburse OCPRC the amount of the non-depreciated value of Capital Improvement Projects to the Park, paid for by OCPRC.

### 3. **TRANSITION PERIOD.**

- 3.1. **Transition Period.** This Agreement includes a Transition Period. During the Transition

Period, the Parties shall work cooperatively to facilitate the transfer of Park management and operations to OCPRC.

3.2. **Park Information.**

- 3.2.1. **Grants & Endowments.** Within thirty (30) days of the Effective Date, the City shall provide OCPRC copies of all grant agreements, endowment agreements, or other agreements that impose restrictions and conditions upon the Premises and its use.
- 3.2.2. **Agreements between the City and Third Parties.** Within thirty (30) days of the Effective Date, the City shall provide OCPRC copies of all third-party agreements relating to the use, management, or operation of the Premises, if any. OCPRC is not under any obligation to assume any third-party agreements relating to the management or operation of the Premises.

3.3. **Rights and Obligations During the Transition Period.**

- 3.3.1. **Park Operation and Maintenance During Transition Period.** During the Transition Period, the City shall be responsible to operate and maintain the Park and to pay for all costs associated therewith, except that OCPRC shall be responsible to operate and maintain the George W. Suarez Friendship Woods at Red Oaks County Park in the same manner as provided in the February 3, 2022 lease until the end of the Transition Period.
- 3.3.2. **County Right to Access the Premises.** During the Transition Period, the County may access the Premises to perform maintenance, restoration, repairs, and improvements to the Premises, mutually agreed to by the Parties in writing.
- 3.3.3. **Premises Inspections.** During the Transition Period, the County shall inspect the infrastructure and conditions of the Park, including but not limited to the condition of utilities and their connections, the parking lot, trees, restrooms, playground equipment, trails and pathways, boat launch, and dock. The inspection shall be codified in a document to illustrate the condition of the Premises at the end of the Transition Period.
- 3.3.4. **Park Planning.** After the conclusion of the Transition Period, the County shall: (1) assume primary responsibility for Park planning, (2) regularly consult with the City about such planning, and (3) organize at least two (2) community forums in the City during the Transition Period to hear suggestions from City residents.
- 3.3.5. **Park Programming.** During the Transition Period, OCPRC may organize and host mutually agreed upon recreation programs, events, volunteer activities, and other activities.

3.4. **Environmental Condition.**

- 3.4.1. **Environmental Assessments.** During the Transition Period, OCPRC shall examine the Premises and perform a Phase I Environmental Site Assessment (ESA), Phase II ESA, and any additional environmental assessments that OCPRC deems necessary, in its sole discretion and at its sole cost.
- 3.4.2. **Copies of Environmental Assessments.** Upon request by the City, OCPRC will provide the City with a copy of the Phase I ESA, Phase II ESA, and any other environmental assessments. OCPRC shall take possession of the Premises subject to

the Phase I ESA, the Phase II ESA, and any other environmental assessments performed pursuant to this Section.

- 3.5. **Termination Related to Environmental Assessments.** Notwithstanding any other provision, OCPRC may terminate this Agreement prior to the end of the Transition Period, if OCPRC is not satisfied with the condition of the Premises as evidenced by the Phase I ESA, the Phase II ESA or other environmental assessment performed pursuant to this Section.

#### 4. **PARK GOVERNANCE & OPERATIONS.**

- 4.1. **Agreement Administration.** The City Manager or their successor or their written designee is the City's Agreement Administrator (hereinafter "the City's Representative"). The OCPRC Director or their successor or their written designee is OCPRC's Agreement Administrator (hereinafter "OCPRC's Representative"). Each Party must notify the other of their written designees.
- 4.2. **Disputes.** All disputes arising under or relating to the interpretation, performance, or nonperformance of this Agreement involving or affecting the Parties shall first be submitted to the City Representative and the OCPRC Representative for possible resolution. If the City Representative and the OCPRC Representative cannot resolve the dispute, then the Parties shall submit the dispute to the County attorney and City attorney for resolution. If the attorneys cannot resolve the dispute, then the Parties shall submit the dispute to mediation or arbitration.
- 4.3. **Park Management and Operations.** Except as otherwise provided by this Agreement, OCPRC shall manage and operate the Park in a manner consistent with other OCPRC Parks, OCPRC policies, the OCPRC 5-Year Parks and Recreation Master Plan ("OCPRC Master Plan"), and the plans and programs set forth and described herein. The OCPRC Master Plan can be found on the OCPRC website and includes the following core values: (a) Diversity, Equity, and Inclusion, (b) Health and Wellness, (c) Environmental Sustainability and Natural Resource Stewardship, and (d) Fiscal Responsibility and Organizational Excellence. OCPRC shall manage and operate the Park with OCPRC staff, volunteers, and contractors.
- 4.4. **Park Improvement Projects.** OCPRC shall be responsible to provide and perform (either directly or through third parties) improvements for the Park. This responsibility and the costs associated therewith shall be addressed in the plans and programs set forth and described herein. All Capital Improvement Projects shall become an integral part of the Premises and shall be owned by the City. OCPRC shall provide an annual report on the Capital Improvement Projects completed in the Park to the City's Representative.
- 4.5. **Park Maintenance/Repairs.** OCPRC shall be responsible to provide and perform (either directly or through third parties) maintenance and repairs for the Park. This responsibility and the costs associated therewith shall be addressed in the plans and programs set forth and described herein.
- 4.6. **Park Utilities and Services.** OCPRC shall be responsible to provide the utilities and services it deems necessary for the operation of the Park. The provision of and costs for the utilities shall be set forth in the plans and programs set forth and described herein. However, OCPRC shall not authorize or approve any easements or other encumbrances to, on, or across the Park or the Premises unless mutually agreed to by the parties in writing.

- 4.7. **Park Action Plan.** By March 31, 2024, OCPRC shall create a Park Action Plan. The Park Action Plan shall be created pursuant to OCPRC's current policies and procedures, but shall include provisions related to the City of Madison Heights Parks and Recreation Master Plan. Once completed, OCPRC shall submit the Park Action Plan to the City Representative for comments and recommendations. The Park Action Plan shall not be approved or implemented by OCPRC without prior written approval by the City Representative and a majority vote of the City's City Council. The City Representative shall submit its comments and recommendations to the OCPRC Representative within thirty (30) Days of receipt of the Park Action Plan. OCPRC Representative shall review and consider the City Representative's comments and recommendations and shall endeavor to address all comments and recommendations. Notwithstanding any other provision, if the City Council does not approve the Park Action Plan by June 30, 2024, the County may terminate this Agreement. Such termination shall not be deemed a breach or default of the City. Modifications to the Park Action Plan shall be codified according to the procedure set forth in this Section.
- 4.8. **Park Capital Improvement Plan.** When OCPRC deems necessary, OCPRC shall create a Park Capital Improvement Plan ("CIP") forecasting Capital Improvement Projects for a five (5) year period. The CIP shall be created pursuant to OCPRC's current policies and procedures and shall be included in OCPRC's annual CIP. Once completed, OCPRC shall submit the CIP, applicable to the Park, to the City Representative for comments and recommendations. The City Representative shall submit its comments and recommendations to the OCPRC Representative within forty-five (45) Days of receipt of the CIP. OCPRC shall review and consider the City Representative's comments and recommendations and shall endeavor to address all comments and recommendations; however, OCPRC is not obligated to incorporate such comments and recommendations into the CIP. After receiving the City Representative's written approval of the CIP, OCPRC shall commence to have the CIP adopted and implemented pursuant to its policies and procedures. Modifications to the CIP shall be codified according to the procedure set forth in this Section.
- 4.9. **Park Access/Parking.** OCPRC shall be responsible to determine how Park patrons will access the Park (ingress to and egress from the Park). This responsibility and the costs associated therewith shall be addressed in the plans and programs set forth and described herein. In no event shall any resident of the City incur any fee or charge for entering the Park or Premises or for parking their car in or on the Park or Premises.
- 4.10. **Endangered Species.** OCPRC acknowledges that the Premises or portions thereof may be subject to restrictions or closures, if endangered species are present.
- 4.11. **Park Rules.** During this Agreement, the Park and Premises shall be subject to OCPRC Rules and Regulations and OCPRC policies and procedures, except as otherwise provided by this Agreement.
- 4.12. **Signs.** OCPRC shall be responsible for and is permitted to erect signs to identify the Park and features/structures located therein and to erect other signs that are typical and/or necessary at a public park of this nature.
- 4.13. **Volunteers.** OCPRC will use volunteers at the Park in various capacities, including existing volunteers and volunteer groups. All volunteers providing volunteer service at the Park shall become part of OCPRC's volunteer program.
- 4.14. **Sponsorship of Events/Programs at Park by Third Parties.** Without approval from the



City, OCPRC may solicit or accept sponsorship of events/programs at the Park by third-parties, pursuant to OCPRC's policies and procedures.

- 4.15. **Use of Park by Third Parties.** Notwithstanding any other provision in this Agreement, OCPRC may license use of the Park to third parties for events or programs, without approval from and notification to the City. OCPRC shall allow such use via written agreement with the third party, pursuant to OCPRC's policies and procedures. OCPRC shall notify the City in writing of events and programs of significant size. To avoid scheduling conflicts at the Park, all third parties desiring to use the Park for events or programs shall schedule such use through OCPRC. The written agreement for use of the Park by third parties shall also include the City as an indemnified party and additional insured as well, if insurance is required.
- 4.16. **Use of Park by the City.** The City may use the Park for City-sponsored events or programs at no cost, charge, or fee, if such use does not conflict with scheduled events or programs. To avoid scheduling conflicts at the Park, the City shall reserve use of the Park for its events or programs, through OCPRC. The City shall be responsible for all costs associated with the setup, operation, and cleanup of such events or programs.

## 5. **PARK FINANCES.**

- 5.1. **Initial OCPRC Investment.** The County shall make an initial investment of, not less than One Million Five Hundred Thousand (\$1,500,000) dollars, for Park operations, management, planning, maintenance, and improvements ("Initial Park Investment").
- 5.2. **Establishment of Park Fees & Charges.** OCPRC shall establish all Park Fees and Charges at the Park. The Park Fees and Charges shall be created, adopted, and implemented pursuant to OCPRC's current policies and procedures. Notwithstanding any other provision in this Agreement, at no time shall City Residents and Oakland County Residents be charged a fee for entry into the Park or the Premises or for parking at the Park or on the Premises.
- 5.3. **Park Revenue.** Subject to applicable law, all Park Revenue shall be paid to OCPRC and shall be deemed OCPRC's. OCPRC shall record the monies of all Park Revenue according to generally accepted accounting principles and in a manner similar to how OCPRC records other revenue it collects and receives.
- 5.4. **Annual Accounting and Audits.** OCPRC shall provide the City with an annual accounting of Park Revenue consistent with OCPRC's policies and procedures. The City has the right to annually review and audit OCPRC's records related to Park Revenue.
- 5.5. **Park Grants.**
- 5.5.1. **Existing Grants.** The City has received three Michigan Department of Natural Resources grants relating to property acquisition and development: December 15, 1982 State Recreation Land Acquisition Trust Fund MLTF#492 – Simonds Woods Nature Area Trust Fund Project Agreement; June 1, 1994 Protecting Michigan's Future Recreation Bond Program BF93-090 – Suarez Woods Nature Center Development Project Agreement; and July 7, 1999 Michigan Natural Resources Trust Fund TF97-032 – Suarez Woods Parks Expansion. As a condition of this Agreement, the City affirms its grant obligations and the County agrees to the terms, promises, conditions, and assurances set forth in the terms and conditions of these three grant agreements.
- 5.5.2. **Future Grants.** The Parties shall use their best efforts to work together to secure

grant funding for Park expansion, development, improvements, operation, and maintenance. OCPRC shall be responsible for applying for and managing grants related to the Park.

6. **ASSURANCES/LIABILITY/INSURANCE.**

- 6.1. **Title to Premises.** The City warrants that it has fee simple title to the Premises and the authority to enter into this Agreement. The City, at its sole expense, shall defend (including payment of attorney fees) OCPRC against any Claim challenging the City's right to execute this Agreement or OCPRC's use of the Premises as set forth herein.
- 6.2. **Liability for Claims.** Except as otherwise provided herein, each Party shall be responsible for any Claims made against that Party by a third-party and for the acts or omissions of its employees, volunteers, officers, or officials arising under or related to this Agreement.
- 6.3. **Liability for Claims Prior to the Agreement Effective Date.** The City shall be solely responsible for and shall defend (including payment of attorney fees) OCPRC against, at the City's sole expense, any Claim that occurred prior to the Effective Date or that was incurred but not reported prior to the Effective Date, except for Claims arising from OCPRC's use of the "Nature Center" portion of the Premises, as described in Exhibit A, since the October 1, 2012 and February 3, 2022 lease of the George W. Suarez Friendship Woods at Red Oaks County Park.
- 6.4. **Liability for Environmental Matters.** Notwithstanding any other provision, OCPRC shall not be responsible to perform or pay for remediation or clean-up of any environmental contamination on or around the Premises, which existed on the Premises prior to the Effective Date and/or discovered by the Phase I ESA, Phase II ESA, or any other environmental assessments performed pursuant to this Section 3, except for remediation or clean-up arising from OCPRC's use of the "Nature Center" portion of the Premises, as described in Exhibit A, since the October 1, 2012 and February 3, 2022 lease of the George W. Suarez Friendship Woods at Red Oaks County Park.
- 6.5. **Legal Representation.** Except as provided herein, each Party shall seek its own legal representation and bear the costs associated with such representation, including judgments and attorney fees, for any Claim that may arise from the performance of this Agreement.
- 6.6. **Responsibility for Costs/Fines/Fees.** Each Party shall be solely responsible for all costs, fines, and fees associated with any acts or omissions by its employees, volunteers, officers, or officials arising under or related to this Agreement.
- 6.7. **No Indemnification/Reimbursement.** Except as otherwise provided for in this Agreement, neither Party shall have any right under this Agreement or under any other legal principle to be indemnified or reimbursed by the other Party or any of its agents in connection with any Claim.
- 6.8. **Governmental Function/Reservation of Rights.** Performance of this Agreement is a governmental function and government service. This Agreement does not, and is not intended to, impair, divest, delegate, or contravene any constitutional, statutory, and/or other legal right, privilege, power, obligation, duty, or immunity of the Parties. Nothing in this Agreement shall be construed as a waiver of governmental immunity.
- 6.9. **Limitation of Liability.** In no event shall either Party be liable to the other Party or any other person, for any consequential, incidental, direct, indirect, special, and punitive or other damages arising out of this Agreement.

#### 6.10. **Insurance.**

6.10.1. Except for the insurance set forth in Section 6.10.2 and Section 6.10.3, this Agreement does not require either Party to obtain insurance to cover loss exposures associated with this Agreement and the Park. Each Party is solely responsible to determine whether it will obtain insurance, and in what amounts, to cover loss exposures associated with this Agreement and the Park.

6.10.2. If a Party purchases a special event insurance policy for use the Premises, for whatever reason, then the Party shall name the other Party and its boards, commissions, elected and appointed officers/officials, employees, and volunteers as “additional insureds” on such policy.

6.10.3. The City, at its sole cost, shall obtain real property insurance for existing buildings and structures located on the Premises and for any future buildings and structures located on the Premises whether built by the City or OCPRC. If a building or structure that is covered by the City’s real property insurance is damaged or destroyed, OCPRC shall repair or replace the building or structure and the City shall reimburse OCPRC for all costs associated with the repair or replacement of such building or structure. OCPRC shall invoice the City for the costs of the repair or replacement and the City shall pay such invoice within thirty (30) calendar Days.

6.11. **Waste.** OCPRC shall not commit or allow to be committed any waste or nuisance on the Premises and will not use, or allow the Premises to be used, for any unlawful purpose.

#### 6.12. **Compliance with Laws.**

6.12.1. OCPRC shall comply with all applicable federal, state, or local laws, regulations, rules, and ordinances related to the operation, management, planning, maintenance, and improvement of the Premises and Park. OCPRC shall obtain any necessary permits regarding its use of the Premises.

6.12.2. OCPRC acknowledges that any violations of the federal, state, or local regulations or convictions of any resource violations may be considered a default by OCPRC and the City may terminate this Agreement, as provided herein.

6.12.3. The Parties acknowledge that the Initial Park Investment are monies from the Coronavirus Local Fiscal Recovery Fund allocated to the County pursuant to the American Rescue Plan Act of 2021. The County has determined that the work to be performed with the Initial Park Investment are government services that fit into the loss revenue eligible use category under the Department of Treasury Final Rule implementing the Coronavirus State Fiscal Recovery Fund and the Coronavirus Local Fiscal Recovery Fund established under the American Rescue Plan of 2021. 31 CFR §35.6(d) (2023).

6.13. **Authorization.** The Parties have taken all actions and secured all approvals necessary to authorize and complete this Agreement. The persons signing this Agreement on behalf of each Party have legal authority to sign this Agreement and bind the Parties to the terms and conditions contained herein.

### 7. **GENERAL TERMS AND CONDITIONS.**

7.1. **No Interest in Premises.** Through this Agreement, OCPRC shall have no title interest in and/or to the Premises or any portion thereof and has not, does not, and will not claim any

such title or any easement over the Premises.

- 7.2. **Delegation or Assignment.** Neither Party shall delegate or assign any obligations or rights under this Agreement without the prior written consent of the other Party. For purposes of this Section, consent for the County shall be given by the OCPRC Director or his/her successor and consent for the City shall be given by the City Representative.
- 7.3. **No Employee-Employer Relationship.** Nothing in this Agreement shall be construed as creating an employer-employee relationship between County and the City.
- 7.4. **No Third-Party Beneficiaries.** Except as provided for the benefit of the Parties, this Agreement does not and is not intended to create any obligation, duty, promise, contractual right or benefit, right to indemnification, right to subrogation, and/or any other right in favor of any other person or entity.
- 7.5. **No Implied Waiver.** Absent a written waiver, no act, failure, or delay by a Party to pursue or enforce any rights or remedies under this Agreement shall constitute a waiver of those rights with regard to any existing or subsequent breach of this Agreement. No waiver of any term, condition, or provision of this Agreement, whether by conduct or otherwise, in one or more instances shall be deemed or construed as a continuing waiver of any term, condition, or provision of this Agreement. No waiver by either Party shall subsequently affect its right to require strict performance of this Agreement.
- 7.6. **Severability.** If a court of competent jurisdiction finds a term or condition of this Agreement to be illegal or invalid, then the term or condition shall be deemed severed from this Agreement. All other terms, conditions, and provisions of this Agreement shall remain in full force.
- 7.7. **Captions.** The section and subsection numbers, captions, and any index to such sections and subsections contained in this Agreement are intended for the convenience of the reader and are not intended to have any substantive meaning. The numbers, captions, and indexes shall not be interpreted or be considered as part of this Agreement. Any use of the singular or plural, any reference to gender, and any use of the nominative, objective or possessive case in this Agreement shall be deemed the appropriate plurality, gender or possession as the context requires.
- 7.8. **Force Majeure.** Notwithstanding any other term or provision of this Agreement, neither Party shall be liable to the other for any failure of performance hereunder if such failure is due to any cause beyond the reasonable control of that Party and that Party cannot reasonably accommodate or mitigate the effects of any such cause. Such cause shall include, without limitation, acts of God, floods, fire, explosion, vandalism, national emergencies, insurrections, riots, wars, strikes, lockouts, work stoppages, other labor difficulties, or any law, order, regulation, direction, action, or request of the United States government or of any other government. Reasonable notice shall be given to the affected Party of any such event.
- 7.9. **Notices.** Notices given under this Agreement shall be in writing and shall be personally delivered, sent by express delivery service, certified mail, or first-class U.S. mail postage prepaid, and addressed to the person listed below. Notice will be deemed given on the date when one of the following first occur: (i) the date of actual receipt; (ii) the next business day when notice is sent express delivery service or personal delivery; or (iii) three days after mailing certified U.S. mail.

7.9.1. If Notice is sent to County, it shall be addressed and sent to: OCPRC Director, 2800

Watkins Lake Road, Waterford, Michigan 48328 and the Chairperson of the Oakland County Board of Commissioners, 1200 North Telegraph Road, Pontiac, Michigan 48341.

- 7.9.2. If Notice is sent to the City, it shall be addressed and sent to City Manager, City of Madison Heights 300 West 13 Mile Road, Madison Heights, MI 48071.
- 7.9.3. Either Party may change the individual to whom Notice is sent and/or the mailing address by notifying the other Party in writing of the change.
- 7.10. **Governing Law/Consent To Jurisdiction And Venue.** This Agreement shall be governed, interpreted, and enforced by the laws of the State of Michigan. Except as otherwise required by law or court rule, any action brought to enforce, interpret, or decide any Claim arising under or related to this Agreement shall be brought in the 6th Judicial Circuit Court of the State of Michigan, the 50th District Court of the State of Michigan, or the United States District Court for the Eastern District of Michigan, Southern Division, as dictated by the applicable jurisdiction of the court. Except as otherwise required by law or court rule, venue is proper in the courts set forth above.
- 7.11. **Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original agreement, but all of which together shall constitute one Agreement. Copies (photo, fax, or electronic) of signatures to this Agreement will be deemed originals and may be relied on to the same extent as originals.
- 7.12. **Entire Agreement.** This Agreement represents the entire agreement and understanding between the Parties regarding the maintenance, operation, and management of the Park and the Premises. This Agreement supersedes all other oral or written agreements between the Parties regarding that subject matter. The language of this Agreement shall be construed as a whole according to its fair meaning, and not construed strictly for or against any Party. The Parties agree and acknowledge that upon the date the Transition Period ends the February 3, 2022 lease for the George W. Suarez Friendship Woods at Red Oaks County Park shall terminate and that the January 24, 2011 Grounds Maintenance Agreement for the Red Oaks Youth Soccer Complex shall terminate. Upon termination of the Grounds Maintenance Agreement, OCPRC shall remove all OCPRC signage from the Youth Soccer Complex.

IN WITNESS WHEREOF, \_\_\_\_\_ has been authorized by a resolution of the City, to execute this Agreement.

EXECUTED: \_\_\_\_\_ DATE: \_\_\_\_\_

WITNESSED: \_\_\_\_\_ DATE: \_\_\_\_\_

IN WITNESS WHEREOF, David T. Woodward, Chairperson, Oakland County Board of Commissioners, has been authorized by a resolution of the Oakland County Board of Commissioners to execute this Agreement.

EXECUTED: \_\_\_\_\_ DATE: \_\_\_\_\_  
David T. Woodward, Chairperson  
Oakland County Board of Commissioners

WITNESSED: \_\_\_\_\_ DATE: \_\_\_\_\_

EXECUTED: \_\_\_\_\_ DATE: \_\_\_\_\_  
Gary McGillivray, Chairperson  
Oakland County Parks and Recreation Commission

WITNESSED: \_\_\_\_\_ DATE: \_\_\_\_\_