

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: Sewer Equipment Co. of America

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS

Proposer's Signature:  Date: 12/15/17

NJPA's clarification on exceptions listed above:

No exceptions taken.

Review and Approved:  2/6/18
NJPA Legal Department

Contract Award
RFP #122017

FORM D



Formal Offering of Proposal
(To be completed only by the Proposer)

SEWER VACUUM, HYDRO-EXCAVATION, AND STREET SWEEPER EQUIPMENT, WITH RELATED ACCESSORIES AND SUPPLIES

In compliance with the Request for Proposal (RFP) for SEWER VACUUM, HYDRO-EXCAVATION, AND STREET SWEEPER EQUIPMENT, WITH RELATED ACCESSORIES AND SUPPLIES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Sewer Equipment Company of America Date: 12/13/17

Company Address: 1590 Dutch Rd

City: Dixon State: IL Zip: 61021

CAGE Code/Duns & Bradstreet Number: GLENVIEW-64138

Contact Person: Shawn Bondele Title: Inside Sales Manager

Authorized Signature: *Shawn Bondele* Shawn Bondele
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

NJPA Contract #: 122017-SCA

Proposer's full legal name: Sewer Equipment Company of America

Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.

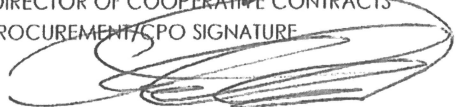
The effective date of the Contract will be February 20, 2018 and will expire on February 20, 2022 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

NJPA Authorized Signatures:



NJPA DIRECTOR OF COOPERATIVE CONTRACTS
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)



NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on February 19, 2018

NJPA Contract # 122017-SCA

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Sewer Equipment Co. of America

Authorized Signatory's Title Inside Sales Manager



VENDOR AUTHORIZED SIGNATURE

Shawn Berdele

(NAME PRINTED OR TYPED)

Executed on 2/20, 2018

NJPA Contract # 122017-SCA



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Sewer Equipment Co. of America

Address: 1590 Dutch Rd

City/State/Zip: Dixon, IL 61021

Telephone Number: 815-835-5623

E-mail Address: shawnbondele@sewerequipment.com

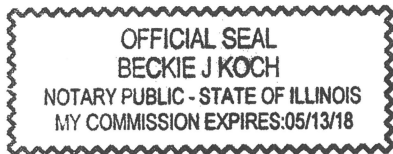
Authorized Signature: *Shawn Bondele*

Authorized Name (printed): Shawn Bondele

Title: Inside Sales Manager

Date: 12/15/17

Notarized



Subscribed and sworn to before me this 15th day of December, 20 17

Notary Public in and for the County of Carroll State of Illinois

My commission expires: 05/13/2018

Signature: *Beckie J. Koch*



Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Sewer Equipment Company of America

Questionnaire completed by: Tom Hochmuth

Payment Terms and Financing Options

- 1) What are your payment terms (e.g., net 10, net 30)? Net 30
- 2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?. See supporting document: 20 Rental
- 3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.

Sewer Equipment Company handles all contract administration and order entry functions with NJPA. Our dealer network is a very important part of this proposal, as they present the NJPA opportunity to end user customers. They accept purchase orders from their end user customers as they customarily would with any order, and in turn enter a dealer purchase order with Sewer Equipment Company. The end user purchase order must be submitted to us along with the distributor PO in order to confirm the proper NJPA admin fee. All of our dealers are a part of the network, and will provide a list of said dealers to NJPA if necessary.

- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process?

Not at this time

Warranty

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

See supporting documents: 21a and 21c

- Do your warranties cover all products, parts, and labor? Standard wear items are excluded as detailed in the attached warranty statements.
- Do your warranties impose usage restrictions or other limitations that adversely affect coverage? Big equipment has a 12 month/2000hr limit. The hour limits intent is to protect us from extreme usage by contractors, and no municipal claim has ever been excluded due to excess hours.
- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs? Sewer Equipment covers 3 hours of travel time with the idea that our distributors typically combine warranty service trips with other business. Distributors absorb additional costs. In summary, municipal customers do not see charges for warranty repairs.
- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will NJPA Members in these regions be provided service for warranty repair?

As previously stated, our equipment is simple and non-proprietary in nature. It is not unusual for us to issue warranty reimbursement directly to a city that uses their own technicians for a repair or to partner with a local third party repair shop of the city's choosing.

- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer? Yes we do. The exception is auxiliary engines and chassis from manufacturers such as Caterpillar, Ford, Freightliner, Kenworth, etc which are serviced by their respective, local warranty centers. We are available to facilitate claims with these third parties if the customer desires our assistance. Also, we do recognize warranties that exceed ours on items such as Caterpillar engines that are covered for 2yrs/2000hrs.
 - What are your proposed exchange and return programs and policies? No exchange or restocking charges will be applied on parts and nozzles purchased on the contract. The customer is responsible for return freight assuming the situation was not precipitated by a Sewer Equipment error.
- 6) Describe any service contract options for the items included in your proposal. We do offer on site service contracts that can cover both our module and the chassis if a customer desires. A typical package on a combination truck would include a quarterly visit from our mobile service tech (more often or less frequently as dictated by expected usage in hours). The package includes all fluids, filters, adjustments, and wear items. We also treat this as an opportunity to offer hands on training to customer fleet departments that wish to transition the service in-house. These packages are highly variable based on chassis, option content, and usage rate differences and are thus priced on a case by case basis. These package would carry our normal big equipment NJPA discount rate.

Pricing, Delivery, Audits, and Administrative Fee

- 7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

We are offering all of the products from our 3 brands; Sewer Equipment Company of America. Mongoose, and RamVac. Combination jet/vacs, enclosed and heated jet trucks, open style jet trucks, and jet trailers used for high pressure water cleaning of Sewers. Our complete line of proprietary nozzles compliment these jet systems. All replacement parts and accessories will also be available. Rodder trucks and trailers offer a means of cleaning roots and other debris from sewers in a water free manner. Sewer rodders are also popular in areas with extreme geography where jet technologies are unable to climb steep hills. Bucket machines are another mechanical (waterless) means of cleaning sewer pipes, particularly those that are heavily laden with sediment. Our vacuum trailers can be used in conjunction with an existing jet truck to offer the same benefits and performance as a combination jet vac trucks. Easement machines allow combination and jet truck users to more easily access remote manholes for cleaning activities. A complete line of trailer and truck mounted Hydro Excavators from 3 yard to 15 yard capacity is also offered.

- 8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.) Our pricing is very simply a discount off of MSRP. See attached price pages and answers to #9 for clarification. We do not utilize SCU's; all models are easily identifiable by our model numbering system.
- 9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.
- a. All systems/machines that we refer to as big equipment (combination trucks, jettors, rodders, bucket machines, easement machines, & hydro excavators) will be discounted at 3% off of MSRP.
 - b. Nozzles will be discounted at 5% off of MSRP
 - c. Parts and accessories will be discounted at 5% off of MSRP. Due to the sheer number of items, we have

- not included line item pricing, but prices are listed at our web site: sewershop.com
- d. Chassis are passed through to the customer at cost, so a discount will not be offered
- e. Rental / rent to own payments will carry a 3% discount off of our published prices. The buyout price will be calculated per (a) and (d) above.
- f. Discount levels above are the minimum that will be used for the contract. Situationally, Sewer Equipment and its distributors may extend additional discounts, which are clearly represented on the quote as an additional manufacturer/distributor discount.

10) The pricing offered in this proposal is

- a. the same as the Proposer typically offers to an individual municipality, university, or school district.
- b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
- d. other than what the Proposer typically offers (please describe).

11) Describe any quantity or volume discounts or rebate programs that you offer. Distributors will have latitude to offer extended volume discounts as they see fit, but we will not offer a set volume rebate.

12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.

In our business, 90+% of these instances are accounted for by customers wanting a substitute or non-standard option on their truck or trailer

- a. If it is a like substitute in regards to cost and amount of labor, no additional charge is applied, and the substitute is simply noted in the order text
- b. If it is an addition or a non-like substitute in regards to price and labor involved, the following formula is applied. Customer would be given credit for item being substituted. The dollar amount would simply be added to the pricing sheet and the substitute/addition described as needed on the customer order
- c. Formula
 - o Customer price = $(1.75 \times \text{Sewer Equipment cost}) - 3\% \text{ NJPA discount}$
 - o Labor or additional labor = $\$110.00/\text{hr} - 3\% \text{ NJPA discount}$

13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer. A pre-delivery inspection may be provided at the discretion of the dealer and/or customer, particularly with vehicle that cover long distances for delivery. It is our desire to facilitate the charge for these inspections via a line item that would carry the 3% big equipment discount.

14) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program. To keep shipping charges to the customer as low as possible, we provide an estimate at time of order and then invoice the actual amount. Different customers prefer different methods of shipment, so it is impossible to have a blanket rate or policy. Some customers allow the trucks to be driven or trailers to be towed, some want them delivered on a flatbed, and some prefer to pick up. Sewer Equipment Company does make all shipping arrangements unless otherwise requested and prepays and adds freight to the invoice. All shipments are FOB origin in regards to the transfer of responsibility for shipped goods.

15) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery. As with other deliveries, the charges would be passed through to the customer without markup. We recommend that

shipments by sea include a rust inhibiting spray coating that we apply. This varies by size and shape of equipment and is disclosed to the customer during the quote process.

- 16) Describe any unique distribution and/or delivery methods or options offered in your proposal. N/A
- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA.

The audit/checks and balances procedure is quite simple. All orders from distributors must include our quotation form (pricing sheet) that will assure the product has been properly priced and the proper discount applied. One point person processes all NJPA orders that we receive. That person will maintain a simple spreadsheet on our company hard drive listing distributor, end user customer, gross dollar amount of transaction, and NJPA fee due. When the order is entered, a commission (admin fee) document is submitted to accounting, for recording of the admin fee in our order data base. When we send our quarterly check to NJPA to cover admin fees, the spreadsheet from the order entry department must match the dollar amount shown in our accounting data base.

- 18) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

We will pay a fee to NJPA calculated as 2% of the NJPA sell price on all big equipment, nozzles, parts and accessories.

As chassis are passed through at cost to our customers, we are not offering a discount or an administrative fee on the chassis portion of the sale

We will offer a 2% administrative fee on rental for up to 18 months. If the customer exercises the buyout option during the 18 month period, we will pay a 2% administrative fee on the buyout amount. The total fee that we pay NJPA will be capped at 2% of the total value of the system at inception of the rental (calculated at MSRP-3% NJPA Discount. Described in another way, the maximum fee paid to NJPA will have a cap equal to the fee paid if the customer simply purchased the system outright on a traditional purchase order.

Industry-Specific Questions

- 19) Describe the top three market differentiators of your products/services relative to the industry.

Simplicity: We truly do stand out among the competition, particularly on our larger/higher end products such as our combination truck, truck mounted hydroexcavators, and truck mounted jetters. Nearly every other manufacturer has moved to computer controlled modules that utilize the CANbus communication protocol to piggyback on the chassis computer. Our customers share stories with us every day of the frustration of trying to diagnose and repair a very high tech system that can be upset by something as simple as getting an oil change at a chassis dealer in which the chassis ECU is reflashed or "Upgraded". All of our truck mounted units and trailers utilize a traditional 12 volt wiring architecture that is easily understood by anyone who has an understanding of basic electrical systems. This equates to the most simple and intuitive operator interface in the industry also, increasing safety and eliminating the need for extensive operator and mechanic training. A simple and non proprietary system also increases trade value and eliminates the obsolescence associated with computers and circuit boards. This ideology is represented by our Sewer Equipment Company of America Brand tagline: "Driven by our customers, not our competition" Another saying coined by a new distributor is that you don't need a computer to run a log splitter.

Breadth of product: Sewer Equipment stands alone as the only manufacturer in our market that builds a \$23,000 trailer jet rated at 12 gallons per minute, a \$450,000 15 yard truck mounted hydro-excavator, and everything in between. Because of this, we engage in consultative selling that starts with a dialogue about the customers successes, challenges, desires, budget, and a description of what their needs look like, and then offering an unbiased suggestion of the best solution. It is typical to find that the last 5 salesmen through the door were pushing a \$350,000 solution that exceeded the customers budget and needs because that was all they had to offer, while we could offer a \$150,00-\$200,000 truck jet that can fulfill their needs.

The most intensive demonstration program in the business: We currently maintain a \$4.2 million demonstrator fleet consisting of 4 900-ECO combination trucks, 2 HX hydro-excavation trucks, 5 800-ECO jet trucks, 4 JAJ easement machines, 3 747 trailer jets, 1 747 truck jet, 5 mongoose 184 trailers, and one RamVac 2000 vacuum trailer. Three factory trained demonstration specialist cover the US and Canada with these units and they are also made available to distributors for their own demonstrations, trade shows, etc. While many manufacturers spend marketing dollars on co-oping with dealers on trade show booths and advertising, we choose to let the dealers pay for their own trade shows, print ads, and promo give aways. A majority of our marketing dollars are spent on putting our equipment in front of customers where we can clearly illustrate our superior build quality and simplicity. Our success rate on securing sales after demonstrations illustrates that this is a very successful model. These demonstrations are also an excellent opportunity for us to deliver the NJPA message in a face to face context. Another important aspect of this program is that it gives us a constant supply of units in the event that a customer requires immediate delivery. We also incentivize our dealers to procure their own demo units by offering 6 months free financing on up to 2 units per year for each dealer.

20) Identify how your products, services and supplies address the scope of this RFP.

SEWER VACUUM, HYDRO-EXCAVATION, AND ~~STREET SWEEPER~~ EQUIPMENT, WITH RELATED ACCESSORIES AND SUPPLIES Very simply, the title of this RFP is an exact description of our products and marketplace with the exception of street sweepers.

Signature:  Date: 12/15/17