

# CONTRACT AMENDMENT

CITY OF TUCSON DEPARTMENT OF PROCUREMENT  
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701  
P.O. BOX 27210, TUCSON, AZ 85726  
PHONE: (520) 837-4123 / FAX: (520) 791-4735  
[Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov)  
ISSUE DATE: DECEMBER 5, 2017

CONTRACT #161534-01  
CONTRACT AMENDMENT NUMBER: ONE (1)  
PAGE 1 of 1  
JW/lr  
CONTRACT OFFICER: JEFFREY WHITING

## HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES

THIS CONTRACT IS AMENDED AS FOLLOWS:

### ITEM NO. ONE (1): CONTRACT RENEWAL

Pursuant to Contract No. 161534, Special Terms and Conditions, Term and Renewal, the City is hereby exercising its option to renew the contract for the period of May 01, 2018 through April 30, 2019.

### ITEM NO. TWO (2): PRICING

Pursuant to Contract No. 161534, Scope of Work, Pricing, shall be replaced in its entirety with the Attached Price Page dated January 01, 2018 and shall become effective January 01, 2018.

ALL OTHER PROVISIONS OF THE CONTRACT SHALL REMAIN IN THEIR ENTIRETY.

CONTRACTOR: Caterpillar Inc.

CITY OF TUCSON: \_\_\_\_\_

CONTRACTOR HEREBY ACKNOWLEDGES RECEIPT OF  
AND UNDERSTANDING OF THE ABOVE AMENDMENT.

THE ABOVE REFERENCED CONTRACT AMENDMENT  
IS HEREBY EXECUTED THIS 14 DAY  
OF Dec, 2017, AT TUCSON, ARIZONA.

Patty Rebirth 12/11/17  
Signature of person authorized to sign Date

Marcheta Gillespie  
Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM  
as Director of Procurement and not personally

PATTY REBIRTH, GOVERNMENT ACCOUNT MANAGER  
Name and Title (typed or printed legibly)

CATERPILLAR INC.  
Company Name

100 NE ADAMS ST. AEGRIA, IL 61629  
Address

REBIRTH - PATTY @ CAT.COM  
Email Address

AEGRIA IL 61629  
City State Zip

Contact information for Sales/Account Representative  
for daily business operations:

PATTY REBIRTH, GOVT ACCOUNT MANAGER  
Name and Title (typed or printed legibly)

309-494-4578  
Phone Number

REBIRTH - PATTY @ CAT.COM  
Email Address

## 2018 Caterpillar Coop Contract Discounts v1

### Cooperative Contracts -- Effective January 1, 2018

Machine Model*	New Equipment
2018	Discount to Customer (Off List Price)

**Pavers**

AP255	18.00%
AP300	18.00%
AP355	18.00%
AP500	18.00%
AP555	18.00%
AP600	18.00%
AP655	18.00%
AP1000	18.00%
AP1055	18.00%

**Rollers**

CB1.7	19.00%
CB1.8	19.00%
CB7	19.00%
CB8	19.00%
CB10	19.00%
CB13	19.00%
CB14	19.00%
CB15	19.00%
CB16	19.00%
CB22	19.00%
CB24	19.00%
CB32	19.00%
CB34	19.00%
CB36	19.00%
CB44	19.00%
CB46	19.00%
CB54	19.00%
CB64	19.00%
CB66	19.00%
CB68	19.00%
CC24	19.00%
CC34	19.00%
CCS7	19.00%
CCS9	19.00%
CD8	19.00%
CD10	19.00%
CD44	19.00%
CD54	19.00%
CP34	19.00%
CP44	19.00%
CP54	19.00%
CP56	19.00%
CP68	19.00%
CP74	19.00%
CS34	19.00%
CS44	19.00%
CS54	19.00%
CS56	19.00%
CS64	19.00%
CS68	19.00%
CS78	19.00%
CW16	19.00%
CW34	19.00%

\*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

## 2018 Caterpillar Coop Contract Discounts v1

### Track Type Tractors

D3	23.00%
D4	23.00%
D5	23.00%
D6	21.00%
D7	19.00%
D8	19.00%
D9	10.00%

### Wheeled Excavators

M314F	26.00%
M315F	26.00%
M316F	26.00%
M317F	26.00%
M318F	26.00%
M320F	26.00%
M322F	26.00%

### Material Handlers

MH3022	26.00%
MH3024	26.00%
MH3026	26.00%

### Cold Planers

PM310	20.00%
PM312	20.00%
PM313	20.00%
PM620	20.00%
PM622	20.00%
PM820	20.00%
PM822	20.00%
PM825	20.00%

### Reclaimers

RM300	20.00%
RM500	20.00%

### Telehandlers

TH255	23.00%
TH3510	24.00%
TH357	24.00%
TH408	24.00%
TH514	24.00%
TL642	24.00%
TL943	24.00%
TL1055	24.00%
TL1255	24.00%

### Motor Graders

12	30.00%
120	34.00%
140	30.00%
160	30.00%
14	19.00%

### Skid Steer Loaders

226	21.00%
232	21.00%
236	21.00%
242	21.00%
246	21.00%
262	21.00%
272	21.00%

### Multi-Terrain Loaders

257	21.00%
277	21.00%
287	21.00%
297	21.00%

## 2018 Caterpillar Coop Contract Discounts v1

### Compact Track Loaders

239	21.00%
249	21.00%
259	21.00%
279	21.00%
289	21.00%
299	21.00%

### Excavators

300.9	20.00%
301.4	20.00%
301.7	20.00%
302.4	20.00%
302.7	20.00%
303	20.00%
303.5	20.00%
304	20.00%
304.5	20.00%
305	20.00%
305.5	20.00%
307	20.00%
308	20.00%
311	18.00%
313	15.00%
313GC	16.00%
315	19.00%
316	19.00%
318	16.00%
320	15.00%
320GC	16.00%
323	15.00%
325	15.00%
326	15.00%
330	15.00%
335	15.00%
336	15.00%
349	10.00%
352	10.00%
374	10.00%

### Backhoe Loaders

415	22.00%
416	22.00%
420	22.00%
430	22.00%
450	22.00%

### Site Prep Tractor

586C	20.00%
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### Wheel Tractor Scrapers

621	18.00%
623	18.00%
627	18.00%

### Articulated Trucks

725	17.00%
730	17.00%
735	17.00%
745	17.00%

### Rigid Frame Trucks

770	3.00%
773	3.00%

## 2018 Caterpillar Coop Contract Discounts v1

### Landfill Compactors

816	12.00%
826	12.00%
836	12.00%

### Wheel Dozers and Soil Compactors

814	15.00%
815	13.00%
824	15.00%
825	13.00%

### Wheel Loaders

903	23.00%
906	23.00%
907	23.00%
908	23.00%
910	23.00%
914	23.00%
918	24.00%
924	24.00%
926	24.00%
930	24.00%
938	24.00%
950GC	20.00%
950M	18.00%
962	18.00%
966	15.00%
972	11.00%
980	11.00%
982	11.00%

### Track Loaders

953	19.00%
963	22.00%
973	23.00%

Worktools	15.00%
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Caterpillar Safety Services	15.00%
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Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

## 2018 Caterpillar Model List – Change Summary from 2017 - 2018

<u>Add Models</u>	<u>Customer Discount</u>
CB1.7	19
CB1.8	19
CB13	19
CB15	19
CB16	19
CCS7	19
CCS9	19
MH3022	26
MH3024	26
MH3026	26
PM310	20
PM312	20
PM313	20
PM820	20
PM822	20
PM825	20
TH357	24
TH408	24
320GC	16

### Delete Discontinued Models

CW14  
CT660, CT680, CT681 (Caterpillar exited Vocational Truck business)  
PM102  
TH306  
TH406  
TH407  
312  
321  
329  
740

# **City of Tucson, AZ**

Contract 161534

*for*

Heavy Equipment, Parts, Accessories, Supplies and Related Services

*with*

Caterpillar, Inc

Effective: May 1, 2017

The following documents comprise the executed contract between the City of Tucson, AZ and Caterpillar Inc., effective May 1, 2017

- I. Signed Contract
- II. Summary of Negotiated Items
- III. Caterpillar, Inc Original Response
- IV. Original Request for Proposal



CITY OF  
TUCSON

DEPARTMENT OF  
PROCUREMENT

April 26, 2017

*Sent via electronic mail, this day*

Patty Redpath, Governmental Account Manager  
Caterpillar Inc.  
100 NE Adams St.  
Peoria, IL 61629  
[redpath\\_patty@cat.com](mailto:redpath_patty@cat.com)

Re: Contract No.: **161534-01**  
Contract Title: **Heavy Equipment, Parts, Accessories, Supplies  
and Related Services**

Dear Ms. Redpath:

The City of Tucson has awarded your firm the contract for furnishing the City's requirements for **Heavy Equipment, Parts, Accessories, Supplies and Related Services** during the time period of May 1, 2017 through April 30, 2018.

Please find attached your pdf copy of the contract, purchase order and the Designation of Contract Representative Memorandum outlining the duties and responsibilities of the representative as they relate to this contract. If you have any questions concerning this award, please contact me at (520) 837-4123.

The City wishes to thank you for your interest and proposal.

Sincerely,

Jeffrey Whiting  
Senior Contract Officer

JW/lr

Attachments

Cc: File 161534



CITY OF  
TUCSON

DEPARTMENT OF  
PROCUREMENT

April 04, 2017

Patty Redpath  
Governmental Account Manager  
Caterpillar Inc.  
100 NE Adams St.  
Peoria, IL, 61629  
Email: redpath\_patty@cat.com

*Sent this day via electronic mail*

**RE: City of Tucson Request for Proposal #  
161534 – Heavy Equipment, Parts, Accessories, Supplies and Related  
Services -Summary of Negotiated Items**

Dear Mrs. Redpath,

Based on our written and verbal negotiations, conducted over the past few months, this letter serves to summarize the items we have agreed on in regards to the City's Request for Proposal for Heavy Equipment, Parts, Accessories, Supplies and Related Services. Please provide written confirmation that the items contained in this letter represent the agreed upon items by signing the concurrence line below. In the event there is any disagreement with this document or if there is other information that must be included in this document, Caterpillar Inc., must specify those differences in a written response to this request.

The following agreements have been made between the City of Tucson and Caterpillar Inc. with regard to Request Proposal# 161534:

1. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 8. Price Adjustment is hereby replaced with the following:

**8. Price Adjustment:** The Contractor may implement new published manufacturer price lists quarterly, throughout the calendar year. The Contractor will provide the City with any updated published price lists with a minimum of 30 days advance notification from the intended effective date. Any price adjustments may be considered as a factor in the contract renewal/ extension process.

However, the Contractor must maintain the minimum discount offered for all items, throughout the term of the contract. Discount structures may only be adjusted by Contractor in the event the Contractor is making an adjustment that is increasing the discounts given to the City, or if mutually agreed upon by both parties

2. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 5. Training, is hereby replaced with the following:

**5. TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer (their distributor of products) may present the training material in a quality suitable for videotaping. Dealer and Contractor reserve the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

3. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 6. Repairs, is hereby replaced with the following:

**6. REPAIRS:** The Contractor will be responsible for transport of new vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. The purchaser and the Dealer may mutually agree to other terms related to product transportation.

4. Pursuant to RFP 161534, Scope of Work, B. Equipment and Product Requirements, Paragraph 3. Pricing, is hereby replaced with the following:

**3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. Subject to Terms and Conditions Paragraph 8, the pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by

- (a) contacting Caterpillar's GCI Government Contracts group or
- (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages. National IPA, the City, and the appropriate

contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

5. Pursuant to RFP 161534, Scope of Work, C Service Requirements Paragraph 1 Services, Sub-paragraph b. Maintenance Services, is hereby replaced with the following:

**1.b Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City will require a loaner or rental equipment in the event the machine is down for more than 48 hours. However, if the failure is one that is covered under a purchaser manufacturer warranty or extended warranty, and is down for more than 48 hours, a loaner of comparable type will be provided at no charge to the City. At the time of an event, if a comparable type is not available, the purchaser and Dealer will work together to determine the purchaser's loaner equipment requirements, and to ensure that there is no effect on the day to day landfill operations of the City. Loaner machine fuel, cleaning and damage will be the responsibility of the City of Tucson. The loaner provisions apply solely to the City of Tucson unless otherwise offered/promoted, in writing, to National IPA Member Agencies by the participating Dealer.

6. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 2 Subcontractors, is hereby replaced with the following:

**2. Subcontractors:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, the City and the Department of Procurement hereby agree that certain obligations of the Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

The City and the Contractor acknowledge that the Contractor authorized dealers are independent businesses and as such, have the right to choose whether or not to accept the terms and conditions contained herein.

All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the

Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

7. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 9. Modification of Terms is hereby replaced with the following:

**9. Modification of Terms:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the applicable Dealer as a condition of their intended purchase transaction. If the Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract

8. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 20. Indemnification is hereby replaced with the following:

**20.Indemnification:** To the fullest extent permitted by law, Participating Dealer, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, damages, reasonable losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of Participating Dealers relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Participating Dealers or anyone directly or indirectly employed by Participating Dealers or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors, anyone for whose acts any of them may be liable and any injury or damages claimed by any of the Participating Dealer's and Subcontractor's employees. It is agreed that the Participating Dealer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Participating Dealers agree to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Participating Dealer for the City of Tucson.

Participating Dealers are responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Participating Dealers are responsible for all applicable IRS reporting requirements related to ACA. If Participating Dealers or any of the Participating Dealer's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an

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assessed penalty against the City, or Participating Dealers fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, the Participating Dealer indemnifies City from and shall pay any assessed tax penalty.

9. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 28. Payment is hereby replaced with the following:

**28. Payment:** The City's preferred method of payment is via credit card. However, certain Dealers do not accept credit cards. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card or other means upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

10. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 39. Termination of Contract is hereby replaced with the following:

**39. Termination of Contract:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

11. Pursuant to RFP 161534, Attachment A, Exhibit A, Paragraph 1.4 Award Basis is hereby replaced with the following:

**1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and

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woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the local authorized Dealer (Contract Sales are reported to National IPA).

12. Pursuant to RFP 161534, Attachment A, Exhibit B, Paragraph 6 Term of Agreement is hereby replaced with the following:

**6. Term of Agreement**

This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

13. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 10 Exceptions to Contract Provisions is hereby replaced with the following:

**10. Exceptions to Contract Provisions**

A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or an appointed designee. If a proposal or offer is returned with modification to the contract provisions that are not expressly approved in writing by the Director or the appointed designee, the City shall be deemed to have rejected the proposal or offer in part and the parties may negotiate the provision(s) at issue.

14. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 11 Public Record is hereby replaced with the following:

**11. Public Record**

All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification to the extent required by law.

15. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 12 Confidential Information is hereby replaced with the following:

**12. Confidential Information**

The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is

not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by

- (a) contacting Caterpillar's GCI Government Contracts group or
- (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages.

The City and the appropriate contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

16. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 21 City of Tucson Business License is hereby replaced with the following:

**21. City of Tucson Business License**

It is the responsibility of the applicable Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

17. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 4 Insurance is hereby replaced with the following:

**4. Insurance:**

The Applicable Dealer agrees to:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
- B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Applicable Dealer, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
<b>I. Commercial General Liability:</b>	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
<b>II. Commercial Automobile Liability</b>	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
<b>III. Workers' Compensation (applicable to the State of Arizona)*<sup>1</sup></b>	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
<b>IV. Garage Liability &amp; Garage Keepers Liability - In addition to I, II, III</b>	
Garage Liability	\$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	\$ 500,000
Each Occurrence	\$1,000,000

D. **ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Applicable Dealer (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Applicable Dealer shall not be limited to the liability assumed under the indemnification provisions of this Contract.

- E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Applicable Dealer to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.
- F. ACCEPTABILITY OF INSURERS:** The Applicable Dealer's insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Applicable Dealer from potential insurer insolvency.
- G. VERIFICATION OF COVERAGE:** The Applicable Dealer shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- H. SUBCONTRACTORS:** The Applicable Dealers' certificate(s) shall include all subcontractors as insureds under its policies or Dealer shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. EXCEPTIONS:** In the event the Dealer or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

18. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 38 Subcontractors, is hereby replaced with the following:

**38. Subcontracts:** Subject to Special Terms and Conditions, Paragraph 2. Subcontractors, no subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein

without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

19. It is mutually agreed that not all items are available through this contract at all Dealer locations. Participating agencies will need to check with their local dealer to see which items from this contract are available.

Please provide written concurrence to me no later than **Thursday, April 06, 2017 at 4 PM**. You may email your response to [Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov). If you should have any questions, please call me at (520) 837-4123.

Sincerely,

Jeffrey Whiting  
Contract Officer

Concurrence: Tate & Redpath

Date: April 6, 2017

Name: ATTY REDPATH

Title: GOVERNMENT  
ACCOUNT MANAGER

# **Contract #161534**

## **Heavy Equipment, Parts, Accessories, Supplies, and Related Services**

### **Table of Contents**

1. Caterpillar's Response to Summary of Negotiated Items
2. Caterpillar's Response to BAFO
3. City's Request for BAFO
4. Caterpillar's Response to RFP 161534

# **1. Caterpillar's Response to Summary of Negotiated Items**



CITY OF  
TUCSON

DEPARTMENT OF  
PROCUREMENT

April 04, 2017

Patty Redpath  
Governmental Account Manager  
Caterpillar Inc.  
100 NE Adams St.  
Peoria, IL, 61629  
Email: redpath\_patty@cat.com

Sent this day via electronic mail

**RE: City of Tucson Request for Proposal #  
161534 – Heavy Equipment, Parts, Accessories, Supplies and Related  
Services -Summary of Negotiated Items**

Dear Mrs. Redpath,

Based on our written and verbal negotiations, conducted over the past few months, this letter serves to summarize the items we have agreed on in regards to the City's Request for Proposal for Heavy Equipment, Parts, Accessories, Supplies and Related Services. Please provide written confirmation that the items contained in this letter represent the agreed upon items by signing the concurrence line below. In the event there is any disagreement with this document or if there is other information that must be included in this document, Caterpillar Inc., must specify those differences in a written response to this request.

The following agreements have been made between the City of Tucson and Caterpillar Inc. with regard to Request Proposal# 161534:

1. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 8. Price Adjustment is hereby replaced with the following:

**8. Price Adjustment:** The Contractor may implement new published manufacturer price lists quarterly, throughout the calendar year. The Contractor will provide the City with any updated published price lists with a minimum of 30 days advance notification from the intended effective date. Any price adjustments may be considered as a factor in the contract renewal/ extension process.

However, the Contractor must maintain the minimum discount offered for all items, throughout the term of the contract. Discount structures may only be adjusted by Contractor in the event the Contractor is making an adjustment that is increasing the discounts given to the City, or if mutually agreed upon by both parties

2. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 5. Training, is hereby replaced with the following:

**5. TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer (their distributor of products) may present the training material in a quality suitable for videotaping. Dealer and Contractor reserve the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

3. Pursuant to RFP 161534, Scope of Work, A. General Requirements, Paragraph 6. Repairs, is hereby replaced with the following:

**6. REPAIRS:** The Contractor will be responsible for transport of new vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. The purchaser and the Dealer may mutually agree to other terms related to product transportation.

4. Pursuant to RFP 161534, Scope of Work, B. Equipment and Product Requirements, Paragraph 3. Pricing, is hereby replaced with the following:

**3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. Subject to Terms and Conditions Paragraph 8, the pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by

- (a) contacting Caterpillar's GCI Government Contracts group or
- (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages. National IPA, the City, and the appropriate

contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

5. Pursuant to RFP 161534, Scope of Work, C Service Requirements Paragraph 1 Services, Sub-paragraph b. Maintenance Services, is hereby replaced with the following:

**1.b Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City will require a loaner or rental equipment in the event the machine is down for more than 48 hours. However, if the failure is one that is covered under a purchaser manufacturer warranty or extended warranty, and is down for more than 48 hours, a loaner of comparable type will be provided at no charge to the City. At the time of an event, if a comparable type is not available, the purchaser and Dealer will work together to determine the purchaser's loaner equipment requirements, and to ensure that there is no effect on the day to day landfill operations of the City. Loaner machine fuel, cleaning and damage will be the responsibility of the City of Tucson. The loaner provisions apply solely to the City of Tucson unless otherwise offered/promoted, in writing, to National IPA Member Agencies by the participating Dealer.

6. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 2 Subcontractors, is hereby replaced with the following:

**2. Subcontractors:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, the City and the Department of Procurement hereby agree that certain obligations of the Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

The City and the Contractor acknowledge that the Contractor authorized dealers are independent businesses and as such, have the right to choose whether or not to accept the terms and conditions contained herein.

All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the

Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

7. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 9. Modification of Terms is hereby replaced with the following:

**9. Modification of Terms:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the applicable Dealer as a condition of their intended purchase transaction. If the Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract

8. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 20. Indemnification is hereby replaced with the following:

**20. Indemnification:** To the fullest extent permitted by law, Participating Dealer, shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, damages, reasonable losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of Participating Dealers relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Participating Dealers or anyone directly or indirectly employed by Participating Dealers or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors, anyone for whose acts any of them may be liable and any injury or damages claimed by any of the Participating Dealer's and Subcontractor's employees. It is agreed that the Participating Dealer will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. Participating Dealers agree to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers, directors, officials, employees and volunteers for losses arising from the work performed by the Participating Dealer for the City of Tucson.

Participating Dealers are responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Participating Dealers are responsible for all applicable IRS reporting requirements related to ACA. If Participating Dealers or any of the Participating Dealer's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an

assessed penalty against the City, or Participating Dealers fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, the Participating Dealer indemnifies City from and shall pay any assessed tax penalty.

9. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 28. Payment is hereby replaced with the following:

**28. Payment:** The City's preferred method of payment is via credit card. However, certain Dealers do not accept credit cards. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card or other means upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

10. Pursuant to RFP 161534, Standard Terms and Conditions, Paragraph 39. Termination of Contract is hereby replaced with the following:

**39. Termination of Contract:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

11. Pursuant to RFP 161534, Attachment A, Exhibit A, Paragraph 1.4 Award Basis is hereby replaced with the following:

**1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and

ADMINISTRATION • DESIGN AND CONSTRUCTION SERVICES • GOODS AND SERVICES  
MAIL SERVICES • S.A.M.M. (SURPLUS AUCTION MATERIALS MANAGEMENT)

CITY HALL • 255 W. ALAMEDA • P.O. BOX 27210 • TUCSON, AZ 85726-7210

(520) 791-4217 • FAX (520) 791-4735 • TTY (520) 791-2639

[www.tucsonprocurement.com](http://www.tucsonprocurement.com)

woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the local authorized Dealer (Contract Sales are reported to National IPA).

12. Pursuant to RFP 161534, Attachment A, Exhibit B, Paragraph 6 Term of Agreement is hereby replaced with the following:

**6. Term of Agreement**

This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

13. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 10 Exceptions to Contract Provisions is hereby replaced with the following:

**10. Exceptions to Contract Provisions**

A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or an appointed designee. If a proposal or offer is returned with modification to the contract provisions that are not expressly approved in writing by the Director or the appointed designee, the City shall be deemed to have rejected the proposal or offer in part and the parties may negotiate the provision(s) at issue.

14. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 11 Public Record is hereby replaced with the following:

**11. Public Record**

All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification to the extent required by law.

15. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 12 Confidential Information is hereby replaced with the following:

**12. Confidential Information**

The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is

not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.

For the avoidance of doubt, a purchaser may request a product price page from a Participating Dealer. The purchaser may verify the accuracy of that price page, to the extent it deems necessary, by

- (a) contacting Caterpillar's GCI Government Contracts group or
- (b) contacting the appropriate contract manager with the City or National IPA, who shall be granted non-transferable, password protected access to Caterpillar's price pages.

The City and the appropriate contract manager agrees that it shall not publish such price pages, for example, to a public website but shall have access thereto for confirmation of Participating Dealer price page accuracy.

16. Pursuant to RFP 161534, Instructions to Offerors, Paragraph 21 City of Tucson Business License is hereby replaced with the following:

**21. City of Tucson Business License**

It is the responsibility of the applicable Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

17. Pursuant to RFP 161534, Special Terms and Conditions, Paragraph 4 Insurance is hereby replaced with the following:

**4. Insurance:**

The Applicable Dealer agrees to:

- A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
- B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Applicable Dealer, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.

C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
<b>I. Commercial General Liability:</b>	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
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Blanket Contractual Liability	\$1,000,000
<b>II. Commercial Automobile Liability</b>	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000
<b>III. Workers' Compensation (applicable to the State of Arizona)*1</b>	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
<b>IV. Garage Liability &amp; Garage Keepers Liability - In addition to I, II, III</b>	
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D. **ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Applicable Dealer (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Applicable Dealer shall not be limited to the liability assumed under the indemnification provisions of this Contract.

- E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Applicable Dealer to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.
- F. ACCEPTABILITY OF INSURERS:** The Applicable Dealer's insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Applicable Dealer from potential insurer insolvency.
- G. VERIFICATION OF COVERAGE:** The Applicable Dealer shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- H. SUBCONTRACTORS:** The Applicable Dealers' certificate(s) shall include all subcontractors as insureds under its policies or Dealer shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. EXCEPTIONS:** In the event the Dealer or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self- Insurance.

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**38. Subcontracts:** Subject to Special Terms and Conditions, Paragraph 2. Subcontractors, no subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein

without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.

19. It is mutually agreed that not all items are available through this contract at all Dealer locations. Participating agencies will need to check with their local dealer to see which items from this contract are available.

Please provide written concurrence to me no later than **Thursday, April 06, 2017** at 4 PM. You may email your response to [Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov). If you should have any questions, please call me at (520) 837-4123.

Sincerely,

Jeffrey Whiting  
Contract Officer

Concurrence: *Teresa C. Redpath*  
Name: *TATY REDPATH*

Date: *April 6, 2017*  
Title: *GOVERNMENT  
ACCOUNT MANAGER*

## **2. Caterpillar's Response to BAFO**

**From:** Patty Redpath <Redpath\_Patty@cat.com>  
**To:** "Jeffrey Whiting" <Jeffrey.Whiting@tucsonaz.gov>  
**Date:** 3/8/2017 1:40 PM  
**Subject:** Re: RFP 161534 - Heavy Equipment  
**Attachments:** 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017.xls;  
Caterpillar National IPA 2017 Update Gen - Eff 1-9-2017.xlsx

Hello Jeff -

Thank you for the opportunity to respond. Attached is our Best and Final Offer, which is consistent with what we provided with our original RFP Response.

Thanks!

Patty Redpath  
Government Account Manager  
Caterpillar Inc.  
Global Construction & Infrastructure ? Count on Us  
100 NE Adams St. | Peoria, IL | USA | 61629  
Tel: +1 (309) 494-4578 | C: (309) 370-0775

From: "Jeffrey Whiting" <Jeffrey.Whiting@tucsonaz.gov>  
To: <Redpath\_Patty@cat.com>  
Date: 03/07/2017 02:14 PM  
Subject: Re: RFP 161534 - Heavy Equipment

Hi Patty,  
Please see the attached document, and let me know if you have any additional questions. Thanks

Jeffrey Whiting  
Senior Contract Officer  
Department of Procurement  
255 W Alameda, 6th Floor  
Tucson, AZ 85726  
520-837-4123  
520-791-4735 Fax

[attachment "BAFO-CAT.docx" deleted by Patty Redpath/0A/Caterpillar]

## 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

### Cooperative Contracts -- March 8, 2017

Machine Model*	New Equipment
2017	Discount to Customer (Off List Price)

**Pavers**

AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%

**Rollers**

CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

\*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

## 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

### Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

### Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

### Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

### Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

### Reclaimers

RM300	14.00%
RM500	14.00%

### Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

### Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

### Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

### Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

## 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

### Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

### Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

### Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

### Site Prep Tractor

586C	20.00%
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### Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

## 2017 Caterpillar Coop Contract Discounts - Best & Final Offer - March 2017

### Articulated Trucks

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

### Rigid Frame Trucks

770	10.00%
773	10.00%

### Landfill Compactors

816	14.00%
826	14.00%
836	14.00%

### Wheel Dozers and Soil Compactors

814	15.00%
815	15.00%
824	15.00%
825	15.00%

### Wheel Loaders

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

### Track Loaders

953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%
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Caterpillar Safety Services	15.00%
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Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

# Caterpillar January 9th, 2017 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

	NIPA Participant Discount
<b>60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F_PE400CNN" Caterpillar Price List)</b>	
D13	50%
D20	50%
D25	50%
D30	50%
<b>60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F_1100CNN" Caterpillar Price List)</b>	
D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-8S (1 phase)	50%
<b>60 HZ, 40 - 60 kW (Reference the "PSNA-EPG-F_C4.4LCAN" Caterpillar Price List)</b>	
D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%
<b>60 HZ, 40 - 100 kW (Reference the "PSNA-EPG-F_C4.4PGAN or C4.4PGBN" Caterpillar Price List)</b>	
D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%
<b>60 HZ, 125 - 175 kW (Reference the "PSNA-EPG-F_C6.6PGAN" Caterpillar Price List)</b>	
D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%
<b>60 HZ, 200 kW (Reference the "PSNA-EPG-F_C7.1PGAN" Caterpillar Price List)</b>	
D200-2 (3 phase)	35%
<b>C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PKGN" Caterpillar Price List)</b>	
200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	38%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
<b>C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F_C9PGAN" Caterpillar Price List)</b>	
200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
<b>C13PGAN, 350kW &amp; 400kW</b>	
	37%
<b>C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F_C15PGAN" Caterpillar Price List)</b>	
350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%
*Other Voltages available, but may affect generator output	
<b>C15, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)</b>	
<i>(EPA &amp; CARB Tier 4 Interim Emissions Certified)</i>	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
<b>C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)</b>	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
<b>C18, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)</b>	
<i>(EPA &amp; CARB Tier 4 Final Emissions Certified)</i>	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
<b>C27, 60 HZ, 750 - 800 KW (Reference the "PSNA-EPG-F_C27PGAG" Caterpillar Price List)</b>	
750 kW	36%
800 kW	36%

C27, 60 HZ, 725 - 800 kW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List) (EPA & CARB Tier 4 Interim Emissions Certified)	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW (Reference the "PSNA-EPG-F_C32PGBG" Caterpillar Price List)	
1000 kW	38%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use) (Reference the "PSNA-EPG-F_3512PGFL" Caterpillar Price List)	
Standby Rating Only - 1600 kW	37%
Standby Rating Only - 1750 kW	35%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use) (Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Standby Rating Only - 2000 kW	40%
Standby Rating Only - 2500 kW	38%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available (Reference the "PSNA-EPG-F_3516PGEL" Caterpillar Price List)	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available (Reference the "PSNA-EPG-F_3516PGEL" Caterpillar Price List)	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1) (Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2000 kW	34%
High Voltage - Standby Rating Only - 2000 kW	34%
3516B, 60 HZ, 2250 kW (EPA Tier 1) (Reference the "PSNA-EPG-F_3516PGDL" Caterpillar Price List)	
Low/Med Voltage - Standby Rating Only - 2250 kW	34%
High Voltage - Standby Rating Only - 2250 kW	34%
G3412, 60 HZ, 375kW, 450kW, 500kW (Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt (Available by Design To Order Only)	17%
G3512 Stationary Certified 750kW, 1000kW (Reference the "PSNA-EPG-F_G3512NL" Caterpillar Price List)	17%
G3516 1040 kW Standby (Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)	17%
G3516 (Reference the "PSNA-EPG-F_G3516AEPL" Caterpillar Price List)	17%
G3516C, 1475kW, 1600kW (Reference the "PSNA-EPG-F_G3516CTPL" Caterpillar Price List)	17%
G3516H 1966kW (Reference the "PSNA-EPG-F_G3516HNL" Caterpillar Price List)	17%
G3520H 2469kW (Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List)	17%
G3520C 1800kW, 1900kW, 2055kW (Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List)	17%
CG132, CG170, CG260 (custom) Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets. Each quote is custom for the specific application. However, members will receive a 15% discount off of the configured list price from each member's local dealer.	15%
C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use) (Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List)	
4000 kW (with Fan Rating)	24%
C175, 60 HZ, 3000 kW (EPA Tier 4) (Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List)	
3000 kW (with Fan Rating)	19%
C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use) (Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List)	
3000 kW (with Fan Rating)	30%
3100 kW (without Fan Rating)	30%
G30PGAN, 30kW	31%
G80PGAN, 50kW, 60kW, 80kW	31%
G150PGAN, 100kW, 125kW, 150kW	35%
Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW (Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)	
G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%

G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%
APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List) 20 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List) 30 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)	23%
XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List) 60 kW* (3 or 1 phase)	45%
*There are several voltage options available	
XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List) 182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List) 320 kW* (3 phase or 1 phase)	23%
XQ425BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ425BN" Caterpillar Price List)	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List) 455 kW* (3 or 1 phase)	23%
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List) 725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified) (Reference the "XQ2000N" Caterpillar Price List) 1825 kW* (3 phase)	19%
Switchgear (customizable)	12%
<i>Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a 12% discount off of the configured list price from each member's local dealer.</i>	
UPS (Uninterruptible Power Supply)	
Flywheel Options	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UP0300Z - UPS 300 480V 60HZ	20%
UP0600Z - UPS 600 480V 60HZ	20%
UP0900Z - UPS 900 480V 60HZ	20%
UP01200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
Epic (Reference the "CATEPICG" Price List)	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
Supervisory Control Panel (Reference the "CATSCP" Price List)	
EMCP 4.4 SCP	10%
ATS (AUTOMATIC TRANSFER SWITCHES)	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

### **3. City's Request for BAFO**

Date March 7, 2017

*Sent via electronic mail, this day*

Patty Redpath, Governmental Account Manager  
Caterpillar Inc.  
100 NE Adams St.  
Peoria, IL, 61629  
Email: redpath\_patty@cat.com

Subject: Request for Proposal No. 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services – Request for Best and Final Price

Dear **Mrs. Redpath**:

The City of Tucson is in receipt of Caterpillar's signed Summary of Negotiated Items for RFP No. 161534 – Heavy Equipment, Parts, Accessories, Supplies and Related Services. In order for the evaluation committee to proceed with the evaluation of your proposal, it is requested that you submit a revised offer.

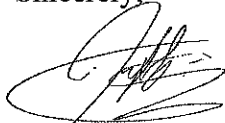
Attached you will find your firms original discount off list, provided with the original offer. Please review this document, and determine if any additional discounts can be offered to the City and its participating partners. If you decide to keep your firm's pricing the same, you will still need to provide a revised discount off offer, and return it to me.

If there are other areas in your offer that you wish to revise, please also do so at this time.

Please provide a written response to me no later than **Wednesday, March 08, 2017 at 4:00PM**. You may e-mail your response to [Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov).

The City of Tucson appreciates your attention to this request.. If you should have any questions, please contact me at (520) 837-4123.

Sincerely,



Jeffrey Whiting  
Contract Officer

## **4. Caterpillar's Response to RFP 161534**

**ORIGINAL**



# CITY OF TUCSON

Request for Proposal

#161534

Heavy Equipment, Parts, Accessories, Supplies and Related Services



Submitted by:

**Caterpillar Inc. / Empire Machinery**

November 14, 2016

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7. Example Price Lists
8. 2015 Executive Summary: Year in Review and Sustainability Report
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**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting  
Department of Procurement  
Contract Officer  
255 W. Alameda, 6<sup>th</sup> Floor  
Tucson, AZ 85701

Dear Mr. Whiting,

It is with great pleasure that Caterpillar Inc. has been given an opportunity to respond to RFP #161534. We have found that our participation in the previous contract was beneficial to us as a manufacturer, our authorized dealers, and from many positive points of feedback – from governmental customers as well.

As you will see in the following pages, we have structured the response in two parts. The response from Caterpillar Inc., considers the entirety of our US Dealer Network who will be encouraged to use this contract via National IPA. Then for a very specific response to the needs of the City of Tucson, our local authorized dealer, Empire Machinery has added a response to detail their capabilities and commitments.

To facilitate your review of the documents, we have separated these responses into five main sections:

- 1) Questionnaire Responses to the City of Tucson;
- 2) Questionnaire Responses to National IPA;
- 3) Proposed Exceptions;
- 4) Empire Machinery Responses;
- 5) Attachments

If you have any questions during your review of these documents we would be happy to clarify.

We look forward to continuing our relationship with the City of Tucson and National IPA and trust that our submission will not only meet your needs and expectations – but exceed them!

Most sincerely,

Ann Schreifels  
Governmental Sales Manager  
[Schreifels\\_ann\\_m@cat.com](mailto:Schreifels_ann_m@cat.com)  
309-338-5976

## OFFER AND ACCEPTANCE

### OFFER

#### TO THE CITY OF TUCSON:

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

Caterpillar Inc.

Company Name

Name: Patty Redpath

100 NE Adams St.

Address

Title: Governmental Account Manager

Peoria IL 61629

City State Zip

Phone: 309-494-4578



Signature of Person Authorized to Sign

Fax: 309-675-4301

E-mail: redpath\_patty@cat.com

Brian Foster

Printed Name


North American Sales Manager

Title

### ACCEPTANCE OF OFFER


The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-D1.

Approved as to form this 25<sup>th</sup> day of April, 2016.

  
As Tucson City Attorney and not personally

CITY OF TUCSON, a municipal corporation

Awarded this 24<sup>th</sup> day of April, 2016.

  
for Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM  
As Director of Procurement and not personally

# REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON  
DEPARTMENT OF PROCUREMENT  
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701  
P.O. BOX 27210, TUCSON, AZ 85726  
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534  
RFP AMENDMENT NO. ONE (1)  
PAGE NO. 1 OF 1

RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time  
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.  
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

## Heavy Equipment, Parts, Accessories, Supplies and Related Services

### ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

### ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1<sup>st</sup> Floor Conference Room, 255 W. Alameda, Tucson AZ 85701**.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.  
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

Ann Schreifels 11/11/16  
Signature Date  
Ann Schreifels Governmental  
Print Name and Title Sales Manager

Caterpillar Inc  
Company Name  
100 NE Adams St.  
Address  
Peoria IL 61629  
City State Zip

## PROPOSAL EVALUATION REQUIREMENTS

### A. Method of Approach

#### 1) National Program

- 1) Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

#### Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

#### 2) Distribution Network

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

#### Caterpillar Response

-Confidential-

Caterpillar products (equipment, accessories, parts, repair and services) are sold and supported through Caterpillar's authorized Dealer network. These Dealers are established, independent businesses that understand the needs of their local customers and communities. Across North America, the majority of Caterpillar Dealers have supported the needs of their local customers and communities for decades.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than \$400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Caterpillar maintains 10 parts distribution warehouses throughout North America to ensure that almost all parts can reach our dealers within 24-48 hours. In addition to the Caterpillar owned parts inventory, Cat dealers collectively stock over \$1 Billion in protective parts inventory to minimize downtime for their customers. Currently the national average for 24-hour parts availability is at a 99% fill rate.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability.

Please refer to subsection d below which expands on some of these capabilities.

- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

**Caterpillar Response**

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

- c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

**Caterpillar Response**

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

<b>CONSTRUCTION INDUSTRIES</b>	
<b>U.S. Facilities</b>	<b>Facilities Outside the U.S.</b>
<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagami-hara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong
<b>RESOURCE INDUSTRIES</b>	
<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet <b>North Carolina:</b> Winston-Salem <b>Pennsylvania:</b> Houston <b>South Carolina:</b> Sumter <b>Tennessee:</b> Dyersburg <b>Texas:</b> Dennison <b>Wisconsin:</b> South Milwaukee	<b>Australia:</b> Beresfield, Burnie <b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou <b>Czech Republic:</b> Ostrava <b>France:</b> Arras <b>Germany:</b> Dortmund, Lunen <b>India:</b> Hosur, Thiruvallur <b>Indonesia:</b> Batam <b>Italy:</b> Jesi <b>Japan:</b> Sagami-hara <b>Mexico:</b> Acuña, Monterrey, Reynosa, Torreon <b>Russia:</b> Tosno <b>Thailand:</b> Rayong <b>United Kingdom:</b> Peterlee
<b>ENERGY &amp; TRANSPORTATION</b>	
<b>Alabama:</b> Albertville, Montgomery <b>California:</b> San Diego <b>Georgia:</b> Griffin <b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac <b>Indiana:</b> Lafayette, Muncie <b>Kentucky:</b> Decoursey, Louisville, Mayfield <b>South Carolina:</b> Newberry <b>Texas:</b> Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Australia:</b> Revesby <b>Belgium:</b> Gosselies <b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas <b>China:</b> Tianjin, Wuxi <b>Czech Republic:</b> Zatec <b>Germany:</b> Kiel, Mannheim, Rostock <b>India:</b> Hosur, Aurangabad <b>Mexico:</b> San Luis Potosi, Tijuana <b>Republic of Singapore:</b> Singapore <b>Sweden:</b> Ockerö Islands <b>Switzerland:</b> Riazzino <b>United Kingdom:</b> Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled \$9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

**Caterpillar Response**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

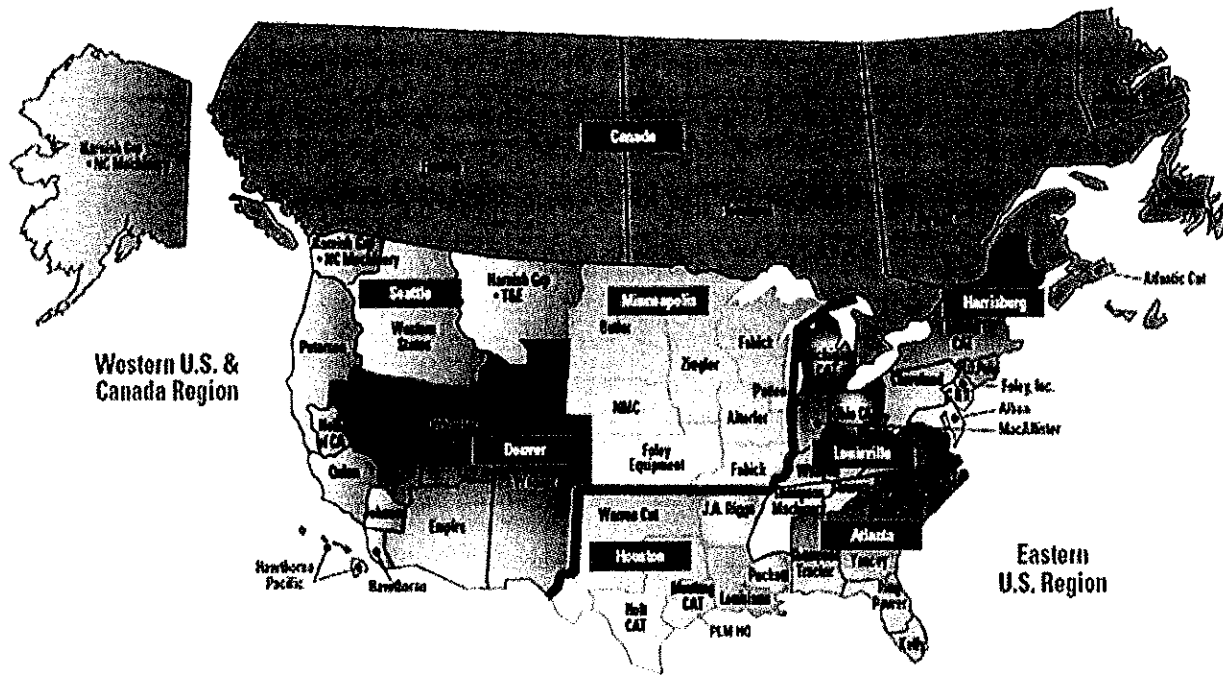


Image 1: North American Dealer Network

3) Product

a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

**Caterpillar Response**

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

**Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

**Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/branded lines of equipment offered by Cat dealers for purchase under this contract.

2. Identification and description of sub categories.

**Caterpillar Response**

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

[http://www.cat.com/en\\_US/products/new/equipment.html](http://www.cat.com/en_US/products/new/equipment.html)

**Recycling and Waste**

Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

[http://www.cat.com/en\\_US/products/new/by-industry/waste.html](http://www.cat.com/en_US/products/new/by-industry/waste.html)

**Construction Equipment**

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development.

This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/construction.html](http://www.cat.com/en_US/products/new/by-industry/construction.html)

### **Technology & Solutions**

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

[http://www.cat.com/en\\_US/support/operations/technology.html](http://www.cat.com/en_US/support/operations/technology.html)

### **Paving**

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/paving.html](http://www.cat.com/en_US/products/new/by-industry/paving.html)

### **Work Tools**

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/attachments.html](http://www.cat.com/en_US/products/new/attachments.html)

### **Other/Miscellaneous/Allied**

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

- Identify accessories, parts, services, etc. that are available through the manufacturer.

**Caterpillar Response**

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over \$1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

**Caterpillar Response**

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

**Caterpillar Response**

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: [www.cat.com](http://www.cat.com)

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

6. Do you offer color choices for each product listed?

**Caterpillar Response**

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

- b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

<u>140M3 Motor Grader</u>	<u>Months</u>	<u>Hours</u>
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2. description of your warranty claims procedures.

**Caterpillar Response**

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3. description of your policy addressing warranty issues related to:

- i. Major Component Failures
- ii. Engineering Deficiencies
- iii. Describe your firm's standard response time to address warranty failure issues.

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering Deficiencies, and Empire Machinery's standard response time to address

warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

**Caterpillar Response**

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

- d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

**Caterpillar Response**

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

- e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

**Caterpillar Response**

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- f. Submit all information that will aid the City in evaluating your proposal

**Caterpillar Response**

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

<http://www.caterpillar.com/en/company/sustainability.html>

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html)

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html)

[http://www.cat.com/en\\_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html](http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html)

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations
- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council

- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rankings ranks Caterpillar 72<sup>nd</sup> out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19<sup>th</sup> Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

**Caterpillar Response**

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owinging & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

**Caterpillar Response**

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing requirements. As a commitment to servicing our customers, Cat dealers invest over \$75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

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## U.S. Dealer Locations

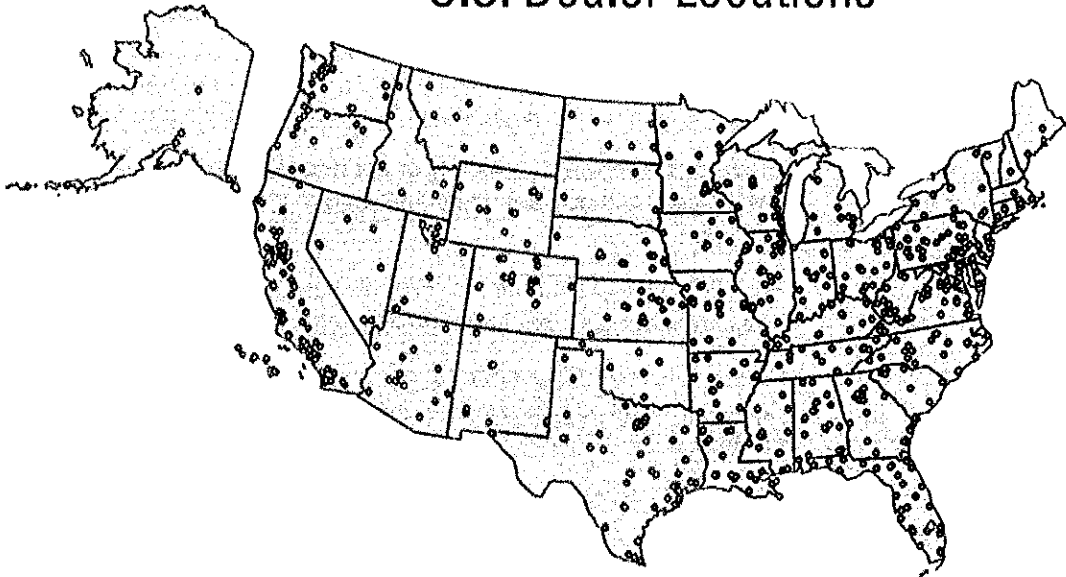


Image 2: US Dealer Locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

### **Caterpillar Response**

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

4. Describe your training programs, addressing, at a minimum, the following:
  - i. How will equipment training be conducted?
  - ii. Describe the training curriculum for the equipment operators.
  - iii. Describe the training curriculum for the service technicians.
  - iv. How will you accommodate various work shifts?
  - v. What type of documentation is provided with the proposed training?
  - vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
  - vii. Is the training provided by the manufacturer, dealer or both?

### **Caterpillar Response**

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: [http://www.cat.com/en\\_US/support/operations/cat-training.html](http://www.cat.com/en_US/support/operations/cat-training.html)

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

## 5) Ordering and Invoices

### a. Describe your order process.

#### **Caterpillar Response**

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### b. How do agencies work with your firm to determine appropriate equipment needs?

#### **Caterpillar Response**

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- c. Describe the equipment delivery process and your delivery commitment.

**Caterpillar Response**

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- d. What is your standard equipment delivery timeframes?

**Caterpillar Response**

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- e. How does your firm communicate order cut off dates to your customers?

**Caterpillar Response**

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- f. Identify and describe any exceptions or challenges.

**Caterpillar Response**

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

**Caterpillar Response**

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific

a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

**Caterpillar Response**

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

**Caterpillar Response**

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

**Caterpillar Response**

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

- k. Titles- will equipment be provided with proof of registration with the state?

**Caterpillar Response**

Where appropriate, all titles will be provided with proof of registration with the state.

- l. Will each product be delivered free of distributor advertising?

**Caterpillar Response**

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

- 6) Other

- a. Describe any government rebate programs applicable.

**Caterpillar Response**

No specific governmental rebate programs are currently available.

**B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

### **Caterpillar Response**

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 2) Based on your distribution network, explain how freight is calculated.

### **Caterpillar Response**

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

**Caterpillar Response**

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Several factors will come into play when looking at possible price adjustments. Given that our machines and their components are largely made up of a variety of metals, commodity prices will have a significant impact on how pricing is adjusted moving forward. Combined with the fluctuation in fuel cost, rubber prices as well as the cost associated to the development of technologies associated to meeting emissions regulations, we expect the prices of heavy equipment to continue to rise. With this uncertainty, Caterpillar is asking that the most current published pricing, Caterpillar's suggested Consumer Price List, be that which is used in the quotation of equipment for this contract by the supporting Dealers. Failure to do so may limit Caterpillar's ability to commit to the pricing terms as outlined in this solicitation.

Typically, price changes go into effect on the first business day of the calendar year. However, Caterpillar reserves the right to adjust prices up or down as needed with an understanding that price changes may impact purchase intentions.

In a rare situation where Caterpillar determines a need to make price list corrections/reductions we reserve the right to adjust discount structures as long as that discount change is not detrimental to the customer.

With more than 300 products, Caterpillar introduces new products and removes outdated products periodically throughout the year. Caterpillar will provide the City of Tucson an updated equipment list and discount structure when these changes take place.

**Past and Future Price Increases**

JAN2014:	0 to 3%	plus 0 to 5% if emissions related, and -14% on WHEX
JAN2015:	-2 to 4%	plus 0 to 4% emissions related
JAN2016:	-4 to 4%	plus 3% emissions on D6K, 815 and 816
JUL2016	0 to 2%	some paving equipment only
JAN2017:	0 to 4 %	

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

**Caterpillar Response**

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

**Caterpillar Response**

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

**Caterpillar Response**

None available at this time.

- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0 %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

- 8) Will payment be accepted via commercial credit card?  Yes  No
- a. If yes, can commercial payment(s) be made online?  Yes  No
- b. Will a third party be processing the commercial credit card payment(s)?  
 Yes  No
- c. If yes, indicate the flat fee per transaction \$\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
- d. If "no" to above, will consideration be given to accept the card?  Yes  No

**Caterpillar Response**

\*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

- 9) Does your firm have a City of Tucson Business License?  Yes  No
- a. If yes, please provide a copy of your City of Tucson Business license.

**Caterpillar Response**

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

**Caterpillar Response**

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be

successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealers have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

2) Describe your dealer network and their role in providing products and services under this contract.

**Caterpillar Response**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

**Caterpillar Response**

Nationally, the contract will be managed by:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

**Caterpillar Response**

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

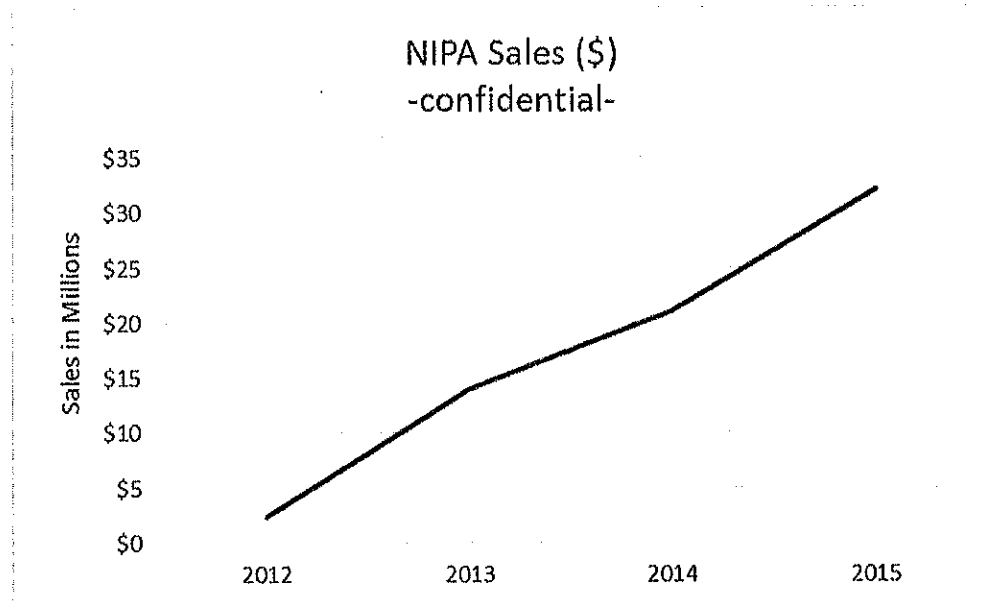
Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.

**Caterpillar Response** (Only)

- CONFIDENTIAL – Request confidential treatment –

Our success with the National IPA partnership has been outstanding. Our internal sales support staff as well as our dealers embrace the concept and fully understand how to use the program. Our results since signing the contract in 2012 have been impressive as the chart below demonstrates:



Please also refer to vendor's response section 2015 Year In Review

- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

**Caterpillar Response**

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

- 7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

**Caterpillar Response**

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

## **National IPA Exhibit A – National IPA Response for National Cooperative Contract**

### **3. SUPPLIER QUALIFICATIONS**

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

#### **3.1 Company**

##### **A. Brief history and description of your company.**

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy that there are three main partners in our business – Caterpillar, Cat dealers and customers. All three elements must be successful individually for all three to be successful over the long term. It's a symbiotic relationship where all benefit when they all grow together. This success is evident in the fact that many of our dealers are owned by multiple generations of the same family and multiple generations of customers continue to purchase products and services.

##### **B. Total number and location of sales persons employed by your company.**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

C. Number and location of support centers (if applicable).

Caterpillar products are sold and supported by our authorized dealer network of 49 dealers in the US and 4 in Canada. These dealers are established, independent businesses that understand well the needs of their local customers and communities. These dealers typically have the majority of parts on-hand and the national average for 24-hour availability is 99%. In addition, Caterpillar maintains 10 parts distribution warehouses throughout the country to ensure that almost all parts can reach a customer within 24-48 hours.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than \$400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Each Cat dealer operates in multiple branch locations and uses parts drop boxes and mobile service trucks.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability. Subsection d below expands on some of these capabilities.

## U.S. Dealer Locations

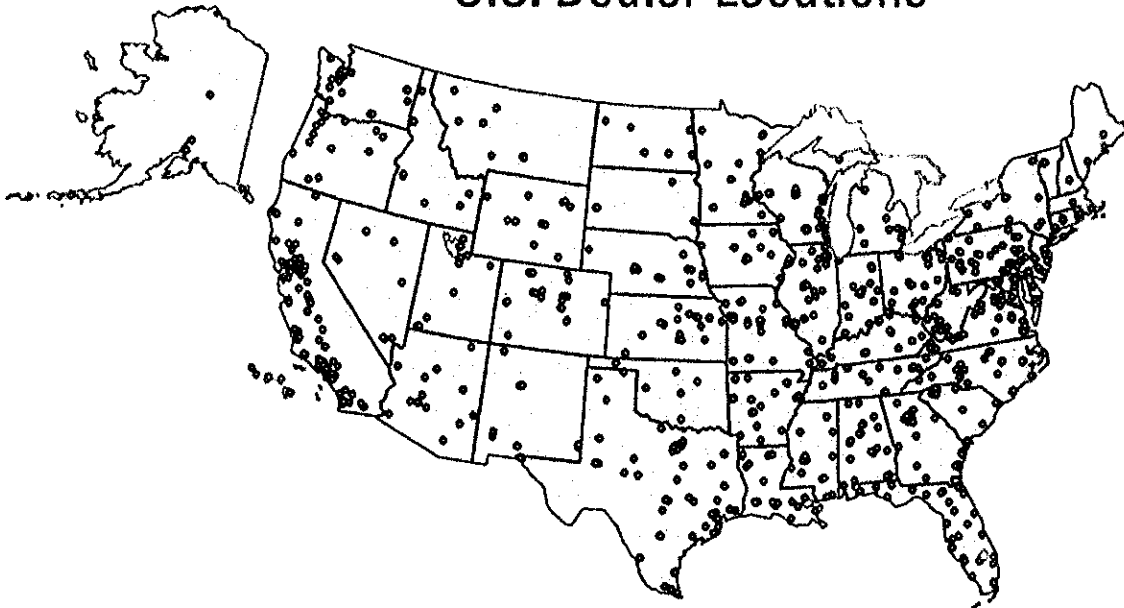


Image 1, Caterpillar Dealer Branch Operations

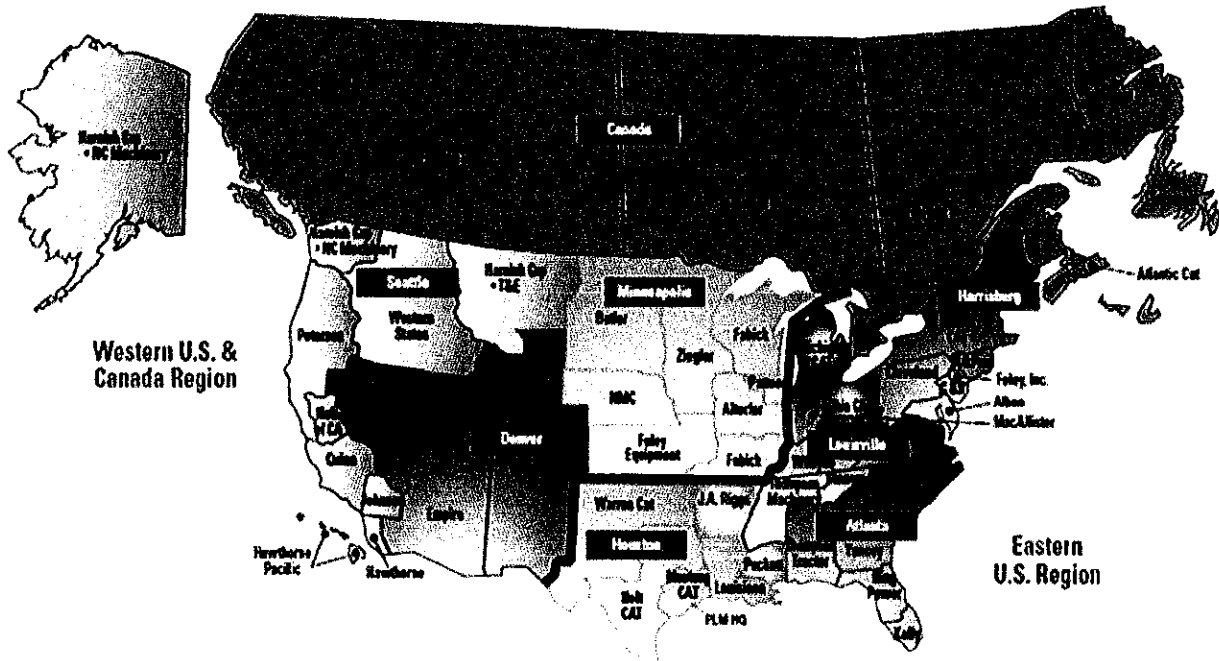


Image 2, Caterpillar North American Dealer Territories

D. Annual sales for the three previous fiscal years.

2013 – \$55.6B  
 2014 – \$55.1B  
 2015 - \$47.0B

E. Submit your FEIN and Dunn & Bradstreet report.

Caterpillar's Employee Identification Number is 37-0602744

Please refer to vendor's response section Dunn & Bradstreet

3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.

Caterpillar products and services are distributed principally through a worldwide network of independent dealers (dealer network), which includes 49 located in the United States, and 4 in Canada.

See Image 2, above.

- B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

All North American dealers and or their subsidiaries process, handle or ship the products / services to end users. Outside companies are used to transport equipment, but do not assume ownership.

- C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

<b>Segment</b>	<b>U.S. Facilities</b>	<b>Facilities Outside the U.S.</b>
<b>Construction Industries</b>	<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang, Xuzhou, Qingzhou <b>France:</b> Grenoble, Echiroles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagami-hara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong

**Resource Industries**

**Illinois:** Aurora, Decatur, East Peoria, Joliet  
**North Carolina:** Winston-Salem  
**Pennsylvania:** Houston  
**South Carolina:** Sumter  
**Tennessee:** Dyersburg  
**Texas:** Denison  
**Wisconsin:** South Milwaukee

**Australia:** Beresfield, Burnie  
**China:** Langfang, Tongzhou, Wuxi, Zhengzhou  
**Czech Republic:** Ostrava  
**France:** Arras  
**Germany:** Dortmund, Lunen  
**India:** Hosur, Thiruvallur  
**Indonesia:** Batam  
**Italy:** Jesi  
**Japan:** Sagamihara  
**Mexico:** Acuna, Monterrey, Reynosa, Torreon  
**Russia:** Tosno  
**Thailand:** Rayong  
**United Kingdom:** Peterlee

**Energy & Transportation**

**Alabama:** Albertville, Montgomery  
**California:** San Diego  
**Georgia:** Griffin  
**Illinois:** LaGrange, Moxville, Mapleton, Pontiac  
**Indiana:** Lafayette, Muncie  
**Kentucky:** Decoursey, Louisville, Mayfield  
**South Carolina:** Newberry  
**Texas:** Channelview, De Soto, Mabank, San Antonio, Schertz, Seguin, Sherman

**Australia:** Revesby  
**Belgium:** Gosselies  
**Brazil:** Curitiba, Hortolandia, Piracicaba, Sete Lagoas  
**China:** Tianjin, Wuxi  
**Czech Republic:** Zatec  
**Germany:** Kiel, Mannheim, Rostock  
**India:** Hosur, Aurangabad  
**Mexico:** San Luis Potosi, Tijuana  
**Republic of Singapore:** Singapore  
**Sweden:** Ockerö Islands  
**Switzerland:** Rizzano  
**United Kingdom:** Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

- D. State any return and restocking policy and fees, if applicable, associated with returns.

N/A

- E. Describe the full line of products and services offered by your company.

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

**Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

**Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Cat dealers as a branded Caterpillar product, or as allied equipment.

In addition to the new machines and power systems mentioned above, Caterpillar dealers also offer a complete line of OEM repair parts, work tools and attachments that are included in our offer.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by all Cat dealers and also included under this contract.

The purchasing of used equipment and the renting of equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

For the purposes of calculating the administrative fees associated with cooperative purchasing, only new Cat equipment sales will qualify as it is impossible for Caterpillar to track and measure sales of parts, service, used, rental, and allied equipment.

### 3.3 Marketing and Sales

- A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
  - i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days.  
Agree.
  - ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

Should Caterpillar be awarded the contract a formal announcement of the award will be made to Caterpillar's field force and Caterpillar's dealer network. We anticipate this first communication to take place within the first 30 days of final award.

Since the roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of end users nationwide.

We will continue to aggressively market the Master Agreement and continue ongoing sales training. The growth rate from the previous contract has been impressive and we have every reason to believe that the trend will continue.

- B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
- i. Creation and distribution of a co-branded press release to trade publications Agreed.
  - ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days Agreed.
  - iii. Design, publication and distribution of co-branded marketing materials within first 90 days Agreed.
  - iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement Agreed as calendars and budgets allow.
  - v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA. Agreed as calendars and budgets allow.
  - vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement Agreed as budgets allow.
  - vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.) Agreed.
  - viii. Dedicated National IPA internet web-based homepage on Supplier website with:
    - National IPA standard logo;
    - Copy of original Request for Proposal;

- Copy of contract and amendments between Principal Procurement Agency and Supplier;
- Summary of Products and pricing;
- Marketing Materials
- Electronic link to National IPA's website including the online registration page;
- A dedicated toll free number and email address for National IPA

Caterpillar internet standards will not allow a dedicated page on our website, however we will be able to make the information above accessible to customers and dealers. We strongly believe that directing customers to the National IPA webpage has an advantage over reproducing the information on our own site. Seeing the breadth and scope of additional contracts adds to the overall credibility of the concept.

Caterpillar has been very successful promoting the National IPA contract since it was first awarded. We intend to continue this promotion strategy. We will continue to work closely with the National IPA account manager and marketing teams to be certain we are working well together to pursue our mutual goal of growing contract sales.

While our marketing budget may prohibit executing some of the activities mentioned above, it is our intention to comply with the spirit of the section.

Additionally, many of our dealers have public websites that provide similar information to the market. The following is an example of Empire Machinery's web link:

<http://www.empire-cat.com/cooperativepurchasing/?terms=city%20of%20Tucson>

- C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

Since roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Cat dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of our customers nationwide.

Caterpillar will encourage dealers and customers to embrace cooperative purchasing and we will ensure that there are no corporate roadblocks to adoption. However, ultimately, the decision to use contracts lies with the public agency itself. Therefore, transitions to the contract will take place at the pace that agencies feel comfortable.

Caterpillar presently holds two cooperative contracts. Those contracts are NJPA Heavy Equipment Contract #032515 and NJPA Alternative Energy / Generators Contract #080613. Caterpillar, through Caterpillar's Defense and Federal Products business unit, currently holds GSA contract #GS30F0018U.

For the purpose of this proposal, Caterpillar's NJPA Heavy Equipment Contract #032515 provides the same product offering and discount structure as is being submitted in this proposal.

- D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

Per corporate brand and legal guidelines, Caterpillar company logos can be used by National IPA pursuant to existing contract.

Caterpillar will request proper permission to use the National IPA logo as well.

- E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
- i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
  - ii. Best government pricing
  - iii. No cost to participate
  - iv. Non-exclusive contract

Should Caterpillar be awarded the contract, Caterpillar ensures that training and marketing materials associated to the Master Agreement will clearly communicate the advantages of the National IPA agreement.

- F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
- i. Key features of Master Agreement
  - ii. Working knowledge of the solicitation process
  - iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
  - iv. Knowledge of benefits of the use of cooperative contracts

Should Caterpillar be awarded the contract, Caterpillar will ensure that training and marketing materials associated with the Master Agreement will continue as described above.

G. Provide contact information for the person(s), who will be responsible for:

- i. Marketing
- ii. Sales
- iii. Sales Support
- iv. Financial Reporting
- v. Contracts

Patty Redpath  
Governmental Sales  
100 NE Adams St, Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

Caterpillar's North American field force is divided into eight districts including Canada. Each district has marketing representatives that are responsible for working with assigned dealers within their service territory. The eight districts are divided into a Western Region and an Eastern Region. Both a Western Region Manager and an Eastern Region Manager report to Brian Foster who serves as the Industry Sales Manager for Americas North.

Brian Foster  
Americas North Sales Manager  
309-675-5181  
FOSTER\_BRIAN\_V@cat.com

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

Through our governmental specialists and the contract manager, Caterpillar will develop training materials along with marketing initiatives specific to the cooperative purchasing model to ensure that dealers are equipped with the necessary tools to present the message to the customer with confidence.

Cat dealer sales representatives have developed relationships with the National IPA sales representatives. As these relationships continue to grow, the results can be expected to grow as well.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, etc.

The contract manager will be the single point of contact for any issues related to supporting, maintaining, and promoting the contract. It will be up to each individual

dealer to identify those customers that would benefit from the program's use and will promote it accordingly.

- K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

- CONFIDENTIAL – Request confidential treatment –

Caterpillar's governmental sales in 2015 were \$900M+ from 5,000+ units.

Customers who purchase Caterpillar equipment are ultimately the customers of the local Dealers who serve them. As such Caterpillar does not have all the contact information for customers requested here. Caterpillar also regards all customer transaction information as confidential and reserves the right to withhold such information.

- L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Caterpillar receives orders and payments from dealers. The equipment then becomes part of a dealer's inventory until sold to a customer. When a public agency decides to purchase a machine through this master contract, Caterpillar will offer additional support to the dealer via our post-sale credit system. The dealer will be required to submit the agency's name, address, member number and purchase amount. Caterpillar has no way to track sales of parts, service, used machines or rentals.

- M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

\$ .00 in year one

\$ .00 in year two

\$ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

Caterpillar will not guarantee a minimum number of sales. Dealers and customers have high level of awareness about the contract. Sales should continue to grow as a result of their satisfaction with the process.

- N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.
- i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
  - ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
  - iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
  - iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

Caterpillar will report sales to National IPA when a customer has requested that the sale take place via the contract. In any other situation Caterpillar will consider the sale a non-contract sale and will not be responsible for any fees.



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting  
Contract Officer  
City of Tucson  
255 W. Alameda, 6<sup>th</sup> Floor  
Tucson, AZ 85701

Dear Mr. Whiting:

We are very pleased to submit Caterpillar Inc.'s proposal in response to RFP #161534. The attached document outlines our proposed exceptions to the RFP.

With more than 90 years of experience, Caterpillar has the in-depth knowledge and experience to undertake this initiative on behalf of the City of Tucson and complete it effectively. We, along with our dealer, Empire Machinery, appreciate the trust you've placed in us through your past purchases and we hope to continue this valued relationship.

We would be pleased to answer any questions you might have regarding our proposal. Thank you for the opportunity to submit these exceptions for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Ann Schreifels".

Ann Schreifels  
Governmental Sales Manager  
Schreifels\_ann\_m@cat.com  
309-266-0471

Caterpillar Inc. Exceptions

SCOPE OF WORK

A. GENERAL REQUIREMENTS

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer may present the training material shall be presented in a quality suitable for videotaping. Dealer and Contractor~~The City reserves the right to allow or reject videotaping~~ part or all of the training provided at no additional cost to the agency.
6. **REPAIRS.** The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in first service. Transport of the vehicle will not be delayed more than one working day from date of notification.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

3. **PRICING:** Offerors shall confidentially provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

- 1/b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. City and Dealer will work together to determine the City's loaner equipment requirements and the cost to the city for loaner equipment. For the City of Tuscon see Empire Cat's response.~~If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.~~

## INSTRUCTIONS TO OFFERORS

- 10. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his or her designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his or her designee, the City shall be deemed to have rejected the proposal or offer in part. The parties may agree to negotiate separate terms where the Director or his or her designee has not accepted a modification. the contract provisions contained in the City's Request for Proposal shall prevail.
- 11. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and, subject to Section 12, shall become a matter of public record available for review subsequent to the award notification.
- 12. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. ~~Price is not confidential and will not be withheld.~~ If the confidential request is denied, such information shall be disclosed as public information, unless the Offeror submits a formal written objection.
- 21. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the applicable Contractor-Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 7914566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

## SPECIAL TERMS AND CONDITIONS

- 2. SUBCONTRACTORS:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, City and the Department of Procurement hereby agree that certain obligations of Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

City and Contractor acknowledge that Contractor authorized dealers are independent businesses and as such (a) have the right to choose whether or not to accept the terms and conditions contained herein; and (b) have the right to establish their own specific resale prices and other terms and conditions of sale, none of which will be dictated by Contractor.

No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement. All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

4. **INSURANCE:** ~~The Contractor agrees to:~~ For purposes of this Section 4, all references to "Contractor" shall be deemed to be references to "Dealer" alone.
9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the Contractor applicable Dealer as a condition of their intended purchase transaction. If the Contractor Dealer chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

#### STANDARD TERMS AND CONDITIONS

20. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, ~~its successors, assigns and guarantors,~~ shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, ~~including claims of patent or copyright infringement,~~ damages, losses, reasonable expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions ~~of caused in whole or part by Contractor~~ relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Contractor or anyone directly or indirectly employed by Contractor or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors. ~~any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractor agrees to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.~~

29. **PAYMENT:** It is the Dealer's discretion whether to accept credit card payments and under what circumstances it will accept credit card payments. It is noted ~~t~~The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases and subject to the foregoing, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

38. **SUBCONTRACTS:** This Section 38 is made subject to the terms of Section 2 of the Special Terms and Conditions of this Contract. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by ~~the City~~ any party, with or without cause, upon giving thirty (30) days written notice. ~~The City~~ Any party, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. ~~The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:~~

In the reasonable opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the reasonable opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the reasonable opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the reasonable opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

## ATTACHMENT A

### EXHIBIT A

#### **1.2 Marketing, Sales and Administrative Support**

Suppliers are required to pay an administrative fee pursuant to Section 10 of Exhibit B, Monthly Reporting & Fees attached to of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

#### **1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the Supplier/local authorized dealer (Contract Sales are reported to National IPA).

### EXHIBIT B

#### NATIONAL IPA COMPANY ADMINISTRATION AGREEMENT

##### TERM OF AGREEMENT

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Supplier/Dealer to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

##### **MONTHLY REPORTING & FEES**

10. Supplier shall pay National IPA an administrative fee in the amount of —%—1% of the total new machine purchase amount paid to Supplier, less refunds, credits on returns, rebates and discounts, for the sale of new machines to Principal Procurement Agency and Participating Public Agencies pursuant to the Master Agreement (as amended from time to time and including

any renewal thereof) ("Contract Sales"). Supplier shall provide National IPA with an electronic accounting report, in Microsoft Excel, in the format prescribed by National IPA, on a monthly basis summarizing all Contract Sales for the applicable month. A sample of the Contract Sales reporting format is provided as Exhibit C, attached hereto and incorporated herein by reference.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10<sup>th</sup> day of the following month. On the 10<sup>th</sup> day of the month following the end of each quarter Supplier shall pay an ~~Such reports shall be accompanied by an~~ administrative fee payment in the amount indicated on the report as being due. Administrative fee payments are made for each calendar quarter. The administrative fee isare to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or quarterly payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

#### GENERAL PROVISIONS

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA; provided, however, National IPA understands the nature of Supplier's distribution network and that certain responsibilities may only be fulfilled by an authorized dealer.-



November 14, 2016

Jeffrey Whiting  
Department of Procurement  
Contract Officer  
255 W. Alameda, 6th Floor  
Tucson, AZ 85701

RE: Request for Proposal Number 161534  
Heavy Equipment, Parts, Accessories, Supplies and Related Services

On behalf of Caterpillar Inc. and Empire Machinery, we sincerely appreciate the opportunity to participate in RFP #161534 from the City of Tucson. We believe the current contract, #120377, is a very successful contract for all parties; City of Tucson, National IPA, National IPA Member Agencies, Caterpillar and CAT Dealers.

We believe Caterpillar's offer in RFP #161534, if awarded, has three major benefits to all parties that are currently utilizing Contract #120377.

**One – Capitalizing On the Momentum of Contract #120377**

Contract #120377 has grown more than 1700% since 2012, and has increased more than 50% every year through 2015.

**Two – Caterpillar's Product Offering Far Exceeds Any Other Manufacturer**

CAT offers 159 more individual machine models to the governmental market than our next closest competitor. The depth and breadth of these additional units represents three times more machines to service your needs, and results in potential multiples of higher revenue through the contract.

**Three – CAT Dealers' Larger Infrastructure in Both Stores and People to Serving the US**

Cat Dealers have the infrastructure in stores and people in numbers, greater than all our competitors combined. More and more CAT Dealer Sales Managers and Salespersons are discovering two major benefits of the City of Tucson/National IPA contract.

1. A nationally recognized municipality as the Lead Agency and,
2. A single award

When these features are presented, procurement staff and operating departments have much higher confidence and trust in the co-op bid process. U.S. Cat dealers continue to increase their presentations and visibility of the contract and thus secure the adoption by new and/or existing National IPA members. At Empire, we are experiencing an increased level of engagement, with our counterparts at other dealerships who are requesting our guidance and best practice suggestions- especially over the last 18 months as capital budgets have improved across the country.

The response will be separated into two sections. Section 3 and 4 is Cat only and Section 6 is a combined response, which will include the responses from both Caterpillar and Empire Machinery. This allows responses to be viewed together.

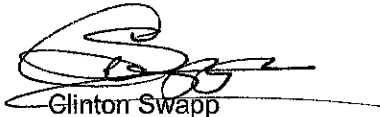
Caterpillar's response was prepared by Patty Redpath, Governmental Sales Account Manager based in Peoria, Illinois. Patty's response pertains to the scope of Caterpillar's responsibility, while remaining cognizant that each dealership and respective territory has their own business rules and local regulations. Caterpillar is not at liberty to make commitments in this response on behalf of all Cat dealers. Caterpillar's commitment is the pricing discount from their published list price on machines they manufacture. These will be available to every Caterpillar dealer in the United States in the event that a local agency requests to purchase from this contract, and that specific Caterpillar dealer agrees with both the pricing level offered and agrees to accept any additional terms the agency requires.

The dealer response is from Empire Machinery, referred to as "Dealer Response". Empire approached our submission as if we were preparing our proposal solely for the City of Tucson. Empire's business relationship with the City of Tucson is highly valued and is our primary focus. The Empire Machinery section should only be considered as a commitment of what Empire will provide the City of Tucson and other agencies in our Cat territory. If this submission provides particular value, it may be used in the NIPA marketing effort to potential agencies in understanding what a Caterpillar dealership is capable of, but in no way is meant to imply or represent that any other dealers can or will provide the exact scope or elements that Empire offers the City of Tucson.

In addition, Empire represents several products that Caterpillar does not manufacture, but were requested in the RFP. We refer to non-Caterpillar products at Empire as "Allied" products. These help enhance or complete the machines for applications our customers need. Additional information is included in the Empire section entitled "Allied Products".

Thank you for the opportunity to participate in this solicitation for the City of Tucson.

Sincerely,



Clinton Swapp  
Sales Account Manager  
520-240-8213  
[Clinton.Swapp@empire-cat.com](mailto:Clinton.Swapp@empire-cat.com)



Mark McGee  
Governmental Industry Manager  
520-240-8292  
[Mark.McGee@empire-cat.com](mailto:Mark.McGee@empire-cat.com)

## PROPOSAL EVALUATION REQUIREMENTS

### A. Method of Approach

#### 1) National Program

- a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

#### **Caterpillar Response**

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

Empire Machinery will be providing a response to RFP #161534 on behalf of Caterpillar's Dealer network in an effort to support the terms included herein on a national scale. Empire will provide supplemental responses to applicable questions specific to the manner in which Empire will be specifically supporting the contract for the City of Tucson. From a national standpoint, Empire's supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in territories other than those serviced by Empire Machinery

#### 2) Distribution Network

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

#### **Caterpillar Response (only)**

-Confidential-

Caterpillar products (equipment, accessories, parts, repair and services) are sold and supported through Caterpillar's authorized Dealer network. These Dealers are established, independent businesses that understand the needs of their local

customers and communities. Across North America, the majority of Caterpillar Dealers have supported the needs of their local customers and communities for decades.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than \$400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Caterpillar maintains 10 parts distribution warehouses throughout North America to ensure that almost all parts can reach our dealers within 24-48 hours. In addition to the Caterpillar owned parts inventory, Cat dealers collectively stock over \$1 Billion in protective parts inventory to minimize downtime for their customers. Currently the national average for 24-hour parts availability is at a 99% fill rate.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability.

Please refer to subsection d below which expands on some of these capabilities.

- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

**Caterpillar Response** (only)

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

- c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

**Caterpillar Response** (only)

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium;

Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

<b>CONSTRUCTION INDUSTRIES</b>	
<b>U.S. Facilities</b>	<b>Facilities Outside the U.S.</b>
<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagami-hara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong
<b>RESOURCE INDUSTRIES</b>	
<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet <b>North Carolina:</b> Winston-Salem <b>Pennsylvania:</b> Houston <b>South Carolina:</b> Sumter <b>Tennessee:</b> Dyersburg <b>Texas:</b> Dennison <b>Wisconsin:</b> South Milwaukee	<b>Australia:</b> Beresfield, Burnie <b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou <b>Czech Republic:</b> Ostrava <b>France:</b> Arras <b>Germany:</b> Dortmund, Lunen <b>India:</b> Hosur, Thiruvallur <b>Indonesia:</b> Batam <b>Italy:</b> Jesi <b>Japan:</b> Sagami-hara <b>Mexico:</b> Acuña, Monterrey, Reynosa, Torreon <b>Russia:</b> Tosno <b>Thailand:</b> Rayong <b>United Kingdom:</b> Peterlee
<b>ENERGY &amp; TRANSPORTATION</b>	
<b>Alabama:</b> Albertville, Montgomery <b>California:</b> San Diego <b>Georgia:</b> Griffin <b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac <b>Indiana:</b> Lafayette, Muncie <b>Kentucky:</b> Decoursey, Louisville, Mayfield <b>South Carolina:</b> Newberry <b>Texas:</b> Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Australia:</b> Revesby <b>Belgium:</b> Gosselies <b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas <b>China:</b> Tianjin, Wuxi <b>Czech Republic:</b> Zatec <b>Germany:</b> Kiel, Mannheim, Rostock <b>India:</b> Hosur, Aurangabad <b>Mexico:</b> San Luis Potosi, Tijuana <b>Republic of Singapore:</b> Singapore <b>Sweden:</b> Ockero Islands <b>Switzerland:</b> Riazzino <b>United Kingdom:</b> Larnie, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled \$9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

**Caterpillar Response** (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

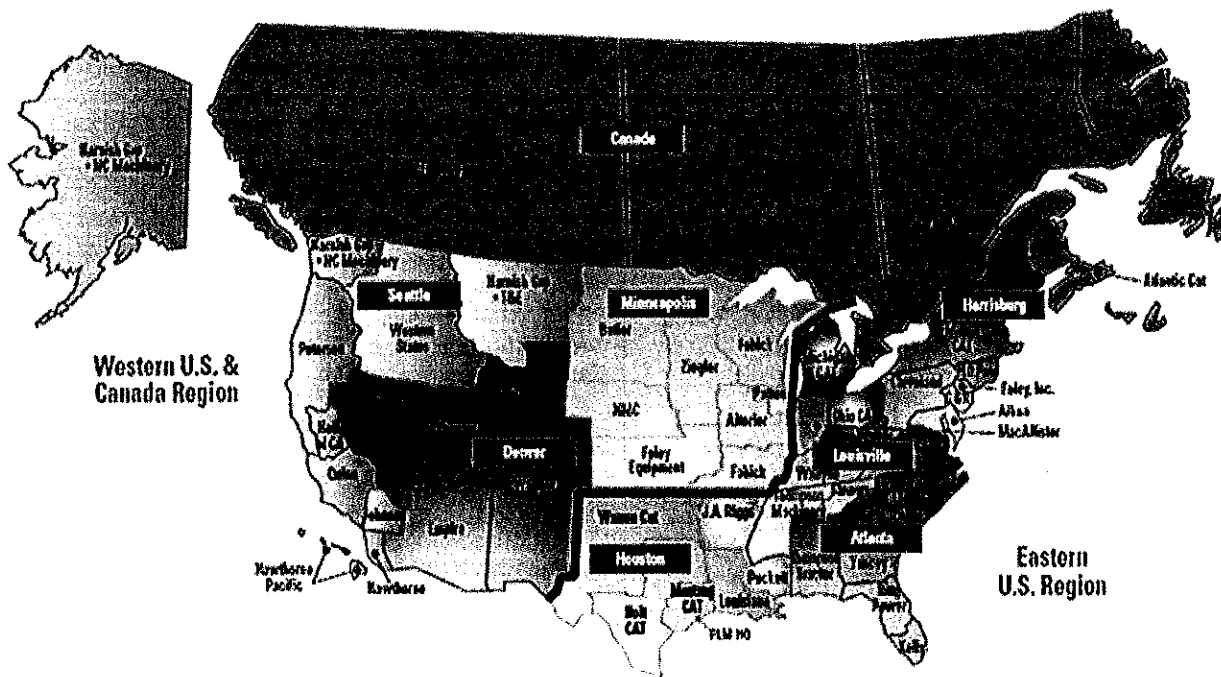


Image 1: North American Dealer Network

3) Product

- a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

**Caterpillar Response**

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors - Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

**Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

**Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/branded lines of equipment offered by Cat dealers for purchase under this contract.

**Dealer Response**

Empire Machinery represents the full line of Caterpillar equipment as described in Caterpillar's response. Cat Dealers also carry complementary products, that are non-CAT manufactured, that are available in this bid for purchase. These products are referred to as "Allied" products. Please see section 3) under Product, subsection 2. Identification and description of sub categories for a current list of Allied products.

2. Identification and description of sub categories.

**Caterpillar Response**

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

[http://www.cat.com/en\\_US/products/new/equipment.html](http://www.cat.com/en_US/products/new/equipment.html)

**Recycling and Waste**

Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

[http://www.cat.com/en\\_US/products/new/by-industry/waste.html](http://www.cat.com/en_US/products/new/by-industry/waste.html)

### **Construction Equipment**

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development. This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/construction.html](http://www.cat.com/en_US/products/new/by-industry/construction.html)

### **Technology & Solutions**

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

[http://www.cat.com/en\\_US/support/operations/technology.html](http://www.cat.com/en_US/support/operations/technology.html)

### **Paving**

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/paving.html](http://www.cat.com/en_US/products/new/by-industry/paving.html)

### **Work Tools**

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/attachments.html](http://www.cat.com/en_US/products/new/attachments.html)

### **Other/Miscellaneous/Allied**

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed

in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

### Dealer Response

All Caterpillar Dealers, including Empire Machinery, represent the full line of products that Caterpillar describes in their response.

Caterpillar offers the largest number of individual models in the construction and governmental industry, as the table below illustrates. With 239 different models, Caterpillar offers more than 159 machine options than their closest competitor. No matter what the need is, big or small, Caterpillar offers more machine options/configurations to help our customers optimize each machine to customer's specific application in order to help achieve maximum utilization.

<b>Number of unique machines by Manufacturer (Excludes Mining Products)</b>	<b>Caterpillar</b>	<b>John Deere</b>	<b>Komatsu</b>	<b>Volvo</b>	<b>Case</b>	<b>Bobcat</b>
Wheel Loaders	20	15	8	13	12	5
Motorgraders	6	3	1	0	3	0
Dozers	11	7	7	0	6	0
Excavators (not including mining)	38	22	11	21	9	10
Articulated Trucks	6	5	2	5	0	0
Backhoe Loaders	5	4	3	2	2	0
Skid Steer/Compact Track Loader/MultiTerrain Loader	30	12	0	11	10	24
Skip Loaders (Industrial Class)	1	1	0	0	1	0
Landfill Compactors	3	0	0	0	0	0
Landfill Dozers	6	1	3	0	3	0
Forest Machines – Governmental Class	12	7	7	7	2	0
Scrap/Demo Material Handlers	7	0	1	0	0	0
Off Highway Trucks – Governmental Class	4	0	2	0	0	0
Asphalt Rollers -- Governmental Class	23	0	0	7	10	0
Asphalt Pavers	8	0	0	6	0	0
Dirt Rollers and Compactors	28	0	0	5	4	0
Cold Planers	5	0	0	0	0	0
Reclaimers/Soil Stabilizers	3	0	0	0	0	0
Telehandlers/Forward Reach Fork Lifts	8	0	0	0	0	0
Wheel Dozers – Governmental Class	2	0	0	0	0	0
Wheeled Excavators	8	0	0	3	0	0
Wheel Tractor Scrapers	5	0	0	0	0	0
<b>Breadth of Caterpillar machines covering Governmental Market</b>	<b>239</b>	<b>77</b>	<b>45</b>	<b>80</b>	<b>62</b>	<b>39</b>

For the City of Tucson and the extended Empire Machinery dealer territory, Empire Machinery offers a line of equipment and work tools that Caterpillar doesn't market or manufacture. These products are commonly referred to in the industry as "Allied Products".

Empire Machinery, as well as the other CAT Dealers across North America, carry a wide variety of Allied products to complement the Caterpillar line as well as fill the gaps of the equipment needs of our customers in all industries.

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this additional offering provides a relative model for similar products and or services that can be offered by from other Cat Dealers across the country.

The "Allied" products that are included, but not limited to, in this RFP are:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

**Caterpillar Response** (only)

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over \$1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

**Caterpillar Response**

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

### **Dealer Response**

Empire's 22 locations in Arizona, with three of those locations positioned in close proximity to the City of Tucson locations, are unmatched by any competitor.

#### **Empire Exclusives:**

- Family owned, locally managed by Arizonans who live in Arizona
- Over 1,600 dedicated, tenured and committed employees
- 239 different Caterpillar machine models (governmental) with exhaustive configuration options for each, allowing the City of Tucson to optimize the machine for the application
- Prime and standby power generators
- On-road trucks and trailers
- 36 Allied products that enhance production or reduce time on the job
- Over 540 trained service technicians
- Over 300 field service trucks
- 172 service bays
- Broadest warranty coverage, covering more parts than any competitor in the industry
- Warranty decisions made locally by Empire, not factory representatives
- \$93 million in parts inventory
- 161,824 parts line items in stock
- 93.5% parts fill rate over-the-counter anywhere in the State
- 96.24% parts fill rate within 24 hours, anywhere in the State
- 98.3% parts fill rate within 48 hours, anywhere in the State
- 94.97% over-the-counter parts availability in Mesa
- 99.9% parts filled within seven business days, anywhere in the State
- Over 1,800 prime units and 3,000 attachments in our Rental fleets
- Professional, full-time, Caterpillar Certified Operator and Technical Trainers, along with dedicated facilities
- 60 heavy haul transport trucks
- Dedicated Consignment Department to help maximize returns on equipment disposal

Empire alone has more resources than all of our competitors combined. We firmly believe Empire is the only supplier in Arizona uniquely and exclusively qualified to provide the City of Tucson with the lowest Life Cycle Cost/Lowest Cost per Operating Hour.

Empire also offers a worldwide consignment service that has an 89% success rate, with an average days-on-market of 90 days. The majority of the remaining 11% of consignments that do not fall into the "success rate" are made up of machines that the consignor put back to work or non-typical machines such as pavers, curb machines and similar niche products that require a longer marketing time. When you consider historical methods of disposing of older and/or unused machines, this is a good option to consider.

Empire will consign **any brand of equipment** that falls into the scope of machines offered in our proposal. The consignment rate to the City of Tucson will be 9% of the actual transaction price.

For the fee, Empire will be responsible for all aspects of marketing, writing the advertising, advertising worldwide on the internet and, in print where appropriate. We will promote locally in our territory and manage all leads for the agreed upon consignment period. Empire will also be responsible for invoicing and collecting the payment from the buyer. Empire will pay seller within 48 hours of payment (typically less than 24 hours).

We have five dedicated international salesmen, plus 26 in-territory salesmen that actively and aggressively sell our consignment machines. Our consignment program has been a significant portion of our business for over nine years. Disposing of equipment via Empire Consignment realizes an estimated 10%-15% higher net return over a typical disposal using an auction service.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

**Caterpillar Response**

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: [www.cat.com](http://www.cat.com)

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Please see the list of website links that Empire has provided for the accessories, parts, and supplies offered:

<b>Manufacturer and Dealer</b>	<b>Website</b>
Caterpillar	<a href="http://www.cat.com">www.cat.com</a>
Empire Southwest	<a href="http://www.empire-cat.com">www.empire-cat.com</a>
North America Caterpillar Dealers	<a href="http://www.cat.com/en_US/support/dealer-locator.html">http://www.cat.com/en_US/support/dealer-locator.html</a>
<b>Construction and Mining</b>	<b>Website</b>
Allmand (Light Towers)	<a href="http://www.allmand.com">www.allmand.com</a>
Broce Brooms	<a href="http://www.brocebroom.com">www.brocebroom.com</a>
JLG (Man lifts)	<a href="http://www.jlg.com">www.jlg.com</a>
Mega (Water tanks, Towers and Trailers)	<a href="http://www.megacorpinc.com">www.megacorpinc.com</a>
Genie (Man lifts and Telehandlers)	<a href="http://www.genielift.com">www.genielift.com</a>
Progressive Solar (Solar Power Light Plants)	<a href="http://www.progressivesolarsolutions.com">www.progressivesolarsolutions.com</a>
Multiquip Power	<a href="http://www.multiquip.com">www.multiquip.com</a>
Sullair Air Compressors	<a href="http://www.sullair.com">www.sullair.com</a>
Rockland (Buckets and Dozer Blades)	<a href="http://www.rocklandmfg.com">www.rocklandmfg.com</a>
Paladin (Couplers and Attachments)	<a href="http://www.paladin.com">www.paladin.com</a>
CE Attachments (Attachments)	<a href="http://www.ceattachments.com">www.ceattachments.com</a>
Dymax (Attachments)	<a href="http://www.dymaxinc.com">www.dymaxinc.com</a>
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	<a href="http://www.weilerproducts.com">www.weilerproducts.com</a>
Wain-Roy	<a href="http://www.woodsequipment.com">www.woodsequipment.com</a>
<b>Agriculture</b>	<b>Website</b>
Challenger Tractors	<a href="http://www.challenger-ag.com">www.challenger-ag.com</a>
Massey Ferguson Tractors	<a href="http://www.masseyferguson.com">www.masseyferguson.com</a>
Rome (Construction Grade Discs & Plows)	<a href="http://www.romeplow.com">www.romeplow.com</a>
Woods (Scrapers and Mowers)	<a href="http://www.woodsequipment.com">www.woodsequipment.com</a>
Gearmore (Attachments)	<a href="http://www.gearmore.com">www.gearmore.com</a>
Reynolds (Scrapers)	<a href="http://www.reynoldsinternational.com">www.reynoldsinternational.com</a>
TG Schmeiser (Box blades, land levelers)	<a href="http://www.tgschmeiser.com">www.tgschmeiser.com</a>
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	<a href="http://www.wilcoxap.com">www.wilcoxap.com</a>
<b>On Road Industrial</b>	<b>Website</b>
Fuso Trucks	<a href="http://www.mitfuso.com">www.mitfuso.com</a>
Mac Trailers	<a href="http://www.mactrailers.com">www.mactrailers.com</a>
Maintainer (Service Bodies)	<a href="http://www.maintainer.com">www.maintainer.com</a>
Murray Trailers (Heavy Haul)	<a href="http://www.murrytrailer.com">www.murrytrailer.com</a>
Trail King (Small to Heavy Haul)	<a href="http://www.trailking.com/trailers">www.trailking.com/trailers</a>
UTB (Service Bodies)	<a href="http://www.unitedtruckbodies.com">www.unitedtruckbodies.com</a>
Fleming Trailers	<a href="http://www.flemingtrailers.com">www.flemingtrailers.com</a>
<b>Technology</b>	<b>Website</b>
Spectra Precision (Survey Instruments)	<a href="http://www.spectraprecision.com">www.spectraprecision.com</a>
Trimble (2D and 3D Grading Systems)	<a href="http://www.trimble.com">www.trimble.com</a>
Accugrade (Caterpillar Grade Control)	<a href="http://www.Caterpillar.com/en">www.Caterpillar.com/en</a>
Seco (Surveying and Site Prep)	<a href="http://www.surveying.com">www.surveying.com</a>
Laserline (Laser Controls)	<a href="http://www.laserlinemfg.com">www.laserlinemfg.com</a>
Apache (Grade Control, GPS and Lasers)	<a href="http://www.apache-laser.com">www.apache-laser.com</a>
Level Best (Laser Grading Box)	<a href="http://www.level-best.com">www.level-best.com</a>

6. Do you offer color choices for each product listed?

**Caterpillar Response (only)**

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

<u>140M3 Motor Grader</u>	<u>Months</u>	<u>Hours</u>
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

## **Dealer Response**

### **Empire/Caterpillar Warranty Offerings:**

Caterpillar offers a wide range of warranties that can be custom built to best match the needs of our customers. There are two (2) basic Caterpillar warranties available: Standard and Extended

- **Caterpillar Standard Warranty** - All new Caterpillar manufactured machines come with Caterpillar's "Premier" warranty for 12 months, with unlimited hours, at no additional cost to the buyer. (See warranty details below under "Caterpillar Extended Warranty".)
- **Caterpillar Extended Warranty** – Begins at expiration of Standard Warranty. Caterpillar Insurance and Caterpillar dealers provide a vast array of optional warranties that can be customized by the length of time (from 2 - 7 years) and/or by the hours (2,000 - 10,000 hours).

There are three (3) types of extended warranties available from Caterpillar:

- **Powertrain Only** – Covers the components that are used to either produce, transmit or control engine horsepower for propelling (moving) the machine; such as engine, transmission, final drives, axles, and brakes.
- **Powertrain and Hydraulics** – Covers all the items above plus hydraulic hoses, lines, pumps, valves, cylinders, hydraulic coolers, and hydraulic filter mounts.
- **Premier** – Includes all of the above with the addition of starters, alternators, pulleys, AC condensers, air conditioning compressors, fuel lines, fuel tanks and associated parts, water piping, radiators, mufflers, electrical indicators, gauges, instruments, wiring harness, switches, joysticks, relays, circuit breakers, frames and chassis, and weldments.

## **General Warranty Information**

### **Coverage - Inclusions, Exclusions**

Standard machine warranty and extended warranties between manufacturers and dealers are not equal. There is no industry standard of items "to be included or excluded" in the scope of either coverage.

Repairs and/or replacement of components excluded by competitive manufacturers can present a significant expense or savings to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products, as well as ensuring the lowest total cost solution for our customers.

Warranted claims will be presented by the customers to the supporting Caterpillar Dealer and will be administered at the local level. Empire will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customers.

Caterpillar machine warranties are the most comprehensive, covering more parts, more expensive parts, and excluding fewer items, in the industry. This results in lower expense exposure to the owners of Caterpillar equipment.

In comparing major manufacturers' stated warranty coverage listed in publicly available warranty documents, here is an example of parts (including their replacement labor) that are excluded by many manufacturers, but are included by Caterpillar Standard Warranty:

- Radiators
- Mufflers
- Starters
- Alternators
- AC Condenser/Compressor
- Fuel lines
- Hydraulic hoses and lines
- Gauges
- Wiring harnesses
- Frames and structures

Each of these individual items vary between different manufacturers, but they provide evidence that a buyer should consider the coverage of each to fully understand the true scope of their exposure, and calculate that exposure into the total machine price, from an operating cost perspective.

Beyond the firm boundaries of inclusions and exclusions of warranty, Caterpillar dealers utilize a "Fair Value" policy. Fair value is simply the process and procedures that rely on ethical and reasonable decisions to participate in a repair expense beyond warranty coverage. Fair value rules are not described in any written form; they take place when a Caterpillar Dealer and end user experience an event where both feel that the failed part did not meet expected life in a given application.

Once misapplication, abuse or misuse conditions are excluded, fair value reimbursement comes in a variety of forms: From full reimbursement to a shared expense, based on remaining normal life of the failed part, between Caterpillar Inc., Empire and the customers.

Additionally, Caterpillar warranties cover consequential damages. Some major and most minor brands do not. Example: A turbo fails, injects a part from the turbo into the cylinder head, and then destroys the head and piston; piston fracture penetrates the engine block. The turbo is the root cause, but Caterpillar warranty covers the entire repair of consequential damages.

View below to see the inclusions and exclusions of each of the three types of warranties Caterpillar offers:

✓ Represents covered items in their respective category  
 \*\* Represents items typically excluded by most other manufacturer's warranties, but are included under Caterpillar's warranty coverage.

Engine & Accessories	Powertrain	Powertrain + Hydraulics	Premier
Engine – Internal Components	✓	✓	✓
Valve Cover	✓	✓	✓
Oil Cooler BHL	✓	✓	✓
Radiator			✓
Exhaust/Muffler			✓
Manifolds	✓	✓	✓
Fan Motor	✓	✓	✓
Water Pump	✓	✓	✓
Fuel Injection Pumps	✓	✓	✓
Injectors	✓	✓	✓
Lift/Transfer Pump	✓	✓	✓
Senders/Solenoids/Sensors	✓	✓	✓
Thermostat	✓	✓	✓
Flywheel & Torque Converter	✓	✓	✓
Oil Pan Group	✓	✓	✓
Engine Oil Filter Mount **	✓	✓	✓
Turbocharger	✓	✓	✓
Pulleys **	✓	✓	✓
Starter			✓
Alternator			✓
AC Compressor/Condenser			✓
Electronic Control Modules	✓	✓	✓
Governor/Speed Controls & Linkages **	✓	✓	✓
Fuel Lines **	✓	✓	✓
Fuel Tank & Associated Parts			✓
Water Piping			✓
Oil Hoses/Lines			✓
Transmission/Hydrostatic/Driveline	Powertrain	Powertrain + Hydraulics	Premier
Transmissions	✓	✓	✓
Final Drives/Planetary	✓	✓	✓
Drive Shafts	✓	✓	✓
Transfer Case	✓	✓	✓
Wet brake assemblies	✓	✓	✓
Hydrostatic Pumps & Drive Motors **		✓	✓
Linkage/Lines Connected to Hystat Pump **		✓	✓
Drive (pilot/eh) Control Valves **	✓	✓	✓
Senders/Sensors **		✓	✓

Axles		Powertrain	Powertrain + Hydraulics	Premier
Axles		✓	✓	✓
Axle Seals	**	✓	✓	✓
Lug Nuts & Bolts	**	✓	✓	✓
Differentials		Powertrain	Powertrain + Hydraulics	Premier
Differentials		✓	✓	✓
Hydraulic Systems		Powertrain	Powertrain + Hydraulics	Premier
Hydraulic Pumps & Motors			✓	✓
Hydraulic Cylinders			✓	✓
Hydraulic Valves & Controls			✓	✓
Hydraulic Accumulators	**		✓	✓
Hydraulic Oil Coolers	**		✓	✓
Hoses and Lines	**		✓	✓
Hydraulic Quick Couplers	**		✓	✓
Hydraulic Oil Filter Mounts	**		✓	✓
Electrical		Powertrain	Powertrain + Hydraulics	Premier
Gauges/Indicators/Instruments	**			✓
Wiring harnesses	**			✓
Switches	**			✓
Frames & Linkages		Powertrain	Powertrain + Hydraulics	Premier
Chassis/Implement Frames	**			✓
Weldment	**			✓

**Allied Product Warranty:**

Allied products are excluded from the above terms and conditions. All Allied products will be sold with the manufacturer's standard warranty. This warranty differs from manufacturer to manufacturer. If extended warranty is available and the City of Tucson requests extended options from an Allied manufacturer, Empire will provide the price on a case by case basis.

2. description of your warranty claims procedures.

**Caterpillar Response**

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### **Dealer Response**

Empire Service utilizes a highly structured, fact based and scientific Root Cause Failure Analysis process that is followed by Empire's Service Department. The process ensures the customer that Empire and Caterpillar fully understand the cause, and what role each affected part played in the failure, in order to help prevent it in the future.

The warranty process for Caterpillar machines is unique to the industry, allowing Empire to decide through its due diligence alone, if the failed part is covered under the scope of warranty. In the event of a warranty repair, Empire is responsible for repairing the machine. Once the repair is completed, the warranted parts and labor is charged to Caterpillar.

Any non-warranty covered items (such as oil antifreeze; fluids that cannot be reused) will be the responsibility of the owner. In the event that Caterpillar concludes a different root cause and believes it was caused by misapplication or misuse and rejects reimbursement, and Empire does not, Empire will absorb the expense.

3. description of your policy addressing warranty issues related to:
  - i. Major Component Failures
  - ii. Engineering Deficiencies
  - iii. Describe your firm's standard response time to address warranty failure issues.

### **Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering

Deficiencies, and Empire Machinery's standard response time to address warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### **Dealer Response**

As America's #1 dealer rebuild center, Empire inventories new complete components, along with remanufactured components, for replacement when a machine is down and the customer requires an emergency complete component replacement. Beyond Empire's extensive parts inventory, Caterpillar parts distribution warehouses across America and the globe also inventory an extensive selection of new components and remanufactured components.

Excluding emergency complete component replacement, Empire will bring to bear as many resources as possible to tear down and reassemble the down component, to return the machine to production as fast as humanly possible. This includes our staff working three shifts and/or weekends continuously or "around the clock" to achieve the turnaround if warranted. Normal warranty coverage will only cover normal (non-overtime) shop labor rates, during normal service hours. Normal service hours are from 5:00 a.m. to 12:00 midnight, Monday-Friday and from 6:00 a.m. until 12:00 noon on Saturdays.

Overtime rate is charged for all hours worked on holidays. No other competitor that we are aware of provides this expanse of available normal service hours. When requested, Empire will work overtime with the incremental overtime fee charged to the City of Tucson. Normal warranty coverage only includes shop labor rates during normal business hours and thus could result in overtime charges to the customer. Additionally, parts that are not normally stocked may include a customer charge for additional freight or handling, depending on circumstances.

Engineering Deficiencies: Empire and our customers benefit from a long relationship with Caterpillar Engineering for new machines and product improvement testing. Because of our unique Arizona/Imperial County, California and territory, Caterpillar engineers prefer to test new machines and product improvements in Empire's territory because of the range and access to high ambient temperature, high altitude, sea level altitude, abrasive dust, hard caliche and granites soil and sand (dune) conditions. Our applications range from farming to forestry harvesting, to hard rock mining.

This multi-decade experience has provided Empire staff with a wealth of knowledge, experience, relationships and access to Caterpillar's engineering staff around the world. It has provided our customers with purpose-built machines and components tested here to perform here. This experience helps our staff identify a deficiency, quickly begin to test our possible solution, and offer it to Caterpillar; or fabricate, install and test Caterpillar's solutions.

Empire's standard response times are based on the fact that our customer purchases a new machine because unscheduled downtime creates critical disruption to their production. Most customers expect that we will handle every machine-down warranty event like an emergency. We are "built for it". Empire invests and maintains the staffing capacity to provide

customers two shifts per day, plus single shift on weekends and on-call staff for holidays to respond to these events with the utmost urgency.

Beyond this, a failure on Empire's part to deliver expected or promised service is always taken into account before any request for additional charges are presented to a customer. We take pride in the fact that Empire's owners expect all employees to consider first how we may have contributed to increasing a customer's expense or downtime. We are empowered, at all levels, to make ethical and fair charge adjustments before approaching a customer about additional expense to warranty coverage.

- c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

**Caterpillar Response**

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

For all support related to this contract, please contact:

Clinton Swapp Sales Account Manager 7600 S. Nogales Hwy. Tucson, AZ 85756 Office: 520-746-8213 Cell: 520-240-8213 Email: Clinton.Swapp@empire-cat.com	Ty Robertson Product Support Sales Representative 7600 S. Nogales Hwy. Tucson, AZ 85756 Office: 520-746-8226 Cell: 520-269-1171 Email: Ty.Robertson@empire-cat.com
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- d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

**Caterpillar Response**

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs

associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

With over 360 different Caterpillar products covered in this solicitation, and with over 65 different options for each of those machines with time and hour combinations, the matrix of extended warranty pricing would be too large to provide in this format.

Additionally, because of the competitive exposure, we are not at liberty to provide for public record, all of Caterpillar Insurance Extended Warranty pricing. For this proposal, we will provide requested rates on a model-by-model, term and hour specified basis.

- e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

**Caterpillar Response**

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Empire's technical resource group (similar to all Caterpillar dealers) has been engaged with Caterpillar engineers throughout the development of Tier 1, Tier 2, Tier 3, Tier 4i and Tier 4 Final since the Federal regulations were implemented.

Empire's (and our customers') ongoing participation of Caterpillar "Field Follow" program of prototype machines operated by customers in our territory, provides Empire both a first look and a wealth of experience in service support before production machines are ever produced for sale or delivered to a customer. Additionally, Caterpillar offers remanufactured exchange filters and Empire stocks them.

As of this submittal, it is becoming more apparent that exchange emission filters available from our parts department are faster, safer, more environmentally responsible and more economical for the customer than the other option of maintaining a DPF cleaning machine at our dealership stores. For redundant support, Empire owns and operates a DPF cleaning machine in our Phoenix store in the event of an unexpected supply disruption from Caterpillar.

Along with the above service capacity, Empire provides on-line information, updated regularly, for the City of Tucson managers, supervisors and operators to help them understand how the technology works. Tips and warnings are constantly updated to help our customers stay informed and reduce the risk of emissions solutions damage. Empire requires continuing education for our Sales and Product Support staff as an incremental resource that helps customers stay informed. Our operator trainer staff is always available to our customers for on-the-job operator education of the technology.

- f. Submit all information that will aid the City in evaluating your proposal

**Caterpillar Response** (only)

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

<http://www.caterpillar.com/en/company/sustainability.html>

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html)

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html)

[http://www.cat.com/en\\_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html](http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html)

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations

- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the “Top 50 Employers” list in Women Engineer Magazine
- Caterpillar Named One of Fortune’s World’s Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand’s 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc’s Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina’s Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE’s World’s Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine’s list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the “Top 50 Employers” list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council
- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor’s Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World’s Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72<sup>nd</sup> out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19<sup>th</sup> Annual “Top 50 Employers” list in Women Engineer magazine

4) Service

- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

**Caterpillar Response** (only)

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owning & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

**Caterpillar Response**

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing

requirements. As a commitment to servicing our customers, Cat dealers invest over \$75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

## U.S. Dealer Locations

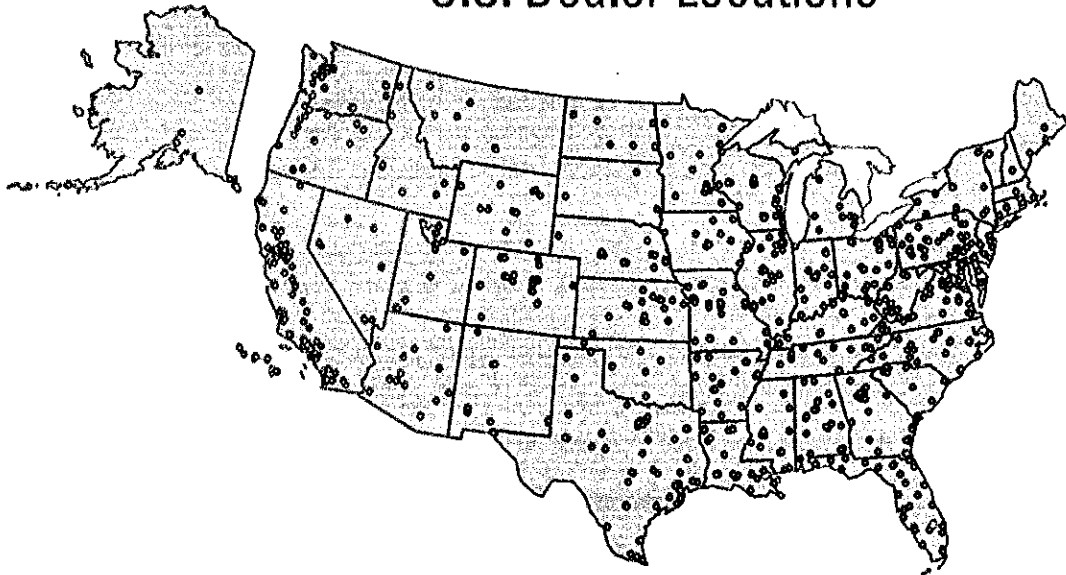


Image 2: US Dealer Locations

### Dealer Response

All 22 Empire stores are capable of warranty service and have trained technicians to support warranty.

For very large components, some remote branch stores may not have the heavy lifting infrastructure or highly specialized machining tools to complete every job. Those components may be shipped to the closest Empire facility that can complete the work. All such transportation will be handled by Empire internally.

EMPIRE LOCATIONS	TELEPHONE	ADDRESS	
Apache Junction	480-308-9100	3215 S. Winchester Rd.	85119
Blythe	760-921-9500	190 S. Intake Blvd.	92225
Buckeye	623-925-3020	26403 MC 85 Buckeye	85326
Buckeye	623-474-0840	25630 W. Durango St.	85326
Casa Grande	520-374-3500	8901 W. Highway 287	85194
Deer Valley	623-760-1100	21230 N. Black Canyon Hwy., Phoenix	85027
Eloy	520-582-2900	3501 W. Houser Rd.	85131
Flagstaff	928-526-2800	4900 E. Empire Ave.	86004
Globe	928-402-6410	190 W. Ash St.	85501
Imperial	760-355-2443	3393 Highway 86	92251
Kingman	928-757-1159	3255 E. Rutherford Dr.	86409
Mesa	480-633-4000	1725 S. Country Club Dr.	85210
Mesa	480-633-4421	256 W. Juanita Ave.	85210
Nogales	520-287-6630	350 N. Mariposa Rd.	85621
Peoria	632-707-1700	9802 N. 91 <sup>st</sup> Ave.	85345
Phoenix	602-333-5600	801 N. 44 <sup>th</sup> Ave.	85009
Phoenix	602-627-5700	840 N. 43 <sup>rd</sup> Ave., Phoenix	85009
Prescott	928-499-6001	3060 Centerpointe East Dr.	86301
Safford	928-387-8700	444 W. Old Country Club Rd.	85546
Show Low	928-532-2098	1501 E. Thornton St.	85901
Tucson	520-746-8200	7600 S. Nogales Hwy	85756
Tucson	520-407-3100	3830 N. Highway Dr.	85705
Yuma	928-317-7800	3885 E. Gila Ridge Rd.	85365

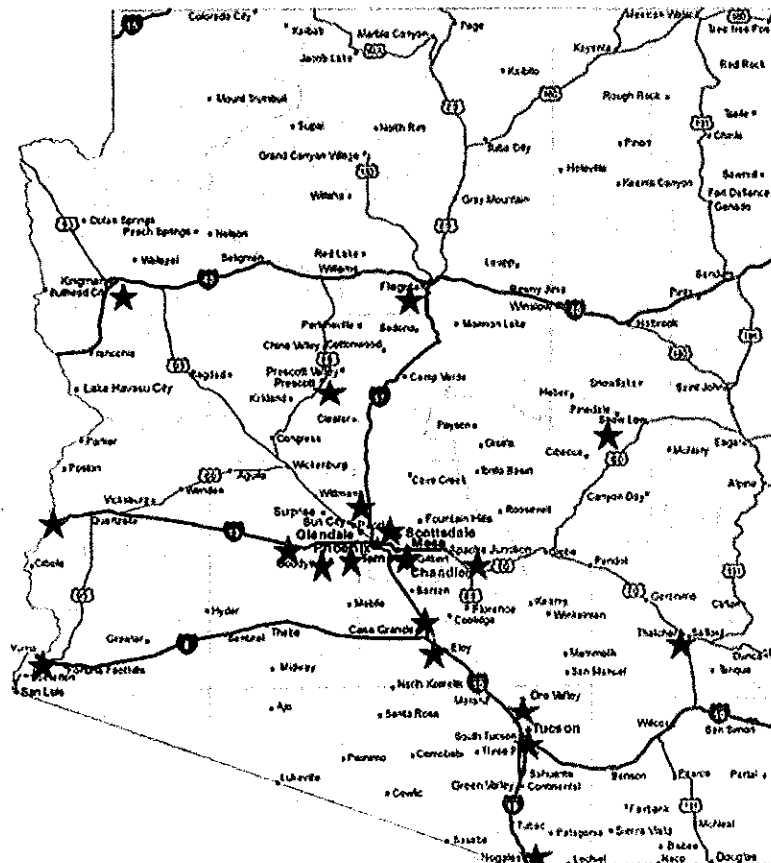


Image: Empire locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

**Caterpillar Response**

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

As described in Caterpillar's response, Empire and other CAT Dealers can customize maintenance programs to fit the specific needs of our customers.

The pricing for maintenance services explained below can vary based on the model, hours of usage, and duration of agreement, and can be quoted on an individual basis.

The following are some examples of the different maintenance agreements that are available:

- **PM (Preventative Maintenance) Services**

PM services are broken into five (5) categories and follow the manufacturer's service recommendations, or can be customized to meet customers' needs.

- PM1 – Services the manufacturer recommends at 250 hours
- PM2 – Services the manufacturer recommends at 500 hours
- PM3 – Services the manufacturer recommends at 1,000 hours
- PM4 – Services the manufacturer recommends at 2,000 hours
- PM5 – Services the manufacturer recommends at 4,000 hours

Empire and participating dealers can offer different options for these hour intervals including:

- Parts only agreements
- Parts and fluids only agreements
- Parts, fluids, and labor agreements

Please see generalized chart below for the services performed at each PM interval.

	PM1 250 hours	PM2 500 hours	PM3 1000 hours	PM4 2000 hours	PM5 4000 hours
Change Engine Oil, Engine Oil Filters and take engine oil sample	X	X	X	X	X
Speed Reducer Oil Gets Changed and Sampled (On Elevator Scrapers)	X	X	X	X	X
Check all fluids levels such as Transmissions, Differentials, Tandems, Hydraulic, Steering, Coolant.	X	X	X	X	X
Change fuel filters and fuel/water separators, clean fuel bowl screen (replace if necessary)	X	X	X	X	X
Change Primary Air Filters	X	X	X	X	X
Check Coolant Condition - Freeze point	X	X	X	X	X
Perform and record a visual walk around of equipment as per OEM including but not limited to Back up alarm, tires, batteries, belts, ground engaging tools (cutting edges, bucket teeth, dozer blade, Moe board, buckets, bowl (con), ripper shanks)	X	X	X	X	X
Change cab A/C filters	X	X	X	X	X
Lubricate all grease points	X	X	X	X	X
Inspect and test all visible and safety systems	X	X	X	X	X
Change all filters this includes hydraulic filters, transmission filters, differentials filters if applicable		X	X	X	X
Change rear differential oil (Backhoe loaders only on A/D Models)		X	X	X	X
Change front wheel oils on off highway trucks		X	X	X	X
Change the Transmission oils, clean transmission screens and magnetic			X	X	X
Change swing drives oils on excavators, change differential and final oils on backhoes			X	X	X
Change hydraulic oils on AG tractors, telehandlers, vibratory compactors only, change chain case oils on skid steer loaders			X	X	X
Change circle drive oil on motor graders			X	X	X
Change the differential and final oils				X	X
Change tandem roller drive oils on motor graders				X	X
Change circle drive oils on motor graders according to OEM				X	X
Change hydraulic system oil					X

• **Total Maintenance and Repair (TM&R):**

In a TM&R agreement, Empire and participating dealers will completely cover the equipment for any agreed upon repairs and preventative maintenance services for the duration of time and usage hours as specified by the agreement, based on the customers' needs.

TM&R's can be customized by the customer, including the following:

- With/without travel
- With/without scheduled component rebuilds

- Powertrain & Hydraulics
- With/without certain PM services
- With/without daily maintenance & cleanings
- With/without daily fueling

Exclusions in most cases include the following:

- Tires
- Glass
- Fuel
- GET replacement
- Components that contact the ground (bucket, blade, bed, bowl, etc.)
- Misuse and abuse
- Paint
- Any repairs due to customer not following the Original Manufacturer's Manual (OMM).

- **Man on Site Agreement:**

This type of an agreement can be offered on a stand-alone basis or in conjunction with other maintenance agreements for any customer that does not have the qualified staff/technician(s) or, is unable to add them.

Empire and participating dealers will provide a "man on site" for any duration of usage hours and time: Day, week, month, as specified by the agreement.

The technician will usually perform:

- Running repairs
- Preventative maintenance services

Other onsite services could include:

- Daily inspections
- Cleanings
- Operational checks

The "man on site" agreement includes a qualified technician, field service truck, and the tools needed to perform basic repairs.

Additional "man on site" Inclusions or exclusions in most cases include the following:

- Housing (when applicable)
- Overtime rates

- Unique equipment tooling costs: Large cranes, cribbing, certified shops, contamination control, etc.
- Percentage of guaranteed availability

- **Daily Fuel and Lube Agreement**

Empire, and participating dealers can provide daily fueling and grease to any machine at any of the City of Tucson sites, for any duration of time and/or usage hours to the specified needs of our customers.

Inclusions and exclusions in most cases include:

- With/Without daily cleanings.
- With/without daily inspections

We do not provide loaner machines. Empire will provide a down machine rental discount program (see details below).

For dealers representing any brand, contractual loaner guarantees have an incalculable financial risk. No dealer can guarantee 100% of the time that they will have a like-kind machine available and ready at any given moment.

But, this deserves more explanation:

Our highly valued relationship with the City of Tucson demands we consider loaners in certain circumstances. However, that decision must remain solely at Empire's discretion and it will be one of several possible solutions for a down machine that creates a critical hardship.

At a minimum, Empire will provide a subsidized rental machine that is either an exact match or based on the City of Tucson's input, adequately sized unit at a 50% discount from Empire's rental rate. The City of Tucson will be responsible for the normal rental wear items associated with a rental for the duration of time the down machine is under warranty.

Additionally, if a down machine is causing a hardship to the City of Tucson from a habitual issue that Empire has not yet solved, the probability is high that Empire will provide a loaner at no cost to the City of Tucson, other than wear items. But again, that decision must remain solely with Empire.

Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in Empire's territory to reduce down time and increase productivity.

Empire only employs trained, experienced technicians to support Caterpillar's full range of products. Empire Technical Communicators (TC) provide additional support to field/shop technicians to aid in rapid product or application issue resolutions. Empire TC's have a direct line of communication with Caterpillar Inc., through the Dealer Solution Network, to expedite problem solving.

Empire currently employs over 1,600 employees, of which approximately 73% are dedicated to product support. With over 22 service locations, over 170 service bays and over 290 field service trucks, these highly skilled and trained Caterpillar trained

technicians are in close proximity to provide unmatched service capabilities to meet your service requirements.

As part of a commitment to servicing customers, Empire invests nearly \$3 million annually in technician, parts counter, and product support representative training. Over the last 65 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry, through a financially healthy and viable company that is dedicated to the business of our customers.

4. Describe your training programs, addressing, at a minimum, the following:
  - i. How will equipment training be conducted?
  - ii. Describe the training curriculum for the equipment operators.
  - iii. Describe the training curriculum for the service technicians.
  - iv. How will you accommodate various work shifts?
  - v. What type of documentation is provided with the proposed training?
  - vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
  - vii. Is the training provided by the manufacturer, dealer or both?

#### **Caterpillar Response**

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: [http://www.cat.com/en\\_US/support/operations/cat-training.html](http://www.cat.com/en_US/support/operations/cat-training.html)

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### **Dealer Response**

- i. How will equipment training be conducted?

Empire will travel to whatever organization site the City of Tucson requests, to provide both operator and preventative maintenance training.
- ii. Describe the training curriculum for the equipment operators.

Empire offers comprehensive operator training for all Caterpillar machines by our Certified Dealer Instructors (CDI). CDI's are dedicated full time to this process. CDI's are Caterpillar Certified on various applications for individual machine groups. Empire does not depend on a service technician or machine

salesman to provide this critical task. CDI's begin the ownership experience by providing customers the most thorough "in-service" training and orientation in the industry. This service is provided at delivery of ALL new Caterpillar machines.

The operator training includes complete machine walk-around inspections, discussion regarding daily maintenance/checklists and hands-on operational instruction, along with comprehensive coverage of the Operations & Maintenance Manual. Proper operator understanding is a significant advantage to help reduce the operating cost per hour of the machine life cycle.

The orientation will cover the following:

- Coverage of the Operation and Maintenance Manual
- Hands on demonstration of all wet and dry fluid and filter locations and compartments
- All safety decals and their meaning along with examples of incidents
- All machine controls, functions, features
- Live demonstration (where site allows) of machine reaction to control inputs
- Review common operator misuse or abuse habits and resulting damages (i.e. damaging parking brakes)

Additionally, our Operator Training Department permanently staffs a Training Manager with seven Certified Dealer Instructors traveling throughout Arizona, performing new machine delivery training, certified training and refresher courses along with analyzing production improvements for in-specific applications when requested.

Empire provides this for both public and private customers, for an additional charge, when requested.

iii. Describe the training curriculum for the service technicians.

Our service delivery training begins with Safety. Our instructor will cover all the safety decals and their explanation of why, as it's described in the Operation & Maintenance Manual. The following is an outline and agenda for a training session.

Safety: All decals and what they mean along with examples of past events.

Pretest: Caterpillar Safety Test must be passed by all attendees before continuing.

1. Equipment Familiarization
  - a. Walk around inspection
  - b. Daily service points/lubrication
  - c. Cab and controls
  - d. Fundamental techniques
2. Start Up/Shut Down
3. Machine Operation
4. Systems Overview
  - a. Operator's station

- b. Engine
  - c. Electrical system
  - d. Power train
  - e. Implement and steering hydraulic systems
  - f. Auxiliary hydraulic lines
  - g. Thumbs
  - h. Buckets
  - i. Couplers
5. Post Test
  6. Review Maintenance Section of Operation and Maintenance Manual
    - a. Lubricants and fluids
    - b. Towing
    - c. Review PM checklist and procedures
      - 250 Hour
      - 500 Hour
      - 1000 Hour
      - 2000 Hour

In addition to our Service delivery process, Empire offers a dedicated facility and dedicated full time staff in our Training Institute:

The Empire Training Institute (ETI) is one of five Caterpillar Certified Regional Dealer Learning Centers in North America, and one of just three Caterpillar Certified Applied Failure Analysis training facilities. ETI provides both technical and non-technical training programs for Empire employees, customers and other Caterpillar dealers via instructor-led and web-based training courses.

ETI is a dedicated 36,000 square-foot facility with eight fully equipped classrooms and over 10,000 square feet of shop space. Our experienced staff includes eight Caterpillar certified technical instructors, one soft skills instructor and one safety instructor.

Classes can be scheduled and conducted at the Empire Training Institute facility at Empire's Mesa campus or at customer sites. All training courses utilize "pre and post" testing procedures to measure learning and monitor growth, and students are presented with a certificate upon successful completion.

Training topics include, but are not limited to:

- Safety
- Diesel
- Electrical
- Engines
- Applied Failure Analysis I, II and III
- Hydraulics
- Machinery & Equipment
- MSHA for Experienced Miners
- Powertrain
- Preventative Maintenance
- Air Conditioning for EPA Certification

iv. How will you accommodate various work shifts?

Empire will provide training and accommodate any shift the City of Tucson requires.

v. What type of documentation is provided with the proposed training?

Caterpillar's Delivery Service Record provides a check list that our CDI's follow at machine delivery orientation. Signatures on the form require a City of Tucson representative to confirm the list was reviewed and completed.

vi. Is a "train the trainer" program available?

Yes

Is this training different than the regular initial training?

Yes, the training curriculum is focused on the trainer and how to communicate proper techniques and safety, and why it's important. Initial training is focused on the student.

Can training sessions be recorded for future use by the agency?

Caterpillar does not permit recording, copying or transferring any of copyrighted material, either at our Operator Training Academy or customer sites. Empire maintains Caterpillar's proprietary information and copyright policies.

vii. Is the training provided by the manufacturer, dealer or both?

Both manufacturer and dealer can provide training.

5) Ordering and Invoices

a. Describe your order process.

**Caterpillar Response**

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Machine invoices will be generated after receipt of a City of Tucson purchase order at Empire.

The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order

- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from Empire to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice.

Terms of our invoices are available at: [www.empire-cat.com/sales serviceterms](http://www.empire-cat.com/sales serviceterms)

- b. How do agencies work with your firm to determine appropriate equipment needs?

**Caterpillar Response**

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Initial contact will begin with our Sales Account Manager. A dealer Account Manager has extensive knowledge and experience in machine and attachment applications can assist the City of Tucson personnel in determining the best options.

Beyond this, the Account Manager will help the City of Tucson staff build a cost/benefit analysis to help illustrate why one machine or attachment was selected over other options. If the Account Manager believes the application question needs additional expertise, he is highly proficient at navigating Empire and supplier resources and bringing their expertise to bear.

Caterpillar has several software resources to help calculate cost per hour and cost per ton of machines, such as FPC or VET, to help users select the best machines, configurations and attachments. The Account Manager will utilize these resources to help the City of Tucson analyze options.

Additionally, if the Account Manager is asked to help research the best machine for an application and he believes that our offering is not optimum, and knows a competitive product or supplier that would be, he will explain why and help coordinate contact with the supplier, if requested by the City of Tucson. We recognize that not all of our offerings are the best and most economical fit for some applications and will readily explain so when we are asked to be part of the best solution analysis.

- c. Describe the equipment delivery process and your delivery commitment.

**Caterpillar Response**

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Most products can be sourced from Empire's extensive inventory. Our configurations are based on the optimum feature utilization and most effective cost per hour in Empire's territory. In the past, most City of Tucson units have been custom ordered because of minor configuration differences. We feel that the City of Tucson will benefit from most of the configurations we stock. This benefit is in terms of: Time of delivery, higher potential productivity, and potentially lower operating costs.

In the event we need to order a machine, the manufacturer will provide Empire a "Ready to Ship" (RTS) date. Empire will estimate additional days based on subjective experience with that manufacturer's history of accurate RTS dates. Empire will also add expected freight time. Since there are various events beyond our control such as severe weather, strikes, or U.S. Custom holds at docks, a small percentage of our given delivery times can and do extend. Empire will alert the City of Tucson immediately if we believe a committed delivery date will extend and work out a solution if the need is urgent.

- d. What is your standard equipment delivery timeframes?

**Caterpillar Response**

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

If Empire's configuration is acceptable and we can supply from inventory, we can usually deliver in less than seven calendar days. If it is urgent, we will work nights and weekends to supply a unit sooner. A significant percentage of our deliveries happen in less than three working days from receipt of firm order.

The next source for machine availability is CAT's Product Distribution Centers (PDC). PDC's have their own configurations, but most are very close to the Empire configuration. If a machine from this source has acceptable configurations to the City of Tucson's request, these machines will usually ship within 7 days and arrive at Empire within 14 days.

Additionally, Empire works with nearly every CAT dealer in the United States for trading inventory. We have an excellent reputation of helping other CAT dealers

secure units from our existing inventory and our "on order" inventory. In other words, we give more than we take. These outstanding "chits" help us secure earlier delivery several times a year and can usually arrive within 10 days.

If a unit must be factory ordered, we have no standard delivery time frames. Caterpillar claims 65%+ of their units will be "Ready to Ship" within 12-16 weeks. Allied manufacturers have too many variables to provide relevant estimates here. If Empire is awarded this contract, they will be quoted as needed.

- e. How does your firm communicate order cut off dates to your customers?

**Caterpillar Response**

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

For machines and attachments, the Empire Account Manager, will provide the City of Tucson with RTS estimates upon request.

**Parts – Hours of Operation**

When parts are needed, Empire has been the trusted and tested source to provide them, regardless of the time of day. In a crisis or emergency, Empire has the infrastructure and people in place to provide the parts that others cannot.

- Parts are available 24 hours/7 days a week/365 days a year
- Standard business hours for Empire's Parts Stores are:

Monday – Friday from 7:00 a.m. – 5:00 p.m.

After hours/emergency parts service is available by calling a store's main number. (Provided in section 4, subsection 2 under "Dealer Response") This service is available anytime outside standard business hours. When a call is placed, an Empire parts representative will respond, locate the parts needed, and arrange to meet at the store for pick up.

- f. Identify and describe any exceptions or challenges.

**Caterpillar Response**

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Historically, Empire's most common challenges in delivery of machines have been due to severe winter weather in the mid-west and U.S. Customs holds for freight shipments at U.S. shipping ports.

With regard to parts, Caterpillar/Empire has experienced challenges when suppliers to Caterpillar of a sub component part fails on hundreds of machines in a short time. A cascade of challenges begin at that point. Usually the manufacturer's parts supply is depleted and because of the unanticipated demand, the supplier cannot ramp up production of the correct part in the normal time most Caterpillar owners have come to expect.

Throughout our 65 year history, we have faced a number of these challenges. Customers want answers. Depending on the severity, it can take a few days to diagnose the root cause before we can begin to respond to repair affected machines.

Because of Arizona's unique geography, high elevations, hard material, and high ambient temperatures, many machine failures can show up in Arizona before the rest of the world experiences them. These events have taught us to maintain a hyper awareness of developing issues. Empire is usually the lead dealer to discover the issue and help Caterpillar (and other dealers) with the solution. These events help our staff stay highly vigilant in providing early identification and developing solutions for our customers.

- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

**Caterpillar Response**

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Empire's website does not provide any machine pricing for this contract. Our website does provide pricing for used machinery and used parts.

Empire Parts store is an online service that allows you to order parts from your computer. Some of the benefits are:

- Order parts anytime 24 hours/7 days a week/365 days a year
- Ability to track your part orders
- Electronic parts book for ALL Caterpillar machines
- Frequent order lists
- Shows available exchange/remanufactured options
- Track outstanding core returns for credits due
- Purchase history

Additional options available from [www.empire-cat.com](http://www.empire-cat.com) are:

- Equipment Management
  - On-Line Fluids Lab (Oil Sample Reports)
    - Track History for each component or machine
    - Custom graphing/charting trends
    - View Empire recommendations
- Vision Link-Vital Machine Operating Information (For machines equipped with Product Link, see below for Product Link details)
  - Asset Utilization
    - Hours
    - Fuel
    - Operation
  - Current Location (Google Maps)
  - Health Watch
    - Fault Codes
    - Fluid Analysis
    - Inspections (Requires Mobile App)
  - Geo Fencing
  - PM Maintenance Tracking
  - Production Tracking (requires additional accessories)
    - Pay Load monitoring
    - Project monitoring
    - Mass haul monitoring
  - Vision Link also allows
    - Customized alerts
      - ✓ Type of alert and who is notified
    - Exporting data
    - Customize groups, sites and projects

Vision Link is the software end of the information from the machine sensor transmitted by Caterpillar Product Link. Product Link will be supplied on all qualifying Caterpillar machines. Along with Product Link hardware, Caterpillar provides three years free subscription.

Product Link can be dealer installed for a nominal fee, on machines that Caterpillar does not supply as standard equipment. Generally, Product Link will be included on medium to large construction class machines. With the exception of backhoes, or skid steers, it will be included on most common machines the City of Tucson is likely to purchase from this contract. By early 2017, we believe every Caterpillar product will come with Product Link from the factory.

#### Technical Assistance and Documentation

Caterpillar Electronic Technician (ET) features:

- Displays parameter status
- Displays active diagnostics

- Clear and view logged diagnostics
- Performs diagnostic tests
- Print reports and diagnostic results
- Perform calibrations
- Displays current totals information, i.e. fuel consumption, operating hours, etc.
- Integration to help files

#### Technical Information, Service Information Systems (SIS)

The following items are available from SIS WEB subscription at no additional charge to the City of Tucson as part of this proposal.

- Applied Failure Analysis
- As Shipped
- Custom Service Information
- Disassembly & Assembly
- Engine News
- Engine Performance Specs
- Engine Tool Guide
- General Service Information
- Kits Information
- Microfiche1
- Operation and Maintenance Manual
- Parts Identification
- Safety
- Schematic
- Service Magazine
- Special Instruction
- Specifications
- Systems Operation
- Systems Operation - Fundamentals
- Testing and Adjusting
- Tool Guide
- Tool Operating Manual
- Torque Specifications
- Truck Engine News

Empire Parts Service and Sales Representatives (PSSR) assigned to the City of Tucson will provide training with Caterpillar technical software. Product Support Sales Representatives work closely with all departments and divisions within Empire and will assist the City of Tucson with needs related to product issues and with navigating the Caterpillar product support offerings.

- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

**Caterpillar Response**

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Is electronic invoicing available?

Machine invoices will be generated after receipt of City of Tucson purchase order at Empire. The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order
- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from EMPIRE to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice. Terms of our invoices are available at: [www.empire-cat.com/sales serviceterms](http://www.empire-cat.com/sales serviceterms)

Is summary invoice available?

Yes

Are there other options on how an agency receives an invoice?

Invoices will be sent by mail, electronically or can be verbally requested for pick up.

Submit sample invoices.

Samples will be included in the attachment section of this RFP.

- i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

**Caterpillar Response**

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory

**Dealer Response**

As described in Caterpillar's response, in most cases working with Empire's Account Manager will alleviate wrong order issues. If Empire receives a purchase order and the quantity or configuration stated is, or seems not to be what was discussed, our Account Manager will attempt to notify both procurement and the user department, if procurement approves.

The vast majority of the time, we solve the issue at this stage. Errors of Empire's making are the responsibility of Empire. If the purchase order, or subsequent instruction in writing, is given by key personnel from the City of Tucson and Empire fails to correctly order the product, Empire will bear the expense of correcting it. If the item is in excess of what was ordered, Empire will remove it. If the item cannot economically be removed and it does not interfere with the production, safety, operator comfort or expose the City of Tucson to additional operational expense, Empire may elect to leave it on the machine at no charge to the City of Tucson.

- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

**Caterpillar Response** (only)

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

- k. Titles- will equipment be provided with proof of registration with the state?

**Caterpillar Response** (only)

Where appropriate, all titles will be provided with proof of registration with the state.

- I. Will each product be delivered free of distributor advertising?

**Caterpillar Response** (only)

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

- 6) Other

- a. Describe any government rebate programs applicable.

**Caterpillar Response** (only)

No specific governmental rebate programs are currently available.

**B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

**Caterpillar Response**

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to

provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

**CONFIDENTIAL – Request confidential treatment –**

Empire Machinery and other dealers across North America, who choose to participate, offer the following parts, service, rental, and accessories discounts as part of RFP#161534.

Dealer-Related Parts, Service, Rentals, and Accessories	Minimum List/Card Discount
Rental Rate Discount	15%
Used Machines Purchase Discount	20%
GET (Ground Engaging Tools) Discount	25%
Filter Discount	20%
Fluid Discount with TM&R (Total Maintenance & Repair)	14%
Undercarriage Discount	15%
Power Systems Rental Rate	15%
Power Systems Used Purchase Discount	20%
Used Work Tools	14%

- 2) Based on your distribution network, explain how freight is calculated.

**Caterpillar Response**

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Freight is calculated in three different manners, depending on model, for Caterpillar:

- **Caterpillar Included in Price:** On most small products Caterpillar defines as BCP, such as Skid Steers, Backhoes, Telehandlers, and Mini Excavators, freight is included in the list price and is not a line item on the price list. Caterpillar dealers have zero control on this process. Caterpillar models handled in this manner are referenced as "FOB Dealer" in the Caterpillar price pages.
- **Caterpillar Managed Freight:** On some regional type models such as medium Excavators, Caterpillar will add the freight to the invoice. Caterpillar dealers have zero control on this process. The cost to Empire, for this particular model, is noted specifically in the Caterpillar price pages.
- **Empire Quoted:** Empire is responsible for the freight from either the factory or the port. Empire utilizes an RFP to quote pricing in advance for each of these models. Five to seven national freight companies compete against each other using this bid system. Empire will use this pricing methodology to determine the freight on each individual model.
- **Allied Products:** Allied freight varies from manufacturer to manufacturer. Some provide managed freight; some quote dealers "FOB" their factory. Empire will provide a written quote from the vendor at time of quotation to recapture these freight costs.

Empire does not "mark-up" or profit from freight. This is a "pass through" expense to the City of Tucson.

- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

**Caterpillar Response**

CONFIDENTIAL – Request confidential treatment –

Several factors will come into play when looking at possible price adjustments. Given that our machines and their components are largely made up of a variety of metals, commodity prices will have a significant impact on how pricing is adjusted moving forward. Combined with the fluctuation in fuel cost, rubber prices as well as the cost associated to the development of technologies associated to meeting emissions regulations, we expect the prices of heavy equipment to continue to rise. With this uncertainty, Caterpillar is asking that the most current published pricing, Caterpillar's suggested Consumer Price List, be that which is used in the quotation of equipment for this contract by the supporting Dealers. Failure to do so may limit Caterpillar's ability to commit to the pricing terms as outlined in this solicitation.

Typically, price changes go into effect on the first business day of the calendar year. However, Caterpillar reserves the right to adjust prices up or down as needed with an understanding that price changes may impact purchase intentions.

In a rare situation where Caterpillar determines a need to make price list corrections/reductions we reserve the right to adjust discount structures as long as that discount change is not detrimental to the customer.

With more than 300 products, Caterpillar introduces new products and removes outdated products periodically throughout the year. Caterpillar will provide the City of Tucson an updated equipment list and discount structure when these changes take place.

#### Past and Future Price Increases

JAN2014:	0 to 3%	plus 0 to 5% if emissions related, and -14% on WHEX
JAN2015:	-2 to 4%	plus 0 to 4% emissions related
JAN2016:	-4 to 4%	plus 3% emissions on D6K, 815 and 816
JUL2016	0 to 2%	some paving equipment only
JAN2017:	0 to 4 %	

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### Dealer Response

##### **CONFIDENTIAL – Request confidential treatment –**

Empire will honor our discount from Caterpillar list prices to the City of Tucson for the term of the awarded contract. However, as a dealer we have no control over when the manufacturer announces price increases or how much those increases will be. Over the last three years, the prices have changed hundreds of times. To avoid overwhelming this proposal with hundreds of example price increases, Empire will provide examples of the price increases associated with the seven Caterpillar models we have included below.

Typically, in September, Caterpillar announces an annual price increase that will affect machines and work tools shipping after January 1<sup>st</sup> of the following year. This is not based on order date, but ship date. If a tractor is ordered in August and is not going to ship until January, the tractor would be subject to the price increase for that model announced in September.

The price increase sheet is detailed by model and Empire has experienced price increases ranging from -1% to +8% over the past three years. In this time frame, Caterpillar has announced one mid-year price increase. It was announced approximately 90 days before taking effect and was rolled out as described above.

In regards to price list changes, Caterpillar modifies the price pages often. These adjustments affect base price, configuration item price, internal vendor change causing a reference number change, etc.

Listed below is the number of times Caterpillar made price adjustments between 01/01/2016 and 08/10/2016:

120M:	22 Price List changes
M316D:	15 Price List changes
D6K:	19 Price List changes
308E:	23 Price List changes
930:	36 Price List changes
12M2 AWD:	6 Price List changes
CB22:	11 Price List changes

Prior to 2006, most price increases followed the commodities markets of primarily oil and iron. Historically, this was a predictable 2%-3% per year. The most significant changes in pricing since 2006 have been the expense of manufacturers adding EPA emissions compliance packages. Some machines experience as much as +8% in 12 months.

We expect Caterpillar will return to a more stable range of price increases that more generally follow the U.S. inflation rate. The long range indicators/indices for predicting construction machinery will continue to be U.S. labor rates, and energy and steel. As one of the largest steel consumers in the world, Caterpillar blends long and short term contracts on steel and other commodities to help absorb shocks to these markets, in an effort to help its dealers and customers adjust. At the time of this writing, Empire does not anticipate significant changes that would affect the expected return to standard 2%-3% annual price increases.

- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

**Caterpillar Response**

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the "Maximum Price / Minimum Discount" model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer's incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Above and beyond the discounts stated in the price proposal/discounts section of this RFP, Caterpillar or Allied manufacturers may offer additional discounts beyond the minimum table. These incremental discounts may be short term (seasonal) programs or multiple unit discounts for a single transaction.

Incremental or additional discounts come from cycles of increasing or decreasing demand from the marketplace. If a manufacturer cannot produce the quantities to supply the opportunity, their incremental discounts are usually zero. Conversely, if they are targeting a new product, have over produced, or feel they are losing crucial market share in a region, they may offer dealers a temporary or seasonal additional discount with the intent it will incentivize dealers to stock more, or end users to pull purchases forward.

In the event additional or incremental discounts are available, Empire will pass these discounts on to the City of Tucson when "current" pricing quotes are requested. These quotes will show the contract minimum discount along with any additional or incremental discount and their expiration dates. These incremental discounts are usually labeled as "incentives" and they can have a very short life. Empire will explain to the City of Tucson their origin, amount and termination date.

Occasionally, Empire can negotiate termination extensions when the City of Tucson wants to take advantage of an incremental discount, but requires additional time to secure funding and approval. Empire is compelled to add: "Occasionally" means we are successful at securing extensions fewer times than not.

- 5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

**Caterpillar Response** (only)

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

**Caterpillar Response** (only)

None available at this time.

- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0 %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

- 8) Will payment be accepted via commercial credit card?  Yes  No
- a. If yes, can commercial payment(s) be made online?  Yes  No
- b. Will a third party be processing the commercial credit card payment(s)?  
 Yes  No
- c. If yes, indicate the flat fee per transaction \$\_\_\_\_(as allowable, per Section 5.2.E of Visa Operating Regulations).
- d. If "no" to above, will consideration be given to accept the card?  Yes  No

**Caterpillar Response** (only)

\*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

- 9) Does your firm have a City of Tucson Business License?  Yes  No
- a. If yes, please provide a copy of your City of Tucson Business license.

**Caterpillar Response**

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

A copy of the City of Tucson Business License issued to Empire Southwest LLC (dba Empire Machinery) is included in the attachments section of this RFP.

**C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

**Caterpillar Response** (only)

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealers have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

- 2) Describe your dealer network and their role in providing products and services under this contract.

**Caterpillar Response** (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on  
[http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network

brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

**Caterpillar Response**

Nationally, the contract will be managed by:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

**Dealer Response**

For all support related to this contract, please contact:

Clinton Swapp Sales Account Manager 7600 S. Nogales Hwy. Tucson, AZ 85756 Office: 520-746-8213 Cell: 520-240-8213 Email: Clinton.Swapp@empire-cat.com	Ty Robertson Product Support Sales Representative 7600 S. Nogales Hwy. Tucson, AZ 85756 Office: 520-746-8226 Cell: 520-269-1171 Email: Ty.Robertson@empire-cat.com
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- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

**Caterpillar Response**

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

**Dealer Response**

References:

City of Phoenix

Contact: Bonnie Shockley, Equipment Control Specialist  
2441 S. 22<sup>nd</sup> Ave., Phoenix, AZ 85009  
602-534-2129  
[bonnie.shockley@phoenix.gov](mailto:bonnie.shockley@phoenix.gov)

Maricopa County

Contact: Gidget Vigil, Equipment Manager  
3325 W Durango St. Phoenix, AZ 85009  
602-506-4674  
[gidgetvigil@mail.maricopa.gov](mailto:gidgetvigil@mail.maricopa.gov)

Cochise County

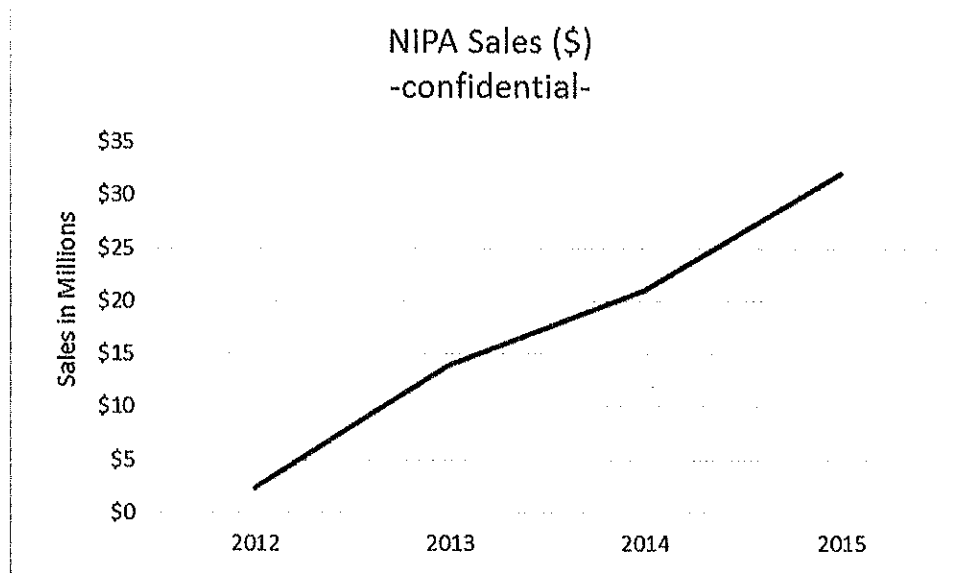
Contact: Ruben Miranda, Internal Services Administrator  
1151 W Hereford Road. Bisbee, AZ 85603  
520-432-8391  
[rmiranda@cochise.az.gov](mailto:rmiranda@cochise.az.gov)

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.

**Caterpillar Response (Only)**

- CONFIDENTIAL – Request confidential treatment –

Our success with the National IPA partnership has been outstanding. Our internal sales support staff as well as our dealers embrace the concept and fully understand how to use the program. Our results since signing the contract in 2012 have been impressive as the chart below demonstrates:



Please also refer to vendor's response section 2015 Year In Review

- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

**Caterpillar Response**

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Empire Machinery's response is for Empire's territory only. All CAT dealers employ service personnel, with all levels of experience, but will vary from dealer to dealer.

Empire employs over 540 trained technicians throughout Empire's territory. These technicians are highly trained and the majority have job site experience in all industries including, but not limited to:

- Landfill
- Governmental
- Heavy Construction
- Highway / Road Construction
- Paving
- Mining
- Forestry
- Agriculture
- Power Generation
- Quarries & Aggregates
- Residential Construction
- Recycling

### **Additional Services Information**

Empire Machinery provides the largest investment of any competitor in the following areas.

Service: Empire provides the largest number of both shop and field technicians in the State of Arizona. From the best data we can gather, we have more staff in each of the service areas than all of our competitive vendors combined.

Empire Service Capacity Statistics (statewide):

- Field Service Technicians: 190+
- Service Trucks: 300+
- In Shop Technicians: 330+
- Technical Communicators: 13
- Service Managers: 27+ (all former shop or field technicians)
- 90 Shop Leadspersons
- 40+ Welders
- Average length of time in Service for all technicians: 10.5 years
- Many technicians in EMPIRE's stores have over 25 years' experience for other technicians to draw from

Years of experience in service staff are important to the customer. One of the highest costs of Ownership and Operating (O&O) costs is downtime. The faster a vendor can dispatch and arrive at a down machine (based on truck fleet capacity), trouble shoot the problem (based on experience, access to information or additional expertise), select and confer repair options with the customer, repair the machine (based on truck tool box capacity), only then can the absolute lowest expense be achieved, returning the machine to production.

It is difficult to quantify savings from assessing truck capacity and capability when trying to compare one vendor to another. The parts and labor expense in the cost of a work order are easier to compare and tend to be what receives focus rather than the difficult task to determine downtime expense or savings. The primary mission, and Empire's extensive investment in our Parts and Service Departments, is focused on reducing downtime expenses while being as efficient as possible.

### **Value Added Support Services**

The ability of the local dealer to provide value added support services is an important consideration in the purchase of heavy equipment. Empire provides many of these value added services to reduce the operating cost and risk of machine ownership.

The following is a summary of Empire's value added services:

- Tractor Machining – With tremendous capacity for component restoration and repair, reuse and rebuild of machine components (ISO9000/2001 Certified)
- Empire Hydraulic Service – Operating multiple shifts and capable of full service for all hydraulic brands (ISO/9000/2001 Certified)
- Empire Transport – Heavy haul with a fleet of 60 trucks and capable of hauling loads up to 180,000 lbs. in the event of any emergency

- Empire Training Institute – Provides both technical and non-technical training programs for EMPIRE employees, customers and other Caterpillar dealers via classroom and web-based training courses
- Technology Products and Services – Sitech Southwest, a wholly owned subsidiary of Jeff Whiteman (CEO of EMPIRE), offering a full range of technology solutions and technology support.
- Wear Analysis – Empire's own laboratory, processing 120,000 samples annually (ISO9001; 2001 Certified). The wear analysis allows a customer to repair a component or tractor before failure.
- In-Shop Services – With multiple shifts, over 400 factory certified technicians and EMPIRE's capability as the largest powertrain rebuild dealer in North America.
- Field Service Capability – 24 hours/7 days availability of over 300 field service trucks, along with EMPIRE's most experienced technicians (12 years average experience)
- Empire Power Systems – Provides turnkey solutions, service and temporary power for data centers, life support systems, telecommunication and construction. Empire also offers reliable, cutting edge solar solutions to commercial customers.

7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

**Caterpillar Response (only)**

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

**Account : CATERPILLAR INC.**

D-U-N-S® Number: 00-507-0479 - CATERPILLAR INC.  
 Account Number: CAT1  
 Trade Names: CATERPILLAR  
 Endorsement/Billing Reference: Wilson\_Alex\_D@cat.com





D&B Address	
<b>Address</b>	100 No Adams St Peoria, IL, US - 61629
<b>Phone</b>	309 675-1000
<b>Fax</b>	309-675-1076
<b>Location Type</b>	Headquarters
<b>Web</b>	www.caterpillar.com

Account Address	
<b>Address</b>	100 NE ADAMS ST PEORIA, IL, US - 616290001
<b>Phone</b>	309-675-1000
<b>Fax</b>	309-675-1076

<b>Assigned to:</b>	Credit Department
<b>Account Created:</b>	08/31/2016
<b>Last View Date:</b>	10/05/2016
<b>Last Review Date:</b>	10/05/2016
<b>Last Import Date:</b>	08/31/2016
<b>Endorsement :</b>	Wilson_Alex_D@cat.co m

**Company Summary**

 Currency: Shown in USD unless otherwise indicated 
**Score Bar**

<b>Credit Limit</b>	<b>Unavailable</b>	
<b>Credit Limit - D&amp;B Conservative</b>	<b>1,000,000.00</b>	Based on profiles of other similar companies.
<b>Credit Limit - D&amp;B Aggressive</b>	<b>1,000,000.00</b>	Based on profiles of other similar companies.
<b>PAYDEX®</b> 	<b>70</b>	Paying 15 days past due
<b>Commercial Credit Score Percentile</b> 	<b>39</b>	Moderate Risk of severe payment delinquency.
<b>Financial Stress Score National Percentile</b> 	<b>67</b>	Moderate Risk of severe financial stress.
<b>D&amp;B Viability Rating</b>		<a href="#">View More Details</a>
<b>Bankruptcy Found</b>	<b>No</b>	
<b>D&amp;B Rating</b>	<b>5A3</b>	5A indicates 50 million and over, Credit appraisal of 3 is fair

**Account Review Reasons**

**Status:** Credit Increase Recommended **Credit Increase Recommended:** An automated review triggered a recommended action of "Credit Increase Recommended" on 10/05/2016. D&B was your source of business information to make this decision.

The "Low Risk 2-3.99" rule triggered this review because of the following conditions:

Condition	Value
Cat Existing Scorecard Is Between 2.00 AND 3.99	3.85

Based on the "Credit Increase Recommended" rule the

credit terms are :

	Recommended	Latest Actual
<b>Credit Limit</b>	50,000.00	Not Set
<b>Payment Terms</b>	Net 30	Not Set
<b>Early Payment Discount</b>	Not Set	Not Set
<b>Analyst Instructions</b>	No instructions provided for this Review.	No instructions available.

The recommended credit terms were based on the following:

Condition	Value
Account ReviewRule	Credit Increase Recommended Rule

The following information was used to calculate the CLM:

Expression: (Caterpillar Input 3) \* 5

» Previous 10 Credit Terms

**Credit Terms prior to review on 10/05/2016**

<b>Credit Limit</b>	50,000.00	Not Set
<b>Payment Terms</b>	Net 30	Not Set
<b>Early Payment Discount</b>	Not Set	Not Set
<b>Analyst Instructions</b>	Not Set	Not Set

Financials Statement Source: EDGAR | Interim | 06-30-2016

**Credit Terms prior to review on 08/31/2016**

<b>Credit Limit</b>	50,000.00	Not Set
<b>Payment Terms</b>	Net 30	Not Set
<b>Early Payment Discount</b>	Not Set	Not Set
<b>Analyst Instructions</b>	Not Set	Not Set

Financials Statement Source: EDGAR | Interim | 06-30-2016

#### Detailed Trade Risk Insight™

Days Beyond Terms Past 3 Months

**7**

Days

Dollar-weighted average of 1126 payment

Recent Derogatory Events

	Aug-16	Sep-16	Oct-16
Placed for Collection	-	-	500 on 1 acct
Bad Debt Written Off	-	-	-

D&B Viability Rating

<b>1</b>	<b>Viability Score: 1</b>								
<b>3</b>	<b>Portfolio Comparison: 3</b>								
<b>A</b>	<b>Data Depth Indicator: A</b>								
<b>A</b>	<b>Company Profile: A</b>								
	<table border="1"> <thead> <tr> <th>Financial Data</th> <th>Trade Payments</th> <th>Company Size</th> <th>Years in Business</th> </tr> </thead> <tbody> <tr> <td>Available</td> <td>Available (3+Trade)</td> <td>Large</td> <td>Established</td> </tr> </tbody> </table>	Financial Data	Trade Payments	Company Size	Years in Business	Available	Available (3+Trade)	Large	Established
Financial Data	Trade Payments	Company Size	Years in Business						
Available	Available (3+Trade)	Large	Established						

Company Overview

This is a headquarters location

Branch(es) or Division(s) exist Y

Chief Executive	DOUGLAS R OBERHELMAN, CHB-CEO
Stock Symbol	CAT
Year Started	1925
Employees	105700 (1176 Here)
SIC	3531 , 3519
Line of business	Mfg construction & mining equipment, diesel & natural gas engines, industrial gas turbines, & diesel-electric locomotives
NAICS	333120
History Status	CLEAR
Financial Condition	GOOD

Stock Performance

CAT : 89.50 ↑ 2.00 (2.28%)

Previous Close: 87.52

Volume: 4197372.00

Daily High: 89.88

Daily Low: 88.05

52-Week High: 89.20

52-Week Low: 56.37

P/E: 57.3718

Market Cap: 52,288,690,700

EPS: 1.56

Div/Yield: 3.45

**FirstRain Company News**



• **New Cat R1700K underground loader designed**  
2016-10-05T09:22:06 AKDT 9:22 AM-Mining

• **YieldBoost Caterpillar From 3.5% To 5.8%**  
2016-10-05T08:06:23 AKDT 8:06 AM-NASDAQ.com

• **Better Buy: Caterpillar Inc. vs. Illinois Tool**  
2016-10-05T07:50:24 AKDT 7:50 AM-FOX Business

• **Caterpillar Inc. (CAT) Stock Did Its Job. Cut**  
2016-10-05T04:07:36 AKDT 4:07 AM-Investor Place

• **Kim Hauer pursues new opportunity**  
2016-10-05T02:18:07 AKDT 2:18 AM-World Coal

• **Caterpillar : Exhaust Manifold for Caterpillar**  
2016-10-05T00:00:30 AKDT 12:00 AM-4-Traders

• **SAE International to Honor Caterpillar VP**  
2016-10-04T20:29:45 AKDT 8:29 PM-Houston

• **How Middle America became Trump country**  
2016-10-04T15:36:27 AKDT 3:36 PM-MSN CA

• **Caterpillar Inc. Files Forms 4**  
2016-10-04T15:09:06 AKDT 3:09 PM-PR Newswire

• **H.O. Penn Holds SITECH Demo Open House at**  
2016-10-04T11:55:54 AKDT 11:55 AM-Construction

• **Caterpillar Oil & Gas launches G3516J gas**  
2016-10-04T08:35:37 AKDT 8:35 AM-Oil Review

• **Caterpillar Factory Purchased by MN Company**  
2016-10-03T22:49:06 AKDT 10:49 PM-WTAQ

• **Caterpillar : CAT 794 AC MINING TRUCK**  
2016-10-03T08:05:31 AKDT 8:05 AM-4-Traders

• **Seeing Machines receives Caterpillar boost**  
2016-10-02T23:08:46 AKDT 11:08 PM-ProActive

• **Caterpillar, Inc. (NYSE:CAT) Is Expected To**  
2016-10-02T10:17:36 AKDT 10:17 AM-Realist

- **Caterpillar : \$313,154 Federal Contract**  
2016-10-01T04:05:36 AKDT 4:05 AM-4-Traders

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- **Peoria business benefits from laid-off**  
2016-09-30T07:54:26 AKDT 7:54 AM-Pekin

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- **Caterpillar: Did Cramer Call A Top?**  
2016-09-30T06:21:47 AKDT 6:21 AM-Seeking Alpha

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- **Cat's exit no disaster after all**  
2016-09-29T19:16:39 AKDT 7:16 PM-The Advocate

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- **Caterpillar (CAT) Announces Price Action of**  
2016-09-29T13:18:54 AKDT 1:18 PM-

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- **Caterpillar Wins 2016 ANNY Excellence In**  
2016-09-29T12:30:44 AKDT 12:30 PM-SeattlePi.com

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- **Caterpillar Uptrend Faces Major Obstacles**  
2016-09-29T11:49:21 AKDT 11:49 AM-

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- **Caterpillar no longer a dog, rising 7% in two**  
2016-09-29T09:02:13 AKDT 9:02 AM-Seeking Alpha

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- **Caterpillar Affirms Commitment to Egypt's**  
2016-09-29T07:55:51 AKDT 7:55 AM-Caterpillar Inc.

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- **Jim Cramer -- It's Time to Stop Betting Against**  
2016-09-29T06:31:21 AKDT 6:31 AM-The Street

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- **Caterpillar Inc. (CAT) Surged To A New High**  
2016-09-29T03:31:45 AKDT 3:31 AM-RTTNews

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- **Congratulations to the Winners of San**  
2016-09-28T20:53:39 AKDT 8:53 PM-Austmine

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- **Caterpillar Inc. (CAT) Shares Sold by**  
2016-09-28T18:47:56 AKDT 6:47 PM-The Olympia

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- **Asphalt compaction seeing major technical**  
2016-09-28T16:19:02 AKDT 4:19 PM-World

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- **Wall Street closed in the green again on OPEC**  
2016-09-28T12:58:27 AKDT 12:58 PM-Forex Street

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- **Caterpillar Is Breaking Out to New Highs -- and**  
2016-09-28T10:12:32 AKDT 10:12 AM-The Street

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- **Infocast's 4th Additive Innovation Summit**  
2016-09-28T08:03:51 AKDT 8:03 AM-PRWeb

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- **How's Caterpillar Doing? Check These 2**  
2016-09-28T07:13:08 AKDT 7:13 AM-The Street

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- **Caterpillar : 35TH ANNIVERSARY OF THE CAT**  
2016-09-28T07:07:33 AKDT 7:07 AM-4-Traders

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- **Caterpillar : NEW CAT PROXIMITY**  
2016-09-28T07:03:09 AKDT 7:03 AM-4-Traders

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- **2 New Equity REITs In My 85 Stock Portfolio:**  
2016-09-28T00:37:13 AKDT 12:37 AM-Seeking

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- **MCFA appoints Towlift as Pittsburgh dealer**  
2016-09-27T09:43:34 AKDT 9:43 AM-Refrigerated &

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- **Excited About Caterpillar Inc.'s Latest Big Buy**  
2016-09-27T03:37:21 AKDT 3:37 AM-FOX Business

- 2016-09-27T03:12:44 AKDT 3:12 AM-The Street

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- Caterpillar Goes Beyond the Iron at MINExpo  
2016-09-26T13:06:21 AKDT 1:06 PM-CNBC

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- NowNS: International experience makes local  
2016-09-26T11:04:45 AKDT 11:04 AM-The Chronicle

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- Caterpillar eyes a brighter future ahead of  
2016-09-25T20:41:21 AKDT 8:41 PM-Mining

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- Caterpillar (world's No.1 heavy machinery  
2016-09-25T18:06:38 AKDT 6:06 PM-NASDAQ.com

---

- Caterpillar sees green shoots in mining, but  
2016-09-24T16:43:38 AKDT 4:43 PM-MINING.com

---

- Caterpillar Gives the Gift of Power to St. Luke's  
2016-09-24T15:20:45 AKDT 3:20 PM-PR Newswire

---

- American workers out, foreign workers in  
2016-09-23T13:18:23 AKDT 1:18 PM-

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- Caterpillar Vice President Kim Hauer to Pursue  
2016-09-23T07:55:18 AKDT 7:55 AM-Caterpillar Inc.

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- Nick in the AM: At least one media source  
2016-09-23T05:51:23 AKDT 5:51 AM-The Peoria

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- From manufacturing to innovative design  
2016-09-23T00:32:54 AKDT 12:32 AM-Engineers

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- QUT to Lead a Project with Caterpillar for  
2016-09-22T18:53:23 AKDT 6:53 PM-Austmine

Powered by FirstRain


**Public Filings**.....

The following data includes both open and closed filings found in D&B's database on this company.

Record Type	Number of Records	Most Recent Filing Date
Bankruptcies	0	-
Judgments	0	-
Liens	1	03/06/07
Suits	4	03/11/16
UCCs	722	08/09/16

The public record items contained herein may have been paid, terminated, vacated or released prior to today's date.

**Predictive Scores**

Currency: Shown In USD unless otherwise Indicated 

**D&B Viability Rating Summary**.....

The D&B Viability Rating uses D&B's proprietary analytics to compare the most predictive business risk indicators and deliver a highly reliable assessment of the probability that a company will go out of business, become dormant/inactive, or file for bankruptcy/insolvency within the next 12 months. The D&B Viability Rating is made up of 4 components:

<b>1</b>	<b>Viability Score</b>	Lowest Risk:1	Highest Risk:9
----------	------------------------	---------------	----------------

**Compared to All US Businesses within the D&B Database:**

- Level of Risk: **Low Risk**
- Businesses ranked 1 have a probability of becoming no longer viable: **0.2 %**
- Percentage of businesses ranked 1: **0.3 %**
- Across all US businesses, the average probability of becoming no longer viable: **14 %**

<b>3</b>	<b>Portfolio Comparison</b>	Lowest Risk:1	Highest Risk:9
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**Compared to All US Businesses within the same MODEL SEGMENT:**

- Model Segment : **Available Financial Data**
- Level of Risk: **Low Risk**
- Businesses ranked 3 within this model segment have a probability of becoming no longer viable: **0.2 %**
- Percentage of businesses ranked 3 with this model segment: **15 %**
- Within this model segment, the average probability of becoming no longer viable: **0.6 %**

<b>A</b>	<b>Data Depth Indicator</b>	Predictive Data:A	Descriptive Data:G
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**Data Depth Indicator:**

- ✓ Rich Firmographics
- ✓ Extensive Commercial Trading Activity
- ✓ Comprehensive Financial Attributes

<b>A</b>	<b>Company Profile</b>	Financial Data	Trade Payments	Company Size	Years in Business
		Available	Available (3+ Trade)	Large	Established

**Company Profile Details:**

- Financial Data: **Available**
- Trade Payments: **Available (3+ Trade)**
- Company Size: **Large** (Employees: 50+ or Sales: \$500K+)
- Years in Business: **Established (5+)**

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# *Certificate of Insurance*

## *Statement of Insurance*

*From: Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

*Re: Verification of Casualty Insurance Program*

*Caterpillar Inc. assumes a major retention for its general liability exposures (including product liability) and auto liability exposures (except where required by state statute). This retention is consistent with Caterpillar's net worth and cash flows.*

*If Caterpillar's net worth drops below \$1 Billion, insurance certificates will be issued. Caterpillar Inc. has in place catastrophic excess liability coverage.*

*Please contact (309) 675-4645 if you have any questions.*

**CATERPILLAR®**

# ***Certificate of Insurance***

## *Statement of Insurance*

*From: Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

*Re: Verification of Property Insurance Program*

*Caterpillar Inc. assumes a major retention for its corporate property exposures. This retention is consistent with Caterpillar's net worth and cash flows. Catastrophic protection purchased is consistent with other corporations of our size.*

*Caterpillar Inc. will honor its responsibilities assumed under any agreement.*

*Please contact (309) 675-8400 if you have any questions.*

**CATERPILLAR®**

Effective with sales to the first user on or after July 1, 2016

# CATERPILLAR LIMITED WARRANTY

## Earthmoving, Construction, Material Handling, Forestry and Paving Machines

### Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants the following new products sold by it to be free from defects in material and workmanship:

- Earthmoving, construction, material handling, forestry and paving machines (except as listed below).
- Attachments/work tools installed on such machines prior to delivery (unless covered by the Cat® Work Tool warranty statement or another manufacturer's warranty). Hammer tool points and compacting plates used on hydraulic hammers are not warranted.

Additional warranties are applicable against breakage for certain Cat Ground Engaging Tools and for wear on all landfill compactor tips. Refer to the applicable warranty statements for coverage detail.

This warranty does not apply to:

- Cat Batteries
- Mobil-trac belts, rubber tracks used on multi-terrain loaders, compact track loaders, and mini hydraulic excavators
- Cat Work Tools
- 424 Backhoe Loaders, 216 and 226 Skid Steer Loaders, and 320 Excavators sold in India
- Prentice brand forestry machines
- Longwall mining machines
- 785, 789, 793, 794, 795, 797 Off-Highway Truck models sold in regions other than the Commonwealth of Independent States ("CIS")
- 24 Motor Grader models sold in regions other than the CIS
- 854, 982, 993, 994 Wheel Loader models sold in regions other than CIS

These products are covered by other Caterpillar warranties.

This warranty is subject to the following:

#### Warranty Period

For new machines and work tools/attachments the warranty period is 12-months/unlimited hours, starting from date of delivery to the first user.

#### Note:

- For hydraulic line's quick connect/disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi-terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.
- For Draglines, Electric Rope Shovels, Hard Rock Movers, Hard Rock Feeders, Hard Rock Miners, Hard Rock Conveyors, Hard Rock Roof Supports; the warranty period is not to exceed 24 months from shipment of the last major component from the Caterpillar place of manufacture.

#### Caterpillar Responsibilities

If a defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat dealer or other source approved by Caterpillar:

- Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar approved repaired parts or assembled components needed to correct the defect.

**Note:** New, remanufactured, or Caterpillar approved replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. Items replaced under this warranty become the property of Caterpillar.

- Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect.
- Provide reasonable and customary labor needed to correct the defect.

#### User Responsibilities

The user is responsible for:

- Providing proof of delivery date to the first user.

- Labor costs, except as stated under "Caterpillar Responsibilities."
- Transportation costs, except as stated under "Caterpillar Responsibilities."
- Premium or overtime labor costs.
- Parts shipping charges in excess of those that are considered usual and customary.
- Local taxes, if applicable.
- Costs to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.
- Performance of the required maintenance (including use of proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear.
- Allowing Caterpillar access to all electronically stored data.

#### Limitations

- Caterpillar is not responsible for:
  - Failures resulting from any use or installation that Caterpillar judges improper.
  - Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.
  - Failures resulting from abuse, neglect, and/or improper storage or repair.
  - Failures resulting from user's delay in making the product available after being notified of a potential product problem.
  - Failures resulting from unauthorized repair or adjustments, and unauthorized fuel setting changes.

*continued...*

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT CATERPILLAR EMISSION-RELATED COMPONENTS WARRANTY FOR NEW ENGINES, WHERE APPLICABLE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED, WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1983 (NZ) WILL NOT APPLY.

NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION (CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS) IS EXCLUDED IN ITS ENTIRETY.

C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

- i. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR
- ii. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.

TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.

THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST. PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000. THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.

TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow", the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.

Effective with sales to the first user on or after January 1, 2014.

# CATERPILLAR LIMITED WARRANTY

## Rubber Track Used on Multi Terrain Loaders, Compact Track Loaders, and Mini Hydraulic Excavators

### Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants new rubber tracks sold by it for use on Compact Construction Equipment Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators to be free from defects in material and workmanship. The warranty is subject to the following:

#### Warranty Period

The standard warranty period for all new Premium rubber tracks used on Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators is 12 months, or 1500 operating hours, whichever occurs first, starting from the date of delivery to the first user.

The standard warranty period for new General Duty rubber tracks used on Multi Terrain Loaders and Compact Track Loaders is 12 months or 1000 operating hours, whichever occurs first, starting from the date of delivery to the first user.

#### Caterpillar Responsibilities

If a disabling defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat® dealer or other source approved by Caterpillar:

- At Caterpillar's choice, repair or provide an allowance toward the purchase of a new rubber track. Such allowance will be based on accrued hours. Allowance will be calculated as follows:

User Allowance for Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators with Premium rubber tracks:

Allowance (%) = (1-Track hours/1500 hours) X 100

User Allowance for Multi Terrain Loaders and Compact Track Loaders with General Duty rubber tracks.

Allowance (%) = (1-Track hours /1000 hours) X 100

- Provide reasonable and customary repair labor needed to correct the defect if product found to be defective and its replacement are both installed by a Cat dealer or other source approved by Caterpillar, or installed on machine prior to sale.

#### User Responsibilities

The user is responsible for:

- Providing proof of the delivery date to the first user.
- All cost associated with transporting the product to and from the place of business of a Caterpillar dealer or other source approved by Caterpillar.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Local taxes, if applicable.
- Any remaining costs of a new rubber track after the calculation of the "User Allowance" as stated under "Caterpillar Responsibilities."

- Parts shipping charges in excess of those that are usual and customary.
- Costs to investigate complaints, unless the problem is caused by a defect in material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.

#### Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from abuse, neglect, or improper repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments and unauthorized fuel setting changes.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.

(Continued on reverse side...)

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS, WHICH IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.

THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.

CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.

CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.

IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.

B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:

THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED, WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.

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C) For products supplied in Australia:

IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:

I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR

II. PRODUCTS THAT COST AUD 40,000 OR LESS,

WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.

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TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.

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CAT, CATERPILLAR, their respective logos, "Caterpillar Yellow", the "Power Edge" trade dress as well as corporate and product identity used herein, are trademarks of Caterpillar and may not be used without permission.



Re: Due November 4 -- Exemption request for business license  
Tax-License Tax-License to: Schreifels\_Ann\_M  
Cc: "Jeffrey Whiting"

10/26/2016 03:43 PM

Caterpillar: Confidential Green

Retain Until: 11/25/2016

History:

This message has been forwarded.

Ms. Schreifels,

Since Caterpillar Inc will have a business location within Tucson city limits, Caterpillar will need a city business license. If the office in Tucson is not selling any items, then it will not need a City of Tucson tax license.

You can contact the license section at 520-791-4566 regarding a business license. You can also register for a business license using the City's e-tax system.

[https://urldefense.proofpoint.com/v2/url?u=https-3A\\_\\_www.tucsonaz.gov\\_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m9OlGg-sEp8sXyly2aQ&r=WMM-Ht51y52fzXNRZvP2tBVtk26SHhwUPGwOJA16F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk\\_KSfzLwib00MZic\\_U0NiNPME11Q&e=](https://urldefense.proofpoint.com/v2/url?u=https-3A__www.tucsonaz.gov_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m9OlGg-sEp8sXyly2aQ&r=WMM-Ht51y52fzXNRZvP2tBVtk26SHhwUPGwOJA16F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk_KSfzLwib00MZic_U0NiNPME11Q&e=)

Thank you.

Pam

>>> "Ann M. Schreifels" <Schreifels\_Ann\_M@cat.com> 10/14/2016 11:47 AM >>>  
Hello,

I'm writing behalf of Caterpillar Inc. We are responding to a City of Tucson RFP (#161534) and one of the requirements is to either hold a City of Tucson business license or receive a written determination from your office that a business license is not required.

Though we are responding as a manufacturer, it is our local dealer, Empire Machinery, who will conduct all business with the city. Caterpillar will never directly sell equipment nor collect any funds. This is how we are currently doing business and we are not requesting any changes. (Empire Machinery does have a current City of Tucson business license.)

Would you be able to confirm in writing that Caterpillar Inc. is not required to hold a business license for the purposes of this RFP?

The City of Tucson contract officer leading this RFP is Jeffrey Whiting and either he or I would be happy to clarify this request.

Thank you very much,

Ann Schreifels  
Americas Marketing Supervisor  
Governmental Sales & Business Processes  
Global Construction & Infrastructure  
100 NE Adams St. | Peoria, IL | USA | 61629  
Tel: 309-266-0471 | Tie: 7-726-0471 | C: 309-338-5976



# City of Tucson

## License Certificate

**Business Name and Tucson Mailing Address:**

EMPIRE SOUTHWEST LLC  
PO BOX 2985  
PHOENIX AZ 85062-2985

**License Number:** 3006282

**Type:** General Freight Trucking, Local

**Issue Date:** December 31, 2015

**Expiration Date:** December 31, 2016

**Owner:**

EMPIRE SOUTHWEST LLC

This license / permit is **non-transferable** and must be posted in a conspicuous place at the business location.

**THE ISSUANCE OF THIS LICENSE / PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY LAW OR REGULATION.**

FOLD HERE

CITY OF TUCSON, ARIZONA

FINANCE DEPARTMENT

REVENUE DIVISION - LICENSE

Expiration Date: December 31, 2016



Non-Transferable

3006282

**MUST BE DISPLAYED IN  
A CONSPICUOUS PLACE**

### Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson.

Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: EMPIRE SOUTHWEST LLC

Located At: 7600 S NOGALES HY, TUCSON, AZ 85756

Effective: January 01, 2016

Please refer to license number in all correspondence.

By

Finance Director



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

TO: Jeffrey Whiting, Contract Officer  
City of Tucson, AZ

FM: Patty Redpath, Governmental Account Manager  
Caterpillar Inc.

RE: Payments for purchases under RFP #161534

As requested in the RFP, this note constitutes formal notice that payments by the City of Tucson for products and services under this contract should be made to our authorized dealer, Empire Machinery.

Payments should be directed to:

Empire Machinery  
7000 S. Nogales Highway  
Tucson, AZ 85756-9640  
Phone: 520-746-8200



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

TO: Jeffrey Whiting, Contract Officer  
City of Tucson

FM: Ann Schreifels  
Governmental Sales Manager

RE: Price Discounts and Price Pages

Caterpillar does not have a typical product catalog or price pages. Because our machines and equipment are relatively low volume products and often created to customer specifications, we don't have a static document to attach here. With more than 300 products that each have a detailed 20- 40-page price list, we also didn't feel it was in the best interest of the City's environmentally conscious policies.

The City of Tucson can request current price pages from Caterpillar Inc, or from Empire Machinery at any time.

Because our pricing model under this contract is a minimum discount off of list price, those discounts are attached here. Working with the local sales representative to configure the machine correctly and then applying the discount will result in the contract price indicated in this proposal.

Please feel free to reach out to me at 309-338-5976 or to Patty Redpath at 309-494-4578 if you are not able to reach a local Empire Machinery contact.

Cooperative Contracts 2017 - City of Tucson RFP Response

Machine Model*	New Equipment
2016	Discount to Customer (Off List Price)

**Pavers**

AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%

**Rollers**

CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

\*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

**Vocational Trucks**

CT660	23.00%
CT680	23.00%
CT681	23.00%

**Track Type Tractors**

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

**Wheeled Excavators**

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

**Cold Planers**

PM102	14.00%
PM620	14.00%
PM622	14.00%

**Reclaimers**

RM300	14.00%
RM500	14.00%

**Telehandlers**

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

**Motor Graders**

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

**Skid Steer Loaders**

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

**Multi-Terrain Loaders**

257	25.00%
277	25.00%
287	25.00%
297	25.00%

2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

**Compact Track Loaders**

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

**Excavators**

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

**Backhoe Loaders**

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

**Site Prep Tractor**

586C	20.00%
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**Wheel Tractor Scrapers**

621	16.00%
623	17.00%
627	16.00%

**2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls**

**Articulated Trucks**

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

**Rigid Frame Trucks**

770	10.00%
773	10.00%

**Landfill Compactors**

816	14.00%
826	14.00%
836	14.00%

**Wheel Dozers and Soil Compactors**

814	15.00%
815	15.00%
824	15.00%
825	15.00%

**Wheel Loaders**

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

**Track Loaders**

953	20.00%
963	23.00%
973	23.00%

<b>Worktools</b>	15.00%
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<b>Caterpillar Safety Services</b>	15.00%
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**Used Equipment is discounted 20% from Original Customer List**

**Rental Equipment is discounted 10% from dealership Rental Rates**

**Parts & Service is discounted by the servicing dealer according to work order volume**

# Caterpillar Oct. 7, 2016 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

Participant Discount

60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F\_PE400CNN" Caterpillar Price List)

D13	50%
D20	50%
D25	50%
D30	50%

60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F\_1100CNN" Caterpillar Price List)

D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-6S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%

60 HZ, 40 - 60 kW (Reference the "PSNA-EPG-F\_C4.4LCAN" Caterpillar Price List)

D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%

60 HZ, 40 - 100 kW (Reference the "PSNA-EPG-F\_C4.4PGAN or C4.4PGBN" Caterpillar Price List)

D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%

60 HZ, 125 - 175 kW (Reference the "PSNA-EPG-F\_C6.6PGAN" Caterpillar Price List)

D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%

60 HZ, 200 kW (Reference the "PSNA-EPG-F\_C7.1PGAN" Caterpillar Price List)

D200-2 (3 phase)	35%
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C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F\_C9PKGN" Caterpillar Price List)

200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output

C8, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F\_C9PGAN" Caterpillar Price List)

200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output

C13PGAN, 350kW & 400kW

37%

C15, 60 HZ, 350 - 500 kW (Reference the "PSNA-EPG-F\_C15PGAN" Caterpillar Price List)

350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output

C15, 60 HZ, 455 - 500 kW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)	
<i>(EPA &amp; CARB Tier 4 Interim Emissions Certified)</i>	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
C18, 60 HZ, 550 - 800 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)	
550 kW (600, 480, 240 Volt)*	33%
800 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
C18, 60 HZ, 455 - 500 kW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)	
<i>(EPA &amp; CARB Tier 4 Final Emissions Certified)</i>	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
C27, 60 HZ, 750 - 800 kW (Reference the "PSNA-EPG-F_C27PGBN" Caterpillar Price List)	
750 kW 480 Volt	33%
800 kW 480 Volt	33%
C27, 60 HZ, 725 - 800 kW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)	
<i>(EPA &amp; CARB Tier 4 Interim Emissions Certified)</i>	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
C32, 60 HZ, 1000 kW	
<i>(Reference the "PSNA-EPG-F_C32PKGN" Caterpillar Price List)</i>	
1000 kW 480	37%
3512C, 60 HZ, 1500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
<i>(Reference the "PSNA-EPG-F_3512PGAN" Caterpillar Price List)</i>	
480 V, Standby Rating Only - 1500 kW	33%
12470 V, Standby Rating Only - 1500 kW	33%
3516C, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
<i>(Reference the "PSNA-EPG-F_3516PGAG" Caterpillar Price List)</i>	
480 V, Standby Rating Only - 2000 kW	33%
12470 V, Standby Rating Only - 2000 kW	33%
3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available	
<i>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</i>	
	19%
3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 480, 12470 Volts available	
<i>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</i>	
	19%
3516B, 60 HZ, 2000 kW (EPA Tier 1)	
<i>(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)</i>	
Low/Med Voltage - Standby Rating Only - 2000 kW	32%
High Voltage - Standby Rating Only - 2000 kW	32%
3516B, 60 HZ, 2250 kW (EPA Tier 1)	
<i>(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)</i>	
Low/Med Voltage - Standby Rating Only - 2250 kW	32%
High Voltage - Standby Rating Only - 2250 kW	32%
3516C HD, 60 HZ, 2500 kW (EPA Tier 2 & CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)	
<i>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</i>	
Low/Med Voltage - Standby Rating Only - 2500 kW	30%
High Voltage - Standby Rating Only - 2500 kW	30%
3516-PGDL, 2MW, 2.5MW	32%
3516-PGEL, 2MW, 2.5MW Tier 4 Final	19%
G3412, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
<i>(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)</i>	
	26%
G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt	
<i>(Reference the "PSNA-EPG-F_G3508EPG" Caterpillar Price List)</i>	
	17%
G3412PGG Standby, 375kW, 450kW, 500kW	26%
G3512NL Stationary Certified 831bkW, 1095bkW	17%
G3516, 60 HZ, 1800 RPM, 3 Phase, 240 or 480 Volt, Self Excited	
<i>(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)</i>	
1040 kW - Standby	17%

G3516, 60HZ, 1200 RPM, 3 Phase, 480 Volt (Reference the "PSNA-EPG-F_G3516AEPG" Caterpillar Price List)	17%
G3516H, 60HZ, 1500 RPM, 3 Phase (Reference the "PSNA-EPG-F_G3516HNG" Caterpillar Price List)	17%
G3520H, 60 HZ (Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List)	17%
G3520, 60 HZ, 2055, 1900, or 1600 kW (Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List)	17%
<b>CG132, CG170, CG260 (custom)</b> Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets. Each quote is custom for the specific application. However, members will receive a 15% discount off of the configured list price from each member's local dealer.	15%
C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use) (Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List) 4000 kW (with Fan Rating)	24%
C175, 60 HZ, 3000 kW (EPA Tier 4) (Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List) 3000 kW (with Fan Rating)	19%
C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use) (Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List) 3000 kW (with Fan Rating) 3100 kW (without Fan Rating)	26% 26%
G30PGAN, 30kW	
G80PGAN, 50kW, 60kW, 80kW	
G150PGAN, 100kW, 125kW, 150kW	
Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW (Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)	
G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%
G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%
APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)	17%
XQ20N, 60 HZ, 20 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List) 20 kW* (3 or 1 phase) *There are several voltage options available	45%
XQ30N, 60 HZ, 30 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List) 30 kW* (3 or 1 phase) *There are several voltage options available	45%
XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)	
XQ60N, 60 HZ, 60 kW (EPA Tier 4 & CARB Emissions Certified (Nonroad)) (Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List) 60 kW* (3 or 1 phase) *There are several voltage options available	45%

XQ60BN Tier 4 Final	23%
XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)	
182 kW* (3 phase or 1 phase)	45%
XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)	
320 kW* (3 phase or 1 phase)	23%
XQ375BN, 60 HZ, 375 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ375BN" Caterpillar Price List)	23%
XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)	23%
455 kW* (3 or 1 phase)	
XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)	23%
XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim & CARB Emissions Certified (Non-road)) (Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)	
725 kW* (3 or 1 phase)	23%
*There are several voltage options available	
XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 & CARB Emissions Certified) (Reference the "XQ2000N" Caterpillar Price List)	
1825 kW* (3 phase)	19%
<b>Switchgear (customizable)</b>	12%
<i>Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a <u>12% discount</u> off of the configured list price from each member's local dealer.</i>	
<b>UPS (Uninterruptible Power Supply)</b>	
<b>60 HZ, 40 - 130 kVA (Reference the "UPSB130G" Caterpillar Price List)</b>	
UPSB040 (40kVA)	20%
UPSB050 (50 kVA)	20%
UPSB060 (60 kVA)	20%
UPSB080 (80 kVA)	20%
UPSB100 (100 kVA)	20%
UPSB130 (130 kVA)	20%
<b>Plus all price list related options</b>	20%
<b>UPS (Uninterruptible Power Supply)</b>	
<b>Flywheel Options</b>	
(Reference the "UPS300AG" Caterpillar Price List)	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UP0300Z - UPS 300 480V 60HZ	20%
UP0600Z - UPS 600 480V 60HZ	20%
UP0900Z - UPS 900 480V 60HZ	20%
UP01200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
(Reference the "UPS750FG" Caterpillar Price List)	20%
<b>Epic (Reference the "CATEPICG" Price List)</b>	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
<b>Supervisory Control Panel (Reference the "CATSCPN" Price List)</b>	
EMCP 4.4 SCP	10%
<b>ATS (AUTOMATIC TRANSFER SWITCHES)</b>	
444 ATS's available via ATS 2014 Price List Password: ATS2011	20%

# Caterpillar Sourced Goods & Support Services Multiplier (Power Systems Only)

## Sourced Goods & Support Service Provided

## National IPA Member Pricing

Custom Shop Work	5% off list price / typical sale price if no list price is available
Installation	5% off list price / typical sale price if no list price is available
Delivery/Freight	5% off list price / typical sale price if no list price is available
Training	5% off list price / typical sale price if no list price is available
Custom Enclosure	5% off list price / typical sale price if no list price is available
Custom Fuel Tank	5% off list price / typical sale price if no list price is available
Custom ATS	5% off list price / typical sale price if no list price is available
Dealer Labor	5% off list price / typical sale price if no list price is available
Additional/Custom Parts	5% off list price / typical sale price if no list price is available
General Contracting Labor	5% off list price / typical sale price if no list price is available
Maintenance Agreements	5% off list price / typical sale price if no list price is available

**Electrical Energy Generation Equipment with Related Accessories, Services, and Supplies.**

<b>Allied Products Discount Table</b>	
<b>Construction and Mining</b>	<b>Minimum List/Card Discount</b>
Allmand (Light Towers)	18.00%
Broce Brooms	9.00%
JLG (Man lifts)	22.00%
Mega (Water tanks, Towers and Trailers)	8.00%
Genie (Man lifts and Telehandlers)	20.00%
Progressive Solar (Solar Power Light Plants)	10.00%
Multiquip Power	24.00%
Sullair Air Compressors	28.00%
Rockland (Buckets and Dozer Blades)	8.00%
Paladin (Couplers and Attachments)	8.00%
CE Attachments (Attachments)	12.00%
Dymax (Attachments)	8.00%
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	10.00%
Wain-Roy	11.00%
<b>Agriculture</b>	
Challenger Tractors	13.00%
Massey Ferguson Tractors	13.00%
Rome (Construction Grade Discs and Plows)	13.00%
Woods (Scrapers and Mowers)	13.00%
Gearmore (Attachments)	13.00%
Reynolds (Scrapers)	13.00%
TG Schmeiser (Box blades, Land Levelers)	13.00%
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	13.00%
<b>On Road Industrial</b>	
Fuso Trucks	7.50%
Mac Trailers	8.40%
Maintainer (Service Bodies)	6.00%
Murray Trailers (Heavy Haul)	2.00%
Trail King (Small to Heavy Haul)	7.00%
UTB (Service Bodies)	8.40%
Fleming Trailers	8.40%
<b>Technology</b>	
Spectra Precision (Survey Instruments)	12.00%
Trimble (2D and 3D Grading Systems)	12.00%
Accugrade (Caterpillar Grade Control)	12.00%
Seco (Surveying and Site Prep)	12.00%
Laserline (Laser Controls)	12.00%
Apache (Grade Control, GPS and Lasers)	12.00%
Level Best (Laser Grading Box)	10.00%
<b>Unlisted and Future Allied Suppliers</b>	
All unnamed supplies will have a minimum of 40% off the Standard Dealer Discount from the Manufacturer's List Price	
<i>Example:</i> Unnamed Manufacturer Dealer Discount Off List	10%
40% Off the Standard Dealer Discount	4%
Minimum Discount Offered under RFP #161534	4%

<b>Dealer Related Parts, Service, Rentals and Accessories</b>	
<b>Dealer Related Parts, Service, Rentals, and Accessories</b>	<b>Minimum List/Card Discount</b>
Rental Rate Discount	15%
Used Machines Purchase Discount	20%
GET (Ground Engaging Tools) Discount	25%
Filter Discount	20%
Fluid Discount with TM&R (Total Maintenance & Repair)	14%
Undercarriage Discount	15%
Power Systems Rental Rate	15%
Power Systems Used Purchase Discount	20%
Used Work Tools	14%

## PROPOSAL EVALUATION REQUIREMENTS

### A. Method of Approach

#### 1) National Program

- a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

#### Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### Dealer Response

Empire Machinery will be providing a response to RFP #161534 on behalf of Caterpillar's Dealer network in an effort to support the terms included herein on a national scale. Empire will provide supplemental responses to applicable questions specific to the manner in which Empire will be specifically supporting the contract for the City of Tucson. From a national standpoint, Empire's supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in territories other than those serviced by Empire Machinery

#### 2) Distribution Network

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

#### Caterpillar Response (only)

-Confidential-

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

**Caterpillar Response** (only)

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

- c. Provide the number, size and location of your firm’s manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

**Caterpillar Response** (only)

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

<b>CONSTRUCTION INDUSTRIES</b>	
<b>U.S. Facilities</b>	<b>Facilities Outside the U.S.</b>
<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagami-hara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong
<b>RESOURCE INDUSTRIES</b>	

<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet <b>North Carolina:</b> Winston-Salem <b>Pennsylvania:</b> Houston <b>South Carolina:</b> Sumter <b>Tennessee:</b> Dyersburg <b>Texas:</b> Dennison <b>Wisconsin:</b> South Milwaukee	<b>Australia:</b> Beresfield, Burnie <b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou <b>Czech Republic:</b> Ostrava <b>France:</b> Arras <b>Germany:</b> Dortmund, Lunen <b>India:</b> Hosur, Thiruvallur <b>Indonesia:</b> Batam <b>Italy:</b> Jesi <b>Japan:</b> Sagamihara <b>Mexico:</b> Acuña, Monterrey, Reynosa, Torreon <b>Russia:</b> Tosno <b>Thailand:</b> Rayong <b>United Kingdom:</b> Peterlee
<b>ENERGY &amp; TRANSPORTATION</b>	
<b>Alabama:</b> Albertville, Montgomery <b>California:</b> San Diego <b>Georgia:</b> Griffin <b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac <b>Indiana:</b> Lafayette, Muncie <b>Kentucky:</b> Decoursey, Louisville, Mayfield <b>South Carolina:</b> Newberry <b>Texas:</b> Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Australia:</b> Revesby <b>Belgium:</b> Gosselies <b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas <b>China:</b> Tianjin, Wuxi <b>Czech Republic:</b> Zatec <b>Germany:</b> Kiel, Mannheim, Rostock <b>India:</b> Hosur, Aurangabad <b>Mexico:</b> San Luis Potosi, Tijuana <b>Republic of Singapore:</b> Singapore <b>Sweden:</b> Ockero Islands <b>Switzerland:</b> Riazzino <b>United Kingdom:</b> Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled \$9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

**Caterpillar Response** (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many

dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

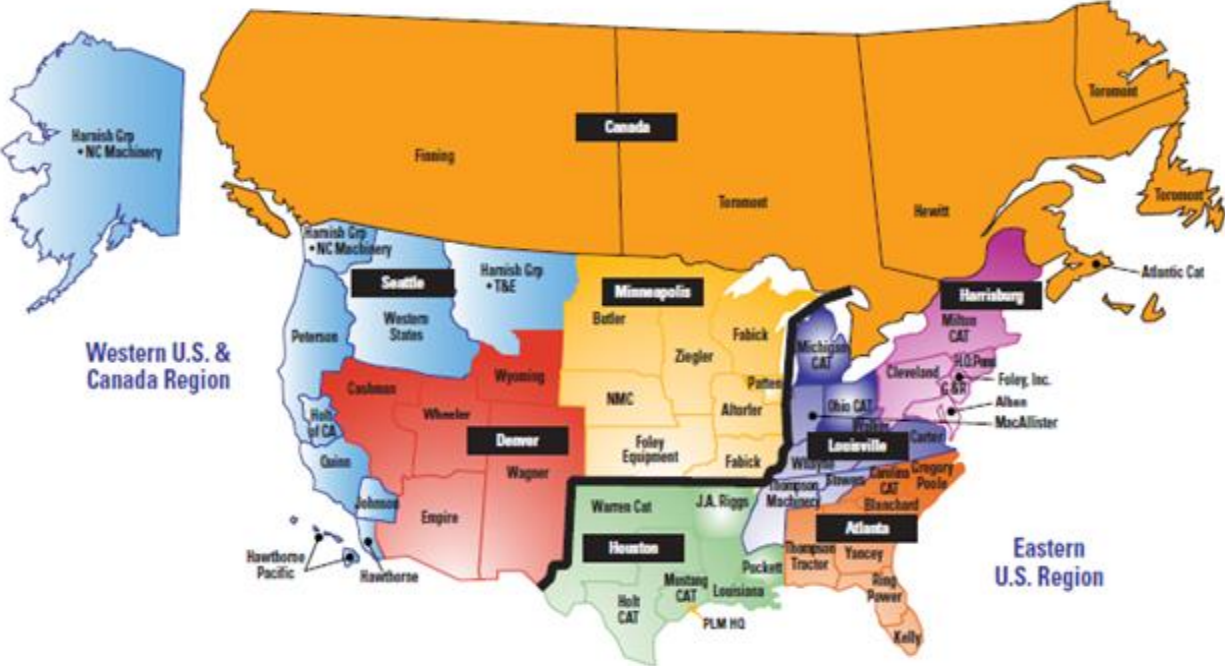


Image 1: North American Dealer Network

3) Product

- a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

**Caterpillar Response**

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

### **Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

### **Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled “Allied Products” for additional non-Cat manufactured/branded lines of equipment offered by Cat dealers for purchase under this contract.

### **Dealer Response**

Empire Machinery represents the full line of Caterpillar equipment as described in Caterpillar’s response. Cat Dealers also carry complementary products, that are non-CAT manufactured, that are available in this bid for purchase. These products are referred to as “Allied” products. Please see section 3) under Product, subsection 2. Identification and description of sub categories for a current list of Allied products.

2. Identification and description of sub categories.

### **Caterpillar Response**

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

[http://www.cat.com/en\\_US/products/new/equipment.html](http://www.cat.com/en_US/products/new/equipment.html)

### **Recycling and Waste**

Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

[http://www.cat.com/en\\_US/products/new/by-industry/waste.html](http://www.cat.com/en_US/products/new/by-industry/waste.html)

### **Construction Equipment**

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development. This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/construction.html](http://www.cat.com/en_US/products/new/by-industry/construction.html)

### **Technology & Solutions**

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

[http://www.cat.com/en\\_US/support/operations/technology.html](http://www.cat.com/en_US/support/operations/technology.html)

### **Paving**

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/paving.html](http://www.cat.com/en_US/products/new/by-industry/paving.html)

### **Work Tools**

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/attachments.html](http://www.cat.com/en_US/products/new/attachments.html)

### **Other/Miscellaneous/Allied**

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed

in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

<b>Construction and Mining</b>	<b>On Road Industrial</b>
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
<b>Agriculture</b>	<b>Technology</b>
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

### Dealer Response

All Caterpillar Dealers, including Empire Machinery, represent the full line of products that Caterpillar describes in their response.

Caterpillar offers the largest number of individual models in the construction and governmental industry, as the table below illustrates. With 239 different models, Caterpillar offers more than 159 machine options than their closest competitor. No matter what the need is, big or small, Caterpillar offers more machine options/configurations to help our customers optimize each machine to customer's specific application in order to help achieve maximum utilization.

<b>Number of unique machines by Manufacturer (Excludes Mining Products)</b>	<b>Caterpillar</b>	<b>John Deere</b>	<b>Komatsu</b>	<b>Volvo</b>	<b>Case</b>	<b>Bobcat</b>
Wheel Loaders	20	15	8	13	12	5
Motorgraders	6	3	1	0	3	0
Dozers	11	7	7	0	6	0
Excavators (not including mining)	38	22	11	21	9	10
Articulated Trucks	6	5	2	5	0	0
Backhoe Loaders	5	4	3	2	2	0
Skid Steer/Compact Track Loader/MultiTerrain Loader	30	12	0	11	10	24
Skip Loaders (Industrial Class)	1	1	0	0	1	0
Landfill Compactors	3	0	0	0	0	0
Landfill Dozers	6	1	3	0	3	0
Forest Machines – Governmental Class	12	7	7	7	2	0
Scrap/Demo Material Handlers	7	0	1	0	0	0
Off Highway Trucks – Governmental Class	4	0	2	0	0	0
Asphalt Rollers – Governmental Class	23	0	0	7	10	0
Asphalt Pavers	8	0	0	6	0	0
Dirt Rollers and Compactors	28	0	0	5	4	0
Cold Planers	5	0	0	0	0	0
Reclaimers/Soil Stabilizers	3	0	0	0	0	0
Telehandlers/Forward Reach Fork Lifts	8	0	0	0	0	0
Wheel Dozers – Governmental Class	2	0	0	0	0	0
Wheeled Excavators	8	0	0	3	0	0
Wheel Tractor Scrapers	5	0	0	0	0	0
<b>Breadth of Caterpillar machines covering Governmental Market</b>	<b>239</b>	<b>77</b>	<b>45</b>	<b>80</b>	<b>62</b>	<b>39</b>

For the City of Tucson and the extended Empire Machinery dealer territory, Empire Machinery offers a line of equipment and work tools that Caterpillar doesn't market or manufacture. These products are commonly referred to in the industry as "Allied Products".

Empire Machinery, as well as the other CAT Dealers across North America, carry a wide variety of Allied products to complement the Caterpillar line as well as fill the gaps of the equipment needs of our customers in all industries.

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this additional offering provides a relative model for similar products and or services that can be offered by from other Cat Dealers across the country.

The “Allied” products that are included, but not limited to, in this RFP are:

Construction and Mining	On Road Industrial
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
Agriculture	Technology
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

**Caterpillar Response** (only)

All Caterpillar products and services will be provided through Caterpillar’s North American Dealer Network.

In North America alone, Cat dealers inventory over \$1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

**Caterpillar Response**

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

### **Dealer Response**

Empire's 22 locations in Arizona, with three of those locations positioned in close proximity to the City of Tucson locations, are unmatched by any competitor.

Empire Exclusives:

- Family owned, locally managed by Arizonans who live in Arizona
- Over 1,600 dedicated, tenured and committed employees
- 239 different Caterpillar machine models (governmental) with exhaustive configuration options for each, allowing the City of Tucson to optimize the machine for the application
- Prime and standby power generators
- On-road trucks and trailers
- 36 Allied products that enhance production or reduce time on the job
- Over 540 trained service technicians
- Over 300 field service trucks
- 172 service bays
- Broadest warranty coverage, covering more parts than any competitor in the industry
- Warranty decisions made locally by Empire, not factory representatives
- \$93 million in parts inventory
- 161,824 parts line items in stock
- 93.5% parts fill rate over-the-counter anywhere in the State
- 96.24% parts fill rate within 24 hours, anywhere in the State
- 98.3% parts fill rate within 48 hours, anywhere in the State
- 94.97% over-the-counter parts availability in Mesa
- 99.9% parts filled within seven business days, anywhere in the State
- Over 1,800 prime units and 3,000 attachments in our Rental fleets
- Professional, full-time, Caterpillar Certified Operator and Technical Trainers, along with dedicated facilities
- 60 heavy haul transport trucks
- Dedicated Consignment Department to help maximize returns on equipment disposal

Empire alone has more resources than all of our competitors combined. We firmly believe Empire is the only supplier in Arizona uniquely and exclusively qualified to provide the City of Tucson with the lowest Life Cycle Cost/Lowest Cost per Operating Hour.

Empire also offers a worldwide consignment service that has an 89% success rate, with an average days-on-market of 90 days. The majority of the remaining 11% of consignments that do not fall into the “success rate” are made up of machines that the consignor put back to work or non-typical machines such as pavers, curb machines and similar niche products that require a longer marketing time. When you consider historical methods of disposing of older and/or unused machines, this is a good option to consider.

Empire will consign **any brand of equipment** that falls into the scope of machines offered in our proposal. The consignment rate to the City of Tucson will be 9% of the actual transaction price.

For the fee, Empire will be responsible for all aspects of marketing, writing the advertising, advertising worldwide on the internet and, in print where appropriate. We will promote locally in our territory and manage all leads for the agreed upon consignment period. Empire will also be responsible for invoicing and collecting the payment from the buyer. Empire will pay seller within 48 hours of payment (typically less than 24 hours).

We have five dedicated international salesmen, plus 26 in-territory salesmen that actively and aggressively sell our consignment machines. Our consignment program has been a significant portion of our business for over nine years. Disposing of equipment via Empire Consignment realizes an estimated 10%-15% higher net return over a typical disposal using an auction service.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

**Caterpillar Response**

To see Caterpillar’s full line of heavy equipment, work tools, and services please visit: [www.cat.com](http://www.cat.com)

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Please see the list of website links that Empire has provided for the accessories, parts, and supplies offered:

<b>Manufacturer and Dealer</b>	<b>Website</b>
Caterpillar	<a href="http://www.cat.com">www.cat.com</a>
Empire Southwest	<a href="http://www.empire-cat.com">www.empire-cat.com</a>
North America Caterpillar Dealers	<a href="http://www.cat.com/en_US/support/dealer-locator.html">http://www.cat.com/en_US/support/dealer-locator.html</a>
<b>Construction and Mining</b>	<b>Website</b>
Allmand (Light Towers)	<a href="http://www.allmand.com">www.allmand.com</a>
Broce Brooms	<a href="http://www.brocebroom.com">www.brocebroom.com</a>
JLG (Man lifts)	<a href="http://www.jlg.com">www.jlg.com</a>
Mega (Water tanks, Towers and Trailers)	<a href="http://www.megacorpinc.com">www.megacorpinc.com</a>
Genie (Man lifts and Telehandlers)	<a href="http://www.genielift.com">www.genielift.com</a>
Progressive Solar (Solar Power Light Plants)	<a href="http://www.progressivesolarsolutions.com">www.progressivesolarsolutions.com</a>
Multiquip Power	<a href="http://www.multiquip.com">www.multiquip.com</a>
Sullair Air Compressors	<a href="http://www.sullair.com">www.sullair.com</a>
Rockland (Buckets and Dozer Blades)	<a href="http://www.rocklandmfg.com">www.rocklandmfg.com</a>
Paladin (Couplers and Attachments)	<a href="http://www.paladin.com">www.paladin.com</a>
CE Attachments (Attachments)	<a href="http://www.ceattachments.com">www.ceattachments.com</a>
Dymax (Attachments)	<a href="http://www.dymaxinc.com">www.dymaxinc.com</a>
Weiler Paving Products (Pavers, Tack Trucks & Trailers, Wideners)	<a href="http://www.weilerproducts.com">www.weilerproducts.com</a>
Wain-Roy	<a href="http://www.woodsequipment.com">www.woodsequipment.com</a>
<b>Agriculture</b>	<b>Website</b>
Challenger Tractors	<a href="http://www.challenger-ag.com">www.challenger-ag.com</a>
Massey Ferguson Tractors	<a href="http://www.masseyferguson.com">www.masseyferguson.com</a>
Rome (Construction Grade Discs & Plows)	<a href="http://www.romeplow.com">www.romeplow.com</a>
Woods (Scrapers and Mowers)	<a href="http://www.woodsequipment.com">www.woodsequipment.com</a>
Gearmore (Attachments)	<a href="http://www.gearmore.com">www.gearmore.com</a>
Reynolds (Scrapers)	<a href="http://www.reynoldsinternational.com">www.reynoldsinternational.com</a>
TG Schmeiser (Box blades, land levelers)	<a href="http://www.tgschmeiser.com">www.tgschmeiser.com</a>
Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	<a href="http://www.wilcoxap.com">www.wilcoxap.com</a>
<b>On Road Industrial</b>	<b>Website</b>
Fuso Trucks	<a href="http://www.mitfuso.com">www.mitfuso.com</a>
Mac Trailers	<a href="http://www.mactrailers.com">www.mactrailers.com</a>
Maintainer (Service Bodies)	<a href="http://www.maintainer.com">www.maintainer.com</a>
Murray Trailers (Heavy Haul)	<a href="http://www.murrytrailer.com">www.murrytrailer.com</a>
Trail King (Small to Heavy Haul)	<a href="http://www.trailing.com/trailers">www.trailing.com/trailers</a>
UTB (Service Bodies)	<a href="http://www.unitedtruckbodies.com">www.unitedtruckbodies.com</a>
Fleming Trailers	<a href="http://www.flemingtrailers.com">www.flemingtrailers.com</a>
<b>Technology</b>	<b>Website</b>
Spectra Precision (Survey Instruments)	<a href="http://www.spectraprecision.com">www.spectraprecision.com</a>
Trimble (2D and 3D Grading Systems)	<a href="http://www.trimble.com">www.trimble.com</a>
Accugrade (Caterpillar Grade Control)	<a href="http://www.Caterpillar.com/en">www.Caterpillar.com/en</a>
Seco (Surveying and Site Prep)	<a href="http://www.surveying.com">www.surveying.com</a>
Laserline (Laser Controls)	<a href="http://www.laserlinemfg.com">www.laserlinemfg.com</a>
Apache (Grade Control, GPS and Lasers)	<a href="http://www.apache-laser.com">www.apache-laser.com</a>
Level Best (Laser Grading Box)	<a href="http://www.level-best.com">www.level-best.com</a>

6. Do you offer color choices for each product listed?

**Caterpillar Response** (only)

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

<u>140M3 Motor Grader</u>	<u>Months</u>	<u>Hours</u>
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

## **Dealer Response**

### **Empire/Caterpillar Warranty Offerings:**

Caterpillar offers a wide range of warranties that can be custom built to best match the needs of our customers. There are two (2) basic Caterpillar warranties available: Standard and Extended

- **Caterpillar Standard Warranty** - All new Caterpillar manufactured machines come with Caterpillar's "Premier" warranty for 12 months, with unlimited hours, at no additional cost to the buyer. (See warranty details below under "Caterpillar Extended Warranty".)
- **Caterpillar Extended Warranty** – Begins at expiration of Standard Warranty. Caterpillar Insurance and Caterpillar dealers provide a vast array of optional warranties that can be customized by the length of time (from 2 - 7 years) and/or by the hours (2,000 - 10,000 hours).

There are three (3) types of extended warranties available from Caterpillar:

- **Powertrain Only** – Covers the components that are used to either produce, transmit or control engine horsepower for propelling (moving) the machine; such as engine, transmission, final drives, axles, and brakes.
- **Powertrain and Hydraulics** – Covers all the items above plus hydraulic hoses, lines, pumps, valves, cylinders, hydraulic coolers, and hydraulic filter mounts.
- **Premier** – Includes all of the above with the addition of starters, alternators, pulleys, AC condensers, air conditioning compressors, fuel lines, fuel tanks and associated parts, water piping, radiators, mufflers, electrical indicators, gauges, instruments, wiring harness, switches, joysticks, relays, circuit breakers, frames and chassis, and weldments.

## **General Warranty Information**

### **Coverage - Inclusions, Exclusions**

Standard machine warranty and extended warranties between manufacturers and dealers are not equal. There is no industry standard of items "to be included or excluded" in the scope of either coverage.

Repairs and/or replacement of components excluded by competitive manufacturers can present a significant expense or savings to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products, as well as ensuring the lowest total cost solution for our customers.

Warranted claims will be presented by the customers to the supporting Caterpillar Dealer and will be administered at the local level. Empire will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customers.

Caterpillar machine warranties are the most comprehensive, covering more parts, more expensive parts, and excluding fewer items, in the industry. This results in lower expense exposure to the owners of Caterpillar equipment.

In comparing major manufacturers' stated warranty coverage listed in publicly available warranty documents, here is an example of parts (including their replacement labor) that are excluded by many manufacturers, but are included by Caterpillar Standard Warranty:

- Radiators
- Mufflers
- Starters
- Alternators
- AC Condenser/Compressor
- Fuel lines
- Hydraulic hoses and lines
- Gauges
- Wiring harnesses
- Frames and structures

Each of these individual items vary between different manufacturers, but they provide evidence that a buyer should consider the coverage of each to fully understand the true scope of their exposure, and calculate that exposure into the total machine price, from an operating cost perspective.

Beyond the firm boundaries of inclusions and exclusions of warranty, Caterpillar dealers utilize a "Fair Value" policy. Fair value is simply the process and procedures that rely on ethical and reasonable decisions to participate in a repair expense beyond warranty coverage. Fair value rules are not described in any written form; they take place when a Caterpillar Dealer and end user experience an event where both feel that the failed part did not meet expected life in a given application.

Once misapplication, abuse or misuse conditions are excluded, fair value reimbursement comes in a variety of forms: From full reimbursement to a shared expense, based on remaining normal life of the failed part, between Caterpillar Inc., Empire and the customers.

Additionally, Caterpillar warranties cover consequential damages. Some major and most minor brands do not. Example: A turbo fails, injects a part from the turbo into the cylinder head, and then destroys the head and piston; piston fracture penetrates the engine block. The turbo is the root cause, but Caterpillar warranty covers the entire repair of consequential damages.

View below to see the inclusions and exclusions of each of the three types of warranties Caterpillar offers:

✓ Represents covered items in their respective category  
 \*\* Represents items typically excluded by most other manufacturer's warranties, but are included under Caterpillar's warranty coverage.

<b>Engine &amp; Accessories</b>	<b>Powertrain</b>	<b>Powertrain + Hydraulics</b>	<b>Premier</b>
Engine – Internal Components	✓	✓	✓
Valve Cover	✓	✓	✓
Oil Cooler BHL	✓	✓	✓
Radiator			✓
Exhaust/Muffler			✓
Manifolds	✓	✓	✓
Fan Motor	✓	✓	✓
Water Pump	✓	✓	✓
Fuel Injection Pumps	✓	✓	✓
Injectors	✓	✓	✓
Lift/Transfer Pump	✓	✓	✓
Senders/Solenoids/Sensors	✓	✓	✓
Thermostat	✓	✓	✓
Flywheel & Torque Converter	✓	✓	✓
Oil Pan Group	✓	✓	✓
Engine Oil Filter Mount	**	✓	✓
Turbocharger	✓	✓	✓
Pulleys	**	✓	✓
Starter			✓
Alternator			✓
AC Compressor/Condenser			✓
Electronic Control Modules	✓	✓	✓
Governor/Speed Controls & Linkages	**	✓	✓
Fuel Lines	**	✓	✓
Fuel Tank & Associated Parts			✓
Water Piping			✓
Oil Hoses/Lines			✓
<b>Transmission/Hydrostatic/Driveline</b>	<b>Powertrain</b>	<b>Powertrain + Hydraulics</b>	<b>Premier</b>
Transmissions	✓	✓	✓
Final Drives/Planetary	✓	✓	✓
Drive Shafts	✓	✓	✓
Transfer Case	✓	✓	✓
Wet brake assemblies	✓	✓	✓
Hydrostatic Pumps & Drive Motors	**	✓	✓
Linkage/Lines Connected to Hystat Pump	**	✓	✓
Drive (pilot/eh) Control Valves	**	✓	✓
Senders/Sensors	**	✓	✓

Axles		Powertrain	Powertrain + Hydraulics	Premier
Axles		✓	✓	✓
Axle Seals	**	✓	✓	✓
Lug Nuts & Bolts	**	✓	✓	✓
Differentials		Powertrain	Powertrain + Hydraulics	Premier
Differentials		✓	✓	✓
Hydraulic Systems		Powertrain	Powertrain + Hydraulics	Premier
Hydraulic Pumps & Motors			✓	✓
Hydraulic Cylinders			✓	✓
Hydraulic Valves & Controls			✓	✓
Hydraulic Accumulators	**		✓	✓
Hydraulic Oil Coolers	**		✓	✓
Hoses and Lines	**		✓	✓
Hydraulic Quick Couplers	**		✓	✓
Hydraulic Oil Filter Mounts	**		✓	✓
Electrical		Powertrain	Powertrain + Hydraulics	Premier
Gauges/Indicators/Instruments	**			✓
Wiring harnesses	**			✓
Switches	**			✓
Frames & Linkages		Powertrain	Powertrain + Hydraulics	Premier
Chassis/Implement Frames	**			✓
Weldment	**			✓

**Allied Product Warranty:**

Allied products are excluded from the above terms and conditions. All Allied products will be sold with the manufacturer’s standard warranty. This warranty differs from manufacturer to manufacturer. If extended warranty is available and the City of Tucson requests extended options from an Allied manufacturer, Empire will provide the price on a case by case basis.

2. description of your warranty claims procedures.

**Caterpillar Response**

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### **Dealer Response**

Empire Service utilizes a highly structured, fact based and scientific Root Cause Failure Analysis process that is followed by Empire's Service Department. The process ensures the customer that Empire and Caterpillar fully understand the cause, and what role each affected part played in the failure, in order to help prevent it in the future.

The warranty process for Caterpillar machines is unique to the industry, allowing Empire to decide through its due diligence alone, if the failed part is covered under the scope of warranty. In the event of a warranty repair, Empire is responsible for repairing the machine. Once the repair is completed, the warranted parts and labor is charged to Caterpillar.

Any non-warranty covered items (such as oil antifreeze; fluids that cannot be reused) will be the responsibility of the owner. In the event that Caterpillar concludes a different root cause and believes it was caused by misapplication or misuse and rejects reimbursement, and Empire does not, Empire will absorb the expense.

3. description of your policy addressing warranty issues related to:
  - i. Major Component Failures
  - ii. Engineering Deficiencies
  - iii. Describe your firm's standard response time to address warranty failure issues.

### **Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering

Deficiencies, and Empire Machinery's standard response time to address warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### **Dealer Response**

As America's #1 dealer rebuild center, Empire inventories new complete components, along with remanufactured components, for replacement when a machine is down and the customer requires an emergency complete component replacement. Beyond Empire's extensive parts inventory, Caterpillar parts distribution warehouses across America and the globe also inventory an extensive selection of new components and remanufactured components.

Excluding emergency complete component replacement, Empire will bring to bear as many resources as possible to tear down and reassemble the down component, to return the machine to production as fast as humanly possible. This includes our staff working three shifts and/or weekends continuously or "around the clock" to achieve the turnaround if warranted. Normal warranty coverage will only cover normal (non-overtime) shop labor rates, during normal service hours. Normal service hours are from 5:00 a.m. to 12:00 midnight, Monday-Friday and from 6:00 a.m. until 12:00 noon on Saturdays.

Overtime rate is charged for all hours worked on holidays. No other competitor that we are aware of provides this expanse of available normal service hours. When requested, Empire will work overtime with the incremental overtime fee charged to the City of Tucson. Normal warranty coverage only includes shop labor rates during normal business hours and thus could result in overtime charges to the customer. Additionally, parts that are not normally stocked may include a customer charge for additional freight or handling, depending on circumstances.

Engineering Deficiencies: Empire and our customers benefit from a long relationship with Caterpillar Engineering for new machines and product improvement testing. Because of our unique Arizona/Imperial County, California and territory, Caterpillar engineers prefer to test new machines and product improvements in Empire's territory because of the range and access to high ambient temperature, high altitude, sea level altitude, abrasive dust, hard caliche and granites soil and sand (dune) conditions. Our applications range from farming to forestry harvesting, to hard rock mining.

This multi-decade experience has provided Empire staff with a wealth of knowledge, experience, relationships and access to Caterpillar's engineering staff around the world. It has provided our customers with purpose-built machines and components tested here to perform here. This experience helps our staff identify a deficiency, quickly begin to test our possible solution, and offer it to Caterpillar; or fabricate, install and test Caterpillar's solutions.

Empire's standard response times are based on the fact that our customer purchases a new machine because unscheduled downtime creates critical disruption to their production. Most customers expect that we will handle every machine-down warranty event like an emergency. We are "built for it". Empire invests and maintains the staffing capacity to provide

customers two shifts per day, plus single shift on weekends and on-call staff for holidays to respond to these events with the utmost urgency.

Beyond this, a failure on Empire's part to deliver expected or promised service is always taken into account before any request for additional charges are presented to a customer. We take pride in the fact that Empire's owners expect all employees to consider first how we may have contributed to increasing a customer's expense or downtime. We are empowered, at all levels, to make ethical and fair charge adjustments before approaching a customer about additional expense to warranty coverage.

- c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

**Caterpillar Response**

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

For all support related to this contract, please contact:

Clinton Swapp Sales Account Manager 7600 S. Nogales Hwy. Tucson, AZ 85756 Office: 520-746-8213 Cell: 520-240-8213 Email: Clinton.Swapp@empire-cat.com	Ty Robertson Product Support Sales Representative 7600 S. Nogales Hwy. Tucson, AZ 85756 Office: 520-746-8226 Cell: 520-269-1171 Email: Ty.Robertson@empire-cat.com
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- d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

**Caterpillar Response**

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs

associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

With over 360 different Caterpillar products covered in this solicitation, and with over 65 different options for each of those machines with time and hour combinations, the matrix of extended warranty pricing would be too large to provide in this format.

Additionally, because of the competitive exposure, we are not at liberty to provide for public record, all of Caterpillar Insurance Extended Warranty pricing. For this proposal, we will provide requested rates on a model-by-model, term and hour specified basis.

- e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

#### **Caterpillar Response**

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

#### **Dealer Response**

Empire's technical resource group (similar to all Caterpillar dealers) has been engaged with Caterpillar engineers throughout the development of Tier 1, Tier 2, Tier 3, Tier 4i and Tier 4 Final since the Federal regulations were implemented.

Empire's (and our customers') ongoing participation of Caterpillar "Field Follow" program of prototype machines operated by customers in our territory, provides Empire both a first look and a wealth of experience in service support before production machines are ever produced for sale or delivered to a customer. Additionally, Caterpillar offers remanufactured exchange filters and Empire stocks them.

As of this submittal, it is becoming more apparent that exchange emission filters available from our parts department are faster, safer, more environmentally responsible and more economical for the customer than the other option of maintaining a DPF cleaning machine at our dealership stores. For redundant support, Empire owns and operates a DPF cleaning machine in our Phoenix store in the event of an unexpected supply disruption from Caterpillar.

Along with the above service capacity, Empire provides on-line information, updated regularly, for the City of Tucson managers, supervisors and operators to help them understand how the technology works. Tips and warnings are constantly updated to help our customers stay informed and reduce the risk of emissions solutions damage. Empire requires continuing education for our Sales and Product Support staff as an incremental resource that helps customers stay informed. Our operator trainer staff is always available to our customers for on-the-job operator education of the technology.

- f. Submit all information that will aid the City in evaluating your proposal

**Caterpillar Response** (only)

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

<http://www.caterpillar.com/en/company/sustainability.html>

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html)

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html)

[http://www.cat.com/en\\_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html](http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html)

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations

- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the “Top 50 Employers” list in Women Engineer Magazine
- Caterpillar Named One of Fortune’s World’s Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand’s 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc’s Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina’s Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE’s World’s Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine’s list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the “Top 50 Employers” list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council
- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor’s Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World’s Most Ethical Companies
- Newsweek Green Rakings ranks Caterpillar 72<sup>nd</sup> out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19<sup>th</sup> Annual “Top 50 Employers” list in Women Engineer magazine

4) Service

- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:

1. Provide detailed information explaining your service capabilities.

**Caterpillar Response** (only)

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owinging & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

**Caterpillar Response**

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing

requirements. As a commitment to servicing our customers, Cat dealers invest over \$75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.



Image 2: US Dealer Locations

#### **Dealer Response**

All 22 Empire stores are capable of warranty service and have trained technicians to support warranty.

For very large components, some remote branch stores may not have the heavy lifting infrastructure or highly specialized machining tools to complete every job. Those components may be shipped to the closest Empire facility that can complete the work. All such transportation will be handled by Empire internally.

EMPIRE LOCATIONS	TELEPHONE	ADDRESS	
Apache Junction	480-308-9100	3215 S. Winchester Rd.	85119
Blythe	760-921-9500	190 S. Intake Blvd.	92225
Buckeye	623-925-3020	26403 MC 85 Buckeye	85326
Buckeye	623-474-0840	25630 W. Durango St.	85326
Casa Grande	520-374-3500	8901 W. Highway 287	85194
Deer Valley	623-760-1100	21230 N. Black Canyon Hwy., Phoenix	85027
Eloy	520-582-2900	3501 W. Houser Rd.	85131
Flagstaff	928-526-2800	4900 E. Empire Ave.	86004
Globe	928-402-6410	190 W. Ash St.	85501
Imperial	760-355-2443	3393 Highway 86	92251
Kingman	928-757-1159	3255 E. Rutherford Dr.	86409
Mesa	480-633-4000	1725 S. Country Club Dr.	85210
Mesa	480-633-4421	256 W. Juanita Ave.	85210
Nogales	520-287-6630	350 N. Mariposa Rd.	85621
Peoria	632-707-1700	9802 N. 91 <sup>st</sup> Ave.	85345
Phoenix	602-333-5600	801 N. 44 <sup>th</sup> Ave.	85009
Phoenix	602-627-5700	840 N. 43 <sup>rd</sup> Ave., Phoenix	85009
Prescott	928-499-6001	3060 Centerpointe East Dr.	86301
Safford	928-387-8700	444 W. Old Country Club Rd.	85546
Show Low	928-532-2098	1501 E. Thornton St.	85901
Tucson	520-746-8200	7600 S. Nogales Hwy	85756
Tucson	520-407-3100	3830 N. Highway Dr.	85705
Yuma	928-317-7800	3885 E. Gila Ridge Rd.	85365



Image: Empire locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

#### Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### Dealer Response

As described in Caterpillar's response, Empire and other CAT Dealers can customize maintenance programs to fit the specific needs of our customers.

The pricing for maintenance services explained below can vary based on the model, hours of usage, and duration of agreement, and can be quoted on an individual basis.

The following are some examples of the different maintenance agreements that are available:

- PM (Preventative Maintenance) Services

PM services are broken into five (5) categories and follow the manufacturer's service recommendations, or can be customized to meet customers' needs.

- PM1 – Services the manufacturer recommends at 250 hours
- PM2 – Services the manufacturer recommends at 500 hours
- PM3 – Services the manufacturer recommends at 1,000 hours
- PM4 – Services the manufacturer recommends at 2,000 hours
- PM5 – Services the manufacturer recommends at 4,000 hours

Empire and participating dealers can offer different options for these hour intervals including:

- Parts only agreements
- Parts and fluids only agreements
- Parts, fluids, and labor agreements

Please see generalized chart below for the services performed at each PM interval.

	PM1 250 hours	PM2 500 hours	PM3 1000 hours	PM4 2000 hours	PM5 4000 hours
Change Engine Oil, Engine Oil Filters and take engine oil sample	x	x	x	x	x
Speed Reducer Oil Gets Changed and Sampled (On Elevator Scrapers)	x	x	x	x	x
Check all fluids levels such as Transmissions, Differentials, Tandems, Hydraulic, Steering, Coolant.	x	x	x	x	x
Change fuel filters and fuel /water separators, clean fuel bowl screen (replace if necessary)	x	x	x	x	x
Change Primary Air Filters	x	x	x	x	x
Check Coolant Condition - Freeze point	x	x	x	x	x
Perform and record a visual walk around of equipment as per OEM including but not limited to Back up alarm, tires, batteries, belts, ground engaging tools (cutting edges, bucket teeth, dozer blade, Moe board, buckets, bowl (can), ripper shanks)	x	x	x	x	x
Change cab A/C filters	x	x	x	x	x
Lubricate all grease points	x	x	x	x	x
Inspect and test all visible and safety systems	x	x	x	x	x
Change all filters this includes hydraulic filters, transmission filters, differentials filters if applicable.		x	x	x	x
Change rear differential oil (Backhoe Loaders oly on A-D Models)		x	x	x	x
Change front wheel oils in off highway trucks.		x	x	x	x
Change the Transmission oils, clean transmission screens and magnetic			x	x	x
Change swing drives oils on excavators , change differential and finals oils on backhoes.			x	x	x
Change hydraulic oils on AG tractors, telehandlers, vibratory compactors only, change chain case oils on skid steer loaders.			x	x	x
Change circle drive oil on motor graders			x	x	x
Change the differential and finals oils				x	x
Change tandem oil drive oils on motor graders				x	x
Change circle drive oils on motor graders accoding to OEM				x	x
Change hydraulic system oil.					x

- **Total Maintenance and Repair (TM&R):**

In a TM&R agreement, Empire and participating dealers will completely cover the equipment for any agreed upon repairs and preventative maintenance services for the duration of time and usage hours as specified by the agreement, based on the customers' needs.

TM&R's can be customized by the customer, including the following:

- With/without travel
- With/without scheduled component rebuilds

- Powertrain & Hydraulics
- With/without certain PM services
- With/without daily maintenance & cleanings
- With/without daily fueling

Exclusions in most cases include the following:

- Tires
- Glass
- Fuel
- GET replacement
- Components that contact the ground (bucket, blade, bed, bowl, etc.)
- Misuse and abuse
- Paint
- Any repairs due to customer not following the Original Manufacturer's Manual (OMM).

- **Man on Site Agreement:**

This type of an agreement can be offered on a stand-alone basis or in conjunction with other maintenance agreements for any customer that does not have the qualified staff/technician(s) or, is unable to add them.

Empire and participating dealers will provide a "man on site" for any duration of usage hours and time: Day, week, month, as specified by the agreement.

The technician will usually perform:

- Running repairs
- Preventative maintenance services

Other onsite services could include:

- Daily inspections
- Cleanings
- Operational checks

The "man on site" agreement includes a qualified technician, field service truck, and the tools needed to perform basic repairs.

Additional "man on site" Inclusions or exclusions in most cases include the following:

- Housing (when applicable)
- Overtime rates

- Unique equipment tooling costs: Large cranes, cribbing, certified shops, contamination control, etc.
- Percentage of guaranteed availability

- **Daily Fuel and Lube Agreement**

Empire, and participating dealers can provide daily fueling and grease to any machine at any of the City of Tucson sites, for any duration of time and/or usage hours to the specified needs of our customers.

Inclusions and exclusions in most cases include:

- With/Without daily cleanings.
- With/without daily inspections

We do not provide loaner machines. Empire will provide a down machine rental discount program (see details below).

For dealers representing any brand, contractual loaner guarantees have an incalculable financial risk. No dealer can guarantee 100% of the time that they will have a like-kind machine available and ready at any given moment.

But, this deserves more explanation:

Our highly valued relationship with the City of Tucson demands we consider loaners in certain circumstances. However, that decision must remain solely at Empire's discretion and it will be one of several possible solutions for a down machine that creates a critical hardship.

At a minimum, Empire will provide a subsidized rental machine that is either an exact match or based on the City of Tucson's input, adequately sized unit at a 50% discount from Empire's rental rate. The City of Tucson will be responsible for the normal rental wear items associated with a rental for the duration of time the down machine is under warranty.

Additionally, if a down machine is causing a hardship to the City of Tucson from a habitual issue that Empire has not yet solved, the probability is high that Empire will provide a loaner at no cost to the City of Tucson, other than wear items. But again, that decision must remain solely with Empire.

Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in Empire's territory to reduce down time and increase productivity.

Empire only employs trained, experienced technicians to support Caterpillar's full range of products. Empire Technical Communicators (TC) provide additional support to field/shop technicians to aid in rapid product or application issue resolutions. Empire TC's have a direct line of communication with Caterpillar Inc., through the Dealer Solution Network, to expedite problem solving.

Empire currently employs over 1,600 employees, of which approximately 73% are dedicated to product support. With over 22 service locations, over 170 service bays and over 290 field service trucks, these highly skilled and trained Caterpillar trained

technicians are in close proximity to provide unmatched service capabilities to meet your service requirements.

As part of a commitment to servicing customers, Empire invests nearly \$3 million annually in technician, parts counter, and product support representative training. Over the last 65 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry, through a financially healthy and viable company that is dedicated to the business of our customers.

4. Describe your training programs, addressing, at a minimum, the following:
  - i. How will equipment training be conducted?
  - ii. Describe the training curriculum for the equipment operators.
  - iii. Describe the training curriculum for the service technicians.
  - iv. How will you accommodate various work shifts?
  - v. What type of documentation is provided with the proposed training?
  - vi. Is a “train the trainer” program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
  - vii. Is the training provided by the manufacturer, dealer or both?

#### **Caterpillar Response**

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer’s equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: [http://www.cat.com/en\\_US/support/operations/cat-training.html](http://www.cat.com/en_US/support/operations/cat-training.html)

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### **Dealer Response**

- i. How will equipment training be conducted?

Empire will travel to whatever organization site the City of Tucson requests, to provide both operator and preventative maintenance training.
- ii. Describe the training curriculum for the equipment operators.

Empire offers comprehensive operator training for all Caterpillar machines by our Certified Dealer Instructors (CDI). CDI’s are dedicated full time to this process. CDI’s are Caterpillar Certified on various applications for individual machine groups. Empire does not depend on a service technician or machine

salesman to provide this critical task. CDI's begin the ownership experience by providing customers the most thorough "in-service" training and orientation in the industry. This service is provided at delivery of ALL new Caterpillar machines.

The operator training includes complete machine walk-around inspections, discussion regarding daily maintenance/checklists and hands-on operational instruction, along with comprehensive coverage of the Operations & Maintenance Manual. Proper operator understanding is a significant advantage to help reduce the operating cost per hour of the machine life cycle.

The orientation will cover the following:

- Coverage of the Operation and Maintenance Manual
- Hands on demonstration of all wet and dry fluid and filter locations and compartments
- All safety decals and their meaning along with examples of incidents
- All machine controls, functions, features
- Live demonstration (where site allows) of machine reaction to control inputs
- Review common operator misuse or abuse habits and resulting damages (i.e. damaging parking brakes)

Additionally, our Operator Training Department permanently staffs a Training Manager with seven Certified Dealer Instructors traveling throughout Arizona, performing new machine delivery training, certified training and refresher courses along with analyzing production improvements for in-specific applications when requested.

Empire provides this for both public and private customers, for an additional charge, when requested.

**iii. Describe the training curriculum for the service technicians.**

Our service delivery training begins with Safety. Our instructor will cover all the safety decals and their explanation of why, as it's described in the Operation & Maintenance Manual. The following is an outline and agenda for a training session.

Safety: All decals and what they mean along with examples of past events.

Pretest: Caterpillar Safety Test must be passed by all attendees before continuing.

1. Equipment Familiarization
  - a. Walk around inspection
  - b. Daily service points/lubrication
  - c. Cab and controls
  - d. Fundamental techniques
2. Start Up/Shut Down
3. Machine Operation
4. Systems Overview
  - a. Operator's station

- b. Engine
  - c. Electrical system
  - d. Power train
  - e. Implement and steering hydraulic systems
  - f. Auxiliary hydraulic lines
  - g. Thumbs
  - h. Buckets
  - i. Couplers
5. Post Test
  6. Review Maintenance Section of Operation and Maintenance Manual
    - a. Lubricants and fluids
    - b. Towing
    - c. Review PM checklist and procedures
      - 250 Hour
      - 500 Hour
      - 1000 Hour
      - 2000 Hour

In addition to our Service delivery process, Empire offers a dedicated facility and dedicated full time staff in our Training Institute:

The Empire Training Institute (ETI) is one of five Caterpillar Certified Regional Dealer Learning Centers in North America, and one of just three Caterpillar Certified Applied Failure Analysis training facilities. ETI provides both technical and non-technical training programs for Empire employees, customers and other Caterpillar dealers via instructor-led and web-based training courses.

ETI is a dedicated 36,000 square-foot facility with eight fully equipped classrooms and over 10,000 square feet of shop space. Our experienced staff includes eight Caterpillar certified technical instructors, one soft skills instructor and one safety instructor.

Classes can be scheduled and conducted at the Empire Training Institute facility at Empire's Mesa campus or at customer sites. All training courses utilize "pre and post" testing procedures to measure learning and monitor growth, and students are presented with a certificate upon successful completion.

Training topics include, but are not limited to:

- Safety
- Diesel
- Electrical
- Engines
- Applied Failure Analysis I, II and III
- Hydraulics
- Machinery & Equipment
- MSHA for Experienced Miners
- Powertrain
- Preventative Maintenance
- Air Conditioning for EPA Certification

iv. How will you accommodate various work shifts?

Empire will provide training and accommodate any shift the City of Tucson requires.

v. What type of documentation is provided with the proposed training?

Caterpillar's Delivery Service Record provides a check list that our CDI's follow at machine delivery orientation. Signatures on the form require a City of Tucson representative to confirm the list was reviewed and completed.

vi. Is a "train the trainer" program available?

Yes

Is this training different than the regular initial training?

Yes, the training curriculum is focused on the trainer and how to communicate proper techniques and safety, and why it's important. Initial training is focused on the student.

Can training sessions be recorded for future use by the agency?

Caterpillar does not permit recording, copying or transferring any of copyrighted material, either at our Operator Training Academy or customer sites. Empire maintains Caterpillar's proprietary information and copyright policies.

vii. Is the training provided by the manufacturer, dealer or both?

Both manufacturer and dealer can provide training.

5) Ordering and Invoices

a. Describe your order process.

**Caterpillar Response**

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Machine invoices will be generated after receipt of a City of Tucson purchase order at Empire.

The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order

- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from Empire to agency
- Machine configuration (if requested)

Machine payments are due 30 days after receipt of invoice.

Terms of our invoices are available at: [www.empire-cat.com/sales serviceterms](http://www.empire-cat.com/sales serviceterms)

- b. How do agencies work with your firm to determine appropriate equipment needs?

#### **Caterpillar Response**

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### **Dealer Response**

Initial contact will begin with our Sales Account Manager. A dealer Account Manager has extensive knowledge and experience in machine and attachment applications can assist the City of Tucson personnel in determining the best options.

Beyond this, the Account Manager will help the City of Tucson staff build a cost/benefit analysis to help illustrate why one machine or attachment was selected over other options. If the Account Manager believes the application question needs additional expertise, he is highly proficient at navigating Empire and supplier resources and bringing their expertise to bear.

Caterpillar has several software resources to help calculate cost per hour and cost per ton of machines, such as FPC or VET, to help users select the best machines, configurations and attachments. The Account Manager will utilize these resources to help the City of Tucson analyze options.

Additionally, if the Account Manager is asked to help research the best machine for an application and he believes that our offering is not optimum, and knows a competitive product or supplier that would be, he will explain why and help coordinate contact with the supplier, if requested by the City of Tucson. We recognize that not all of our offerings are the best and most economical fit for some applications and will readily explain so when we are asked to be part of the best solution analysis.

- c. Describe the equipment delivery process and your delivery commitment.

**Caterpillar Response**

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Most products can be sourced from Empire's extensive inventory. Our configurations are based on the optimum feature utilization and most effective cost per hour in Empire's territory. In the past, most City of Tucson units have been custom ordered because of minor configuration differences. We feel that the City of Tucson will benefit from most of the configurations we stock. This benefit is in terms of: Time of delivery, higher potential productivity, and potentially lower operating costs.

In the event we need to order a machine, the manufacturer will provide Empire a "Ready to Ship" (RTS) date. Empire will estimate additional days based on subjective experience with that manufacturer's history of accurate RTS dates. Empire will also add expected freight time. Since there are various events beyond our control such as severe weather, strikes, or U.S. Custom holds at docks, a small percentage of our given delivery times can and do extend. Empire will alert the City of Tucson immediately if we believe a committed delivery date will extend and work out a solution if the need is urgent.

- d. What is your standard equipment delivery timeframes?

**Caterpillar Response**

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

If Empire's configuration is acceptable and we can supply from inventory, we can usually deliver in less than seven calendar days. If it is urgent, we will work nights and weekends to supply a unit sooner. A significant percentage of our deliveries happen in less than three working days from receipt of firm order.

The next source for machine availability is CAT's Product Distribution Centers (PDC). PDC's have their own configurations, but most are very close to the Empire configuration. If a machine from this source has acceptable configurations to the City of Tucson's request, these machines will usually ship within 7 days and arrive at Empire within 14 days.

Additionally, Empire works with nearly every CAT dealer in the United States for trading inventory. We have an excellent reputation of helping other CAT dealers

secure units from our existing inventory and our “on order” inventory. In other words, we give more than we take. These outstanding “chits” help us secure earlier delivery several times a year and can usually arrive within 10 days.

If a unit must be factory ordered, we have no standard delivery time frames. Caterpillar claims 65%+ of their units will be “Ready to Ship” within 12-16 weeks. Allied manufacturers have too many variables to provide relevant estimates here. If Empire is awarded this contract, they will be quoted as needed.

- e. How does your firm communicate order cut off dates to your customers?

**Caterpillar Response**

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

For machines and attachments, the Empire Account Manager, will provide the City of Tucson with RTS estimates upon request.

**Parts – Hours of Operation**

When parts are needed, Empire has been the trusted and tested source to provide them, regardless of the time of day. In a crisis or emergency, Empire has the infrastructure and people in place to provide the parts that others cannot.

- Parts are available 24 hours/7 days a week/365 days a year
- Standard business hours for Empire’s Parts Stores are:  
Monday – Friday from 7:00 a.m. – 5:00 p.m.

After hours/emergency parts service is available by calling a store’s main number. (Provided in section 4, subsection 2 under “Dealer Response”) This service is available anytime outside standard business hours. When a call is placed, an Empire parts representative will respond, locate the parts needed, and arrange to meet at the store for pick up.

- f. Identify and describe any exceptions or challenges.

**Caterpillar Response**

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

Historically, Empire’s most common challenges in delivery of machines have been due to severe winter weather in the mid-west and U.S. Customs holds for freight shipments at U.S. shipping ports.

With regard to parts, Caterpillar/Empire has experienced challenges when suppliers to Caterpillar of a sub component part fails on hundreds of machines in a short time. A cascade of challenges begin at that point. Usually the manufacturer's parts supply is depleted and because of the unanticipated demand, the supplier cannot ramp up production of the correct part in the normal time most Caterpillar owners have come to expect.

Throughout our 65 year history, we have faced a number of these challenges. Customers want answers. Depending on the severity, it can take a few days to diagnose the root cause before we can begin to respond to repair affected machines.

Because of Arizona's unique geography, high elevations, hard material, and high ambient temperatures, many machine failures can show up in Arizona before the rest of the world experiences them. These events have taught us to maintain a hyper awareness of developing issues. Empire is usually the lead dealer to discover the issue and help Caterpillar (and other dealers) with the solution. These events help our staff stay highly vigilant in providing early identification and developing solutions for our customers.

- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

#### **Caterpillar Response**

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

#### **Dealer Response**

Empire's website does not provide any machine pricing for this contract. Our website does provide pricing for used machinery and used parts.

Empire Parts store is an online service that allows you to order parts from your computer. Some of the benefits are:

- Order parts anytime 24 hours/7 days a week/365 days a year
- Ability to track your part orders
- Electronic parts book for ALL Caterpillar machines
- Frequent order lists
- Shows available exchange/remanufactured options
- Track outstanding core returns for credits due
- Purchase history

Additional options available from [www.empire-cat.com](http://www.empire-cat.com) are:

- Equipment Management
  - On-Line Fluids Lab (Oil Sample Reports)
    - Track History for each component or machine
    - Custom graphing/charting trends
    - View Empire recommendations
- Vision Link-Vital Machine Operating Information (For machines equipped with Product Link, see below for Product Link details)
  - Asset Utilization
    - Hours
    - Fuel
    - Operation
  - Current Location (Google Maps)
  - Health Watch
    - Fault Codes
    - Fluid Analysis
    - Inspections (Requires Mobile App)
  - Geo Fencing
  - PM Maintenance Tracking
  - Production Tracking (requires additional accessories)
    - Pay Load monitoring
    - Project monitoring
    - Mass haul monitoring
  - Vision Link also allows
    - Customized alerts
      - ✓ Type of alert and who is notified
    - Exporting data
    - Customize groups, sites and projects

Vision Link is the software end of the information from the machine sensor transmitted by Caterpillar Product Link. Product Link will be supplied on all qualifying Caterpillar machines. Along with Product Link hardware, Caterpillar provides three years free subscription.

Product Link can be dealer installed for a nominal fee, on machines that Caterpillar does not supply as standard equipment. Generally, Product Link will be included on medium to large construction class machines. With the exception of backhoes, or skid steers, it will be included on most common machines the City of Tucson is likely to purchase from this contract. By early 2017, we believe every Caterpillar product will come with Product Link from the factory.

#### Technical Assistance and Documentation

Caterpillar Electronic Technician (ET) features:

- Displays parameter status
- Displays active diagnostics

- Clear and view logged diagnostics
- Performs diagnostic tests
- Print reports and diagnostic results
- Perform calibrations
- Displays current totals information, i.e. fuel consumption, operating hours, etc.
- Integration to help files

#### Technical Information, Service Information Systems (SIS)

The following items are available from SIS WEB subscription at no additional charge to the City of Tucson as part of this proposal.

- Applied Failure Analysis
- As Shipped
- Custom Service Information
- Disassembly & Assembly
- Engine News
- Engine Performance Specs
- Engine Tool Guide
- General Service Information
- Kits Information
- Microfiche1
- Operation and Maintenance Manual
- Parts Identification
- Safety
- Schematic
- Service Magazine
- Special Instruction
- Specifications
- Systems Operation
- Systems Operation - Fundamentals
- Testing and Adjusting
- Tool Guide
- Tool Operating Manual
- Torque Specifications
- Truck Engine News

Empire Parts Service and Sales Representatives (PSSR) assigned to the City of Tucson will provide training with Caterpillar technical software. Product Support Sales Representatives work closely with all departments and divisions within Empire and will assist the City of Tucson with needs related to product issues and with navigating the Caterpillar product support offerings.

- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

### Caterpillar Response

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

### Dealer Response

Is electronic invoicing available?

Machine invoices will be generated after receipt of City of Tucson purchase order at Empire. The invoice includes:

- Name of agency
- Department receiving if supplied on purchase order
- Contact name is supplied on purchase order
- Machine Serial Number
- Machine price
- Applicable taxes
- Freight from EMPIRE to agency
- Machine configuration (if requested)\

Machine payments are due 30 days after receipt of invoice. Terms of our invoices are available at: [www.empire-cat.com/salesserviceterms](http://www.empire-cat.com/salesserviceterms)

Is summary invoice available?

Yes

Are there other options on how an agency receives an invoice?

Invoices will be sent by mail, electronically or can be verbally requested for pick up.

Submit sample invoices.

Samples will be included in the attachment section of this RFP.

- i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

### Caterpillar Response

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory

**Dealer Response**

As described in Caterpillar's response, in most cases working with Empire's Account Manager will alleviate wrong order issues. If Empire receives a purchase order and the quantity or configuration stated is, or seems not to be what was discussed, our Account Manager will attempt to notify both procurement and the user department, if procurement approves.

The vast majority of the time, we solve the issue at this stage. Errors of Empire's making are the responsibility of Empire. If the purchase order, or subsequent instruction in writing, is given by key personnel from the City of Tucson and Empire fails to correctly order the product, Empire will bear the expense of correcting it. If the item is in excess of what was ordered, Empire will remove it. If the item cannot economically be removed and it does not interfere with the production, safety, operator comfort or expose the City of Tucson to additional operational expense, Empire may elect to leave it on the machine at no charge to the City of Tucson.

- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

**Caterpillar Response** (only)

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

- k. Titles- will equipment be provided with proof of registration with the state?

**Caterpillar Response** (only)

Where appropriate, all titles will be provided with proof of registration with the state.

- I. Will each product be delivered free of distributor advertising?

Caterpillar Response (only)

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

- 6) Other

- a. Describe any government rebate programs applicable.

Caterpillar Response (only)

No specific governmental rebate programs are currently available.

## **B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

Caterpillar Response

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to

provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

**CONFIDENTIAL – Request confidential treatment –**

**SEE CONFIDENTIAL CITY OF TUCSON RESPONSE: CATERPILLAR AND EMPIRE MACHINERY**

- 2) Based on your distribution network, explain how freight is calculated.

**Caterpillar Response**

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Freight is calculated in three different manners, depending on model, for Caterpillar:

- **Caterpillar Included in Price:** On most small products Caterpillar defines as BCP, such as Skid Steers, Backhoes, Telehandlers, and Mini Excavators, freight is included in the list price and is not a line item on the price list. Caterpillar dealers have zero control on this process. Caterpillar models handled in this manner are referenced as "FOB Dealer" in the Caterpillar price pages.
- **Caterpillar Managed Freight:** On some regional type models such as medium Excavators, Caterpillar will add the freight to the invoice. Caterpillar dealers have zero control on this process. The cost to Empire, for this particular model, is noted specifically in the Caterpillar price pages.
- **Empire Quoted:** Empire is responsible for the freight from either the factory or the port. Empire utilizes an RFP to quote pricing in advance for each of these models. Five to seven national freight companies compete against each other using this bid system. Empire will use this pricing methodology to determine the freight on each individual model.
- **Allied Products:** Allied freight varies from manufacturer to manufacturer. Some provide managed freight; some quote dealers "FOB" their factory. Empire will provide a written quote from the vendor at time of quotation to recapture these freight costs.

Empire does not "mark-up" or profit from freight. This is a "pass through" expense to the City of Tucson.

- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

**Caterpillar Response**

CONFIDENTIAL – Request confidential treatment –

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

**Dealer Response**

**CONFIDENTIAL – Request confidential treatment –**

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

**Caterpillar Response**

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the “Maximum Price / Minimum Discount” model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer’s incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

**Dealer Response**

Above and beyond the discounts stated in the price proposal/discounts section of this RFP, Caterpillar or Allied manufacturers may offer additional discounts beyond the minimum table. These incremental discounts may be short term (seasonal) programs or multiple unit discounts for a single transaction.

Incremental or additional discounts come from cycles of increasing or decreasing demand from the marketplace. If a manufacturer cannot produce the quantities to supply the opportunity, their incremental discounts are usually zero. Conversely, if they are targeting a new product, have over produced, or feel they are losing crucial market share in a region, they may offer dealers a temporary or seasonal additional discount with the intent it will incentivize dealers to stock more, or end users to pull purchases forward.

In the event additional or incremental discounts are available, Empire will pass these discounts on to the City of Tucson when “current” pricing quotes are requested. These quotes will show the contract minimum discount along with any additional or incremental discount and their expiration dates. These incremental discounts are usually labeled as “incentives” and they can have a very short life. Empire will explain to the City of Tucson their origin, amount and termination date.

Occasionally, Empire can negotiate termination extensions when the City of Tucson wants to take advantage of an incremental discount, but requires additional time to secure funding and approval. Empire is compelled to add: “Occasionally” means we are successful at securing extensions fewer times than not.

- 5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.

**Caterpillar Response** (only)

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the "Maximum Price / Minimum Discount" model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

**Caterpillar Response** (only)

None available at this time.

- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0 %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.

- 8) Will payment be accepted via commercial credit card?  Yes  No
- a. If yes, can commercial payment(s) be made online?  Yes  No
- b. Will a third party be processing the commercial credit card payment(s)?  
 Yes  No
- c. If yes, indicate the flat fee per transaction \$\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
- d. If “no” to above, will consideration be given to accept the card?  Yes  No

**Caterpillar Response** (only)

\*Commercial Credit Card acceptance (online or in person) is in the Dealer’s discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

- 9) Does your firm have a City of Tucson Business License?  Yes  No
- a. If yes, please provide a copy of your City of Tucson Business license.

**Caterpillar Response**

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**Dealer Response**

A copy of the City of Tucson Business License issued to Empire Southwest LLC (dba Empire Machinery) is included in the attachments section of this RFP.

**C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

**Caterpillar Response** (only)

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world’s leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealers have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

- 2) Describe your dealer network and their role in providing products and services under this contract.

**Caterpillar Response** (only)

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network

brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

**Caterpillar Response**

Nationally, the contract will be managed by:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

**Dealer Response**

For all support related to this contract, please contact:

Clinton Swapp Sales Account Manager 7600 S. Nogales Hwy. Tucson, AZ 85756 Office: 520-746-8213 Cell: 520-240-8213 Email: Clinton.Swapp@empire-cat.com	Ty Robertson Product Support Sales Representative 7600 S. Nogales Hwy. Tucson, AZ 85756 Office: 520-746-8226 Cell: 520-269-1171 Email: Ty.Robertson@empire-cat.com
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- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

**Caterpillar Response**

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

### Dealer Response

References:

City of Phoenix

Contact: Bonnie Shockley, Equipment Control Specialist  
2441 S. 22<sup>nd</sup> Ave., Phoenix, AZ 85009  
602-534-2129  
[bonnie.shockley@phoenix.gov](mailto:bonnie.shockley@phoenix.gov)

Maricopa County

Contact: Gidget Vigil, Equipment Manager  
3325 W Durango St. Phoenix, AZ 85009  
602-506-4674  
[gidgetvigil@mail.maricopa.gov](mailto:gidgetvigil@mail.maricopa.gov)

Cochise County

Contact: Ruben Miranda, Internal Services Administrator  
1151 W Hereford Road. Bisbee, AZ 85603  
520-432-8391  
[rmiranda@cochise.az.gov](mailto:rmiranda@cochise.az.gov)

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.

### Caterpillar Response (Only)

- CONFIDENTIAL – Request confidential treatment –

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

### Caterpillar Response

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

### **Dealer Response**

Empire Machinery's response is for Empire's territory only. All CAT dealers employ service personnel, with all levels of experience, but will vary from dealer to dealer.

Empire employs over 540 trained technicians throughout Empire's territory. These technicians are highly trained and the majority have job site experience in all industries including, but not limited to:

- Landfill
- Governmental
- Heavy Construction
- Highway / Road Construction
- Paving
- Mining
- Forestry
- Agriculture
- Power Generation
- Quarries & Aggregates
- Residential Construction
- Recycling

### **Additional Services Information**

Empire Machinery provides the largest investment of any competitor in the following areas.

Service: Empire provides the largest number of both shop and field technicians in the State of Arizona. From the best data we can gather, we have more staff in each of the service areas than all of our competitive vendors combined.

Empire Service Capacity Statistics (statewide):

- Field Service Technicians: 190+
- Service Trucks: 300+
- In Shop Technicians: 330+
- Technical Communicators: 13
- Service Managers: 27+ (all former shop or field technicians)
- 90 Shop Leadspersons
- 40+ Welders
- Average length of time in Service for all technicians: 10.5 years
- Many technicians in EMPIRE's stores have over 25 years' experience for other technicians to draw from

Years of experience in service staff are important to the customer. One of the highest costs of Ownership and Operating (O&O) costs is downtime. The faster a vendor can dispatch and arrive at a down machine (based on truck fleet capacity), trouble shoot the problem (based on experience, access to information or additional expertise), select and confer repair options with the customer, repair the machine (based on truck tool box capacity), only then can the absolute lowest expense be achieved, returning the machine to production.

It is difficult to quantify savings from assessing truck capacity and capability when trying to compare one vendor to another. The parts and labor expense in the cost of a work order are easier to compare and tend to be what receives focus rather than the difficult task to determine downtime expense or savings. The primary mission, and Empire's extensive investment in our Parts and Service Departments, is focused on reducing downtime expenses while being as efficient as possible.

### **Value Added Support Services**

The ability of the local dealer to provide value added support services is an important consideration in the purchase of heavy equipment. Empire provides many of these value added services to reduce the operating cost and risk of machine ownership.

The following is a summary of Empire's value added services:

- Tractor Machining – With tremendous capacity for component restoration and repair, reuse and rebuild of machine components (ISO9000/2001 Certified)
- Empire Hydraulic Service – Operating multiple shifts and capable of full service for all hydraulic brands (ISO/9000/2001 Certified)
- Empire Transport – Heavy haul with a fleet of 60 trucks and capable of hauling loads up to 180,000 lbs. in the event of any emergency
- Empire Training Institute – Provides both technical and non-technical training programs for EMPIRE employees, customers and other Caterpillar dealers via classroom and web-based training courses
- Technology Products and Services – Sitech Southwest, a wholly owned subsidiary of Jeff Whiteman (CEO of EMPIRE), offering a full range of technology solutions and technology support.
- Wear Analysis – Empire's own laboratory, processing 120,000 samples annually (ISO9001; 2001 Certified). The wear analysis allows a customer to repair a component or tractor before failure.
- In-Shop Services – With multiple shifts, over 400 factory certified technicians and EMPIRE's capability as the largest powertrain rebuild dealer in North America.
- Field Service Capability – 24 hours/7 days availability of over 300 field service trucks, along with EMPIRE's most experienced technicians (12 years average experience)
- Empire Power Systems – Provides turnkey solutions, service and temporary power for data centers, life support systems, telecommunication and construction. Empire also offers reliable, cutting edge solar solutions to commercial customers.

- 7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

#### **Caterpillar Response (only)**

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives

efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

## PROPOSAL EVALUATION REQUIREMENTS

### A. Method of Approach

#### 1) National Program

- 1) Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.

#### Caterpillar Response

Caterpillar will be providing a response to RFP #161534 on behalf of Caterpillar and Participating Caterpillar's Dealer's in an effort to support the terms included herein on a national scale. Additionally, Caterpillar has asked the local authorized dealer, Empire Machinery, to provide supplemental responses to applicable questions specific to the manner in which they will be specifically supporting the contract for the City of Tucson. From a national standpoint, these supplemental responses should only be considered examples of the manner in which business may be conducted. The contract may be supported differently in jurisdictions other than those serviced by Empire Machinery.

Please also see our attached proposed exceptions.

#### 2) Distribution Network

- a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.

#### Caterpillar Response

-Confidential-

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.

#### Caterpillar Response

Caterpillar and Cat Dealers are the two principle parties involved in providing products/services to public agencies. In most cases, the Cat dealers have their own transport trucks and trailers capable of handling or shipping the products/services from the Caterpillar facilities to the Dealership location(s), as well as to the Participating Public Agencies. Both Caterpillar and the dealers may contract transport out to meet time deadlines, and/or to reduce cost for our customers.

The transport companies used by Caterpillar or Cat dealers must meet the strict requirements of our transportation plan. Additional details can be provided upon request.

- c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.

#### **Caterpillar Response**

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

<b>CONSTRUCTION INDUSTRIES</b>	
U.S. Facilities	Facilities Outside the U.S.
<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> Gosselies <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, Wujiang Xuzhou, Qingzhou <b>France:</b> Grenoble, Echirolles <b>Hungary:</b> Godollo <b>India:</b> Thiruvallur <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagamihara <b>Poland:</b> Janow, Sosnowiec <b>Russia:</b> Tosno, Novosibirsk <b>United Kingdom:</b> Desford, Stockton <b>Thailand:</b> Rayong
<b>RESOURCE INDUSTRIES</b>	
<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet <b>North Carolina:</b> Winston-Salem <b>Pennsylvania:</b> Houston <b>South Carolina:</b> Sumter <b>Tennessee:</b> Dyersburg <b>Texas:</b> Dennison <b>Wisconsin:</b> South Milwaukee	<b>Australia:</b> Beresfield, Burnie <b>China:</b> Langfang, Tongzhou, Wuxi, Zhengzhou <b>Czech Republic:</b> Ostrava <b>France:</b> Arras <b>Germany:</b> Dortmund, Lunen <b>India:</b> Hosur, Thiruvallur <b>Indonesia:</b> Batam <b>Italy:</b> Jesi <b>Japan:</b> Sagamihara <b>Mexico:</b> Acuña, Monterrey, Reynosa, Torreon <b>Russia:</b> Tosno <b>Thailand:</b> Rayong <b>United Kingdom:</b> Peterlee
<b>ENERGY &amp; TRANSPORTATION</b>	
<b>Alabama:</b> Albertville, Montgomery <b>California:</b> San Diego <b>Georgia:</b> Griffin <b>Illinois:</b> LaGrange, Mossville, Mapleton, Pontiac <b>Indiana:</b> Lafayette, Muncie <b>Kentucky:</b> Decoursey, Louisville, Mayfield <b>South Carolina:</b> Newberry <b>Texas:</b> Channelview, DeSoto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Australia:</b> Revesby <b>Belgium:</b> Gosselies <b>Brazil:</b> Curitiba, Hortolandia, Piracicaba, Sete Lagoas <b>China:</b> Tianjin, Wuxi <b>Czech Republic:</b> Zatec <b>Germany:</b> Kiel, Mannheim, Rostock <b>India:</b> Hosur, Aurangabad <b>Mexico:</b> San Luis Potosi, Tijuana <b>Republic of Singapore:</b> Singapore <b>Sweden:</b> Ockero Islands <b>Switzerland:</b> Riazzino <b>United Kingdom:</b> Larne, Monkstown, Peterborough, Sandiacre, Shoreham, South Queensferry, Springvale, Stafford, Wimborne

Caterpillar inventory is stated at the lower of cost or market. Cost is principally determined using the last-in, first-out (LIFO) method. The value of inventory totaled \$9.7B at December 31, 2015.

Information about the Cat dealer network is set forth in subsection 2.d. below.

- d. Describe your dealer network and their role in providing products, services, etc. under this contract.

**Caterpillar Response**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories.

Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar’s North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

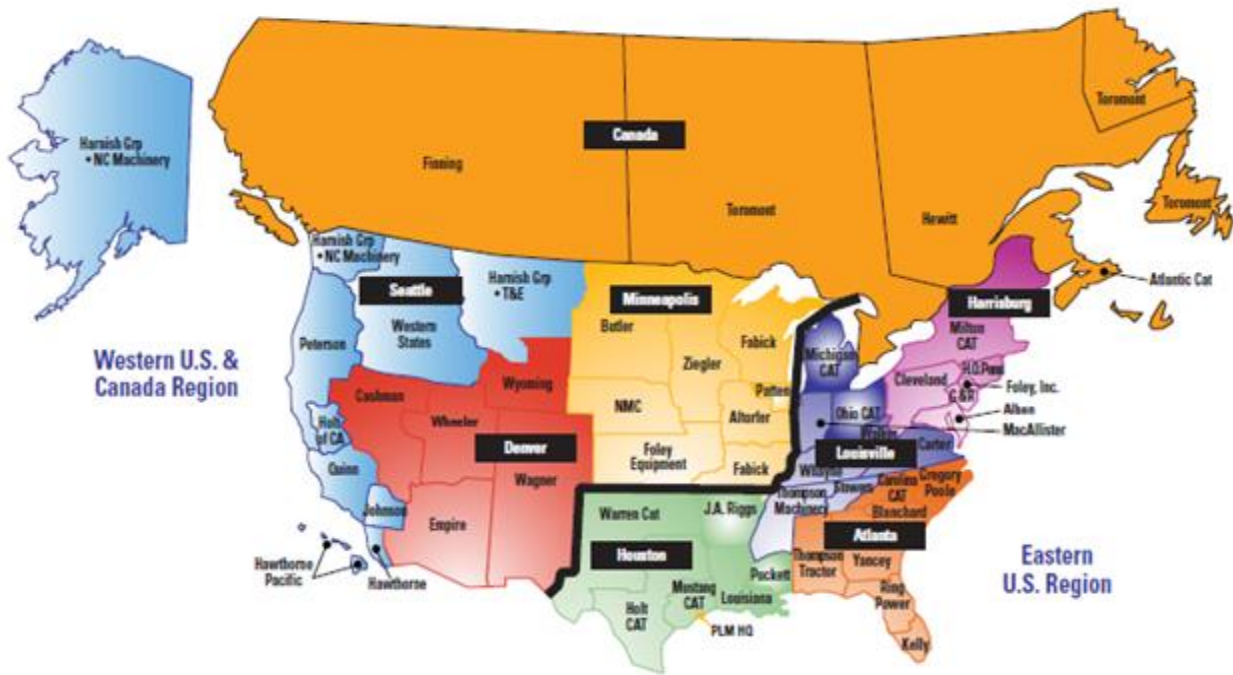


Image 1: North American Dealer Network

3) Product

- a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:

1. Identification and description of equipment categories offered.

**Caterpillar Response**

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

**Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

**Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

### **Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

### **Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Please refer to supplemental proposal, Empire Machinery Products and Services subtitled "Allied Products" for additional non-Cat manufactured/branded lines of equipment offered by Cat dealers for purchase under this contract.

## 2. Identification and description of sub categories.

### **Caterpillar Response**

Each of the equipment categories above consists of several models of machines that vary by size, horsepower and productivity.

With more than 239 models of Construction and Governmental products offered (not including mining, power generation, and engines), and multiple application-specific configurations, Caterpillar will be able to support virtually any governmental equipment need. Caterpillar is the only manufacturer to offer this many distinct models of machines, configurations and attachments.

A complete current listing with specifications and details is maintained at:

[http://www.cat.com/en\\_US/products/new/equipment.html](http://www.cat.com/en_US/products/new/equipment.html)

### **Recycling and Waste**

Caterpillar is the only manufacturer to offer a full line of machines specifically designed to handle landfill and waste applications.

Specific information can be found on our website at:

[http://www.cat.com/en\\_US/products/new/by-industry/waste.html](http://www.cat.com/en_US/products/new/by-industry/waste.html)

### **Construction Equipment**

As the recognized global leader in construction equipment, Caterpillar has repeatedly demonstrated its expertise in helping governments and contractors worldwide continue to develop and maintain infrastructure. Caterpillar has the largest breadth of products to support these applications. Caterpillar continues to lead the industry in investing hundreds of millions of dollars each year in research and development.

This ensures that what we sell is high performing, reliable, long lived products resulting in the best overall best value.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/construction.html](http://www.cat.com/en_US/products/new/by-industry/construction.html)

### **Technology & Solutions**

Information and data are quickly becoming vital in heavy machine operation and maintenance. Caterpillar is at the forefront with the variety of solutions available to customers. Whether the goal is to track hours and location or to dive deep into operation and maintenance practices, Caterpillar has a technology solution to meet that need.

For more detailed information please visit:

[http://www.cat.com/en\\_US/support/operations/technology.html](http://www.cat.com/en_US/support/operations/technology.html)

### **Paving**

Road building and maintenance are core competencies of the paving division of Caterpillar. We build and support a wide-ranging product line that includes everything from compactors and pavers, to cold planers to road reclaimers.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/by-industry/paving.html](http://www.cat.com/en_US/products/new/by-industry/paving.html)

### **Work Tools**

In addition to machines, Caterpillar will also be offering its full line of work tools to add even more versatility to the host of Caterpillar machines. This will provide an even greater selection of solutions. Caterpillar currently is a leader in both sales and models offered with more than 1800 different work tool options currently available.

For more detailed information please visit:

[http://www.cat.com/en\\_US/products/new/attachments.html](http://www.cat.com/en_US/products/new/attachments.html)

### **Other/Miscellaneous/Allied**

There are other product lines that don't fall neatly into the categories above. Should the City of Tucson have a need for them, they are included as part of this contract and can be offered for sale by Dealers.

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold under this contract as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Dealers as a branded Caterpillar product, or as allied equipment.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

Allied products include but are not limited to:

<b>Construction and Mining</b>	<b>On Road Industrial</b>
Allmand (Light Towers) Broce Brooms JLG (Man lifts) Mega (Water tanks, Towers and Trailers) Genie (Man lifts and Telehandlers) Progressive Solar (Solar Power Light Plants) Multiquip Power Sullair Air Compressors Rockland (Buckets and Dozer Blades) Paladin (Couplers and Attachments) CE Attachments (Attachments) Dymax (Attachments) Weiler Paving Products (Pavers, Tack Truck & Trailers, Wideners) Wain-Roy	Fuso Trucks Mac Trailers Maintainer (Service Bodies) Murray Trailers (Heavy Haul) Trail King (Small to Heavy Haul) UTB (Service Bodies) Fleming Trailers
<b>Agriculture</b>	<b>Technology</b>
Challenger Tractors Massey Ferguson Tractors Rome (Construction Grade Discs and Plows) Woods (Scrapers and Mowers) Gearmore (Attachments) Reynolds (Scrapers) TG Schmeiser (Box blades, Land Levelers) Wilcox Tillage (Rippers, discs, subsoilers, crumblers)	Spectra Precision (Survey Instruments) Trimble (2D and 3D Grading Systems) Accugrade (Caterpillar Grade Control) Seco (Surveying and Site Prep) Laserline (Laser Controls) Apache (Grade Control, GPS and Lasers) Level Best (Laser Grading Box)

Although these additional products and or services will be solely provided and supported by Empire Machinery for the customers within the territory Empire Machinery serves, this list of Allied products is an example for similar products and or services that can be obtained from other Dealers across the country.

3. Identify accessories, parts, services, etc. that are available through the manufacturer.

**Caterpillar Response**

All Caterpillar products and services will be provided through Caterpillar's North American Dealer Network.

In North America alone, Cat dealers inventory over \$1.0 Billion in protective parts stock to minimize machine downtime for its customers. Caterpillar currently has an industry-leading 24-hour parts fill rate of 99%.

Caterpillar doesn't focus on just the current model parts; we provide the most comprehensive line of legacy and remanufactured parts in the industry.

Most Caterpillar machines are designed for multiple lives, meaning once the first hours of useable life has been met, it can be rebuilt once or in many cases two or three times again. Because of the long life cycles of the Caterpillar product, we make sure we have legacy parts available to ensure that customers get the full life out of their machines at the lowest cost per hour.

In addition to providing legacy parts, Caterpillar boasts the largest availability of remanufactured parts in the Industry. These parts are brought back to new standards and include the same warranty as new parts all while only costing a fraction when compared to new.

Caterpillar also offers a full line of work tools and attachments to add even more versatility to the host machine. This will provide an even greater selection of solutions for the customer. Caterpillar currently holds the market leader position in both sales and models offered with more than 1,800 different work tool options currently available.

4. Identify accessories, parts, services, etc. that are available through the authorized dealer.

#### **Caterpillar Response**

In addition to the new machines and power systems mentioned above, Dealers also offer a complete line of OEM repair parts, work tools and attachments.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by Dealers.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

The purchasing of used equipment and renting equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

**Caterpillar Response**

To see Caterpillar's full line of heavy equipment, work tools, and services please visit: [www.cat.com](http://www.cat.com)

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

6. Do you offer color choices for each product listed?

**Caterpillar Response**

Caterpillar machines are painted Caterpillar yellow, which is a copyrighted color and is proprietary. Caterpillar will meet customers' unique paint color requirements for an additional fee which must be quoted and agreed to prior to the start of build.

- b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:

1. types of warranties available (by category or equipment)

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

Caterpillar machines come with standard warranties against defects in material and workmanship. Warranty inclusions and exclusions will vary by product and details can be provided at any point in the purchase process.

The majority of new machines included under this solicitation will qualify for 12 months/unlimited hours warranty. Some products, notably compact track loaders and mini excavators, qualify for 12 months/1500 hours warranty.

Additional extended equipment protection plans can be customized to meet each customer's specific need. The following is an example of some of the options that would be available through the local supporting Cat dealer.

<u>140M3 Motor Grader</u>	<u>Months</u>	<u>Hours</u>
Premier	24 to 84	5000 to 7500
Powertrain & Hydraulics	24 to 84	5000 to 10000
Powertrain	24 to 84	5000 to 10000

Please note that all manufacturers' warranties and/or extended coverage plans do not cover the same components and/or systems that Caterpillar's protection plans cover. Repairs and or replacement of components not covered by other manufacturers can present a significant cost to the overall ownership of a machine. The breadth of coverage provided through Caterpillar's coverage plans re-emphasizes the confidence Caterpillar has in its products as well ensures the lowest total cost solution for our customers.

Also, please reference the two examples of typical warranty statements which are attached to this proposal.

For expanded explanation of the benefits of Caterpillars warranty, please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

2. description of your warranty claims procedures.

**Caterpillar Response**

Caterpillar warranty is administered by the Dealers. Dealers are best positioned to see that the customer receives outstanding service for their warranty repairs.

Warranted claims will be presented by the customer to the supporting Dealer and will be administered at the local level. The supporting Dealer will then file a claim with Caterpillar to be reimbursed for all warranted services rendered to the customer.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

3. description of your policy addressing warranty issues related to:

- i. Major Component Failures
- ii. Engineering Deficiencies
- iii. Describe your firm's standard response time to address warranty failure issues.

**Caterpillar Response**

Caterpillar is proud to offer robust warranty for its products.

All defects in materials and workmanship are fully covered under the warranty period. All claims will be investigated by the supporting Dealer and determined whether they fall under the warranty policy or under the category of normal repair and maintenance.

Of course if there is a major component failure significantly earlier than its predicted life, the dealer will investigate to determine the likely cause of failure. Should the cause be determined to be design or manufacturing related, the customer, Dealer, and a Caterpillar representative will work together to find a solution that is agreeable to all parties.

There is not a nationwide warranty response time guarantee because machines, applications, repair requirements and availability needs will vary by geography and customer. In every situation, the Dealer will work to resolve warranty issues as quickly as possible and/or provide an interim working solution.

For additional information regarding the description of policy addressing warranty issues related to; Major Component Failures, Engineering Deficiencies, and Empire Machinery's standard response time to address

warranty failure issues, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.

**Caterpillar Response**

For all support related to this contract, the account manager at Caterpillar is:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

For specific product support at Empire Machinery, please refer to the supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

- d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.

**Caterpillar Response**

Additional extended protection plans are available for purchase. Three major types of protection are generally offered: Powertrain, Powertrain + Hydraulics and Premier. Customization of Extended Protection Plans is also an option available through our dealer network.

The costs for these extended plans vary by product, type of coverage, machine application and length of coverage. Because Dealers are independently owned businesses with widely varying geographic service territories, the actual costs associated with supporting such warranties will vary and cannot be quoted on a national scale by Caterpillar as fixed amounts.

Such factors include but are not limited to the Dealer's shop labor rates, transportation costs both for the machine as well as the technician and many others. It is recommended that warranty and extended protection plan considerations be clearly stated and agreed to prior to any transaction as a result of this contract.

For expanded explanation of the benefits of Caterpillars warranty please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

- e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.

**Caterpillar Response**

Caterpillar fully supports the efforts of the Environmental Protection Agency and we are proud to offer the largest number of machines compared to competitors, meeting Tier 4 final emissions requirements. All new machines are fully compliant under current emissions regulations which do vary by horsepower and intended use.

Managing a broad global product line is challenging so to ensure we are properly prepared for any additional regulations, Caterpillar has a dedicated team of experts that works very closely with EPA officials.

In 2016, Caterpillar was once again named to the prestigious Dow Jones Sustainability Index (DJSI) List, marking the 17th time we have been included in the DJSI. Caterpillar leads its global peers in the Capital Goods sector in the areas of innovation management, risk and crisis management, labor practices and human rights, as well as corporate citizenship and philanthropy.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- f. Submit all information that will aid the City in evaluating your proposal

**Caterpillar Response**

To view Caterpillar's achievements in sustainability, please view our most recent Sustainability Report at:

<http://www.caterpillar.com/en/company/sustainability.html>

Also, please note the industry awards Caterpillar has received in the last few years.

Roads and Bridges is a highly regarded industry trade publication devoted to equipment owning and operating customers. Each year Roads and Bridges publishes a list of equipment models and categories that have been identified by these customers as being the best in class for their respective categories and size classes.

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Year	Category	Level	Model
2015	Asphalt Pavers	Gold	CAT AP1055E
2015	Asphalt Pavers (Small)	Gold	CAT AP555E
2015	Asphalt Screeds	Gold	CAT AS3301C
2015	Compaction (Asphalt)	Gold	CAT CB54B
2015	Compaction (Soil)	Gold	CAT CS56B
2015	Concrete Breakers	Gold	CAT H120Es
2015	Dozers	Gold	CAT D6T
2015	Excavators	Gold	CAT 323F
2015	Loader Backhoes	Gold	CAT 420F
2015	Mini Excavators	Gold	CAT 308E2
2015	Motor Graders	Gold	140M2
2015	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2015	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2015	Specialty Excavators	Gold	CAT 335F
2015	Telehandlers	Gold	CAT TH514C
2015	Trucks (Off-Highway)	Gold	CAT 772G
2015	Wheel Loaders	Gold	CAT 938K
2015	Asphalt Milling Machines	Silver	CAT PM200
2015	Skid-Steer Loaders	Silver	CAT 259D
2015	GPS/Laser-Guided Equipment	Bronze	Cat Grade Control
2014	Asphalt Pavers	Gold	CAT AP1055E
2014	Asphalt Pavers (Small)	Gold	CAT AP555E
2014	Asphalt Screeds	Gold	CAT AS3301C
2014	Compaction (Asphalt)	Gold	CAT CB54B
2014	Compaction (Soil)	Gold	CAT CS56B
2014	Concrete Breakers	Gold	CAT H120Es
2014	Dozers	Gold	CAT D6K2
2014	Excavators	Gold	CAT 336E H
2014	Loader Backhoes	Gold	CAT 420F
2014	Mini Excavators	Gold	CAT 308E2
2014	Motor Graders	Gold	14M2
2014	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2014	Specialty Excavators	Gold	CAT 328D LCR
2014	Telehandlers	Gold	CAT TH514C
2014	Trucks (Off-Highway)	Gold	CAT 773G
2014	Wheel Loaders	Gold	CAT 938K

2014	Recyclers/Reclaiming Machines/Soil Stabilizers	Silver	CAT RM500
2014	Skid-Steer Loaders	Silver	CAT 299D
2014	Asphalt Milling Machines	Bronze	CAT PM200
2013	Concrete Breakers	Gold	CAT H90C
2013	Asphalt Pavers	Gold	CAT AP1055E
2013	Asphalt Pavers (Small)	Gold	CAT AP555E
2013	Asphalt Screeds	Gold	CAT AS3301C
2013	Compaction (Asphalt)	Gold	CAT CB64
2013	Compaction (Soil)	Gold	CAT CS56
2013	Recyclers/Reclaiming Machines/Soil Stabilizers	Gold	CAT RM500
2013	Track type Tractors (Dozers)	Gold	CAT D6T
2013	Excavators	Gold	CAT 320D L
2013	Specialty Excavators	Gold	CAT 328D LCR
2013	Loader Backhoes	Gold	CAT 420E
2013	Mini Excavators	Gold	300.9D
2013	Telehandlers	Gold	CAT TH514
2013	Wheel Loaders	Gold	CAT 930H
2013	Off-Highway Trucks	Gold	CAT 775G
2013	Motor Graders	Gold	12M2 AWD
2013	Software (Fleet Management)	Gold	CAT Product Link / Vision Link
2013	GPS/Laser-Guided Equipment	Silver	Cat Grade Control
2013	Skid-Steer Loaders	Silver	CAT 259B3
2013	Asphalt Milling Machines	Bronze	CAT PM200
2013	On-Highway Trucks	Bronze	CT660

Included Links for additional Road and Bridges information:

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receive-top-100-and-contractors-choice-awards.html)

[http://www.cat.com/en\\_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html](http://www.cat.com/en_US/articles/customer-stories/awards/cat-products-receivecontractorschoiceawardsin19categories.html)

[http://www.cat.com/en\\_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html](http://www.cat.com/en_ID/articles/customer-stories/cat-products-receivecontractorschoiceawardsin21categories.html)

The following is a list of additional industry accolades that Caterpillar has received in recent years:

- Caterpillar Ranked #82 on Interbrand's Best Global Brand List
- Caterpillar wins 2016 ANNY excellence in analytics award
- Caterpillar's Commitment to Sustainable Development Recognized by United Nations
- Caterpillar helps to protect 2,100 acres of coastal wetlands in California
- Caterpillar Awarded the Vision for America Award from the Keep America Beautiful Organization
- Caterpillar named finalist for prestigious sustainability honor – Circular Economy Award
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar Named One of Fortune's World's Most Admired Companies In 2015
- Caterpillar Recognized on Interbrand's 2014 Best Global Green Brands
- Caterpillar named on Diversity Inc's Top 25 Noteworthy Companies for Diversity List for 2014
- Caterpillar of Australia Recognized For Commitment To Workforce Diversity
- Caterpillar Named One of North Carolina's Best Employers of 2014 by Business North Carolina
- Caterpillar Celebrates 60 Years in Brazil and is Chosen One of the Best Workplaces in the Country
- Caterpillar Named One of FORTUNE's World's Most Admired Companies in 2014
- Caterpillar Receives National Recognition for Hurricane Sandy Response
- Caterpillar Named a North Carolina Top 50 Family-Friendly Company
- Caterpillar Recognized for Supplier Diversity
- Caterpillar is #12 most Reputable Big Company
- Caterpillar ranked 27 on Fortune Magazine's list of the Worlds Most Admired Companies
- Caterpillar ranked 12 on the "Top 50 Employers" list in Women Engineer Magazine
- Caterpillar World Headquarters Awarded LEED-EB Gold from US Green Building Council

- Caterpillar China Wins 100 Best HR Management Companies of 2010
- Illinois Governor's Pollution Prevention Award
- Caterpillar World Headquarters Awarded US EPA Energy Star
- Caterpillar receives the International Pipeline and Offshore Contractors Association award for Eco Operator Training
- Caterpillar in Top 20 of Social Responsibility Ratings
- Caterpillar Chairman receives Distinguished Citizen Award
- Caterpillar Inc. Recognized as one of the World's Most Ethical Companies
- Newsweek Green Rankings ranks Caterpillar 72<sup>nd</sup> out of top 500 companies, 3 of top 20 industrial goods.
- Caterpillar ranked #9 on the 19<sup>th</sup> Annual "Top 50 Employers" list in Women Engineer magazine

4) Service

- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:
  1. Provide detailed information explaining your service capabilities.

**Caterpillar Response**

Caterpillar takes great pride in our foundation of outstanding product and customer support. While the actual service and support of products sold through this contract will be conducted by the selling dealer, Caterpillar supports their efforts through many channels.

We start by designing durable, reliable, long-lived products with ease of operation and service in mind. These products are thoroughly tested to validate the design. When approved for production, a very strict protocol is put into place to ensure strict adherence to the build plan. Quality inspections occur throughout the manufacturing process and again when it arrives at the local dealership.

Prior to first shipment, Caterpillar ensures that Dealer has access to Owinging & Operating Manuals, Service Manuals, Parts Books, and Disassembly & Assembly Manuals.

Every Dealer has a process in place to troubleshoot and diagnose problems. Caterpillar also maintains a field force of technical representatives to ensure customer downtime is minimized. Factory service engineers work very closely with Dealers in situations where a problem cannot be easily resolved and engage all resources necessary for problem resolution.

2. Provide detailed information explaining the service capabilities of your authorized dealers.

**Caterpillar Response**

Caterpillar and Cat dealers offer industry leading product support. Field Service trucks with resident field technicians and parts drops provide a level of service unmatched in the industry to reduce down time and increase productivity.

All participating Dealers employ trained, experienced technicians to support Caterpillar's full range of products. Dealer Technical Communicators (TCs) provide additional support to field/shop technicians to aid in rapid product or application resolution. Dealer TCs have a direct line of communication with Caterpillar Inc. through the Dealer Solution Network to expedite problem solving.

Caterpillar's North American dealer network currently employs over 46,000 employees of which approximately 70% are dedicated to the product support business. With nearly 700 dealer branch locations and approximately 7,000 field service personnel, these highly skilled and trained Cat dealer technicians are in close proximity to provide unmatched service capabilities to meet your servicing requirements. As a commitment to servicing our customers, Cat dealers invest over \$75 Million annually in technician, parts counter, and product support representative training. Over the last 90 years, our philosophy has been to provide our customers with a level of product support unequalled in our industry through a financially healthy and viable dealer network that is dedicated to the business of our customers.

Caterpillar's ability to meet 24-hour service needs is based on servicing dealer discretion at time of transaction. However, most dealers offer a 24-hour emergency service call-out option with a price based on local rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer territory.

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## U.S. Dealer Locations



Image 2: US Dealer Locations

3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?

### Caterpillar Response

All Cat Dealers can customize maintenance programs for their customers based on each customer's individual needs. When a service or maintenance program is created, the terms of the program supported by the local Cat Dealer will outline any replacement / loaner options.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

4. Describe your training programs, addressing, at a minimum, the following:
  - i. How will equipment training be conducted?
  - ii. Describe the training curriculum for the equipment operators.
  - iii. Describe the training curriculum for the service technicians.
  - iv. How will you accommodate various work shifts?
  - v. What type of documentation is provided with the proposed training?
  - vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
  - vii. Is the training provided by the manufacturer, dealer or both?

### **Caterpillar Response**

Dealers support a variety of training options. Upon delivery of the machine, operators as well as technicians will be given basic equipment orientation, operating procedures, and service maintenance information required to put the machine into service. Should an agency require additional training, such consideration can be included in the customer's equipment quotation.

Caterpillar also offers a variety of operator training classes that provide certification to those agencies that require a higher level of operational expertise.

For additional information on these and other training options, please visit: [http://www.cat.com/en\\_US/support/operations/cat-training.html](http://www.cat.com/en_US/support/operations/cat-training.html)

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

## 5) Ordering and Invoices

### a. Describe your order process.

#### **Caterpillar Response**

Understanding that dealers have been developing and maintaining customer relationships at the local level for more than 90 years, it is Caterpillar's intent to continue to support this proven model. It will be the local Dealer that will quote, deliver, receive payment and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

### b. How do agencies work with your firm to determine appropriate equipment needs?

#### **Caterpillar Response**

Dealers have sales and application specialists who can help an agency identify the best equipment option to fit the application. Once a need has been identified, it would be in the customer's best interest to consult with the local Dealer to determine the best possible equipment solution. Should additional expertise be required, Caterpillar has expertise within the company that can also provide assistance to ensure the most favorable outcome

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- c. Describe the equipment delivery process and your delivery commitment.

**Caterpillar Response**

It will be the local Dealer that will quote, deliver, receive payment for, and support the products in this proposal per the terms that have been outlined.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- d. What is your standard equipment delivery timeframes?

**Caterpillar Response**

Depending on Dealer inventory, delivery can be as quick as a day, but depending on demand, orders from the factory may take as long as 180 days to deliver. In most cases Dealers have been able to commit to a less than 90 day delivery timeframe. However, timelines need to be confirmed for each purchase.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- e. How does your firm communicate order cut off dates to your customers?

**Caterpillar Response**

Any questions with regards to an order will be addressed by the local supporting Dealer.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- f. Identify and describe any exceptions or challenges.

**Caterpillar Response**

Should an urgent US military equipment order be placed at the factory it will take precedence over any other customer orders which may delay the actual delivery of any non-military orders to the end user.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.

**Caterpillar Response**

E-Commerce capabilities are set up at a local level with the supporting Dealer. Most Dealers allow online parts ordering and while it will vary based on the individual Dealer, many offer customer portals that allow communications specific

a customers' account. This could include machine purchase and service history, maintenance schedules, technical documentation, condition monitoring and more. Please inquire locally to determine what services are available online.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.

**Caterpillar Response**

Dealers can currently provide a pro-forma invoice prior to receipt of the actual invoice. Requests for electronic invoicing should be made to the selling Dealer. Not all Dealers are able to offer electronic invoices.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

- i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.

**Caterpillar Response**

In most cases working with the dealer account manager will alleviate any wrong order issues. In the event that this does not resolve the issue, the Dealer will work to resolve incorrect orders as cost effectively as possible.

Defective products are covered by manufacturer's warranty.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.

**Caterpillar Response**

Purchase orders received from a customer can be filled by an authorized dealer from inventory or by placing a new order from the factory. In either scenario, the customer will be advised about the timeline prior to delivery.

When sold, Dealers are obligated to report the sale to Caterpillar with detailed information about the sale. This creates a record in the corporate systems so that we are aware when a sale has been made to a governmental agency using this contract (National IPA).

Machine sales are only reported when the Dealer has input the transaction information into the system and the machine has been assigned to the respective industry. The sales are compiled monthly and reported back to National IPA.

- k. Titles- will equipment be provided with proof of registration with the state?

Caterpillar Response

Where appropriate, all titles will be provided with proof of registration with the state.

- l. Will each product be delivered free of distributor advertising?

Caterpillar Response

The buying agency and Dealer can determine what advertising is appropriate or not. There will never be a manufacturer requirement for the machine to carry a company decal/logo or to include distributor advertising.

- 6) Other

- a. Describe any government rebate programs applicable.

Caterpillar Response

No specific governmental rebate programs are currently available.

**B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

### **Caterpillar Response**

Each Caterpillar machine model will be assigned specific discount off the manufacturer's published list price for that particular machine and or piece of equipment. This discount will be extended to all additional options from the machine / option price list that are requested by the customer and become part of the final machine configuration. The published list price for the base machine and/or any additional options included in the published machine / option price list will be considered the maximum price for the specific final machine configuration. The associated discount will be considered the minimum discount that the local supporting Dealer has agreed to honor. It is our intention to provide the contract administrator with the City of Tucson with password protected access to our price lists housed on a secure internet platform. This ensures price lists will always be up to date.

Any additional items above and beyond those included in the Caterpillar Price Lists such as prep, extended warranties, delivery costs, customer service agreements, pre-delivery and installation, will be priced at the supporting Cat Dealer's discretion.

Financing for new and used Caterpillar products is available through a variety of financial products including Installment Sales Contracts, Finance Lease and Off Balance Sheet Operating Lease contracts. Rates and terms will be determined locally.

In an effort to provide even more customer solutions, Caterpillar will be supporting a special Used Equipment program for customers that choose to purchase products using this contract. With the exception of Cat work tools, Caterpillar will be extending a 20% discount off the original list price of used Caterpillar equipment that is currently in the Dealer's rental fleet that the Dealer agrees to sell. At their discretion, Dealers will have the ability to extend this program to customers for the purchase of work tools. Please note that this used program is subject to availability.

Parts, service work and rental is also available through this contract. There is no national price list for these options and as such prices will be determined locally based on volume of purchases and prevailing rates.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 2) Based on your distribution network, explain how freight is calculated.

### **Caterpillar Response**

The freight and delivery costs vary by product and will be quoted separately. Our products are manufactured in locations around the globe and vary considerably in size and weight so costs to transport our products to the selling dealer will vary widely.

If the customer chooses to have the Dealer deliver those machines to the purchaser's location the cost would be calculated based on the distance from the Dealer's place of business. The Dealer will quote actual shipping and prep costs for each machine quoted through this contract.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contact. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.

**Caterpillar Response**

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**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.

**Caterpillar Response**

Dealers are independent businesses and Caterpillar does not dictate pricing. It is the intent that with the “Maximum Price / Minimum Discount” model, that all Dealers will have the flexibility to extend the lowest competitive price to the agencies who choose to use the contract. Manufacturer’s incentives may be periodically provided and may be regionally based.

Please refer to supplemental proposal, Empire Machinery Products and Services, for the City of Tucson and the extended Empire Machinery dealer service territory.

- 5) Provide details of and propose additional discounts for volume orders, special manufacturer’s offers, minimum order quantity, free goods program, total annual spend, etc.

**Caterpillar Response**

No additional volume rebate program is included in this proposal, however customers and their local Dealer may enter into agreement for additional discounts and or other value added provisions within the spirit of the “Maximum Price / Minimum Discount” model for volume purchases that are in line and conform to all the terms and conditions covered by the contract.

- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.

**Caterpillar Response**

None available at this time.

- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by 0 %, if payment is made within 0 days. These payment terms shall apply to all purchases and to all payment methods.
- 8) Will payment be accepted via commercial credit card?  Yes  No
- a. If yes, can commercial payment(s) be made online?  Yes  No
- b. Will a third party be processing the commercial credit card payment(s)?  Yes  No
- c. If yes, indicate the flat fee per transaction \$\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
- d. If "no" to above, will consideration be given to accept the card?  Yes  No

**Caterpillar Response**

\*Commercial Credit Card acceptance (online or in person) is in the Dealer's discretion. Not all dealers will accept payment by credit card. Limits and conditions may be imposed by the local Dealer.

Dealers, either independently or in conjunction with Cat Financial may offer lines of credit to governmental purchasers.

- 9) Does your firm have a City of Tucson Business License?  Yes  No
- a. If yes, please provide a copy of your City of Tucson Business license.

**Caterpillar Response**

Caterpillar is proud to have a large presence in the City of Tucson as we recently relocated a major division with 600+ employees to the city. However, that office conducts no retail business and as such does not hold a business license. Please refer to supplemental documents which includes email confirmation from City of Tucson taxing authorities.

The local Dealer, Empire Machinery, has a City of Tucson Business license.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory.

**C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.

**Caterpillar Response**

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and

mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy we need our dealers, and our customers to be successful, in order for us to continue to grow profitably. It's a symbiotic relationship where all benefit when all grow together. This success is evident in the fact that many of our dealers have been owned by the same family for multiple generations.

Caterpillar is a leader in the heavy equipment business. This leadership also extends to sales to governmental agencies.

One of the largest factors for Caterpillar's continued success is that our customers have realized that they get the best overall value when they purchase Caterpillar. When considering the total cost of ownership, it's important to include the following factors. For any specific product, the Dealer would be able to provide detailed information tailored to the local market.

- Operating costs (include fuel burn, a key trait for which Caterpillar is broadly considered most efficient)
- Maintenance costs
- Repair costs
- Safety design and performance
- Productivity
- Ease of operation
- Reliability
- Resale value

- 2) Describe your dealer network and their role in providing products and services under this contract.

#### **Caterpillar Response**

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance, payment receipt and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective territories.

Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealer network currently employs over 46,000 total employees. 5,500 of these employees are dedicated to machine sales. Many dealers

have enough opportunity in the governmental market to employ sales people whose careers are dedicated to and specialized in the governmental industry. Approximately 70% of dealer employees are dedicated to product support. The Cat dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.

**Caterpillar Response**

Nationally, the contract will be managed by:

Patty Redpath  
Governmental Account Manager  
100 NE Adams St.  
Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for specific contacts for the City of Tucson.

- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

**Caterpillar Response**

For the last 90 years, Caterpillar's principal line of business has been the manufacture, sales and support of construction equipment. Throughout our history we have worked in close consort with our authorized dealers and that successful model has not substantially changed since its inception.

We have many satisfied customers in public agencies and refer you to Empire Machinery's response for three local agencies who are pleased with their support.

It is also important to reference the working partnership between Caterpillar, Empire Machinery, City of Tucson and National IPA for the past five years. The performance under contract #120377 is evidence of a strong and successful relationship. It is our desire to maintain this high level of cooperation as we move forward under this new RFP. We are deeply appreciative of the confidence placed in our machines and service and we value your business. We will do everything possible to maintain your trust as we look to forward to mutually beneficial contract going forward.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer territory for local customer references.

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.

**Caterpillar Response** (Only)

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- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.

**Caterpillar Response**

All Dealers employ highly trained and experienced technicians that have completed numerous factory training programs. Each dealer can expound on their own specific requirements but overall our technician capability is excellent.

Please refer to supplemental proposal, Empire Machinery Products and Services for the City of Tucson and the extended Empire Machinery dealer service territory.

- 7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

**Caterpillar Response**

Quality levels are at the highest in company history. In 2013, Caterpillar implemented Lean methodology. Lean is built on a strong foundation of 6 Sigma and Caterpillar Production Systems (CPS). Lean is how Caterpillar eliminates waste and drives efficiencies. By standing up quality gates throughout the production processes, Caterpillar can stop defects – first by catching them at the quality gates, and then by eliminating them. Lean has been deployed at more than 94 production facilities throughout the enterprise.

In the production facilities, qualified technicians perform a battery of tests to ensure that the products leaving Caterpillar plants are operating to the outlined specifications before delivery to the customer. These tests cover the electronic system, hydraulic systems, and powertrain systems on every machine we build. In addition to static testing procedures, trained operators perform a series of road tests and simulated operational maneuvers in dedicated locations at the plant prior to shipment. Should a machine exhibit any functional issues or fail a quality control benchmark at any point in the manufacturing process, the production line will either be shut down to remedy the issue or the machine will be removed completely from the production line. The unit will then be assigned a specific troubleshooting cell to perform the necessary corrections or repairs at which point it will be re-subjected to the battery of tests until such time it meets Caterpillar's quality control standards.

Upon arrival at a dealership a detailed pre-delivery inspection will be performed. Deviations from expected condition or operational performance will be noted, reported and corrected before delivery. It is also recommended for the customer to inspect the machine prior to first use.

## **National IPA Exhibit A – National IPA Response for National Cooperative Contract**

### 3. SUPPLIER QUALIFICATIONS

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

#### 3.1 Company

##### A. Brief history and description of your company.

For more than 90 years, Caterpillar has been making sustainable progress possible and driving positive change on every continent. Customers turn to Caterpillar to help them develop infrastructure, energy and natural resource assets. With 2015 sales and revenues of \$47 billion, Caterpillar is the world's leading manufacturer of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. The company principally operates through its three product segments - Construction Industries, Resource Industries and Energy & Transportation - and also provides financing and related services through its Financial Products segment. The Caterpillar Dealer organization has been a key component of Caterpillar's success. Caterpillar subscribes to the philosophy that there are three main partners in our business – Caterpillar, Cat dealers and customers. All three elements must be successful individually for all three to be successful over the long term. It's a symbiotic relationship where all benefit when they all grow together. This success is evident in the fact that many of our dealers are owned by multiple generations of the same family and multiple generations of customers continue to purchase products and services.

##### B. Total number and location of sales persons employed by your company.

Cat machines and engines are distributed principally through a worldwide network of dealers. 49 dealers are located in the United States, 4 in Canada and 122 located outside North America.

Caterpillar and Dealers will provide governmental customers with a reliable and viable distribution channel. They will manage the entire sales process from machine selection, quotation, PO acceptance and product delivery. In addition to sales, Dealers also will provide parts and service support. Cat dealers average more than 60 years of experience within their respective service territories. Specific information about dealers is located on [http://www.cat.com/en\\_US/support/dealer-locator.html](http://www.cat.com/en_US/support/dealer-locator.html)

Caterpillar's North American dealers currently employ more than 46,000 total employees. 5,500 of these employees are dedicated to machine sales and many dealers have sales persons dedicated to the governmental market. Approximately 70% of dealer employees are dedicated to product support. The dealer network brings value to customers through unmatched service, integrated solutions, after-sales support, and fast and efficient parts fulfillment.

C. Number and location of support centers (if applicable).

Caterpillar products are sold and supported by our authorized dealer network of 49 dealers in the US and 4 in Canada. These dealers are established, independent businesses that understand well the needs of their local customers and communities. These dealers typically have the majority of parts on-hand and the national average for 24-hour availability is 99%. In addition, Caterpillar maintains 10 parts distribution warehouses throughout the country to ensure that almost all parts can reach a customer within 24-48 hours.

In North America Caterpillar has 15 Product Distribution Centers (PDCs), which stock Cat machines in inventory to help supply equipment for our customers' needs/demands. The current estimated dollar value of machines in Caterpillar PDCs are estimated at more than \$400M. Cat Dealers across North America also carry Cat machines in their inventory for immediate sale. The number and the type of machines in our dealer inventory will vary based on local demand and desired configurations.

Each Cat dealer operates in multiple branch locations and uses parts drop boxes and mobile service trucks.

Product support and parts availability are the hallmarks of Caterpillar's success and we take great pride in leading the industry in availability. Subsection d below expands on some of these capabilities.



Image 1, Caterpillar Dealer Branch Operations

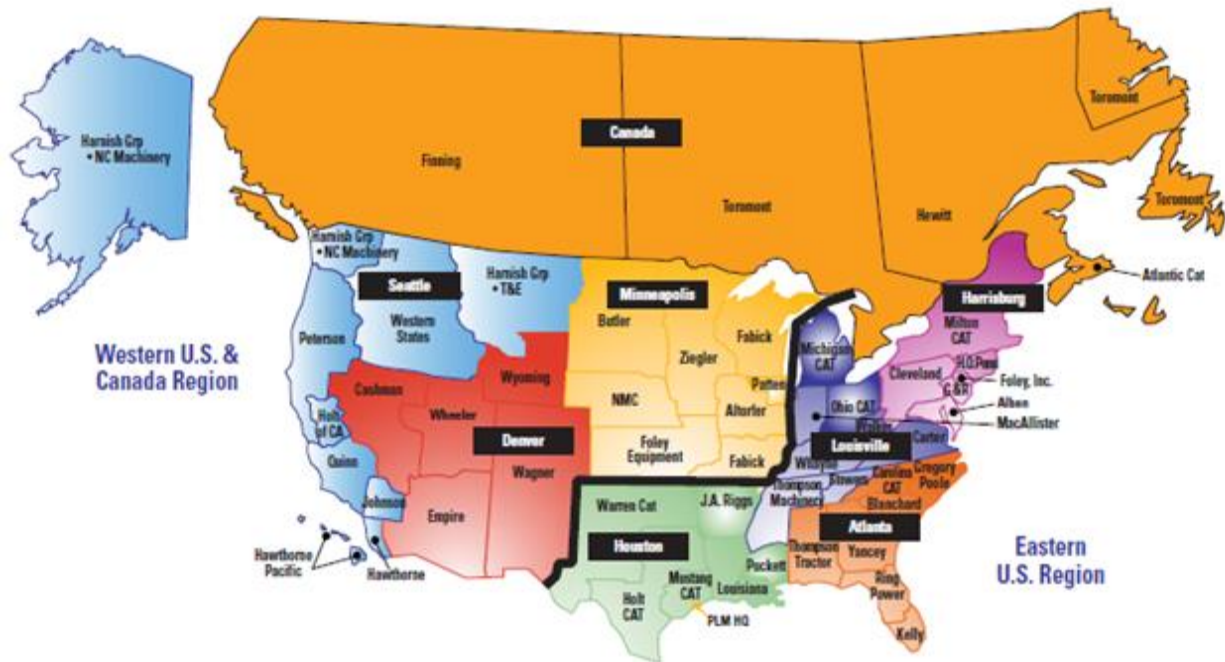


Image 2, Caterpillar North American Dealer Territories

D. Annual sales for the three previous fiscal years.

2013 – \$55.6B

2014 – \$55.1B

2015 - \$47.0B

E. Submit your FEIN and Dunn & Bradstreet report.

Caterpillar’s Employee Identification Number is 37-0602744

Please refer to vendor’s response section Dunn & Bradstreet

### 3.2 Distribution, Logistics

A. Describe how your company proposes to distribute the products/service nationwide.

Caterpillar products and services are distributed principally through a worldwide network of independent dealers (dealer network), which includes 49 located in the United States, and 4 in Canada.

See Image 2, above.

- B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.

All North American dealers and or their subsidiaries process, handle or ship the products / services to end users. Outside companies are used to transport equipment, but do not assume ownership.

- C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.

Caterpillar operates parts distribution centers in the following locations: Morton, Illinois; Arvin, California; Denver, Colorado; Miami, Florida; Atlanta, Georgia; St. Paul, Minnesota; Clayton, Ohio; York, Pennsylvania; Waco, Texas; Spokane, Washington; Melbourne, Australia; Queensland, Australia; Grimbergen, Belgium; Piracicaba, Brazil; Shanghai, China; San Luis Potosi, Mexico; Singapore, Republic of Singapore; Moscow, Russia; Johannesburg, South Africa, and Dubai, United Arab Emirates. We also own or lease other facilities that support our distribution activities.

Our current principal manufacturing facilities include those used by the following segments in the following locations:

Segment	U.S. Facilities	Facilities Outside the U.S.
<b>Construction Industries</b>	<b>Arkansas:</b> North Little Rock <b>Illinois:</b> Aurora, Decatur, East Peoria <b>North Carolina:</b> Clayton, Sanford <b>Texas:</b> Victoria <b>Georgia:</b> Athens	<b>Belgium:</b> <u>Gosselies</u> <b>Brazil:</b> Campo Largo, Piracicaba <b>China:</b> Suzhou, <u>Wujiang</u> , Xuzhou, <u>Qingzhou</u> <b>France:</b> Grenoble, <u>Echirolles</u> <b>Hungary:</b> <u>Godollo</u> <b>India:</b> <u>Thiruvallar</u> <b>Indonesia:</b> Jakarta <b>Japan:</b> Akashi, Sagami-hara <b>Poland:</b> <u>Janow</u> , Sosnowiec <b>Russia:</b> <u>Tosno</u> , Novosibirsk <b>United Kingdom:</b> <u>Desford</u> , Stockton <b>Thailand:</b> <u>Rayong</u>

<b>Resource Industries</b>	<b>Illinois:</b> Aurora, Decatur, East Peoria, Joliet	<b>Australia:</b> <u>Beresfield</u> , <u>Burnie</u>
	<b>North Carolina:</b> Winston-Salem	<b>China:</b> <u>Langfang</u> , <u>Tongzhou</u> , Wuxi, Zhengzhou
	<b>Pennsylvania:</b> Houston	<b>Czech Republic:</b> Ostrava
	<b>South Carolina:</b> Sumter	<b>France:</b> Arras
	<b>Tennessee:</b> Dyersburg	<b>Germany:</b> Dortmund, Lunen
	<b>Texas:</b> Denison	<b>India:</b> <u>Hosur</u> , <u>Thiruvallur</u>
	<b>Wisconsin:</b> South Milwaukee	<b>Indonesia:</b> <u>Batam</u>
		<b>Italy:</b> <u>Jesi</u>
		<b>Japan:</b> Sagami-hara
		<b>Mexico:</b> Acuna, Monterrey, Reynosa, Torreon

<b>Energy &amp; Transportation</b>	<b>Alabama:</b> Albertville, Montgomery	<b>Australia:</b> <u>Revesby</u>
	<b>California:</b> San Diego	<b>Belgium:</b> <u>Gosselies</u>
	<b>Georgia:</b> Griffin	<b>Brazil:</b> Curitiba, <u>Hortolandia</u> , Piracicaba, <u>Sete Lagoas</u>
	<b>Illinois:</b> LaGrange, <u>Mossville</u> , Mapleton, Pontiac	<b>China:</b> Tianjin, Wuxi
	<b>Indiana:</b> Lafayette, Muncie	<b>Czech Republic:</b> <u>Zatec</u>
	<b>Kentucky:</b> <u>Decoursey</u> , Louisville, Mayfield	<b>Germany:</b> Kiel, Mannheim, Rostock
	<b>South Carolina:</b> Newberry	<b>India:</b> <u>Hosur</u> , Aurangabad
	<b>Texas:</b> Channelview, De Soto, Mabank, San Antonio, Schertz, Seguin, Sherman	<b>Mexico:</b> San Luis Potosi, Tijuana
		<b>Republic of Singapore:</b> Singapore
		<b>Sweden:</b> <u>Ockerö</u> Islands

D. State any return and restocking policy and fees, if applicable, associated with returns.

N/A

E. Describe the full line of products and services offered by your company.

Caterpillar is the world's leading manufacturing of construction and mining equipment, diesel and natural gas engines, industrial gas turbines and diesel-electric locomotives. Caterpillar also provides financing and related services through its Financial Products division.

All products sold by Caterpillar through its dealer network in the United States are included in this proposal. The product lines most relevant to this solicitation included but not limited to:

### **Construction & Paving Equipment**

Articulated Dump Trucks  
Asphalt Cold Planers  
Asphalt Rotary Mixer  
Dozers / Tracked  
Dozers / Wheeled  
Excavators / Tracked  
Excavators / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Paver / Tracked  
Paver / Wheeled  
Asphalt Compactors - Vibratory  
Asphalt Compactors – Pneumatic  
Scrapers  
Skid Steer Loaders / Wheeled  
Compact Track Loaders  
Multi-Terrain Loaders  
Skip Loaders  
Soil Compactors  
Telehandlers

### **Landfill Equipment**

Landfill Dozers  
Landfill Compactors  
Landfill Scrapers

### **Work Tools (requires host machine)**

Buckets  
Augers  
Thumbs  
Hammers  
Trenchers  
Couplers

### **Generators & Power Systems**

Gas and Diesel Engines  
20kW to 16 mW Single Engines  
Prime Power  
Cogeneration

Additionally, Dealers often carry lines of complementary products not manufactured or marketed by Caterpillar that can be sold as allied machines. With this in mind, most of the products listed in this RFP can be provided either through Cat dealers as a branded Caterpillar product, or as allied equipment.

In addition to the new machines and power systems mentioned above, Caterpillar dealers also offer a complete line of OEM repair parts, work tools and attachments that are included in our offer.

Services such as repairs, rebuilds, maintenance, financing, extended protection plans, training, consulting, remote monitoring and more are offered by all Cat dealers and also included under this contract.

The purchasing of used equipment and the renting of equipment is included under this contract and sale/rental prices will follow the same maximum price minimum discount method as purchasing new equipment off this contract. This ensures when purchasing/renting these types of machines they are competitively priced based on like machines in the market place.

Additional services and other lines of equipment may be available depending on local dealer capabilities.

For the purposes of calculating the administrative fees associated with cooperative purchasing, only new Cat equipment sales will qualify as it is impossible for Caterpillar to track and measure sales of parts, service, used, rental, and allied equipment.

### 3.3 Marketing and Sales

- A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
  - i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days.  
[Agree.](#)
  - ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days

Should Caterpillar be awarded the contract a formal announcement of the award will be made to Caterpillar's field force and Caterpillar's dealer network. We anticipate this first communication to take place within the first 30 days of final award.

Since the roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of end users nationwide.

We will continue to aggressively market the Master Agreement and continue ongoing sales training. The growth rate from the previous contract has been impressive and we have every reason to believe that the trend will continue.

- B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
- i. Creation and distribution of a co-branded press release to trade publications  
[Agreed.](#)
  - ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days  
[Agreed.](#)
  - iii. Design, publication and distribution of co-branded marketing materials within first 90 days  
[Agreed.](#)
  - iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement  
[Agreed as calendars and budgets allow.](#)
  - v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.  
[Agreed as calendars and budgets allow.](#)
  - vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement  
[Agreed as budgets allow.](#)
  - vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)  
[Agreed.](#)
  - viii. Dedicated National IPA internet web-based homepage on Supplier website with:
    - National IPA standard logo;
    - Copy of original Request for Proposal;

- Copy of contract and amendments between Principal Procurement Agency and Supplier;
- Summary of Products and pricing;
- Marketing Materials
- Electronic link to National IPA's website including the online registration page;
- A dedicated toll free number and email address for National IPA

Caterpillar internet standards will not allow a dedicated page on our website, however we will be able to make the information above accessible to customers and dealers. We strongly believe that directing customers to the National IPA webpage has an advantage over reproducing the information on our own site. Seeing the breadth and scope of additional contracts adds to the overall credibility of the concept.

Caterpillar has been very successful promoting the National IPA contract since it was first awarded. We intend to continue this promotion strategy. We will continue to work closely with the National IPA account manager and marketing teams to be certain we are working well together to pursue our mutual goal of growing contract sales.

While our marketing budget may prohibit executing some of the activities mentioned above, it is our intention to comply with the spirit of the section.

Additionally, many of our dealers have public websites that provide similar information to the market. The following is an example of Empire Machinery's web link:

<http://www.empire-cat.com/cooperativepurchasing/?terms=city%20of%20Tucson>

- C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.

Since roll-out of the City of Tucson National IPA contract in 2012, Caterpillar and Cat dealers continue to discover the value in selling machines from a cooperative contract that has a lead agency with a strong nationally recognized procurement department attached to a nationally recognized municipality such as the City of Tucson. This combined with a single source award makes this a very attractive contract to support the needs of our customers nationwide.

Caterpillar will encourage dealers and customers to embrace cooperative purchasing and we will ensure that there are no corporate roadblocks to adoption. However, ultimately, the decision to use contracts lies with the public agency itself. Therefore, transitions to the contract will take place at the pace that agencies feel comfortable.

Caterpillar presently holds two cooperative contracts. Those contracts are NJPA Heavy Equipment Contract #032515 and NJPA Alternative Energy / Generators Contract #080613. Caterpillar, through Caterpillar's Defense and Federal Products business unit, currently holds GSA contract #GS30F0018U.

For the purpose of this proposal, Caterpillar's NJPA Heavy Equipment Contract #032515 provides the same product offering and discount structure as is being submitted in this proposal.

- D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.

Per corporate brand and legal guidelines, Caterpillar company logos can be used by National IPA pursuant to existing contract.

Caterpillar will request proper permission to use the National IPA logo as well.

- E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
- i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
  - ii. Best government pricing
  - iii. No cost to participate
  - iv. Non-exclusive contract

Should Caterpillar be awarded the contract, Caterpillar ensures that training and marketing materials associated to the Master Agreement will clearly communicate the advantages of the National IPA agreement.

- F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
- i. Key features of Master Agreement
  - ii. Working knowledge of the solicitation process
  - iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
  - iv. Knowledge of benefits of the use of cooperative contracts

Should Caterpillar be awarded the contract, Caterpillar will ensure that training and marketing materials associated with the Master Agreement will continue as described above.

G. Provide contact information for the person(s), who will be responsible for:

- i. Marketing
- ii. Sales
- iii. Sales Support
- iv. Financial Reporting
- v. Contracts

Patty Redpath  
Governmental Sales  
100 NE Adams St, Peoria, IL 61629  
Office: 309-494-4578  
Redpath\_Patty@cat.com

H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.

Caterpillar's North American field force is divided into eight districts including Canada. Each district has marketing representatives that are responsible for working with assigned dealers within their service territory. The eight districts are divided into a Western Region and an Eastern Region. Both a Western Region Manager and an Eastern Region Manager report to Brian Foster who serves as the Industry Sales Manager for Americas North.

Brian Foster  
Americas North Sales Manager  
309-675-5181  
FOSTER\_BRIAN\_V@cat.com

I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.

Through our governmental specialists and the contract manager, Caterpillar will develop training materials along with marketing initiatives specific to the cooperative purchasing model to ensure that dealers are equipped with the necessary tools to present the message to the customer with confidence.

Cat dealer sales representatives have developed relationships with the National IPA sales representatives. As these relationships continue to grow, the results can be expected to grow as well.

J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, etc.

The contract manager will be the single point of contact for any issues related to supporting, maintaining, and promoting the contract. It will be up to each individual

dealer to identify those customers that would benefit from the program's use and will promote it accordingly.

- K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.

- CONFIDENTIAL – Request confidential treatment –

**SEE CATERPILLAR/CITY OF TUCSON CONFIDENTIAL DOCUMENT**

- L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.

Caterpillar receives orders and payments from dealers. The equipment then becomes part of a dealer's inventory until sold to a customer. When a public agency decides to purchase a machine through this master contract, Caterpillar will offer additional support to the dealer via our post-sale credit system. The dealer will be required to submit the agency's name, address, member number and purchase amount. Caterpillar has no way to track sales of parts, service, used machines or rentals.

- M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

\$ .00 in year one

\$ .00 in year two

\$ .00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

Caterpillar will not guarantee a minimum number of sales. Dealers and customers have high level of awareness about the contract. Sales should continue to grow as a result of their satisfaction with the process.

- N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.

- i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
- ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
- iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
- iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

Caterpillar will report sales to National IPA when a customer has requested that the sale take place via the contract. In any other situation Caterpillar will consider the sale a non-contract sale and will not be responsible for any fees.



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting  
Department of Procurement  
Contract Officer  
255 W. Alameda, 6<sup>th</sup> Floor  
Tucson, AZ 85701

Dear Mr. Whiting,

It is with great pleasure that Caterpillar Inc. has been given an opportunity to respond to RFP #161534. We have found that our participation in the previous contract was beneficial to us as a manufacturer, our authorized dealers, and from many positive points of feedback – from governmental customers as well.

As you will see in the following pages, we have structured the response in two parts. The response from Caterpillar Inc., considers the entirety of our US Dealer Network who will be encouraged to use this contract via National IPA. Then for a very specific response to the needs of the City of Tucson, our local authorized dealer, Empire Machinery has added a response to detail their capabilities and commitments.

To facilitate your review of the documents, we have separated these responses into five main sections:

- 1) Questionnaire Responses to the City of Tucson;
- 2) Questionnaire Responses to National IPA;
- 3) Proposed Exceptions;
- 4) Empire Machinery Responses;
- 5) Attachments

If you have any questions during your review of these documents we would be happy to clarify.

We look forward to continuing our relationship with the City of Tucson and National IPA and trust that our submission will not only meet your needs and expectations – but exceed them!

Most sincerely,

A handwritten signature in blue ink that reads "Ann Schreifels".

Ann Schreifels  
Governmental Sales Manager  
[Schreifels\\_ann\\_m@cat.com](mailto:Schreifels_ann_m@cat.com)  
309-338-5976

## OFFER AND ACCEPTANCE

### OFFER

#### TO THE CITY OF TUCSON:

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

Caterpillar Inc.  
Company Name

Name: Patty Redpath

100 NE Adams St.  
Address

Title: Governmental Account Manager

Peoria IL 61629  
City State Zip

Phone: 309-494-4578

  
Signature of Person Authorized to Sign

Fax: 309-675-4301

E-mail: redpath\_patty@cat.com

Brian Foster  
Printed Name

North American Sales Manager  
Title

### ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-.

Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

**CITY OF TUCSON**, a municipal corporation

Awarded this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
As Tucson City Attorney and not personally

\_\_\_\_\_  
Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM  
As Director of Procurement and not personally





**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

November 14, 2016

Jeffrey Whiting  
Contract Officer  
City of Tucson  
255 W. Alameda, 6<sup>th</sup> Floor  
Tucson, AZ 85701

Dear Mr. Whiting:

We are very pleased to submit Caterpillar Inc.'s proposal in response to RFP #161534. The attached document outlines our proposed exceptions to the RFP.

With more than 90 years of experience, Caterpillar has the in-depth knowledge and experience to undertake this initiative on behalf of the City of Tucson and complete it effectively. We, along with our dealer, Empire Machinery, appreciate the trust you've placed in us through your past purchases and we hope to continue this valued relationship.

We would be pleased to answer any questions you might have regarding our proposal. Thank you for the opportunity to submit these exceptions for your consideration.

Sincerely,

Ann Schreifels  
Governmental Sales Manager  
[Schreifels\\_ann\\_m@cat.com](mailto:Schreifels_ann_m@cat.com)  
309-266-0471

Caterpillar Inc. Exceptions

SCOPE OF WORK

A. GENERAL REQUIREMENTS

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Dealer may present the training material shall be presented in a quality suitable for videotaping. Dealer and Contractor~~The City~~ reserves the right to allow or reject videotaping part or all of the training provided at no additional cost to the agency.

6. **REPAIRS.** The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in first service. Transport of the vehicle will not be delayed more than one working day from date of notification.

B. EQUIPMENT AND PRODUCT REQUIREMENTS:

3. **PRICING:** Offerors shall confidentially provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

C. SERVICE REQUIREMENTS

1. b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufactures recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. City and Dealer will work together to determine the City's loaner equipment requirements and the cost to the city for loaner equipment. For the City of Tuscon see Empire Cat's response. If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.

## INSTRUCTIONS TO OFFERORS

**10. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his or her designee. If a proposal or offer is returned with modifications to the contract provisions that are not expressly approved in writing by the Director or his or her designee, the City shall be deemed to have rejected the proposal or offer in part. The parties may agree to negotiate separate terms where the Director or his or her designee has not accepted a modification. the contract provisions contained in the City's Request for Proposal shall prevail.

**11. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and, subject to Section 12, shall become a matter of public record available for review subsequent to the award notification.

**12. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. ~~Price is not confidential and will not be withheld.~~ If the confidential request is denied, such information shall be disclosed as public information, unless the Offeror submits a formal written objection.

**21. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the applicable Contractor-Dealer to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 7914566 or email [at tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

## SPECIAL TERMS AND CONDITIONS

**2. SUBCONTRACTORS:** As set forth herein, Contractor goes to market through a network of authorized dealers. As such, City and the Department of Procurement hereby agree that certain obligations of Contractor herein shall be fulfilled by such authorized dealers and references herein to "Contractor" or "Offeror" shall be deemed references to "Contractor or Dealer as appropriate" or "Offeror or Dealer as appropriate" unless otherwise specified herein.

City and Contractor acknowledge that Contractor authorized dealers are independent businesses and as such (a) have the right to choose whether or not to accept the terms and conditions contained herein; and (b) have the right to establish their own specific resale prices and other terms and conditions of sale, none of which will be dictated by Contractor.

~~No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement.~~ All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.

4. **INSURANCE:** ~~The Contractor agrees to:~~ For purposes of this Section 4, all references to "Contractor" shall be deemed to be references to "Dealer" alone.
9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the ~~Contractor~~ applicable Dealer as a condition of their intended purchase transaction. If the ~~Contractor-Dealer~~ chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.

#### STANDARD TERMS AND CONDITIONS

20. **INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, ~~its successors, assigns and guarantors,~~ shall pay, defend, indemnify and hold harmless the City of Tucson, its agents, representatives, officers, directors, officials and employees ("Indemnitees") from and against all allegations, demands, proceedings, suits, actions, claims, ~~including claims of patent or copyright infringement,~~ damages, losses, reasonable expenses, including but not limited to, reasonable attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, incurred or sustained by an Indemnitee and related to (i) injury to or death of, or property damage sustained by, any natural person who is an Indemnitee, or (ii) claims of patent or copyright infringement, to the extent caused by, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions of caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor retained by Contractor or anyone directly or indirectly employed by Contractor or such Subcontractor, and except to the extent that the injury to, death of, or property damage sustained by such person is attributable to the negligent acts or omissions or willful misconduct of the City or any of its affiliates or their respective employees, agents or subcontractors. any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractors agrees to waive all rights of subrogation against the City of Tucson, it's agents, representatives, officers directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.
29. **PAYMENT:** It is the Dealer's discretion whether to accept credit card payments and under what circumstances it will accept credit card payments. It is noted tThe City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases and subject to the foregoing, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

38. **SUBCONTRACTS:** This Section 38 is made subject to the terms of Section 2 of the Special Terms and Conditions of this Contract. No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
40. **TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by ~~the City~~any party, with or without cause, upon giving thirty (30) days written notice. ~~The City~~Any party, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract, which failure the contractor has not commenced to remedy within thirty days of receipt of notice of such failure. ~~The City~~ will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the reasonable opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the reasonable opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the reasonable opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the reasonable opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will ~~endeavor to~~ notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.



██  
██  
██  
██

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10<sup>th</sup> day of the following month. On the 10<sup>th</sup> day of the month following the end of each quarter Supplier shall pay an ~~Such reports shall be accompanied by an~~ administrative fee ~~payment~~ in the amount indicated on the report as being due. Administrative fee payments are made for each calendar quarter. The administrative fee is ~~are~~ to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or quarterly payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

#### GENERAL PROVISIONS

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA; provided, however, National IPA understands the nature of Supplier's distribution network and that certain responsibilities may only be fulfilled by an authorized dealer. -

90 YEARS

WHAT WE'VE  
**BUILT.**

WHAT WE'RE  
**SOLVING.**



WHERE WE'RE  
**HEADED.**

# WHAT WE'VE BUILT.



## A MESSAGE TO SHAREHOLDERS

Caterpillar has designed and built the world's most powerful, innovative and durable machines and engines. Our customers put them to work on projects that support sustainable progress and improved living standards.

DOUG OBERHELMAN  
Chairman & CEO  
Caterpillar Inc.



Caterpillar faced a tough year in 2015, but we have successfully managed through many economic cycles since our founding in 1925. We remain financially strong and because of the actions we're taking I believe we will, as we have in the past, emerge stronger and always able to compete very effectively around the world. We continue to manage what we can control today while also investing in our future.

### What We've Built

Since our first days as a company, Caterpillar has designed and built the world's most powerful, innovative and durable machines and engines. Our customers put them to work on projects that support sustainable progress and improved living standards. We add value for our customers by helping them achieve the lowest owning and operating costs through our sales and service network that reaches every corner of the globe.

Even in this environment, our market share for machines increased for the fifth year in a row. Our product quality continues to improve and is as strong as I've ever seen it. Our safety record improved again in 2015. As we further deploy Lean, we've already seen improvements in warranty and an up-to-95 percent reduction in internal defects per unit, and we anticipate substantial further improvements.

### Where We're Headed and What We're Solving

Through Across the Table, we're strengthening our expectations of Cat dealers and the Caterpillar teams that support them. There are about a dozen specific projects underway – everything from expanded e-business to digital technology solutions connecting our machines and engines to our customers.

Digital transformation is a reality for our industry, and we're applying advanced analytics and digital-driven technologies – like Cat® Connect and MineStar™ – to improve worksite efficiency across our equipment and other brands, too. We also offer our customers Job Site Solutions, a true collaborative effort focused on improving job site efficiency. We're focused on using less fuel, increasing productivity and creating a safer work environment.

These are a few examples of how sustainability doesn't ever go out of style or focus at Caterpillar. Another is that our products – like distributed power systems, which improve energy access while emitting fewer greenhouse gases than traditional power grid systems – bring traditional, renewable and alternative energy options to urban, rural and remote communities across the world.

In 2015, we joined an effort to emphasize the vital role that restoration of natural infrastructure – forest, prairies, farmlands, wetlands and coastal landscapes – plays in sustainable global development. Additionally, we have been remanufacturing our products for more than 40 years, returning them to same-as-when-new condition, and conserving natural resources.

Caterpillar also supports the Caterpillar Foundation, which has invested more than \$600 million since 1952 to transform lives and alleviate the root causes of poverty.

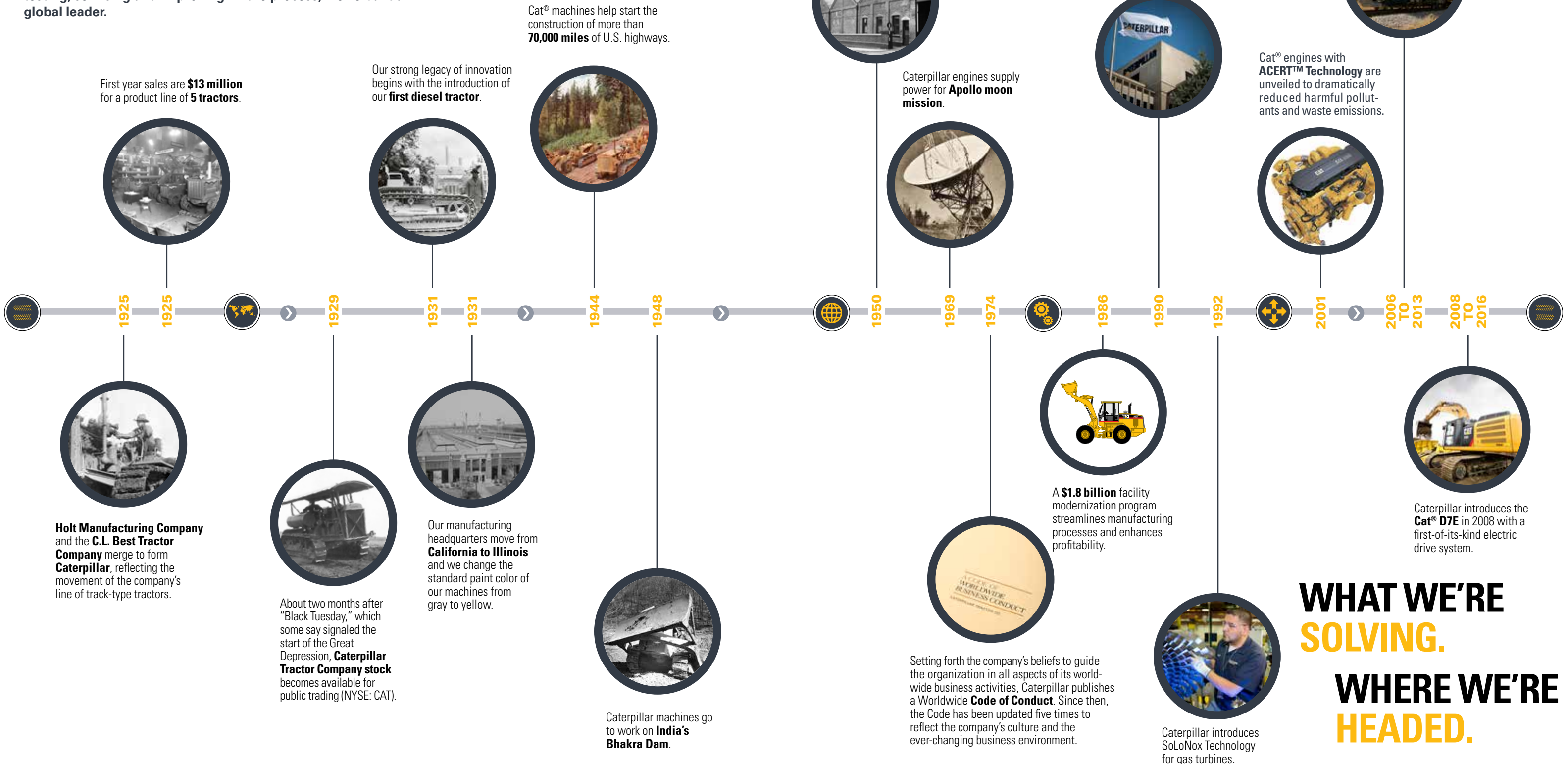
We were also honored to receive the "Vision for America" award from Keep America Beautiful in 2015 – a recognition for our sustainability commitment and significant progress toward aggressive sustainability goals.

Neither our accomplishments nor our goals are small or inconsequential. Given that we are Caterpillar, that shouldn't surprise anyone.

Doug Oberhelman  
Chairman and CEO

# WHERE WE STARTED.

The 21st century world you see today has been built with the help of Caterpillar machines and solutions. We've spent the past 90 years creating, building, problem-solving, innovating, testing, servicing and improving. In the process, we've built a global leader.

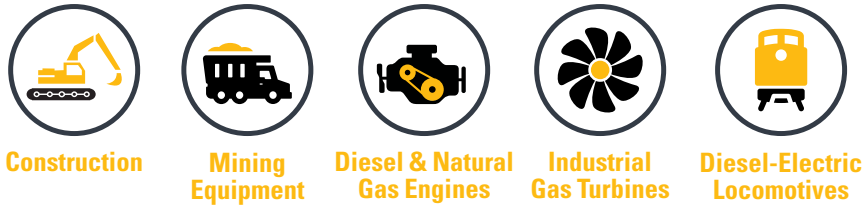


# WHAT WE'RE SOLVING. WHERE WE'RE HEADED.

AT-A-GLANCE

# FINANCIAL PERFORMANCE

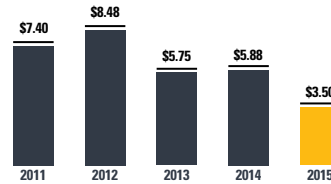
## PRODUCT LINE



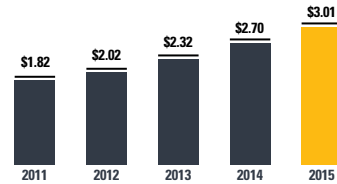
## END MARKETS INCLUDE:

- Building Construction
- Roads and Highway Construction
- Infrastructure Projects
- Mining
- Quarrying
- Oil & Gas
- Power Generation
- Marine
- Rail
- Industrial

### PROFIT PER SHARE (DILUTED)



### DIVIDENDS DECLARED (PER SHARE)



**3 Million+**  
Products at Work  
Around the World

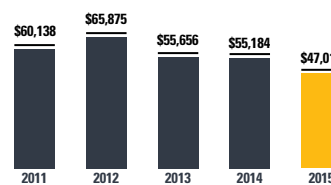


**105,700**  
Employees

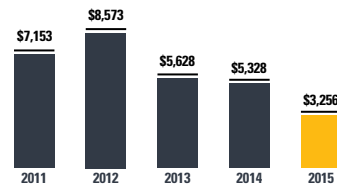


**59%**  
Sales and Revenues  
Outside the United States

### CONSOLIDATED SALES AND REVENUES (\$ IN MILLIONS)



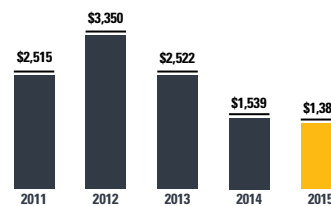
### OPERATING PROFIT (\$ IN MILLIONS)



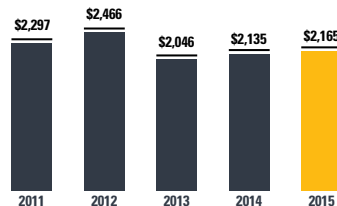
### CONSOLIDATED SALES AND REVENUES BY SEGMENT (\$ IN MILLIONS)



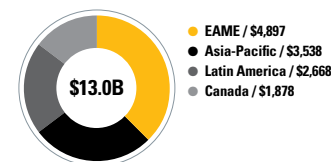
### CAPITAL EXPENDITURES (EXCLUDES EQUIPMENT LEASED TO OTHERS) (\$ IN MILLIONS)



### RESEARCH AND DEVELOPMENT (\$ IN MILLIONS)



### 2015 EXPORTS FROM U.S. BY REGION (\$ IN MILLIONS)



AT-A-GLANCE

# 2020 SUSTAINABILITY GOALS



Caterpillar has set aspirational, long-term goals for its operations and product stewardship. We believe these standards affirm our determination to lead our industry to a more sustainable future.

## 2020 GOALS FOR OPERATIONS

### SAFETY

Reduce our recordable workplace injury rate to 0.6 and lost-time case rate due to injury to 0.15.

### WATER

Reduce water consumption intensity by 50 percent from 2006.

### ENERGY

Reduce energy intensity by 50 percent from 2006.

### ENERGY

Use alternative/renewable sources to meet 20 percent of our energy needs.

### GHG EMISSIONS

Reduce greenhouse gas emissions intensity by 50 percent from 2006.

## 2020 GOALS FOR PRODUCT STEWARDSHIP

### SAFETY

Provide leadership in the safety of people in, on and around our products.

### PRODUCTS, SERVICES AND SOLUTIONS

Leverage technology and innovation to improve sustainability of our products, services and solutions for our customers.

### SYSTEMS OPTIMIZATION

Increase managed fleet hours by 100 percent from 2013.

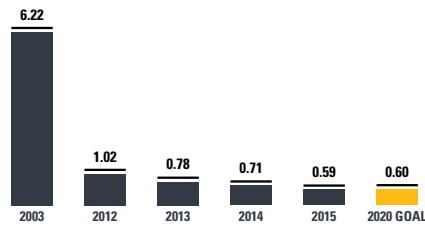
### REMAN AND REBUILD

Increase remanufactured and rebuild business sales by 20 percent from 2013.

# SUSTAINABILITY GOALS & PROGRESS

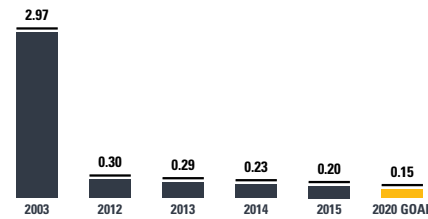
## RECORDABLE INJURY FREQUENCY (RIF)

Recordable injuries per 200,000 hours worked



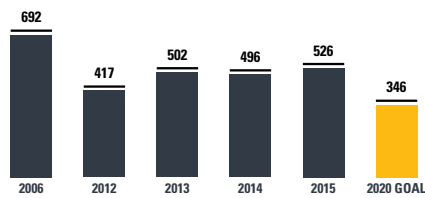
## LOST-TIME CASE FREQUENCY RATE (LTCFR)

Work-related injuries resulting in lost time per 200,000 hours worked



## ENERGY INTENSITY

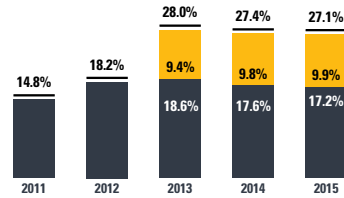
Absolute gigajoules energy use/million dollars of revenue



## ALTERNATIVE/RENEWABLE ENERGY<sup>1</sup>

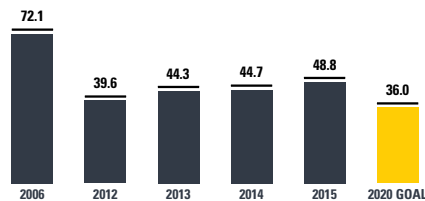
Sum of alternative and renewable electrical energy use/total electrical use x 100

Alternative Renewable



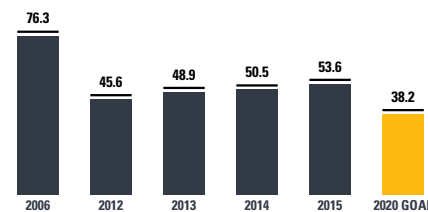
## GHG EMISSIONS INTENSITY

Absolute metric tons of CO2e/million dollars of revenue



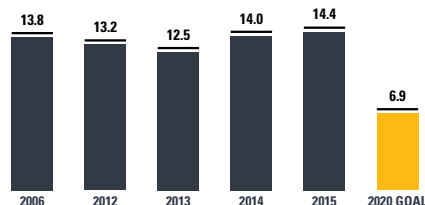
## WATER CONSUMPTION INTENSITY<sup>2,3</sup>

Absolute thousand gallons of water/million dollars of revenue



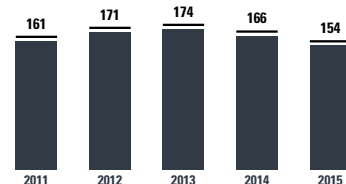
## BYPRODUCT MATERIALS INTENSITY

Absolute metric tons of byproduct materials/million dollars of revenue



## REMAN END-OF-LIFE "TAKE-BACK" BY WEIGHT<sup>4</sup>

Millions of pounds of end-of-life material received

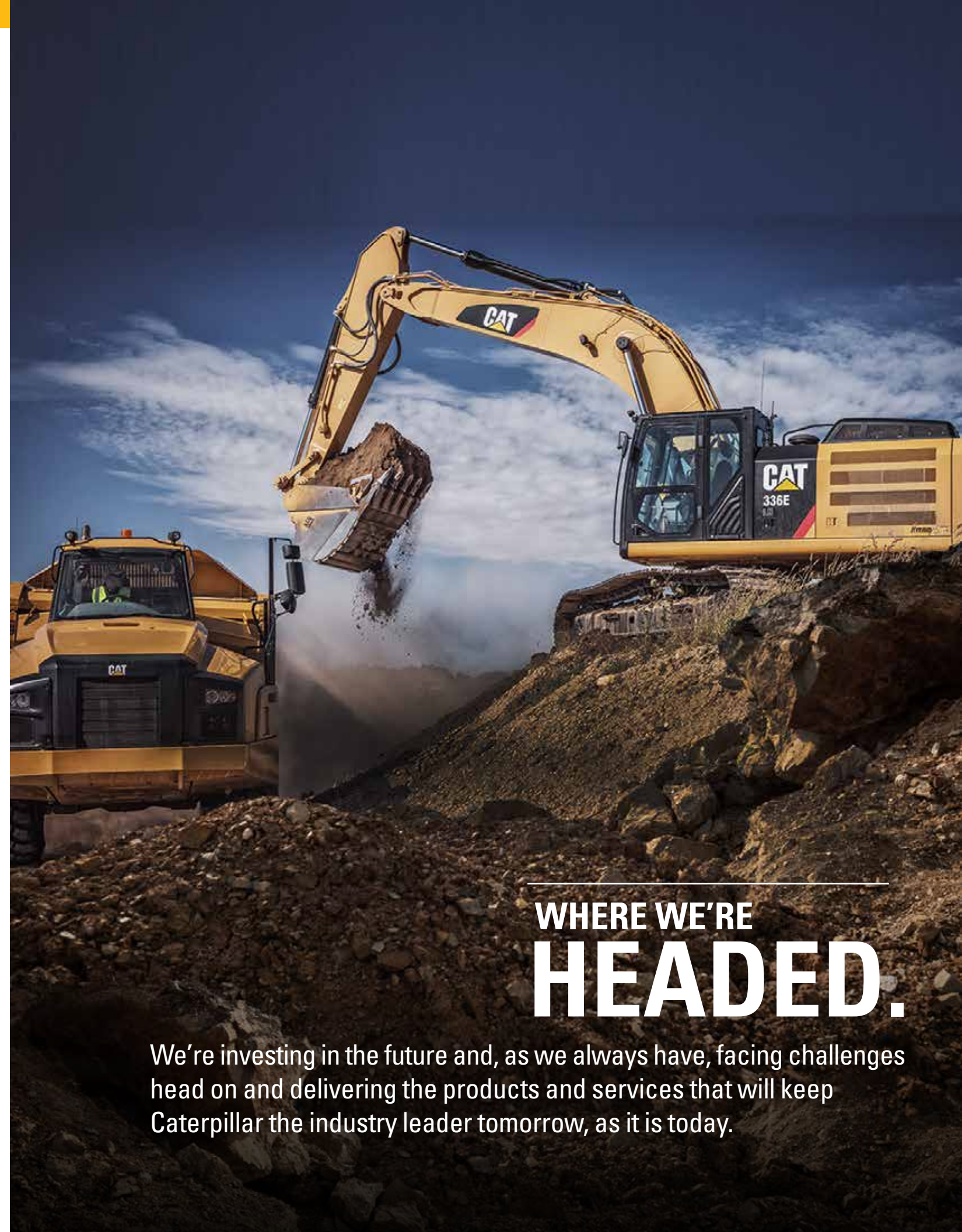


<sup>1</sup> Total includes purchased and on-site generated alternative and renewable energy, as well as calculating the percentage of renewable energy from grid-purchased electricity using data obtained from the International Energy Agency.

<sup>2</sup> Data prior to 2015 has been restated due to data updates realized from improved accuracy.

<sup>3</sup> Water consumption intensity does not include non-contact cooling water from foundry operations.

<sup>4</sup> Data does not include Progress Rail, Electro-Motive or Solar Turbines.



WHERE WE'RE  
**HEADED.**

We're investing in the future and, as we always have, facing challenges head on and delivering the products and services that will keep Caterpillar the industry leader tomorrow, as it is today.

WHERE WE'RE HEADED

## DATA AND INNOVATION



For 90 years, Caterpillar has delivered breakthrough innovation inside our machines and engines. Today, that innovation is increasingly happening outside the machine. We're going "beyond the yellow iron," harnessing the power of big data to offer our customers insights that decrease operating costs, increase uptime and maximize profitability. In the process, we're shaping a new era for Caterpillar in which we not only manufacture machines and engines, but also deliver value-added solutions that take our customer relationships to an entirely new level.



### SIMULATION LEADS TO PRODUCT DESIGN OPTIMIZATION AND EFFICIENCY

The increased use of simulation in the development of everything from power systems to machine structures has truly allowed Caterpillar to improve overall product development efficiency, sharpening product quality and reducing time to market. Simulation reduces or eliminates the need for prototypes to be used in the design phase of development.

The large wheel loader team leverages the use of simulation in each new product development program. In fact, the first full phase of the Cat 994K product design, which is the largest wheel loader in Caterpillar history, was done virtually, and simulation touched every area of this new centerline machine at some point along the way.



### CAT® COMMAND STEERS MINING IN A NEW DIRECTION

A fleet of gigantic Cat® 793 haul trucks rumbles along the dusty, red-sand haul roads of the Solomon mine in a vast, arid region of Western Australia. Working continuously, 24/7, the trucks maneuver through mine site traffic, back up into loading points and navigate to dump sites – all with minimal human intervention.

Iron is the reason Fortescue Metals Group (Fortescue) is there. At full operation, the new Solomon mine is projected to deliver 70 million tonnes of ore annually. It's a big job – and one that demands safety and maximized productivity. That's where Caterpillar's deep understanding of the mining industry and our customers' needs put us in the ideal

position to offer semi-autonomous and autonomous solutions such as Cat® Command for Hauling. The realization of a longtime dream of the mining industry, Cat Command has improved safety and productivity.

Trucks operating with Cat Command for Hauling use sophisticated onboard intelligence and advanced guidance technology, so a small number of people can run the whole project and centralize the control. For job sites such as underground mines, autonomous solutions are fast becoming a safety necessity.

Since its inception, Cat Command has gone through a progression of offerings. Semi-autonomous solutions such as Command for Dozing, for instance, allow one operator to oversee up to three semi-autonomous Cat® D11s – Caterpillar's largest dozers – by remote control. There's even an option where the operator has no line of sight to the dozers and uses cameras for feedback.

"Every mine takes a different journey to autonomy," explains Sean McGinnis, product development manager. "But that path always leads to a safer, more productive mine site. Cat Command reduces variations in the way the machine is operating, ensuring that it operates the same way, every time. It's like having the mine's best operator at the controls, but he or she is located safely away from any potential hazards. It's the best of both worlds: increased productivity combined with increased safety."

Today, the Cat Command concept continues to meet customer needs in ways that we couldn't anticipate five years ago. That's what makes innovation exciting and what energizes us to keep finding solutions that make a real difference.

### INVESTING IN R&D



WHERE WE'RE HEADED

## CUSTOMER SUPPORT



**Our business strategy is a simple one: make our customers more successful. We work with our dealer network every day around the world to ensure that success – at construction sites and mining quarries and power plants. Our goal is to speed the delivery of customer support by being an agile organization positioned to respond efficiently and effectively to customer needs. Because when our customers win, we win.**



### POWER TO PRESERVE THE PAST

The beautiful grounds and stunning architecture of Thomas Jefferson's historic residence, Monticello, function today as an important U.S. landmark, world-class museum and academic think tank, attracting more than 400,000 annual visitors.

Located outside of Charlottesville, Virginia, Monticello also houses one of the country's oldest and largest collections of historic documents. To help preserve and protect those irreplaceable collections for future generations, Caterpillar donated a 500kW Cat® C15 generator set, with local Cat dealer Carter Machinery providing the technical support, commissioning and testing. This followed a previous donation of a 350 kW Cat® C15 diesel generator set that provides standby power for Monticello's Robert H. Smith International Center for Jefferson Studies.

The donations were part of the estate's "Mountaintop Project," a multiyear effort to authentically restore the house and grounds to their appearance during Jefferson's retirement. We are proud to see these valuable assets entrusted to the quality and reliability of Cat® products.

### HOMESTEAD DAIRY TURNS PROBLEM INTO PROFIT

Based in Plymouth, Indiana, Homestead Dairy began as a modest family farm with only 110 cows. In 1979, brothers Floyd and Dan Houin purchased the farm from their dad and turned it into the massive dairy operation that it is today. The dairy now hosts 1,800 milking cows and 300 dry cows, while an additional 1,700 cows come in from three nearby facilities for milking. However, more cows means more manure, and the odor directly impacted nearby residents.

The Houins saw the possibility to turn a problem into a profit. They decided to build a biomass waste-to-energy facility that could convert the manure into electric power. Floyd knew that Homestead Dairy's equipment would need to run 24/7 with minimal downtime, so dependability was the deciding factor in choosing Caterpillar to supply the power. In researching the project, Floyd Houin toured a farm with a renewable energy facility that ran at peak efficiency, even with their older-model Cat® generator sets. That's when the Houins knew they'd trust their project to Caterpillar.

Homestead Dairy partnered with local Cat® dealer, Michigan Cat, to customize a power generation system for Homestead Green Energy, the energy-producing business within the dairy – two Cat® G3512A generator sets and ancillary equipment.

**In researching the project, Floyd Houin toured a farm with a renewable energy facility that ran at peak efficiency, even with their older-model Cat® generator sets. That's when the Houins knew they'd trust their project to Caterpillar.**

Homestead Green Energy has been in constant operation since October 2013, and the Cat® generator sets are essential to the waste-to-energy process. The manure is collected in pools and piped 1,700 feet to a pair of mixing tanks that empty into two anaerobic digesters. Once inside the tanks, the waste is heated and treated with microbes that produce methane gas, which is used to fuel the gas generators. Generator exhaust heat and jacket water heat are used to warm up the digesters as part of the fermentation process.



Beyond odor reduction and the financial return from producing electricity, Homestead Dairy uses the dewatered solids from the digesters as clean bedding for the cows. Additionally, the liquid nutrient byproduct is held in lagoons and used to fertilize the farm fields.

"By turning this abundant substance into an income stream, we've made the dairy more profitable," said Ryan Rogers, plant operator for Homestead Green Energy. "It also helps increase nutrient value, which is great for the environment. The crops absorb the manure better, and odor reduction for the community is a huge benefit."

The Homestead Green Energy installation demonstrates the economic viability of smaller-scale, waste-to-energy operations to create wins for business, the community and the environment.



WHERE WE'RE HEADED

# EFFICIENCY



In an insistent and urgent world, winning organizations make the most of every minute, resource and opportunity. Caterpillar is going after that win by leveraging Lean, Engineered Value Chains and building strong Foundational Capabilities throughout our value chain to fulfill our Customer Service Promise, maximize Operating Profit After Capital Charge (OPACC) and create a competitive advantage. We're becoming a more disciplined, less complex organization that is committed to finding smarter and faster ways to work across the enterprise. This translates into a powerful competitive advantage that helps Caterpillar improve market position and sustain long-term success.

## LEAN BENEFITS



Stabilizing the Business



Enhancing Product Quality



Improving Velocity



Driving Value for Our Shareholders

RESOURCE INDUSTRIES  
OFF-HIGHWAY TRUCK

**45%**

Reduction in field assembly time

ENERGY & TRANSPORTATION  
MID-SIZE ENGINES

**18%**

Increase in throughput

CONSTRUCTION INDUSTRIES  
MOTOR GRADER

**65%**

Inventory reduction (days on hand)

Since 2013, we have been committed to Lean to drive process and quality improvements at Caterpillar. Lean challenges all employees to get closer to the customer so they can deliver products and services based on the customers' true expectations. Our Lean journey goes beyond manufacturing to include all functional areas that execute business processes on a daily basis, including engineering, marketing, purchasing, accounting and human resources.

## A GLOBAL SUPPLY NETWORK THAT DELIVERS UNDER PRESSURE

Nearly 40 percent of U.S. trade to and from Asia passes through West Coast ports in California. Keeping the flow of goods through these ports moving swiftly and efficiently is a priority for logistics and procurement networks across countless companies, including Caterpillar.

When a three-month labor dispute at one of these ports resulted in significant terminal congestion, the expertise of Caterpillar's logistics team translated into millions of dollars in savings, as well as ensuring that our supply flow remained resilient.

When business operations eventually returned to normal, many companies were left dealing with severe financial impact. While Caterpillar experienced added costs and some slowing in our materials flow, these were a fraction of the impact on other companies. That's how we know our Global Supply Network can deliver under pressure – not merely reacting to fluctuations in logistics, but truly taking charge of and managing our supply network.

Our staying power throughout the slowdown was due, in very large part, to the collaboration and flexibility of our Global Supply Network. Using a winning combination of procurement and logistics data and innovative thinking, a clearer inventory picture emerged to help streamline and divert shipments.



"We were able to see not only the best ports, but also the best terminals in those ports," explained Global Supply Network Director of Logistics Scott Shepherd, "so we could react faster and accurately reroute shipments. This allowed us to move material more quickly, while limiting added costs and overall supply disruption."



## AN INDUSTRY LEADER WITH WORLD CLASS RESULTS

Caterpillar continues to improve upon historical best safety performance, and we are an industry leader with world-class results. Beginning in 2003, we implemented an enterprise-wide initiative to focus on safety called Vision Zero. Today, we're proud that our Recordable Injury Frequency has improved 91%, but there is more work to do. Breakthrough safety performance is continuing with our Lean Transformation by focusing on standard work, which means more folks are going safely home, every day.

WHERE WE'RE HEADED

# PEOPLE



**Best quality. Best reliability. Best endurance. The same attributes that define our products define our people – more than 105,000 of them around the world. For 90 years, Caterpillar people have been building the machines that have built our world. We're confident that Caterpillar's long-term future is secure thanks to our global team's drive to perform at a superior level. It's a commitment that extends beyond the workplace where Caterpillar employees contribute their time and talents to making the world around us a better one.**

## REAL CAT FOLKS

To showcase the rich diversity, passion for life and strong work ethic present in our Caterpillar family, we began the Real Cat Folks project. Inspired by Humans of New York, the project highlights that Caterpillar employees are real people – with real families, real pasts, real dreams and real stories. Visit [caterpillar.com/RealCatFolks](http://caterpillar.com/RealCatFolks) to see dozens of published profiles, and check back weekly for updates.

"I grew up on a cotton field on the coast and came to Suzhou for school. Suzhou is a beautiful city with the combination of modern industry and ancient history. I like to spend my spare time playing soccer and climbing mountains in the neighborhood. I've always wanted to learn to play guitar and want to play for my son in the future. He's 14 months old, and my biggest wish is to watch him grow up happily."

— YOUXIANG ZHANG, CHINA



"Caterpillar gave me a chance after being unemployed for five years. I never thought they'd hire me because of my age. When my youngest was having a rough time, I told her to fill out an application. The next thing I knew, she was hired on full time after three months of being an agency worker. Today she's a team lead, going strong and learning as much as she can. I'm very proud of her."

— HARRY, UNITED STATES

## MARKING MILESTONES AT BOTH ENDS OF A CATERPILLAR CAREER

In 2015, two Caterpillar employees marked career milestones in two very different journeys. Their stories illustrate the satisfaction that comes at the end of a long career and the exhilaration that comes from being given the first chance to give your all.

In early 2015, Ed Flesburg retired after 60 satisfying years of service with Caterpillar. As a 6 Sigma Black Belt within the Global Supply Network Division (GSND), and over the course of his notable career, Ed achieved much success and delivered many outstanding results for the company.

Ed began his career in 1955, as a chip wheeler in East Peoria, Illinois. After returning from deployment to Korea, he spent the next 51 years in many different roles with the company, from janitor to drafting, designing and engineering.

Throughout his tenure, Ed achieved four company patents to his name, developed 14 major design changes, resolved 11 major design problems and generated more than \$55 million in cost reductions. In addition, he pioneered the development of the heat transfer coolant category, where his experience and expertise was priceless.

Ed's manager, James Dryden, sums up Ed's outstanding tenure: "Famous basketball coach John Wooden once said 'Who can ask more of a man than giving all within his span? Giving all, it seems to me, is not so far from victory.' I cannot think of a better quote to describe Ed's work ethic and outstanding accomplishments to make Caterpillar the successful company it is today."

As Ed was accepting well wishes for the future from his grateful team, thousands of miles away 19-year-old Farooq Kahn was looking forward to the future for the first time in a long time. Farooq is training as an industrial mechanic at Caterpillar Mining in Lünen, Germany. His arrival at Caterpillar marks a milestone in a remarkable journey.

Farooq escaped from his home country of Afghanistan when he was only 15 years old, leaving his parents and siblings and all he knew behind him. It took him five months to arrive in Germany. He spoke not one word of German, had a very dangerous escape behind him and was completely on his own.

After his graduation from German elementary school, Farooq sent over 70 applications to companies, but only Caterpillar in Lünen was willing to give him a chance. At the time his German language skills were limited, and, as a refugee, he only had a temporary residence permit.



According to a study conducted in Germany, only 15 percent of companies are ready to hire young people with foreign roots. Caterpillar in Lünen has been a part of this small group of companies for years, but Farooq, now successfully integrated into the company, was the first refugee hired.

**Caterpillar employees come to us in many different ways, with many different stories. But we are humbled by what they have in common: the loyalty and dedication to put their talents and enthusiasm to work to help us build the world.**

"We strongly believe it to be part of our social responsibility to give young people like Farooq the possibility to enjoy a good education."

Farooq's aim is to successfully complete his industrial mechanic training and then possibly continue his studies. His instructor is very enthusiastic about his curiosity, ambition and commitment. "All I want is to build a new life for me here," said Farooq.

Caterpillar employees come to us in many different ways, with many different stories. But we are humbled by what they have in common: the loyalty and dedication to put their talents and enthusiasm to work to help us build the world.

# WHAT WE'RE SOLVING.

Caterpillar continues to help make sustainable progress possible by offering solutions to ongoing challenges in our world today.



## WHAT WE'RE SOLVING

### SAFE WORKPLACE SOLUTION

#### REVITALIZING A CULTURE OF SAFETY

As we work to reduce our enterprise Recordable Injury Frequency (RIF), there are countless large and small steps we have taken, as demonstrated by our progress to date. But even the most dedicated facilities sometimes reach a "safety plateau," where further improvements become more difficult to achieve. When our Mapleton, Illinois, Cast Metals Organization facility found their safety numbers plateauing at the end of 2012, they deployed facility-wide initiatives to break through to the next level of safety excellence.

The safety team, aided by the commitment of each of the nearly 600 employees on site and the Caterpillar Safety Services Zero Incident Performance (ZIP™) Process, undertook a cultural shift in how they address safety, thinking of the program as 'creating the presence of safety' rather than 'the absence of injuries.' Part of this shift involved making the concept of safety personal. An acronym like RIF is not easy to relate to daily work, but seeing and discussing how each injury affects real people in their work and personal life truly drives home the importance of safety. The safety team encouraged this viewpoint by dedicating all-employee meetings to recent on-site injuries and dialogues about how to make safety proactive instead of reactive. In 2015, Mapleton reduced its injury rate by 18.3 percent over the previous year, and injury rates have fallen by 66.3 percent since 2010.



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Many of the safety improvements that Mapleton has implemented to break through its safety plateau have been generated by the employees themselves using a "Green Card" program to document and communicate when employees identify, and proactively fix, a safety risk. In 2015, Mapleton employees submitted nearly 5,000 Green Cards representing potential hazards or conditions that they worked on independently or with management to address, and believed could be improved. The facility also uses a "Star Green Card" system to allow department heads to further recognize employees who have gone above and beyond to fix a potential safety risk. The facility has implemented a full-time Safety Champion position for each department, empowering employees to apply their specific knowledge of shop floor and safety practices to work with department heads to enact health and safety initiatives.

Because safety communication has been fundamental to the success of Mapleton's efforts, the safety team created a safety improvement video, which is screened throughout the facility and updated each month to reflect the process and facility safety improvements that have been implemented. Often these videos highlight innovative solutions developed and implemented by the employees. Facility Manager Gary Bevilacqua attributes the success of the videos to the fact that it is a communication method that allows a different type of dialogue. "People are starting to talk about safety more openly and listening to the messages on the videos," he said. "It's generating awareness and more individuals are coming forward with new ideas and aren't afraid to discuss them with their teams."

WHAT WE'RE SOLVING

# RENEWABLE ENERGY SOLUTION



## BRINGING RENEWABLE ENERGY TO ANYWHERE IN THE WORLD

Renewable energy technologies are showing great promise to change how energy is produced around the globe, while addressing basic human needs. In 2015, Caterpillar launched a number of initiatives that will provide reliable, cost-effective and sustainable energy wherever it is needed.

For example, microgrid technologies that couple renewable energy generation with traditional generators and energy storage systems can be deployed to places where the grid is weak, or does not reach. In 2015, Caterpillar entered a strategic alliance with solar industry leader First Solar to develop and distribute Cat branded photovoltaic modules for incorporation into microgrid systems that can be utilized anywhere from remote villages to mining operations. Caterpillar will distribute this innovative technology through our global network of dealers, providing value to our customers by integrating solar energy systems with Caterpillar's trusted expertise in distributed power generation technologies.

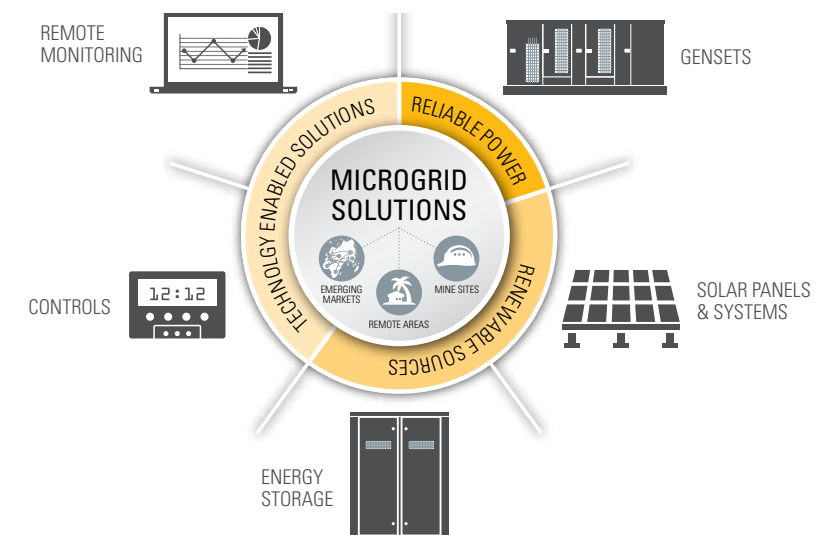
Caterpillar is also leveraging the advanced thin film solar panel technology for our traditional commercial and industrial customers' energy needs in more developed markets such as the United States and China. The thin film solar panel technology has higher energy capture characteristics than traditional solar panels, yielding increased annual energy production for our customers. Integration of these products with traditional standby generator sets allows customers to leverage the benefits of renewable energy even if the grid goes down, providing an even higher level of energy independence.

Another important technology that is rapidly progressing is energy storage systems, which allow customers to capture surplus renewable energy and store it for later use. Caterpillar, leveraging our bi-directional inverter technology developed for mining trucks and hybrid tractors, offers a full range of energy storage technologies, ranging from ultracapacitors for short duration storage to long duration metal-air energy storage products. Recognizing the benefit that energy storage technology can offer our customers, in 2015 Caterpillar invested in Fluidic Energy, the makers of metal-air energy storage technologies. We chose Fluidic Energy for this endeavor because the company's technology offers potentially significant advantages in terms of energy storage cost, depth of discharge, cycle life and safety over some traditional energy storage products.

Leading by example, Caterpillar is first deploying world-class microgrid technologies at some of its own facilities. Many Caterpillar operations resemble the commercial/industrial operations of our customers, so microgrid installations at Caterpillar facilities provide a hands-on educational and training experience for customers and dealers while simultaneously providing cost and emission reductions for the company. A prime example is the Caterpillar Tucson Proving Ground facility located in Arizona. Caterpillar performs validation testing of its mining equipment at this site, which comprises an office building, shop areas and large open-air test areas. Existing Cat® C15 diesel generator sets operate continuously to provide approximately 400kW of electricity to the site, consuming approximately 250,000 gallons of diesel fuel per year. Extending the local utility grid to this remote location is cost-prohibitive, but microgrid technology is now a cost-effective

complement to diesel generators alone. We are installing 500kW of solar panels, 500kW of energy storage and a microgrid controller to seamlessly integrate these sources with the existing diesel generators. The system will carry the site load during daylight hours, enabling the diesel generators to reduce power output and shut down. Fuel consumption and exhaust emissions are expected to be reduced by 33 percent, and generator maintenance is expected to be reduced by 25 percent, with the resulting cost reductions providing an attractive return on the investment in the microgrid. Real-time performance of the system will be monitored remotely and will be available for viewing online by select Cat® dealers.

Moving forward, we intend to deploy similar microgrid systems, solar panels and energy storage systems to customers throughout the world – whether in remote villages, mining sites, islands, military installations, telecommunications facilities, or commercial/industrial facilities. By expanding Caterpillar's broad power generation portfolio and solutions, we are reducing customer costs and site emissions, while expanding access to electricity to those in the greatest need. Our goal is simple – to provide our customers and the communities where they work and live a brighter future no matter where they are in the world.



## MATERIAL RECOVERY SOLUTION

### MATERIAL RECOVERY

Caterpillar encourages circular economy principles through our remanufacturing and rebuild businesses. This starts with durable products, many designed to be rebuilt multiple times. Through our remanufacturing and rebuild programs, components and machines are overhauled, rather than simply repaired or replaced. Reuse of parts, still within factory specifications, reduces waste and minimizes the need for additional raw materials necessary to produce new parts. This system is where Caterpillar is making some of its greatest contributions to sustainable development – keeping non-renewable resources in circulation for multiple life cycles.

For more than 40 years, Caterpillar's remanufactured products have provided same-as-when-new performance, reliability and warranty at fraction-of-new costs, as well as availability that gives customers more options at repair and overhaul time.

**In addition to giving our customers lower operations and maintenance costs, using remanufactured equipment gives Cat® dealers a competitive advantage.**

An excellent example of how our reman programs deliver value to customers can be found in the island nation of Dominica. There, almost all energy is produced using a combination of gas, diesel and fuel-oil generators. Rimco, the Cat® dealer in the Eastern Caribbean, has put a priority on offering remanufactured parts and components to the local electricity companies and customers. Remanufactured parts are more affordable, helping to manage operating costs, and are more readily available on the market, allowing faster turnaround time in the event of emergency repairs.



For instance, a local energy company uses 11 Cat® generators – primarily Cat® 3516, Cat® 3608 and Cat® 3612 engines – to supply the majority of the island's electricity. During 2015, two of the main generators needed emergency replacement parts, reducing the backup power available and increasing the risk to a disruption in energy supply to the island. Rimco provided remanufactured parts to the energy company, ensuring they could keep the power flowing without interruption.

In addition to giving our customers lower operations and maintenance costs, using remanufactured equipment gives Cat® dealers like Rimco a competitive advantage and has helped the 35-year-old company meet the needs of its customers across the Eastern Caribbean efficiently and affordably.



## SANITATION IMPROVEMENT SOLUTION



### SUPPORTING GLOBAL SANITATION IMPROVEMENTS

When we seek to meet basic human needs around the world, particularly those of women and girls, sanitation is a high-impact area where we can focus our efforts. In 2015, the Caterpillar Foundation continued our support of The Global Poverty Project (GPP) with an investment to support universal access to sanitation. The grant will help GPP advocate for policies around the world that enable entrepreneurship, especially for women, by removing barriers caused by poor and inequitable access to sanitation – such as places to hand wash or use the toilet – and lack of access to basic education. GPP estimates universal sanitation would improve the entrepreneurial potential of women by freeing up more than 200 million hours for women and girls each day, enabling them to achieve an education, have time for paid employment or to run their own small enterprises. Combined, these measures would return an estimated \$220 billion to the global economy annually.

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In 2015, the United Nations adopted the Sustainable Development Goals (The Global Goals), a series of 17 goals with 169 targets to be achieved by 2030. Included in these goals were two key aspects of our policy partnership with GPP: the recognition of the need to ensure access to adequate sanitation and hygiene for all, and a commitment to end open defecation, especially for women, girls and those in vulnerable situations. GPP will continue to work on other aspects of our sanitation-policy partnership, including securing a \$10 million-per-year increase in Water, Sanitation and Hygiene (WASH) aid from the United States government, and urging four new governments or companies to allocate new, additional financial resources to sanitation efforts.



WHAT WE'RE SOLVING

## NATURAL INFRASTRUCTURE SOLUTION

### SHINING A LIGHT ON THE CLIMATE BENEFITS OF NATURAL INFRASTRUCTURE

Cat® products are used to support infrastructure projects around the world, including natural infrastructure projects such as the restoration of forests, wetlands and other landscapes. We believe that Caterpillar's expertise across industries puts us in a prime position to drive the global discussion on the importance of natural infrastructure and its restoration. Not only is sustainability one of our Core Values, but over our 90-year history we have also built relationships across a wide range of infrastructure businesses that will be critical to restoring the world's natural landscapes. Already, Caterpillar has supported a number of major natural infrastructure restoration projects, including Everglades restoration projects in Florida, cleanup work in the wake of Hurricanes Sandy and Katrina and remediating Superfund sites across the United States.

Around the world, governments, industries and individuals are talking about climate change, the threats it poses to our livelihoods and the best ways to address it. The majority of the conversation has focused on the role energy plays in our global carbon footprint. Natural infrastructure – forests, prairies, agricultural lands, coastal landscapes, wetlands and other landscapes – also plays a vital role in managing carbon and supporting global sustainability. In 2015, to complement our existing initiatives focused on reduction of greenhouse gases, Caterpillar spearheaded an effort to raise awareness of the benefits of natural infrastructure.

**Caterpillar has supported a number of major natural infrastructure restoration projects, including Everglades restoration projects in Florida, cleanup work in the wake of Hurricanes Sandy and Katrina and remediating Superfund sites across the United States.**

Natural infrastructure sequesters billions of tons of carbon for productive use in plants and soils. Scientists say that more carbon resides in soil than in the atmosphere and all plant life combined; there are 2,500 billion tons of carbon in soil, compared with 800 billion tons in the atmosphere and 560 billion tons in plant and animal life. The food, fiber and lumber produced from natural infrastructure provide our nourishment and much of the raw materials for clothing and housing. With the earth's population expected to grow from 7 billion to more than 9 billion in the next few decades, ensuring the health and productivity of our natural infrastructure will be integral to meet the growing need for food and other basic human needs.



Land and Water Resources for Food and Agriculture (SOLAW), found 25 percent of the world's lands are now considered "highly degraded" as a result of poor management practices. This means that an area roughly the size of North America may suffer from deforestation, desertification, severe erosion and wetland contamination. As a result, communities that depend on these lands may experience less productive farmland, poorer water quality and lower storm resilience. According to Ohio State University's Carbon Management and Sequestration Center, restoring soils of degraded and desertified ecosystems has the potential to provide an additional 1 billion to 3 billion tons of in-soil carbon storage capacity annually, equivalent to approximately 3.5 billion to 11 billion tons of CO2 emissions.

In November 2015, Caterpillar hosted the first major national summit in the United States of diverse stakeholders who have a part to play in natural infrastructure restoration. The summit brought together leaders from engineering, construction, finance, governments, academia and nongovernmental organizations to establish a coordinated effort across these industries to develop and deploy sustainable development solutions. Participants delved into the scientific and business cases for natural infrastructure restoration and brainstormed policies, business models and financing solutions needed to expand the world's natural infrastructure restoration efforts.

Following the summit, Caterpillar has published a comprehensive white paper detailing the summit discussions. The paper highlights the recommendations that businesses and governments may consider to increase the effectiveness of efforts to restore natural infrastructure and keep pace with our need for the critical services, including carbon sequestration and resources, that natural ecosystems provide. Through the use of our products for natural infrastructure restoration projects and continuing to increase awareness, this is another way that Caterpillar can continue to build a more sustainable world.

WHAT WE'RE SOLVING

## SUSTAINABILITY VISION, MISSION, STRATEGY & PRINCIPLES



### VISION

Our vision is a world in which all people's basic needs – such as shelter, clean water, sanitation, food and reliable power – are fulfilled in a sustainable way and to be a company that improves the quality of the environment and the communities where we live and work.

### MISSION

Our mission is to enable economic growth through infrastructure and energy development, and to provide solutions that support communities and protect the planet.

### STRATEGY

Our strategy is to provide work environments, products, services and solutions that make safe, productive and efficient use of resources as we strive to achieve our vision. We apply innovation and technology to improve the sustainability performance of Caterpillar's products, services, solutions and operations. We believe sustainable progress is made possible by developing better systems that maximize life cycle benefits, while also minimizing the economic, social and environmental costs of ownership, as reflected in our sustainability principles. We will execute our strategy by working to meet our aspirational sustainability goals.

### SUSTAINABILITY PRINCIPLES

Sustainability is part of who we are and what we do every single day. We recognize that progress involves a balance of environmental stewardship, social responsibility and economic growth.

Caterpillar Sustainability Principles drive our commitment to make sustainable progress possible.

#### Prevent Waste (Improve Safety, Efficiency and Productivity):

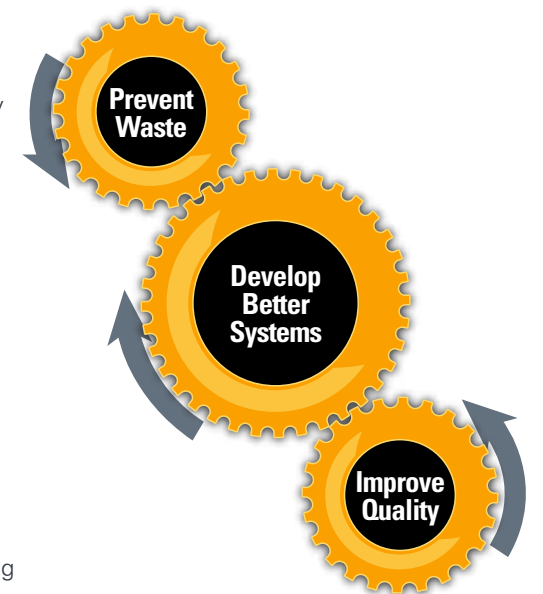
By increasing the safety, efficiency and productivity of processes and products, we reduce cost and minimize the use of materials, energy, water and land. We provide a safe work environment and the tools and training employees need to work safely. We provide customers with products, services and solutions that improve the sustainability of their operations.

#### Improve Quality (Team, Community, Environment and Operations):

We focus on improving quality for our company, customers, communities, environment and the quality of life for our employees. We use Lean and 6 Sigma to improve our operations and products. Our employees and their families experience a better quality of life when the quality of our company, communities and the environment is maintained. We attract and develop the best teams.

#### Develop Better Systems (Innovate):

We leverage innovation and technology to maximize efficiency and productivity. We remanufacture, rebuild and recycle to conserve resources for multiple life cycles. We develop products that contribute to communities through infrastructure development and energy access. We develop better systems throughout the value chain, "engineering the whole chain, not just the links," in order to maximize life cycle benefits.



# LEGAL STATEMENTS



## OFFICERS

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**Group Presidents**  
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Edward J. Rapp  
D. James Umpleby III  
Denise Johnson – effective 2016

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Jananne A. Copeland

**Assistant Treasurer**  
Sally A. Stiles

**Chief Ethics and Compliance Officer**  
Lance W. High

**Assistant Secretary**  
Patrick G. Holcombe

**Corporate Controller**  
Jill E. Daugherty

**Chief Audit Officer**  
Kimberly R. Doe

**Corporate Secretary**  
Christopher M. Reitz

**Assistant Secretary**  
Joni J. Funk

**Treasurer**  
Edward J. Scott

\*Appointed in 2015  
\*\*Retired in 2015

## BOARD OF DIRECTORS

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**Forward-Looking Statements** Certain statements in this 2015 Sustainability Report relate to future events and expectations and are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as "believe," "estimate," "will be," "will," "would," "expect," "anticipate," "plan," "project," "intend," "could," "should" or other similar words or expressions often identify forward-looking statements. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding our outlook, projections, forecasts or trend descriptions. These statements do not guarantee future performance, and we do not undertake to update our forward-looking statements.

Caterpillar's actual results may differ materially from those described or implied in our forward-looking statements based on a number of factors, including, but not limited to: (i) global and regional economic conditions and economic conditions in the industries we serve; (ii) government monetary or fiscal policies and infrastructure spending; (iii) commodity price changes, component price increases, fluctuations in demand for our products or significant shortages of component products; (iv) disruptions or volatility in global financial markets, limiting our sources of liquidity or the liquidity of our customers, dealers and suppliers; (v) political and economic risks, commercial instability and events beyond our control in the countries in which we operate; (vi) failure to maintain our credit ratings and potential, resulting in increases to our cost of borrowing and adverse effects on our cost of funds, liquidity, competitive position and access to capital markets; (vii) our Financial Products segment's risks associated with the financial services industry; (viii) changes in interest rates or market liquidity conditions; (ix) an increase in delinquencies, repossessions or net losses of Cat Financial's customers; (x) new regulations or changes in financial services regulations; (xi) a failure to realize, or a delay in realizing, all of the anticipated benefits of our acquisitions, joint ventures or divestitures; (xii) international trade policies and their impact on demand for our products and our competitive position; (xiii) our ability to develop, produce and market quality products that meet our customers' needs; (xiv) the impact of the highly competitive environment in which we operate on our sales and pricing; (xv) failure to realize all of the anticipated benefits from initiatives to increase our productivity, efficiency and cash flow and to reduce costs; (xvi) additional restructuring costs or a failure to realize anticipated savings or benefits from past or future cost reduction actions; (xvii) inventory management decisions and sourcing practices of our dealers and our OEM customers; (xviii) compliance with environmental laws and regulations; (xix) alleged or actual violations of trade or anti-corruption laws and regulations; (xx) additional tax expense or exposure; (xxi) currency fluctuations; (xxii) our or Cat Financial's compliance with financial covenants; (xxiii) increased pension plan funding obligations; (xxiv) union disputes or other employee relations issues; (xxv) significant legal proceedings, claims, lawsuits or government investigations; (xxvi) changes in accounting standards; (xxvii) failure or breach of IT security; (xxviii) adverse effects of unexpected events, including natural disasters; and (xxix) other factors described in more detail under "Item 1A. Risk Factors" in our Form 10-K filed with the SEC on February 16, 2016, for the year ended December 31, 2015.

To learn more about Caterpillar in 2015 and our sustainability journey, please visit the full 2015 Year in Review and Sustainability Reports at <http://reports.caterpillar.com/>



Caterpillar Inc.  
100 NE Adams Street  
Peoria, Illinois 61629 USA  
1 (309) 675-1000

**CATERPILLAR®**



**Re: Due November 4 -- Exemption request for business license**

**Tax-License Tax-License** to: Schreifels\_Ann\_M  
Cc: "Jeffrey Whiting"

10/26/2016 03:43 PM

Caterpillar: Confidential Green

Retain Until: 11/25/2016

History:

This message has been forwarded.

Ms. Schreifels,

Since Caterpillar Inc will have a business location within Tucson city limits, Caterpillar will need a city business license. If the office in Tucson is not selling any items, then it will not need a City of Tucson tax license.

You can contact the license section at 520-791-4566 regarding a business license. You can also register for a business license using the City's e-tax system.

[https://urldefense.proofpoint.com/v2/url?u=https-3A\\_\\_www.tucsonaz.gov\\_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m90lGg-sEp8sXy1Y2aQ&r=WMM-Ht51y52fzXNRZvP2tBVTk26SHHwUPGwOJA16F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk\\_KSfzLwib00MZic\\_U0NiNPME11Q&e=](https://urldefense.proofpoint.com/v2/url?u=https-3A__www.tucsonaz.gov_finance&d=DQIFAg&c=p0oa49nxxGtbbM2qgM-GB4r4m90lGg-sEp8sXy1Y2aQ&r=WMM-Ht51y52fzXNRZvP2tBVTk26SHHwUPGwOJA16F28&m=HPFwjLMGClbmrODIDUKpY0AsADLvILKVeSz0jgvqgbw&s=APhmU16iI7x-JCKk_KSfzLwib00MZic_U0NiNPME11Q&e=)

Thank you.

Pam

>>> "Ann M. Schreifels" <Schreifels\_Ann\_M@cat.com> 10/14/2016 11:47 AM >>>  
Hello,

I'm writing behalf of Caterpillar Inc. We are responding to a City of Tucson RFP (#161534) and one of the requirements is to either hold a City of Tucson business license or receive a written determination from your office that a business license is not required.

Though we are responding as a manufacturer, it is our local dealer, Empire Machinery, who will conduct all business with the city. Caterpillar will never directly sell equipment nor collect any funds. This is how we are currently doing business and we are not requesting any changes. (Empire Machinery does have a current City of Tucson business license.)

Would you be able to confirm in writing that Caterpillar Inc. is not required to hold a business license for the purposes of this RFP?

The City of Tucson contract officer leading this RFP is Jeffrey Whiting and either he or I would be happy to clarify this request.

Thank you very much,

Ann Schreifels  
Americas Marketing Supervisor  
Governmental Sales & Business Processes  
Global Construction & Infrastructure  
100 NE Adams St. | Peoria, IL | USA | 61629  
Tel: 309-266-0471 | Tie: 7-726-0471 | C: 309-338-5976

# ***Certificate of Insurance***

*Statement of Insurance*

*From: Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

*Re: Verification of Casualty Insurance Program*

*Caterpillar Inc. assumes a major retention for its general liability exposures (including product liability) and auto liability exposures (except where required by state statute). This retention is consistent with Caterpillar's net worth and cash flows.*

*If Caterpillar's net worth drops below \$1 Billion, insurance certificates will be issued. Caterpillar Inc. has in place catastrophic excess liability coverage.*

*Please contact (309) 675-4645 if you have any questions.*

**CATERPILLAR<sup>®</sup>**

# ***Certificate of Insurance***

*Statement of Insurance*

*From: Corporate Property and Casualty Finance Services Division Caterpillar Inc. & Subsidiaries*

*Re: Verification of Property Insurance Program*

*Caterpillar Inc. assumes a major retention for its corporate property exposures. This retention is consistent with Caterpillar's net worth and cash flows. Catastrophic protection purchased is consistent with other corporations of our size.*

*Caterpillar Inc. will honor its responsibilities assumed under any agreement.*

*Please contact (309) 675-8400 if you have any questions.*

**CATERPILLAR<sup>®</sup>**

Effective with sales to the first user on or after July 1, 2016

# CATERPILLAR LIMITED WARRANTY

## Earthmoving, Construction, Material Handling, Forestry and Paving Machines

### Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants the following new products sold by it to be free from defects in material and workmanship:

- Earthmoving, construction, material handling, forestry and paving machines (except as listed below).
- Attachments/work tools installed on such machines prior to delivery (unless covered by the Cat® Work Tool warranty statement or another manufacturer's warranty). Hammer tool points and compacting plates used on hydraulic hammers are not warranted.

Additional warranties are applicable against breakage for certain Cat Ground Engaging Tools and for wear on all landfill compactor tips. Refer to the applicable warranty statements for coverage detail.

This warranty does not apply to:

- Cat Batteries
- Mobil-trac belts, rubber tracks used on multi terrain loaders, compact track loaders, and mini hydraulic excavators
- Cat Work Tools
- 424 Backhoe Loaders, 216 and 226 Skid Steer Loaders, and 320 Excavators sold in India
- Prentice brand forestry machines
- Longwall mining machines
- 785, 789, 793, 794, 795, 797 Off-Highway Truck models sold in regions other than the Commonwealth of Independent States ("CIS")
- 24 Motor Grader models sold in regions other than the CIS
- 854, 992, 993, 994 Wheel Loader models sold in regions other than CIS

These products are covered by other Caterpillar warranties.

This warranty is subject to the following:

#### Warranty Period

For new machines and work tools/attachments the warranty period is 12-months/unlimited hours, starting from date of delivery to the first user.

#### Note:

- For hydraulic line's quick connect/disconnect components sold on compact wheel loaders, mini hydraulic excavators, skid steer loaders, multi terrain loaders, and compact track loader machines, the warranty period is 50 hours starting from the date of delivery to the first user.
- For Draglines, Electric Rope Shovels, Hard Rock Movers, Hard Rock Feeders, Hard Rock Miners, Hard Rock Conveyors, Hard Rock Roof Supports; the warranty period is not to exceed 24 months from shipment of the last major component from the Caterpillar place of manufacture.

#### Caterpillar Responsibilities

If a defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat dealer or other source approved by Caterpillar

- Provide (at Caterpillar's choice) new, remanufactured, or Caterpillar approved repaired parts or assembled components needed to correct the defect.

**Note:** New, remanufactured, or Caterpillar approved replacement parts provided under the terms of this warranty are warranted for the remainder of the warranty period applicable to the product in which installed as if such parts were original components of that product. Items replaced under this warranty become the property of Caterpillar.

- Replace lubricating oil, filters, antifreeze, and other service items made unusable by the defect.
- Provide reasonable and customary labor needed to correct the defect.

#### User Responsibilities

The user is responsible for:

- Providing proof of delivery date to the first user.

- Labor costs, except as stated under "Caterpillar Responsibilities."
- Transportation costs, except as stated under "Caterpillar Responsibilities."
- Premium or overtime labor costs.
- Parts shipping charges in excess of those that are considered usual and customary.
- Local taxes, if applicable.
- Costs to investigate complaints, unless the problem is caused by a defect in Caterpillar material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.
- Performance of the required maintenance (including use of proper fuel, oil, lubricants, and coolant) and items replaced due to normal wear and tear.
- Allowing Caterpillar access to all electronically stored data.

#### Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.
- Failures resulting from abuse, neglect, and/or improper storage or repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments, and unauthorized fuel setting changes.

*continued...*

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

*A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:*

**NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.**

**THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, EXCEPT CATERPILLAR EMISSION-RELATED COMPONENTS WARRANTY FOR NEW ENGINES, WHERE APPLICABLE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.**

**CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.**

**CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.**

**IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.**

*B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:*

**THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.**

**NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.**

**IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.**

**CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.**

**CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.**

**IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION (CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS) IS EXCLUDED IN ITS ENTIRETY.**

*C) For products supplied in Australia:*

**IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:**

- I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR**
- II. PRODUCTS THAT COST AUD 40,000 OR LESS,**

**WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.**

**THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.**

**TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.**

**THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000, THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.**

**TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.**

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Effective with sales to the first user on or after January 1, 2014.

# CATERPILLAR LIMITED WARRANTY

## Rubber Track Used on Multi Terrain Loaders, Compact Track Loaders, and Mini Hydraulic Excavators

### Worldwide

Caterpillar Inc. or any of its subsidiaries ("Caterpillar") warrants new rubber tracks sold by it for use on Compact Construction Equipment Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators to be free from defects in material and workmanship. The warranty is subject to the following:

#### Warranty Period

The standard warranty period for all new Premium rubber tracks used on Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators is 12 months, or 1500 operating hours, whichever occurs first, starting from the date of delivery to the first user.

The standard warranty period for new General Duty rubber tracks used on Multi Terrain Loaders and Compact Track Loaders is 12 months or 1000 operating hours, whichever occurs first, starting from the date of delivery to the first user.

#### Caterpillar Responsibilities

If a disabling defect in material or workmanship is found during the warranty period, Caterpillar will, during normal working hours and at a place of business of a Cat® dealer or other source approved by Caterpillar:

- At Caterpillar's choice, repair or provide an allowance toward the purchase of a new rubber track. Such allowance will be based on accrued hours. Allowance will be calculated as follows:

User Allowance for Multi Terrain Loaders, Compact Track Loaders and Mini Hydraulic Excavators with Premium rubber tracks:

$$\text{Allowance (\%)} = (1 - \text{Track hours} / 1500 \text{ hours}) \times 100$$

User Allowance for Multi Terrain Loaders and Compact Track Loaders with General Duty rubber tracks.

$$\text{Allowance (\%)} = (1 - \text{Track hours} / 1000 \text{ hours}) \times 100$$

- Provide reasonable and customary repair labor needed to correct the defect if product found to be defective and its replacement are both installed by a Cat dealer or other source approved by Caterpillar, or installed on machine prior to sale.

#### User Responsibilities

The user is responsible for:

- Providing proof of the delivery date to the first user.
- All cost associated with transporting the product to and from the place of business of a Caterpillar dealer or other source approved by Caterpillar.
- Labor costs, except as stated under "Caterpillar Responsibilities."
- Local taxes, if applicable.
- Any remaining costs of a new rubber track after the calculation of the "User Allowance" as stated under "Caterpillar Responsibilities."

- Parts shipping charges in excess of those that are usual and customary.
- Costs to investigate complaints, unless the problem is caused by a defect in material or workmanship.
- Giving timely notice of a warrantable failure and promptly making the product available for repair.

#### Limitations

Caterpillar is not responsible for:

- Failures resulting from any use or installation that Caterpillar judges improper.
- Failures resulting from abuse, neglect, or improper repair.
- Failures resulting from user's delay in making the product available after being notified of a potential product problem.
- Failures resulting from unauthorized repair or adjustments and unauthorized fuel setting changes.
- Failures resulting from attachments, accessory items, and parts not sold or approved by Caterpillar.

(Continued on reverse side...)

This warranty covers every major component of the products. Claims under this warranty should be submitted to a place of business of a Cat dealer or other source approved by Caterpillar. For further information concerning either the location to submit claims or Caterpillar as the issuer of this warranty, write Caterpillar Inc., 100 N. E. Adams St., Peoria, IL USA 61629.

Caterpillar's obligations under this Limited Warranty are subject to, and shall not apply in contravention of, the laws, rules, regulations, directives, ordinances, orders, or statutes of the United States, or of any other applicable jurisdiction, without recourse or liability with respect to Caterpillar.

*A) For products operating outside of Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:*

**NEITHER THE FOREGOING EXPRESS WARRANTY NOR ANY OTHER WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED, IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS, WHICH IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.**

**THIS WARRANTY IS EXPRESSLY IN LIEU OF ANY OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. REMEDIES UNDER THIS WARRANTY ARE LIMITED TO THE PROVISION OF MATERIAL AND SERVICES, AS SPECIFIED HEREIN.**

**CATERPILLAR IS NOT RESPONSIBLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES.**

**CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS, OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.**

**IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.**

*B) For products operating in Australia, Fiji, Nauru, New Caledonia, New Zealand, Papua New Guinea, the Solomon Islands, and Tahiti, the following is applicable:*

**THIS WARRANTY IS IN ADDITION TO WARRANTIES AND CONDITIONS IMPLIED BY STATUTE AND OTHER STATUTORY RIGHTS AND OBLIGATIONS THAT BY ANY APPLICABLE LAW CANNOT BE EXCLUDED, RESTRICTED OR MODIFIED ("MANDATORY RIGHTS"). ALL OTHER WARRANTIES OR CONDITIONS, EXPRESS OR IMPLIED (BY STATUTE OR OTHERWISE), ARE EXCLUDED. WITHOUT LIMITING THE FOREGOING PROVISIONS OF THIS PARAGRAPH, WHERE A PRODUCT IS SUPPLIED FOR BUSINESS PURPOSES, THE CONSUMER GUARANTEES UNDER THE CONSUMER GUARANTEES ACT 1993 (NZ) WILL NOT APPLY.**

**NEITHER THIS WARRANTY NOR ANY OTHER CONDITION OR WARRANTY BY CATERPILLAR, EXPRESS OR IMPLIED (SUBJECT ONLY TO THE MANDATORY RIGHTS), IS APPLICABLE TO ANY ITEM CATERPILLAR SELLS THAT IS WARRANTED DIRECTLY TO THE USER BY ITS MANUFACTURER.**

**IF THE MANDATORY RIGHTS MAKE CATERPILLAR LIABLE IN CONNECTION WITH SERVICES OR GOODS, THEN TO THE EXTENT PERMITTED UNDER THE MANDATORY RIGHTS, THAT LIABILITY SHALL BE LIMITED AT CATERPILLAR'S OPTION TO (a) IN THE CASE OF SERVICES, THE SUPPLY OF THE SERVICES AGAIN OR THE PAYMENT OF THE COST OF HAVING THE SERVICES SUPPLIED AGAIN AND (b) IN THE CASE OF GOODS, THE REPAIR OR REPLACEMENT OF THE GOODS, THE SUPPLY OF EQUIVALENT GOODS, THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT GOODS.**

**CATERPILLAR EXCLUDES ALL LIABILITY FOR OR ARISING FROM ANY NEGLIGENCE ON ITS PART OR ON THE PART OF ANY OF ITS EMPLOYEES, AGENTS OR REPRESENTATIVES IN RESPECT OF THE MANUFACTURE OR SUPPLY OF GOODS OR THE PROVISION OF SERVICES RELATING TO THE GOODS.**

**CATERPILLAR IS NOT LIABLE FOR INCIDENTAL OR CONSEQUENTIAL DAMAGES UNLESS IMPOSED UNDER MANDATORY RIGHTS.**

**IF OTHERWISE APPLICABLE, THE VIENNA CONVENTION ON CONTRACTS FOR THE INTERNATIONAL SALE OF GOODS IS EXCLUDED IN ITS ENTIRETY.**

*C) For products supplied in Australia:*

**IF THE PRODUCTS TO WHICH THIS WARRANTY APPLIES ARE:**

**I. PRODUCTS OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION; OR**

**II. PRODUCTS THAT COST AUD 40,000 OR LESS,**

**WHERE THOSE PRODUCTS WERE NOT ACQUIRED FOR THE PURPOSE OF RE-SUPPLY OR FOR THE PURPOSE OF USING THEM UP OR TRANSFORMING THEM IN THE COURSE OF PRODUCTION OR MANUFACTURE OR IN THE COURSE OF REPAIRING OTHER GOODS OR FIXTURES, THEN THIS SECTION C APPLIES.**

**THE FOLLOWING MANDATORY TEXT IS INCLUDED PURSUANT TO THE AUSTRALIAN CONSUMER LAW AND INCLUDES REFERENCES TO RIGHTS THE USER MAY HAVE AGAINST THE DIRECT SUPPLIER OF THE PRODUCTS: OUR GOODS COME WITH GUARANTEES THAT CANNOT BE EXCLUDED UNDER THE AUSTRALIAN CONSUMER LAW. YOU ARE ENTITLED TO A REPLACEMENT OR REFUND FOR A MAJOR FAILURE AND COMPENSATION FOR ANY OTHER REASONABLY FORESEEABLE LOSS OR DAMAGE. YOU ARE ALSO ENTITLED TO HAVE THE GOODS REPAIRED OR REPLACED IF THE GOODS FAIL TO BE OF ACCEPTABLE QUALITY AND THE FAILURE DOES NOT AMOUNT TO A MAJOR FAILURE. THE INCLUSION OF THIS TEXT DOES NOT CONSTITUTE ANY REPRESENTATION OR ACCEPTANCE BY CATERPILLAR OF LIABILITY TO THE USER OR ANY OTHER PERSON IN ADDITION TO THAT WHICH CATERPILLAR MAY HAVE UNDER THE AUSTRALIAN CONSUMER LAW.**

**TO THE EXTENT THE PRODUCTS FALL WITHIN THIS SECTION C BUT ARE NOT OF A KIND ORDINARILY ACQUIRED FOR PERSONAL, DOMESTIC OR HOUSEHOLD USE OR CONSUMPTION, CATERPILLAR LIMITS ITS LIABILITY TO THE EXTENT IT IS PERMITTED TO DO SO UNDER THE AUSTRALIAN CONSUMER LAW TO, AT ITS OPTION, THE REPAIR OR REPLACEMENT OF THE PRODUCTS, THE SUPPLY OF EQUIVALENT PRODUCTS, OR THE PAYMENT OF THE COST OF SUCH REPAIR OR REPLACEMENT OR THE ACQUISITION OF EQUIVALENT PRODUCTS.**

**THE WARRANTY SET OUT IN THIS DOCUMENT IS GIVEN BY CATERPILLAR INC. OR ANY OF ITS SUBSIDIARIES, 100 N. E. ADAMS ST, PEORIA, IL USA 61629, TELEPHONE 1 309 675 1000, THE USER IS RESPONSIBLE FOR ALL COSTS ASSOCIATED WITH MAKING A CLAIM UNDER THE WARRANTY SET OUT IN THIS DOCUMENT, EXCEPT AS EXPRESSLY STATED OTHERWISE IN THIS DOCUMENT, AND THE USER IS REFERRED TO THE BALANCE OF THE DOCUMENT TERMS CONCERNING CLAIM PROCEDURES, CATERPILLAR RESPONSIBILITIES AND USER RESPONSIBILITIES.**

**TO THE EXTENT PERMISSIBLE BY LAW, THE TERMS SET OUT IN THE REMAINDER OF THIS WARRANTY DOCUMENT (INCLUDING SECTION B) CONTINUE TO APPLY TO PRODUCTS TO WHICH THIS SECTION C APPLIES.**

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# City of Tucson

## License Certificate

**Business Name and Tucson Mailing Address:**

EMPIRE SOUTHWEST LLC  
PO BOX 2985  
PHOENIX AZ 85062-2985

**License Number:** 3006282

**Type:** General Freight Trucking, Local

**Issue Date:** December 31, 2015

**Expiration Date:** December 31, 2016

**Owner:**

EMPIRE SOUTHWEST LLC

This license / permit is **non-transferable** and must be posted in a conspicuous place at the business location.

**THE ISSUANCE OF THIS LICENSE / PERMIT SHALL NOT BE CONSTRUED AS PERMISSION TO OPERATE IN VIOLATION OF ANY LAW OR REGULATION.**

FOLD HERE

CITY OF TUCSON, ARIZONA

FINANCE DEPARTMENT

REVENUE DIVISION - LICENSE

Expiration Date: December 31, 2016



Non-Transferable

3006282

**MUST BE DISPLAYED IN A CONSPICUOUS PLACE**

### Business License

For the payment of the license fee, the person or firm below is hereby licensed to conduct business in the City of Tucson.

Tax accruing to the City of Tucson shall be paid under provisions of Ch. 19, Tucson City Code. This license is subject to revocation for violation of Ch. 7 or Ch. 19 of the Tucson City Code.

Issued To: EMPIRE SOUTHWEST LLC

Located At: 7600 S NOGALES HY, TUCSON, AZ 85756

Effective: January 01, 2016

Please refer to license number in all correspondence.

By

Finance Director



**Caterpillar Inc.**  
100 NE Adams Street  
Peoria, IL 61629

TO: Jeffrey Whiting, Contract Officer  
City of Tucson, AZ

FM: Patty Redpath, Governmental Account Manager  
Caterpillar Inc.

RE: Payments for purchases under RFP #161534

As requested in the RFP, this note constitutes formal notice that payments by the City of Tucson for products and services under this contract should be made to our authorized dealer, Empire Machinery.

Payments should be directed to:

Empire Southwest, LLC  
P.O. Box 2985  
Phoenix, AZ 85062-2985

Any questions regarding payments should be directed to your account manager or to [accounts.receivable@empire-cat.com](mailto:accounts.receivable@empire-cat.com).

Cooperative Contracts 2017 - City of Tucson RFP Response

Machine Model*	New Equipment
2016	Discount to Customer (Off List Price)

\*Note: Base machines are listed. There may be several different base machine configurations available. (For example, the D6 model track type tractor is available as a D6K, D6N and D6T). The base machine discount will be applied to any model configuration plus any and all options listed on the Caterpillar Machine price list.

**Pavers**

AP255	16.00%
AP300	16.00%
AP355	16.00%
AP500	16.00%
AP555	16.00%
AP600	16.00%
AP655	16.00%
AP1000	16.00%
AP1055	16.00%

**Rollers**

CB7	16.00%
CB8	16.00%
CB10	16.00%
CB14	16.00%
CB22	16.00%
CB24	16.00%
CB32	16.00%
CB34	16.00%
CB36	16.00%
CB44	16.00%
CB46	16.00%
CB54	16.00%
CB64	16.00%
CB66	16.00%
CB68	16.00%
CC24	16.00%
CC34	16.00%
CD8	16.00%
CD10	16.00%
CD44	16.00%
CD54	16.00%
CP34	14.00%
CP44	14.00%
CP54	14.00%
CP56	14.00%
CP68	14.00%
CP74	14.00%
CS34	14.00%
CS44	14.00%
CS54	14.00%
CS56	14.00%
CS64	14.00%
CS68	14.00%
CS78	14.00%
CW14	16.00%
CW16	16.00%
CW34	16.00%

## 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

### Vocational Trucks

CT660	23.00%
CT680	23.00%
CT681	23.00%

### Track Type Tractors

D3	25.00%
D4	25.00%
D5	25.00%
D6	24.00%
D7	22.00%
D8	22.00%
D9	10.00%

### Wheeled Excavators

M314F	30.00%
M315F	30.00%
M316F	30.00%
M317F	30.00%
M318F	30.00%
M320F	30.00%
M322F	30.00%

### Cold Planers

PM102	14.00%
PM620	14.00%
PM622	14.00%

### Reclaimers

RM300	14.00%
RM500	14.00%

### Telehandlers

TH255	26.00%
TH306	26.00%
TH3510	26.00%
TH406	26.00%
TH407	26.00%
TH514	26.00%
TL642	26.00%
TL943	26.00%
TL1055	26.00%
TL1255	26.00%

### Motor Graders

12	33.00%
120	37.00%
140	33.00%
160	33.00%
14	23.00%

### Skid Steer Loaders

226	25.00%
232	25.00%
236	25.00%
242	25.00%
246	25.00%
262	25.00%
272	25.00%

### Multi-Terrain Loaders

257	25.00%
277	25.00%
287	25.00%
297	25.00%

## 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

### Compact Track Loaders

239	25.00%
249	25.00%
259	25.00%
279	25.00%
289	25.00%
299	25.00%

### Excavators

300.9	24.00%
301.4	24.00%
301.7	24.00%
302.4	24.00%
302.7	24.00%
303	24.00%
303.5	24.00%
304	24.00%
304.5	24.00%
305	24.00%
305.5	24.00%
307	24.00%
308	24.00%
311	24.00%
312	21.00%
313	21.00%
313GC	21.00%
315	25.00%
316	25.00%
318	22.00%
320	18.00%
321	18.00%
323	18.00%
325	18.00%
326	18.00%
329	18.00%
330	18.00%
335	18.00%
336	18.00%
349	12.00%
352	12.00%
374	12.00%

### Backhoe Loaders

415	24.00%
416	24.00%
420	24.00%
430	24.00%
450	24.00%

### Site Prep Tractor

586C	20.00%
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### Wheel Tractor Scrapers

621	16.00%
623	17.00%
627	16.00%

## 2017 Caterpillar Coop Contract Discounts - for City of Tucson RFP - November 2016.xls

### Articulated Trucks

725	14.00%
730	14.00%
735	14.00%
740	14.00%
745	14.00%

### Rigid Frame Trucks

770	10.00%
773	10.00%

### Landfill Compactors

816	14.00%
826	14.00%
836	14.00%

### Wheel Dozers and Soil Compactors

814	15.00%
815	15.00%
824	15.00%
825	15.00%

### Wheel Loaders

903	25.00%
906	25.00%
907	25.00%
908	25.00%
910	25.00%
914	25.00%
918	26.00%
924	26.00%
926	26.00%
930	26.00%
938	26.00%
950GC	26.00%
950M	24.00%
962	24.00%
966	21.00%
972	16.00%
980	12.00%
982	12.00%

### Track Loaders

953	20.00%
963	23.00%
973	23.00%

Worktools	15.00%
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Caterpillar Safety Services	15.00%
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Used Equipment is discounted 20% from Original Customer List

Rental Equipment is discounted 10% from dealership Rental Rates

Parts & Service is discounted by the servicing dealer according to work order volume

# Caterpillar Oct. 7, 2016 National IPA Participant Discounts

All Discounts listed are for "Standby Ratings Only unless otherwise stated".

Participant Discount

**60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F\_PE400CNN" Caterpillar Price List)**

D13	50%
D20	50%
D25	50%
D30	50%

**60 HZ, 40 - 175 kW (Reference the "PSNA-EPG-F\_1100CNN" Caterpillar Price List)**

D40-6 (3 phase)	50%
D50-6 (3 phase)	50%
D60-6 (3 phase)	50%
D80-6 (3 phase)	50%
D100-6 (3 phase)	50%
D125-6 (3 phase)	50%
D150-8 (3 phase)	50%
D175-2 (3 phase)	50%
D40-6S (1 phase)	50%
D50-6S (1 phase)	50%
D60-8S (1 phase)	50%
D80-2S (1 phase)	50%
D100-6S (1 phase)	50%

**60 HZ, 40 - 60 kW (Reference the "PSNA-EPG-F\_C4.4LCAN" Caterpillar Price List)**

D40-6	31%
D50-6	31%
D60-6	31%
D40-2LC	31%
D50-2LC	31%
D60-2LC	31%

**60 HZ, 40 - 100 kW (Reference the "PSNA-EPG-F\_C4.4PGAN or C4.4PGBN" Caterpillar Price List)**

D40 (3 phase)	31%
D50 (3 phase)	31%
D60 (3 phase)	31%
D80 (3 phase)	31%
D100 (3 phase)	31%
D40-S (1 phase)	31%
D50-S (1 phase)	31%
D60-S (1 phase)	31%
D80-S (1 phase)	31%
D100-S (1 phase)	31%

**60 HZ, 125 - 175 kW (Reference the "PSNA-EPG-F\_C6.6PGAN" Caterpillar Price List)**

D125-6 (3 phase)	35%
D150-8 (3 phase)	35%
D175-2 (3 phase)	35%

**60 HZ, 200 kW (Reference the "PSNA-EPG-F\_C7.1PGAN" Caterpillar Price List)**

D200-2 (3 phase)	35%
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**C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F\_C9PKGN" Caterpillar Price List)**

200 kW (600, 480, 240 Volt)*	38%
250 kW (600, 480, 240 Volt)*	36%
300 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output

**C9, 60 HZ, 200 - 300 eKW (Reference the "PSNA-EPG-F\_C9PGAN" Caterpillar Price List)**

200 kW (600, 480, 240 Volt)*	33%
250 kW (600, 480, 240 Volt)*	37%
300 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output

**C13PGAN, 350kW & 400kW**

37%

**C15, 60 HZ, 350 - 500 KW (Reference the "PSNA-EPG-F\_C15PGAN" Caterpillar Price List)**

350 kW (600, 480, 240 Volt)*	37%
400 kW (600, 480, 240 Volt)*	37%
450 kW (600, 480, 240 Volt)*	37%
500 kW (600, 480, 240 Volt)*	37%

\*Other Voltages available, but may affect generator output

<b>C15, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C15PKGN" Caterpillar Price List)</b>	
<i>(EPA &amp; CARB Tier 4 Interim Emissions Certified)</i>	
455 kW Prime Power, 500 kW Standby 600 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4i	20%
455 kW Prime Power, 500 kW Standby 208 Volt Tier 4i	20%
<b>C18, 60 HZ, 550 - 600 kW (Reference the "PSNA-EPG-F_C18PGAN" Caterpillar Price List)</b>	
550 kW (600, 480, 240 Volt)*	33%
600 kW (600, 480, 240 Volt)*	33%
*Other Voltages available, but may affect generator output	
<b>C18, 60 HZ, 455 - 500 KW (Reference the "PSNA-EPG-F_C18PKAN" Caterpillar Price List)</b>	
<i>(EPA &amp; CARB Tier 4 Final Emissions Certified)</i>	
455 kW Prime Power, 500 kW Standby 480 Volt Tier 4F	20%
<b>C27, 60 HZ, 750 - 800 KW (Reference the "PSNA-EPG-F_C27PGBN" Caterpillar Price List)</b>	
750 kW 480 Volt	33%
800 kW 480 Volt	33%
<b>C27, 60 HZ, 725 - 800 KW (Reference the "PSNA-EPG-F_C27PKGN" Caterpillar Price List)</b>	
<i>(EPA &amp; CARB Tier 4 Interim Emissions Certified)</i>	
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i	17%
725 kW Prime Power, 800 kW Standby 480 Volt Tier 4i Heavy Duty	17%
<b>C32, 60 HZ, 1000 kW</b>	
<i>(Reference the "PSNA-EPG-F_C32PKGN" Caterpillar Price List)</i>	
1000 kW 480	37%
<b>3512C, 60 HZ, 1500 kW (EPA Tier 2 &amp; CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)</b>	
<i>(Reference the "PSNA-EPG-F_3512PGAN" Caterpillar Price List)</i>	
480 V, Standby Rating Only - 1500 kW	33%
12470 V, Standby Rating Only - 1500 kW	33%
<b>3516C, 60 HZ, 2000 kW (EPA Tier 2 &amp; CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)</b>	
<i>(Reference the "PSNA-EPG-F_3516PGAG" Caterpillar Price List)</i>	
480 V, Standby Rating Only - 2000 kW	33%
12470 V, Standby Rating Only - 2000 kW	33%
<b>3516C-HD, 60 HZ, 2500 kW (EPA Tier 4) 480/277, 4160, 12470 Volts available</b>	
<i>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</i>	
	19%
<b>3516C-HD, 60 HZ, 2000 kW (EPA Tier 4) 480/277, 460, 12470 Volts available</b>	
<i>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</i>	
	19%
<b>3516B, 60 HZ, 2000 kW (EPA Tier 1)</b>	
<i>(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)</i>	
Low/Med Voltage - Standby Rating Only - 2000 kW	32%
High Voltage - Standby Rating Only - 2000 kW	32%
<b>3516B, 60 HZ, 2250 kW (EPA Tier 1)</b>	
<i>(Reference the "PSNA-EPG-F_3516PGDG" Caterpillar Price List)</i>	
Low/Med Voltage - Standby Rating Only - 2250 kW	32%
High Voltage - Standby Rating Only - 2250 kW	32%
<b>3516C HD, 60 HZ, 2500 kW (EPA Tier 2 &amp; CARB Emissions Certified (Nonroad); EPA Tier 2 Emissions Certified for Stationary Use)</b>	
<i>(Reference the "PSNA-EPG-F_3516PGEG" Caterpillar Price List)</i>	
Low/Med Voltage - Standby Rating Only - 2500 kW	30%
High Voltage - Standby Rating Only - 2500 kW	30%
3516-PGDL, 2MW, 2.5MW	32%
3516-PGEL, 2MW, 2.5MW Tier 4 Final	19%
<b>G3412, 60 HZ, 1200 RPM, 3 Phase, 480 Volt</b>	
<i>(Reference the "PSNA-EPG-F_G3412PGG" Caterpillar Price List)</i>	
	26%
<b>G3508, 60 HZ, 1200 RPM, 3 Phase, 480 Volt</b>	
<i>(Reference the "PSNA-EPG-F_G3508EPG" Caterpillar Price List)</i>	
	17%
G3412PGG Standby, 375kW, 450kW, 500kW	26%
G3512NL Stationary Certified 831bkW, 1095bkW	17%
<b>G3516, 60 HZ, 1800 RPM, 3 Phase, 240 or 480 Volt, Self Excited</b>	
<i>(Reference the "PSNA-EPG-F_G3516APGG" Caterpillar Price List)</i>	
1040 eKW - Standby	17%

G3516, 60HZ, 1200 RPM, 3 Phase, 480 Volt (Reference the "PSNA-EPG-F_G3516AEPG" Caterpillar Price List)	17%
G3516H, 60HZ, 1500 RPM, 3 Phase (Reference the "PSNA-EPG-F_G3516HNG" Caterpillar Price List)	17%
G3520H, 60 HZ (Reference the "PSNA-EPG-F_G3520HNL" Caterpillar Price List)	17%
G3520, 60 HZ, 2055, 1900, or 1600 eKW (Reference the "PSNA-EPG-F_G3520CPGL" Caterpillar Price List)	17%
<b>CG132, CG170, CG260 (custom)</b> Due to the customization and plethora of options, it is not feasible to provide a paper price list for these specific generator sets. Each quote is custom for the specific application. However, members will receive a 15% discount off of the configured list price from each member's local dealer.	15%
<b>C175, 60 HZ, 4000 kW (EPA Tier 2 for Mobile and Stationary Use)</b> (Reference the "PSNA-EPG-F_C175-20EL" Caterpillar Price List) 4000 kW (with Fan Rating)	24%
<b>C175, 60 HZ, 3000 kW (EPA Tier 4)</b> (Reference the "PSNA-EPG-F_C175A16EL" Caterpillar Price List) 3000 kW (with Fan Rating)	19%
<b>C175, 60 HZ, 3000 kW (EPA Tier 2 for Mobile and Stationary Use)</b> (Reference the "PSNA-EPG-F_C175-16EL" Caterpillar Price List) 3000 kW (with Fan Rating) 3100 kW (without Fan Rating)	26% 26%
<b>G30PGAN, 30kW</b>	
<b>G80PGAN, 50kW, 60kW, 80kW</b>	
<b>G150PGAN, 100kW, 125kW, 150kW</b>	
<b>Natural Gas (Optional LPG) Olympian Generator Sets, 25 - 300 kW</b> (Reference the "PSNA-EPG-F_GASOLYGN" Caterpillar Price List)	
G25	26%
G35	26%
G40	26%
G45	26%
G50	26%
G60	26%
G70	26%
G80	26%
G100	26%
G130	26%
G150	26%
G150	26%
G175	26%
G200	26%
G230	26%
G250	26%
G275	26%
G300	26%
<b>APS60 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)</b>	17%
<b>APS100 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)</b>	17%
<b>APS1000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)</b>	17%
<b>APS2000 - (Reference the "APS 60 100 1000 2000 List Price" Caterpillar Price List)</b>	17%
<b>XQ20N, 60 HZ, 20 kW (EPA Tier 4 &amp; CARB Emissions Certified (Nonroad))</b> (Reference the "PSNA-EPG-F_XQ20N" Caterpillar Price List) 20 kW* (3 or 1 phase) *There are several voltage options available	45%
<b>XQ30N, 60 HZ, 30 kW (EPA Tier 4 &amp; CARB Emissions Certified (Nonroad))</b> (Reference the "PSNA-EPG-F_XQ30N" Caterpillar Price List) 30 kW* (3 or 1 phase) *There are several voltage options available	45%
<b>XQ35BN, 60 HZ, 35 kVA prime (EPA Tier 4 Final &amp; CARB Emissions Certified (Non-road))</b> (Reference the "PSNA-EPG-F_XQ35BN" Caterpillar Price List)	
<b>XQ60N, 60 HZ, 60 kW (EPA Tier 4 &amp; CARB Emissions Certified (Nonroad))</b> (Reference the "PSNA-EPG-F_XQ60N" Caterpillar Price List) 60 kW* (3 or 1 phase) *There are several voltage options available	45%

<b>XQ60BN Tier 4 Final</b>	23%
<b>XQ200N, 60 HZ, 200 kW (EPA Tier 4 Interim &amp; CARB Emissions Certified (Non-road))</b> <i>(Reference the "PSNA-EPG-F_XQ200N" Caterpillar Price List)</i>	
<hr/> 182 kW* (3 phase or 1 phase) <hr/>	45%
<b>XQ350N, 60 HZ, 350 kW (EPA Tier 4 Interim &amp; CARB Emissions Certified (Non-road))</b> <i>(Reference the "PSNA-EPG-F_XQ350N" Caterpillar Price List)</i>	
<hr/> 320 kW* (3 phase or 1 phase) <hr/>	23%
<b>XQ375BN, 60 HZ, 375 kW (EPA Tier 4 Final &amp; CARB Emissions Certified (Non-road))</b> <i>(Reference the "PSNA-EPG-F_XQ375BN" Caterpillar Price List)</i>	23%
<b>XQ500N, 60 HZ, 500 kW (EPA Tier 4 Final &amp; CARB Emissions Certified (Non-road))</b> <i>(Reference the "PSNA-EPG-F_XQ500N" Caterpillar Price List)</i>	
<hr/> 455 kW* (3 or 1 phase) <hr/>	23%
<b>XQ570BN, 60 HZ, 500 kW (EPA Tier 4 Final &amp; CARB Emissions Certified (Non-road))</b> <i>(Reference the "PSNA-EPG-F_XQ570BN" Caterpillar Price List)</i>	23%
<b>XQ800N, 60 HZ, 800 kW (EPA Tier 4 Interim &amp; CARB Emissions Certified (Non-road))</b> <i>(Reference the "PSNA-EPG-F_XQ800N" Caterpillar Price List)</i>	
<hr/> 725 kW* (3 or 1 phase) <hr/>	23%
*There are several voltage options available	
<b>XQ2000N, 60 HZ, 2000 kW (EPA Tier 2 &amp; CARB Emissions Certified)</b> <i>(Reference the "XQ2000N" Caterpillar Price List)</i>	
<hr/> 1825 kW* (3 phase) <hr/>	19%
<b>Switchgear (customizable)</b>	12%
<i>Due to the customization and plethora of options, it is not feasible to provide a paper price list for Cat switchgear. However, members will receive a <u>12% discount</u> off of the configured list price from each member's local dealer.</i>	
<b>UPS (Uninterruptible Power Supply)</b>	
<b>60 HZ, 40 - 130 kVA (Reference the "UPSB130G" Caterpillar Price List)</b>	
UPSB040 (40kVA)	20%
UPSB050 (50 kVA)	20%
UPSB060 (60 kVA)	20%
UPSB080 (80 kVA)	20%
UPSB100 (100 kVA)	20%
UPSB130 (130 kVA)	20%
<b>Plus all price list related options</b>	20%
<b>UPS (Uninterruptible Power Supply)</b>	
<b>Flywheel Options</b>	
<b>(Reference the "UPS300AG" Caterpillar Price List)</b>	
UP0300A - UPS 300 480V 60HZ	20%
UP300G - UPS 300 480V 60HZ	20%
UP0600G - UPS 600 480V 60HZ	20%
UPO300Z - UPS 300 480V 60HZ	20%
UPO600Z - UPS 600 480V 60HZ	20%
UPO900Z - UPS 900 480V 60HZ	20%
UPO1200Z - UPS 1200 480V 60HZ	20%
UPEXP02 - UPS Module Power Stage Expansion	20%
<b>(Reference the "UPS750FG" Caterpillar Price List)</b>	20%
<b>Epic (Reference the "CATEPICG" Price List)</b>	
Epic - Master Control Panel	10%
Epic - Generator Control Panel	10%
Epic - Utility Control Panel	10%
<b>Supervisory Control Panel (Reference the "CATSCPN" Price List)</b>	
EMCP 4.4 SCP	10%
<b>ATS (AUTOMATIC TRANSFER SWITCHES)</b>	
<b>444 ATS's available via ATS 2014 Price List Password: ATS2011</b>	20%

## Caterpillar Sourced Goods & Support Services Multiplier (Power Systems Only)

### Sourced Goods & Support Service Provided

Custom Shop Work  
Installation  
Delivery/Freight  
Training  
Custom Enclosure  
Custom Fuel Tank  
Custom ATS  
Dealer Labor  
Additional/Custom Parts  
General Contracting Labor  
Maintenance Agreements

### National IPA Member Pricing

5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available  
5% off list price / typical sale price if no list price is available

**Electrical Energy Generation Equipment with Related Accessories, Services, and Supplies.**

**CITY OF TUCSON  
DEPARTMENT OF PROCUREMENT**

**REQUEST FOR PROPOSAL NO. 161534**

**Heavy Equipment, Parts, Accessories, Supplies and Related  
Services**

**AMENDMENT NO. ONE (1)**

The referenced document has been modified as per the attached Amendment No. One (1).

**Please sign this Amendment where designated and return the executed copy with the submission of your proposal.** This amendment is hereby made part of the referenced RFP as though fully set forth therein. Any questions regarding this amendment should be addressed to Jeffrey Whiting, Contract Officer at (520) 837-4123 or [Jeffrey.Whiting@tucsonaz.gov](mailto:Jeffrey.Whiting@tucsonaz.gov).

JW/lr

# REQUEST FOR PROPOSAL AMENDMENT

CITY OF TUCSON  
DEPARTMENT OF PROCUREMENT  
255 W. ALAMEDA, 6TH FLOOR, TUCSON, AZ 85701  
P.O. BOX 27210, TUCSON, AZ 85726  
ISSUE DATE: SEPTEMBER 29, 2016

REQUEST FOR PROPOSAL NO. 161534  
RFP AMENDMENT NO. ONE (1)  
PAGE NO. 1 OF 1  
RFP DUE DATE: NOVEMBER 14, 2016 @ 4:00 P.M. Local AZ Time  
RESPONSIBLE CONTRACT OFFICER: JEFFREY WHITING

A SIGNED COPY OF THIS AMENDMENT MUST BE SUBMITTED WITH YOUR SEALED PROPOSAL.  
THIS REQUEST FOR PROPOSAL IS AMENDED AS FOLLOWS:

## Heavy Equipment, Parts, Accessories, Supplies and Related Services

### ITEM NO. ONE (1):

RFP DUE DATE: The Proposal Due Date and Time is hereby **changed**, and shall be **November 14, 2016 at 4:00pm**.

### ITEM NO. TWO (2):

RFP PRE-PROPOSAL DATE: The Pre-Proposal Date and Time is hereby **changed**, and shall be on **October 12, 2016 at 10:00am, City Hall 1<sup>st</sup> Floor Conference Room, 255 W. Alameda, Tucson AZ 85701**.

ALL OTHER PROVISIONS OF THE REQUEST FOR PROPOSAL SHALL REMAIN IN THEIR ENTIRETY.  
VENDOR HEREBY ACKNOWLEDGES RECEIPT AND UNDERSTANDING OF THE ABOVE AMENDMENT.

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

\_\_\_\_\_  
Print Name and Title

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

\_\_\_\_\_  
Address

\_\_\_\_\_  
City State Zip

# CITY OF TUCSON

## REQUEST FOR PROPOSAL

REQUEST FOR PROPOSAL NUMBER: 161534  
PROPOSAL DUE DATE: October 27, 2016 AT 4:00 P.M. LOCAL AZ TIME  
PROPOSAL SUBMITTAL LOCATION: Department of Procurement  
255 W. Alameda, 6<sup>th</sup> Floor, Tucson, AZ 85701

MATERIAL OR SERVICE: HEAVY EQUIPMENT, PARTS, ACCESSORIES,  
SUPPLIES AND RELATED SERVICES

PRE-PROPOSAL CONFERENCE DATE: October 4, 2016  
TIME: 10:00 A.M. LOCAL AZ TIME  
LOCATION: City Hall, 1<sup>ST</sup> Floor Conference Room  
255 W. Alameda, Tucson, AZ 85701

CONTRACT OFFICER: Jeffrey Whiting  
TELEPHONE NUMBER: (520) 837-4123  
Jeffrey.Whiting@tucsonaz.gov

A copy of this solicitation and possible future amendments may be obtained from our Internet site at: <http://www.tucsonprocurement.com/> by selecting the Bid Opportunities link and the associated solicitation number. The City does not mail out Notices of available solicitations via the U.S. Postal Service. Email notifications are sent to those interested offerors who are registered with us and who have selected email as their preferred delivery method. To register, please visit [www.tucsonprocurement.com](http://www.tucsonprocurement.com), click on Vendors, then click on Vendor Registration. To update an existing record, click on Vendors, click on What's New?, and read the section titled "Notice of Solicitations." You may also call (520) 791-4217 if you have questions.

Competitive sealed proposals for the specified material or service shall be received by the Department of Procurement, 255 W. Alameda, 6th Floor, Tucson, Arizona 85701, until the date and time cited.

Proposals must be in the actual possession of the Department of Procurement at the location indicated, on or prior to the exact date and time indicated above. Late proposals shall not be considered. The prevailing clock shall be the City Department of Procurement clock.

Proposals must be submitted in a sealed envelope. The Request for Proposal number and the offeror's name and address should be clearly indicated **on the outside** of the envelope. All proposals must be completed in ink or typewritten. Questions must be addressed to the Contract Officer listed above.

\*\*\*\*ALERT\*\*\*\*

Effective July 1, 2014, the City of Tucson's Small Business Enterprise (SBE) and Disadvantaged Business Enterprise (DBE) Program has moved to the Department of Procurement and has become the Business Enterprise and Compliance Program. To contact them, please call (520) 837-4000 or visit the website at [http://www.tucsonprocurement.com/Bidders\\_Page.aspx](http://www.tucsonprocurement.com/Bidders_Page.aspx) and click on SBE or DBE.

JW/lr

PUBLISH DATE: September 27, 2016

## INTRODUCTION

The City of Tucson (herein referred to as the City) is requesting proposals from qualified and experienced firms to provide **HEAVY EQUIPMENT, PARTS, ACCESSORIES, SUPPLIES AND RELATED SERVICES**. The City requires a contractor who provides a diverse and extensive supply of equipment for purchase and/or rental to various locations in the Tucson metropolitan area.

Heavy equipment will include, but not be limited to, the following equipment categories: Landfill, Construction, and Material Handling. The City has approximately 150 pieces of heavy equipment that falls under the heavy equipment category.

Requirements and qualifications are defined in detail in the Scope of Services Section of this Request for Proposal (RFP). The City seeks a firm that can supply the specified services, supplies, parts, equipment and materials.

## NATIONAL CONTRACT REQUIREMENTS

The City, as the Principal Procurement Agency, as defined in Attachment A, has partnered with the National Intergovernmental Purchasing Alliance Company ("National IPA") to make the resultant contract (also known as the "Master Agreement" in materials distributed by National IPA) from this solicitation available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), through National IPA's cooperative purchasing program. The City is acting as the contracting agency for any other Public Agency that elects to utilize the resulting Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with National IPA as a Participating Public Agency in National IPA's cooperative purchasing program. Attachment A contains additional information on National IPA and the cooperative purchasing agreement.

National IPA is the public sector arm of Provista, a multi-industry supply chain improvement company providing group organization and business solutions in various markets nationwide. We partner with sister company, Vizient (formally, Novation), to leverage over \$100 billion in annual supply spend to command the best prices on products and services. With corporate, pricing and sales commitments from the Supplier, National IPA provides marketing and administrative support for the Supplier that directly promotes the Supplier's products and services to Participating Public Agencies through multiple channels, each designed to promote specific products and services to Public Agencies on a national basis. Public Agencies benefit from pricing based on aggregate spend and the convenience of a contract that has already been advertised and competed. The Supplier benefits from a contract that allows Participating Public Agencies to directly purchase goods and services without the Supplier's need to respond to additional competitive solicitations. As such, the Supplier must be able to accommodate a nationwide demand for services and to fulfill obligations as a nationwide Supplier and respond to the National IPA documents Attachment A.

The City anticipates spending approximately \$8.5 million for Heavy Equipment over the full potential Master Agreement term (5 years). For Fiscal Year 17, the City anticipates purchasing an articulating haul truck and a water wagon. While no minimum volume is guaranteed to the Supplier, the estimated annual volume of Heavy Equipment purchased under the Master Agreement through National IPA is approximately \$25,000,000. This projection is based on the current annual volumes among the City of Tucson, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through National IPA, and volume growth into other Public Agencies through a coordinated marketing approach between the Supplier and National IPA.

## TENTATIVE SCHEDULE OF EVENTS

To the extent achievable, the following schedule shall govern the review, evaluation and award of the contract. The dates are estimates only and the City reserves the right to modify the dates below as necessary.

<b>Activity</b>	<b>Estimated Finish Date of Activity</b>
RFP Published	September 27, 2016
Pre-proposal conference	October 4, 2016
Proposal due date	October 27, 2016
Anticipated Vendor Interview / Demonstration	November 28 – December 2, 2016
Anticipated Final negotiation completed	December 19, 2016
Contract award & issuance of purchase order	January 9, 2017

## SCOPE OF WORK

### **A. GENERAL REQUIREMENTS**

1. **QUALIFIED FIRMS:** Offerors should meet the minimum qualifications:
  - a. Have a strong national presence in the heavy equipment industry.
  - b. Have a distribution model capable of delivering heavy equipment nationwide.
  - c. Have a demonstrated sales presence.
  - d. Be able to meet the minimum requirements of the cooperative purchasing program detailed herein.
  - e. Be able to provide the full range of products, equipment, parts, materials and services to meet the demands of the City and all agencies that opt to participate in the cooperative purchasing program with the City.
  
2. **PRODUCTION REPORTS:** The Contractor or associated dealer must have the ability to furnish the agency ordering equipment and National IPA with MONTHLY progress reports confirming status of delivery dates as agreed upon. These reports shall include, but not be limited to, the following:
  - a. Copy of Contractor's order to the factory.
  - b. Copy of factory acknowledgment of order indicating scheduled date of production and shipment from factory.
  - c. Factory generated computer status reports.
  - d. Notification to the City of any changes in production or shipping dates.
  - e. Any special information the Contractor shall have that would affect the timely delivery of the vehicles ordered in accordance with original delivery date promise.

In lieu of written reports submitted to Operations/Fleet Services, the Contractor may provide access to an Internet based on-line order tracking system. Any on-line system provided must provide the information required above. The Contractor must provide all access codes necessary to view this information.
  
3. **DELIVERY and DELIVERY DOCUMENTATION:** The following documents are due upon delivery of the completed vehicles to the City:
  - a. Invoice
  - b. Warranty document
  - c. Level 1 Inspection
  - d. Required manuals
  - e. RD108-Title

Upon contract award, the Contractor will be required to supply a delivery ticket specifying the purchase order number of each vehicle.

Delivery to the City of Tucson: All deliveries shall be made Monday through Friday from 8:00 a.m. to 3:00 p.m. The Contractor shall be required to give the General Services Department/Fleet Services Division a minimum of 24-hour notification prior to delivery with the anticipated time of delivery and quantity of units to be delivered.

4. **VEHICLE INSPECTION:** The purchasing agency will assist the Contractor or the authorized dealer in arranging for inspection of each piece of equipment purchased. Each vehicle delivered shall be subject to a complete inspection by the General Services Department/Fleet Services Division staff prior to acceptance. Inspection criteria shall include, but not be limited to, conformity to the specifications, mechanical integrity, quality, workmanship and materials. If delivered equipment is returned to the

Contractor prior to acceptance for any reason, all corrections shall be made without any inconvenience to the City.

5. **TRAINING:** The Contractor shall provide, at no additional cost, training for each basic unit of equipment purchased. This training shall be adequate to the needs of the typical equipment operator and service technician in order to assure proper operation, utilization and maintenance of the equipment supplied. Any manuals necessary to perform the required training shall be furnished by the Contractor. The trainer shall be factory-trained and thoroughly knowledgeable in equipment operator and service technician functions. Training shall be presented in a quality suitable for videotaping. The City reserves the right to videotape part or all of the training provided at no additional cost to the agency.
6. **REPAIRS:** The Contractor will be responsible for transport of vehicles to and from his place of business for repairs, at no additional cost to the City, until such time as the City of Tucson places the vehicle in service. Transport of the vehicle will not be delayed more than one working day from date of notification.
7. **WARRANTIES:** Offeror shall warrant that all equipment and parts furnished in their offer are newly manufactured and free from defects in material and workmanship from the date the City places the equipment into service. Warranty shall also guarantee accepted trade standards of quality, fitness for the intended uses, and conformance to promises or specified specifications. No other express or implied warranty shall eliminate the vendor's liability as stated herein.

Total Maintenance and Repair (TMR's) must be agreed upon and presented to the City prior to the purchase of equipment and/or rebuilds.

8. **VENDOR SERVICE AND MAINTENANCE:** Contractor will provide and maintain a factory authorized parts and service facility within a reasonable distance to the purchasing location.

For the City, the parts and service facility must be within a 125-mile radius of the City of Tucson Price Service Center (4004 S. Park Avenue, 85714). If warranty service is not provided within the Tucson metro area, the Contractor shall be responsible for all costs, including fuel and labor, of transporting vehicle(s) between the City's Price Service Center and the Contractor's service center. The method of transportation must be mutually agreed to by the Contractor and the City prior to transport.

For service calls, the Contractor must provide a response within 60 minutes.

**Additional Requirement for City of Tucson Landfill:** A service technician must be on-site each morning, Monday-Friday (except holidays) to service and maintain the City of Tucson landfill equipment located at 5300 E. Los Reales Road, Tucson, AZ.

9. **VEHICLE RECALL NOTICES:** In the event of any recall notice, technical service bulletin, or other important notification affecting a vehicle purchased from this contract, a notice shall be sent to the purchasing agency's representative. For the City of Tucson, all notices shall be sent to General Services, Fleet Services Division, 4004 S. Park Avenue, Building 1, Tucson, AZ 85714.

**B. EQUIPMENT AND PRODUCT REQUIREMENTS:**

1. **EQUIPMENT:** A complete and comprehensive line of new and used Heavy Equipment to support various needs of agencies is requested. The categories include, but are not limited to, the following:

**Landfill Equipment:**

Landfill Dozers  
Landfill Compactors  
Landfill Scraper

**Material Handling**

Fork Lift  
Crane / Wheeled  
Crane / Track

**Construction Equipment**

Air Compressor  
Articulated Dump Truck  
Asphalt Cold Planer  
Asphalt Rotary Mixer  
Bucket Truck  
Cement Mixer  
Chip Spreader  
Crack Sealer  
Dozers / Tracked  
Dozers / Wheeled  
Dump Trucks  
Excavators / Tracked  
Excavators / Wheeled  
Ice Resurfacer  
Loaders / Backhoe / Wheeled  
Loaders / Tracked  
Loaders / Wheeled  
Motor Graders  
Patcher Truck  
Paver / Tracked  
Paver / Wheeled  
Rollers / Drum / Vibrate  
Rollers / wheeled / Pneumatic  
Rollers / Drum / Wheeled  
Scrapers  
Skid Steer Loaders  
Soil Compactors  
Sweeper / Scrubber  
Sweeper / Street  
Sweeper / walkway  
Telehandlers  
Trailer / Tilt  
Trailer / Flatbed  
Trailer / Drop Neck  
Trailer / Utility  
Trencher  
Water Truck  
Water Wagon

- 2. CURRENT EQUIPMENT AND PRODUCTS:** All equipment and products being offered in response to this solicitation shall be in current and ongoing production; shall be formally announced for general marketing purposes; shall be a model or type currently functioning in a user (paying customer) environment and capable of meeting or exceeding all specifications and requirements set forth in this solicitation.
  
- 3. PRICING:** Offerors shall provide a verifiable pricing model that may include, but not be limited to, a discount from a verifiable price index, a reduced net pricing schedule, a hybrid or other supplier specific pricing model. The pricing model shall remain firm and will include all charges that may be incurred in fulfilling requirement(s) for the twelve-month period following contract award. Where applicable, pricing shall be determined by applying Offerors discounts to the prices listed on their manufacturer's price lists, retail price sheets, catalogs or by utilizing the reduced net pricing schedule.

## C. SERVICE REQUIREMENTS

1. **SERVICES:** The City is seeking the inclusion of value-add services. These services may be provided by the authorized manufacturer or dealer and sample categories include, but are not limited to:

a. **Repair Services:** The ability to provide repair services through authorized manufacturer's facilities or dealers. Repair services may include, but not be limited to, hourly rate for repairs in shop, hourly rate for repairs in field, weld repairs, machining work, etc.

b. **Maintenance Services:** The ability to provide various maintenance services and options through authorized manufacturer's facilities or dealers. Maintenance services may include scheduled services based upon the manufacturer's recommended guidelines to include, but not be limited to, daily scheduled services, daily fuel dispensing, major/minor machine cleaning, etc. Maintenance services may also include mobile maintenance.

For landfill equipment, if the City has purchased the maintenance services from the manufacturer's dealer, the City requires loaner or rental equipment if the machine is down for more than 24 hours. If the equipment is down due to no fault of the City, the loaner shall be provided at no additional cost.

c. **Warranties:** The ability to provide a full range of extended warranties.

d. **Lease/Financing Options:** The ability to provide financing options. Identify direct or third party financing or both.

e. **Trade-In or Buyback Options:** The ability to trade-in used equipment or obtain a guaranteed buy back price at the time of purchase.

f. **Rental:** The ability to rent heavy equipment through the manufacturer or dealer.

g. **Incorporation of New Business Enterprises:** The ability to incorporate certain business enterprises (as requested by the City or Participating Agencies) into your distribution, and sales channels.

h. **Green/Sustainability Program:**

1. Policies: Efforts and policies pertaining to green and sustainability.
2. Products: Impact on product offerings.
3. Distribution: Impact in distribution.
4. Certifications: The industry recognized certifications and standards obtained.

i. **Training & Education:** The ability to provide on-site and/or online training and educational programs/seminars.

j. **Customer Support Services:** The policies on replacements, returns, restocking charges, after hours service, after sales support, out of stock, order tracing, technical feedback, quality assurance for orders and drop shipments.

k. **Other Services/Options:** Other value-add services not included in above categories.

## INSTRUCTIONS TO OFFERORS

### 1. DEFINITION OF KEY WORDS USED IN THE SOLICITATION:

For purposes of this solicitation and subsequent contract, the following definitions shall apply:

**City:** The City of Tucson, Arizona

**Contract:** The legal agreement executed between the City and the Contractor/Consultant. The Contract shall include this RFP document incorporated herein by reference, all terms, conditions, specifications, scope of work, Amendments, the Contractor's offer and negotiated items as accepted by the City.

**Contractor/Consultant:** The individual, partnership, or corporation who, as a result of the competitive solicitation process, is awarded a contract by the City.

**Contract Representative:** The City employee or employees who have specifically been designated to act as a contact person or persons to the Contractor, and is responsible for monitoring and overseeing the Contractor's performance under this Contract.

**Director of Procurement:** The contracting authority for the City, authorized to sign contracts and amendments thereto on behalf of the City.

**May:** Indicates something that is not mandatory but permissible.

**Offeror:** The individual, partnership, or corporation who submits a proposal in response to a solicitation.

**Shall, Will, Must:** Indicates a mandatory requirement. Failure to meet these mandatory requirements, if they constitute a substantive requirement, may, at the City's sole discretion, result in the rejection of a proposal as non-responsive.

**Should:** Indicates something that is recommended but not mandatory. If the Offeror fails to provide recommended information, the City may, at its sole option, ask the Offeror to provide the information or evaluate the proposal without the information.

2. **PRE-PROPOSAL CONFERENCE:** If scheduled, the date and time of a Pre-Proposal conference is indicated on the cover page of this document. Attendance at this conference is not mandatory. Written minutes and/or notes will not be available, therefore attendance is encouraged. If an Offeror is unable to attend the Pre-Proposal Conference questions may be submitted in writing. Offerors are encouraged to submit written questions, via electronic mail or facsimile, at least five days prior to the Request for Proposal due date to the Contract Officer listed above. The purpose of this conference will be to clarify the contents of this Request for Proposal in order to prevent any misunderstanding of the City's position. Any doubt as to the requirements of this Request for Proposal or any apparent omission or discrepancy should be presented to the City at this conference. The City will then determine the appropriate action necessary, if any, and may issue a written amendment to the Request for Proposal. Oral statements or instructions will not constitute an amendment to this Request for Proposal.

3. **INQUIRIES:** Any question related to the Request for Proposal shall be directed to the Contract Officer whose name appears above. An offeror shall not contact or ask questions of the department for whom the requirement is being procured. The Contract Officer may require any and all questions be submitted in writing. Offerors are encouraged to submit written questions via electronic mail or facsimile, at least five days prior to the proposal due date. Any correspondence related to a solicitation should refer to the appropriate Request for Proposal number, page and paragraph number. An envelope containing questions should be identified as such, otherwise it may not be opened until after the official proposal due date and time. Oral interpretations or clarifications will be without legal effect. Only questions answered by a formal written amendment to the Request for Proposal will be binding.

4. **AMENDMENT OF REQUEST FOR PROPOSAL:** The Offeror shall acknowledge receipt of a Request for Proposal Amendment by signing and returning the document by the specified due date and time.

5. **FAMILIARIZATION OF SCOPE OF WORK:** Before submitting a proposal, each offeror shall familiarize itself with the Scope of Work, laws, regulations and other factors affecting contract performance. The Offeror shall be responsible for fully understanding the requirements of the subsequent Contract and otherwise satisfy itself as to the expense and difficulties accompanying the fulfillment of contract requirements. The submission of a proposal will constitute a representation of compliance by the Offeror.

There will be no subsequent financial adjustment, other than that provided by the subsequent Contract, for lack of such familiarization.

**6. PREPARATION OF PROPOSAL:**

- A. All proposals shall be on the forms provided in this Request for Proposal package. It is permissible to copy these forms as required. Facsimiles or electronic mail proposals shall not be considered.
- B. At a minimum, your proposal should include the signed Offer and Acceptance form, signed copies of any solicitation amendments, completed Price Page and your response to all evaluation criteria.
- C. The Offer and Acceptance page shall be signed by a person authorized to submit an offer. An authorized signature on the Offer and Acceptance page, Proposal Amendment(s), or cover letter accompanying the proposal documents shall constitute an irrevocable offer to sell the good and/or service specified herein. Offeror shall submit any additional requested documentation, signifying intent to be bound by the terms of the agreement.
- D. The authorized person signing the proposal shall initial erasure, interlineations or other modifications on the proposal.
- E. In case of error in the extension of prices in the proposal, unit price shall govern when applicable.
- F. Periods of time, stated as a number of days, shall be in calendar days.
- G. It is the responsibility of all offerors to examine the entire Request for Proposal package and seek clarification of any requirement that may not be clear and to check all responses for accuracy before submitting a proposal. Negligence in preparing a proposal confers no right of withdrawal after due date and time.
- H. The City shall not reimburse the cost of developing, presenting, submitting or providing any response to this solicitation.
- I. Offeror must list any subcontractors to be utilized in the performance of the services specified herein. For each subcontractor, details on respective qualifications must be included.

**7. PAYMENT DISCOUNTS:** Payment discount periods shall be computed from the date of receipt of the material/service or correct invoice, whichever is later, to the date City's payment warrant is mailed. Unless freight and other charges are itemized, any discount provided shall be taken on full amount of invoice. Payment discounts of twenty-one calendar days or more shall be deducted from the proposed price in determining the price points. However, the City shall be entitled to take advantage of any payment discount offered by a vendor provided payment is made within the discount period. The payment discount shall apply to all purchases and to all payment methods.

**8. TAXES:** The City of Tucson is exempt from federal excise tax, including the federal transportation tax.

**9. PROPOSAL/SUBMITTAL FORMAT:** An original and 6 copies ( 7 total) of each proposal should be submitted on the forms and in the format specified in the RFP. Offerors shall also submit one electronic copy of the proposal on cd, disc or zip disc in MS Office 2003 or .pdf format. Any confidential information shall be submitted on a separate cd, disc or zip disc. The original copy of the proposal should be clearly labeled "Original" and shall be single-sided, three hole punched and in a binder. The material should be in sequence and related to the RFP. **The sections of the submittal should be tabbed, clearly identifiable and should include a minimum of the following sections: the completed Offer and Acceptance Form, all signed Amendments, a copy of this RFP document and the Offeror's response to the Evaluation Criteria including the completed Price Page.** Failure to include the requested information may have a negative impact on the evaluation of the offeror's proposal.

**10. EXCEPTIONS TO CONTRACT PROVISIONS:** A response to any Request for Proposal is an offer to contract with the City based upon the contract provisions contained in the City's Request for Proposal, including but not limited to, the specifications, scope of work and any terms and conditions. Offerors who wish to propose modifications to the contract provisions must clearly identify the proposed deviations and any proposed substitute language. The provisions of the Request for Proposal cannot be modified without the express written approval of the Director or his designee. If a proposal or offer is returned with

modifications to the contract provisions that are not expressly approved in writing by the Director or his designee, the contract provisions contained in the City's Request for Proposal shall prevail.

- 11. PUBLIC RECORD:** All proposals submitted in response to this Request for Proposal shall become the property of the City and shall become a matter of public record available for review subsequent to the award notification.
- 12. CONFIDENTIAL INFORMATION:** The City of Tucson is obligated to abide by all public information laws. If an Offeror believes that any portion of a proposal, offer, specification, protest or correspondence contains information that should be withheld, a statement advising the Contract Officer of this fact should accompany the submission and the information shall be so identified wherever it appears. The City shall review all requests for confidentiality and may provide a written determination to designate specified documents confidential or the request may be denied. Price is not confidential and will not be withheld. If the confidential request is denied, such information shall be disclosed as public information, unless the offeror submits a formal written objection.
- 13. CERTIFICATION:** By signature on the Offer and Acceptance page, solicitation Amendment(s), or cover letter accompanying the submittal documents, Offeror certifies:
  - A. The submission of the offer did not involve collusion or other anti-competitive practices.
  - B. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal or State law.
  - C. The Offeror has not given, offered to give, nor intends to give at any time hereafter, any economic opportunity, future employment, gift, loan, gratuity, special discount, trip, favor, meal or service to a public servant in connection with the submitted offer.
  - D. The Offeror hereby certifies that the individual signing the submittal is an authorized agent for the Offeror and has the authority to bind the Offeror to the Contract.
- 14. WHERE TO SUBMIT PROPOSALS:** In order to be considered, the Offeror must complete and submit its proposal to the City of Tucson Department of Procurement at the location indicated, prior to or at the exact date and time indicated on the Notice of Request for Proposal page. The Offeror's proposal shall be submitted in a sealed envelope. The words "SEALED PROPOSAL" with the REQUEST FOR PROPOSAL TITLE, REQUEST FOR PROPOSAL NUMBER, PROPOSAL DUE DATE AND TIME and OFFEROR'S NAME AND ADDRESS shall be written on the envelope.
- 15. LATE PROPOSALS:** Late proposals will be rejected.
- 16. OFFER AND ACCEPTANCE PERIOD:** In order to allow for an adequate evaluation, the City requires an offer in response to this solicitation to be valid and irrevocable for ninety (90) days after the proposal due date and time.
- 17. WITHDRAWAL OF PROPOSAL:** At any time prior to the specified solicitation due date and time, an offeror may formally withdraw the proposal by a written letter, facsimile or electronic mail from the Offeror or a designated representative. Telephonic or oral withdrawals shall not be considered.
- 18. DISCUSSIONS:** The City reserves the right to conduct discussions with offerors for the purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the proposal in order to clarify an offer and assure full understanding of, and responsiveness to, solicitation requirements.
- 19. CONTRACT NEGOTIATIONS:** Exclusive or concurrent negotiations may be conducted with responsible offeror(s) for the purpose of altering or otherwise changing the conditions, terms and price of the proposed contract unless prohibited. Offerors shall be accorded fair and equal treatment in conducting negotiations and there shall be no disclosure of any information derived from proposals submitted by competing offerors. Exclusive or concurrent negotiations shall not constitute a contract award nor shall it confer any

property rights to the successful offeror. In the event the City deems that negotiations are not progressing, the City may formally terminate these negotiations and may enter into subsequent concurrent or exclusive negotiations with the next most qualified firm(s).

**20. VENDOR APPLICATION:** Prior to the award of a Contract, the successful offeror shall register with the City's Department of Procurement. Registration can be completed at <http://www.tucsonprocurement.com/> by clicking on Vendor Services. Please note that email notifications of newly published solicitations and amendments will be provided to those vendors that select email as their preferred delivery method in their vendor record.

**21. CITY OF TUCSON BUSINESS LICENSE:** It is the responsibility of the Contractor to have a City of Tucson Business License throughout the life of this contract or a written determination from the City's Business License Section that a license is not required. At any time during the contract, the City may request the Contractor to provide a valid copy of the business license or a written determination that a business license is not required. Application for a City Business License can be completed at <http://www.tucsonaz.gov/etax>. For questions contact the City's Business License Section at (520) 791-4566 or email at [tax-license@tucsonaz.gov](mailto:tax-license@tucsonaz.gov).

**22. UPON NOTICE OF INTENT TO AWARD:** The apparent successful offeror shall sign and file with the City, within five (5) days after Notice of Intent to Award, all documents necessary to the successful execution of the Contract.

**23. AWARD OF CONTRACT:** Notwithstanding any other provision of the Request for Proposal, the City reserves the right to:

- (1) waive any immaterial defect or informality; or
- (2) reject any or all proposals, or portions thereof; or
- (3) reissue the Request for Proposal.

A response to this Request for Proposal is an offer to contract with the City based upon the terms, conditions and Scope of Work contained in the City's Request for Proposal. Proposals do not become contracts unless and until they are executed by the City's Director of Procurement and the City Attorney. A contract has its inception in the award, eliminating a formal signing of a separate contract. All of the terms and conditions of the contract are contained in the Request for Proposal, unless any of the terms and conditions are modified by a Request for Proposal amendment, a Contract Amendment, or by mutually agreed terms and conditions in the Contract documents.

**24. PROPOSAL RESULTS:** The name(s) of the successful offeror(s) will be posted on the Procurement Department's Internet site at <http://www.tucsonprocurement.com/> upon issuance of a Notice of Intent to Award or upon final contract execution.

**25. PROTESTS:** A protest shall be in writing and shall be filed with the Director of Procurement. A protest of a Request for Proposal shall be received at the Department of Procurement not less than five (5) working days before the Request for Proposal due date. A protest of a proposed award or of an award shall be filed within ten (10) days after issuance of notification of award or issuance of a notice of intent to award, as applicable. A protest shall include:

- A. The name, address, and telephone number of the protestant;
- B. The signature of the protestant or its representative;
- C. Identification of the Request for Proposal or Contract number;
- D. A detailed statement of the legal and factual grounds of protest including copies of relevant documents; and
- E. The form of relief requested.

## **PROPOSAL EVALUATION REQUIREMENTS**

### **I. PROPOSAL EVALUATION CRITERIA – (listed in relative order of importance)**

- A. Method of Approach
- B. Price Proposal
- C. Qualifications & Experience

### **II. REQUIREMENTS SPECIFIC TO EVALUATION CRITERIA:** The narrative portion and the materials presented in response to this Request for Proposal should be submitted in the same order as requested and must contain, at a minimum, the following:

#### **A. Method of Approach**

- 1) National Program
  - a. Provide a response to the national program by including a detailed response to Attachment A, Exhibit A, National IPA Response for National Cooperative Contract. Provide any proposed exceptions to Attachment A, Exhibit B, National IPA Administration Agreement for the City's consideration.
- 2) Distribution Network
  - a. Describe how your firm proposes to distribute the equipment, accessories, parts, repair and services nationwide. Describe any parts the distribution network will have "on-hand" and those that must be ordered.
  - b. Identify all other companies/distributors/dealers that will be involved in processing, handling or shipping the products/services to Participating Public Agencies.
  - c. Provide the number, size and location of your firm's manufacturing facilities, distribution facilities, warehouses, service facilities and dealer networks as applicable. State the estimated dollar value of your inventory. Include a map showing heavy equipment distribution network coverage nationwide.
  - d. Describe your dealer network and their role in providing products, services, etc. under this contract.
- 3) Product
  - a. Provide a detailed written response illustrating how the equipment, accessories, parts, supplies and related services offered will meet the requirements of this solicitation. Offerors shall identify and describe their heavy equipment categories. For each proposed category, describe in detail and provide at a minimum the following types of information:
    - 1. Identification and description of equipment categories offered.
    - 2. Identification and description of sub categories.
    - 3. Identify accessories, parts, services, etc. that are available through the manufacturer.
    - 4. Identify accessories, parts, services, etc. that are available through the authorized dealer.
    - 5. Provide descriptions, catalog(s) or website links for accessories, parts and supplies offered.

6. Do you offer color choices for each product listed?
  - b. Describe descriptions, catalog(s) or website links for accessories, parts and supplies offered, including:
    1. types of warranties available (by category or equipment)
    2. description of your warranty claims procedures.
    3. description of your policy addressing warranty issues related to:
      - i. Major Component Failures
      - ii. Engineering Deficiencies
      - iii. Describe your firm's standard response time to address warranty failure issues.
  - c. Is there a dedicated support representative that the City should contact? If yes, provide their name and complete contact information.
  - d. Provide information which details the costs, types, and extents of available extended warranty coverage for heavy equipment.
  - e. Describe how your firm is anticipating and ensuring compliance with the Environmental Protection Agency (EPA) emission changes.
    - f. Submit all information that will aid the City in evaluating your proposal
- 4) Service
- a. Provide a detailed written response illustrating how your firm or the authorized dealers will provide services to meet the requirements of this solicitation. Offerors shall provide the proposed services that will meet the Service Requirements section of the Scope of Work outlined in this solicitation. For each proposed category, describe and/or provide details explaining your capabilities. In your response include information such as:
    1. Provide detailed information explaining your service capabilities.
    2. Provided detailed information explaining the service capabilities of your authorized dealers.
    3. Describe the maintenance programs offered. If a maintenance program is selected by the City, will your firm provide a loaner or rental machine if the machine is down for more than 24 hours?
    4. Describe your training programs, addressing, at a minimum, the following:
      - i. How will equipment training be conducted?
      - ii. Describe the training curriculum for the equipment operators.
      - iii. Describe the training curriculum for the service technicians.
      - iv. How will you accommodate various work shifts?
      - v. What type of documentation is provided with the proposed training?
      - vi. Is a "train the trainer" program available? Is this training different than the regular initial training? Can training sessions be recorded for future use by the agency?
      - vii. Is the training provided by the manufacturer, dealer or both?

- 5) Ordering and Invoices
  - a. Describe your order process.
  - b. How do agencies work with your firm to determine appropriate equipment needs?
  - c. Describe the equipment delivery process and your delivery commitment.
  - d. What is your standard equipment delivery timeframes?
  - e. How does your firm communicate order cut off dates to your customers?
  - f. Identify and describe any exceptions or challenges.
  - g. Provide details of the capabilities of your E-Commerce website including ability to display contract pricing, on-line ordering, order tracking, search options, order history, technical assistance, lists, technical data and documentation, identification of alternate green products, etc.
  - h. Describe your invoicing process. Is electronic invoicing available? Is summary invoicing available? Are there other options on how an agency receives an invoice? Submit sample invoices.
  - i. Describe how problems – such as a customer ordering a wrong product; a customer receiving a defective or wrong product; etc. – are resolved.
  - j. Describe how your firm measures performance including identification, calculation, tracking and reporting of measurements.
  - k. Titles- will equipment be provided with proof of registration with the state?
  - l. Will each product be delivered free of distributor advertising?
- 6) Other
  - a. Describe any government rebate programs applicable.

## **B. Price Proposal**

- 1) Provide a Price Proposal. Submit the Price Proposal as a separate and clearly identified document. The Price Proposal shall minimally include the following: Offerors shall submit pricing based on the Equipment, Product Requirements and Service Requirement categories identified on the Scope of Services. Pricing should be based upon a verifiable pricing structure, such as a fixed percent discount from an index or indices or established price list, etc. Where applicable, Offerors shall provide pricing for all product and services offered. Describe how pricing is determined for a base model equipment purchase and how pricing is determined for options, accessories and services. Identify the price list being used and include an electronic copy (or website link) so that net prices can be determined.

The price proposal should include pricing for equipment, accessories and options, parts, service and any additional value-add goods or services available such as financing, rental and used equipment for purchase from the vendor. Vendors must indicate if discounts are based on manufacturer price lists or dealer price lists.

In order to allow ordering flexibility for equipment that is mounted to a chassis, Offerors should provide a separate pricing structure for each the chassis and the truck, in addition to a total pricing structure for the complete piece of equipment.

- 2) Based on your distribution network, explain how freight is calculated.
- 3) The discount structure provided by the supplier is intended to remain constant throughout the term of the Contract. Discuss how often price lists are updated and provide a listing of price list changes that have taken place over the last 3 years. Discuss any known future price list changes or industry changes that will effect pricing over the next 5 years.
- 4) State if pricing is most favorable offered to government agencies. Describe how your firm will ensure this contract will continually offer the best pricing available to Participating Public Agencies.
- 5) Provide details of and propose additional discounts for volume orders, special manufacturer's offers, minimum order quantity, free goods program, total annual spend, etc.
- 6) Provide information on any ordering methods – such as electronic ordering or payment via pCard or EFT – or other criteria which entitle the using agency to additional discounts.
- 7) As stated in the Instructions to Offerors, 7. Discounts, the price(s) herein can be discounted by \_\_\_\_\_%, if payment is made within \_\_\_\_\_ days. These payment terms shall apply to all purchases and to all payment methods.
- 8) Will payment be accepted via commercial credit card? \_\_\_\_\_Yes \_\_\_\_\_No
  - a. If yes, can commercial payment(s) be made online? \_\_\_\_\_Yes \_\_\_\_\_No
  - b. Will a third party be processing the commercial credit card payment(s)? \_\_\_Yes \_\_\_No
  - c. If yes, indicate the flat fee per transaction \$\_\_\_\_\_ (as allowable, per Section 5.2.E of Visa Operating Regulations).
  - d. If “no” to above, will consideration be given to accept the card? \_\_\_\_\_Yes \_\_\_\_\_No
- 9) Does your firm have a City of Tucson Business License? \_\_\_\_\_Yes \_\_\_\_\_No
  - a. If yes, please provide a copy of your City of Tucson Business license.

### **C. Qualifications & Experience**

- 1) Provide a brief history and description of your company. Describe your market position in the local government, educational and medical market spaces.
- 2) Describe your dealer network and their role in providing products and services under this contract.
- 3) Provide a listing of key personnel who will be assigned to the City's contract. Include their title within your organization and the description of the type of work they may perform. Please identify an executive corporate sponsor who will be responsible for the overall management of the awarded Master Agreement.
- 4) Summarize your experience in providing equipment, products and services similar to that outlined in the Scope of Work. Provide a minimum of three references for which you have provided similar products and services. References from other public agencies, particularly municipal governments, are preferred. Please include company name, address, phone, email, and contact person.

- 5) Please submit any additional information that you feel is applicable to your qualifications and experience.
- 6) Provide the qualifications of technicians that will be servicing equipment throughout the nation.
- 7) Describe your quality control program including but not limited to: what is your quality control procedures, who performs the quality control inspection? What are the qualifications of the inspectors? What items are inspected / tested? Etc.

### **III. GENERAL**

#### **A. Shortlist:**

The City reserves the right to shortlist the offerors based on the stated criteria. However, the City may determine that shortlisting is not necessary.

#### **B. Interviews:**

The City reserves the right to conduct interviews with some or all of the offerors at any point during the evaluation process. However, the City may determine that interviews are not necessary. In the event interviews are conducted, information provided during the interview process shall be taken into consideration when evaluating the stated criteria. The City shall not reimburse the offeror for the costs associated with the interview process.

#### **C. Additional Investigations:**

The City reserves the right to make such additional investigations as it deems necessary to establish the competence and financial stability of any offeror submitting a proposal.

#### **D. Prior Experience:**

Experiences with the City and entities that evaluation committee members represent and that are not specifically mentioned in the solicitation response may be taken into consideration when evaluating offers.

#### **E. Multiple Awards:**

To provide adequate contract coverage, at the City's sole discretion, multiple awards may be made.

## SPECIAL TERMS AND CONDITIONS

1. **FEDERAL, STATE AND LOCAL TAXES, LICENSES AND PERMITS:** The Supplier shall comply with all Federal, State, and local licenses and permits required for the operation of the business conducted by the Supplier as applicable to this Contract. The Supplier shall, at no expense to the City, National IPA, or other Participating Public Agencies, procure and keep in force during the entire period of the Agreement all such permits and licenses.
  
2. **SUBCONTRACTORS:** No subcontract shall be made by the contractor with any other party for furnishing any of the services herein contracted for without the advance written approval of the Department of Procurement. All subcontractors shall comply with Federal and State laws and regulations that are applicable to the services covered by the subcontractor and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. Contractor is responsible for contract performance whether or not subcontractors are used.
  
3. **FOB DESTINATION FREIGHT PREPAID:** Prices shall be FOB Destination Freight Prepaid to the delivery location designated. Contractor shall retain title and control of all goods until they are delivered and the Contract of coverage has been completed. All risk of transportation and all related charges shall be the responsibility of the Contractor. All claims for visible or concealed damage shall be filed by the Contractor. The City will assist the Contractor in arranging for inspection.
  
4. **INSURANCE:** The Contractor agrees to:
  - A. Obtain insurance coverage of the types and amount required in this section and keep such insurance coverage in force throughout the life of this contract. All policies will contain an endorsement providing that written notice be given to the City at least 30 days prior to termination or cancellation in coverage in any policy, and 10 days notice for cancellation due to non-payment in premium.
  
  - B. The Commercial General Liability Insurance and Commercial Automobile Liability Insurance policies will include the City as an additional insured with respect to liability arising out of the performance of this contract. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract. The insurance hereunder will be primary and that any insurance carried by the City will be excess and not contributing.
  
  - C. Provide and maintain minimum insurance limits as applicable.

COVERAGE	LIMITS OF LIABILITY
<b>I. Commercial General Liability:</b>	
Policy shall include Bodily Injury, Property Damage, Personal Injury and Broad Form Contractual Liability	
Each Occurrence	\$1,000,000
General Aggregate (including Per Project)	\$2,000,000
Products & Completed Operations Aggregate	\$2,000,000
Personal and Advertising Injury	\$1,000,000
Blanket Contractual Liability	\$1,000,000
<b>II. Commercial Automobile Liability</b>	
Policy shall include Bodily Injury and Property Damage, for any owned, Hired, and/or Non-owned vehicles used in the operation, installation and maintenance of facilities under this agreement.	
Combined Single Limit	\$1,000,000

<b>III. Workers' Compensation (applicable to the State of Arizona)*<sup>1</sup></b>	
Per Occurrence	Statutory
Employer's Liability	\$1,000,000
Disease Each Employee	\$1,000,000
Disease Policy Limit	\$1,000,000
<b>IV. Garage Liability &amp; Garage Keepers Liability - In addition to I, II, III</b>	
Garage Liability	\$1,000,000
Garage Keeper's Liability – Direct Primary Coverage	
Each Auto	\$ 500,000
Each Occurrence	\$1,000,000

\*<sup>1</sup> Sole Proprietor/Independent Contractor designation is given to those who desire to waive their rights for workers' compensation coverage and benefits as outlined in ARS§ 23-901 and specifically ARS § 23-961 (O). If applicable, please request the Sole Proprietor/Independent Contractor form from the Contract Officer listed in the solicitation.

**D. ADDITIONAL INSURANCE REQUIREMENTS:** Policies shall be endorsed to include the following provisions:

1. A waiver of subrogation endorsement in favor of the City of Tucson, for losses arising from work performed by or on behalf of the Contractor (including Worker's Compensation).
2. The insurance afforded the contractor shall be primary insurance and that any insurance carried by the City of Tucson and its agents, officials or employees shall be excess and not contributory.
3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

**E. NOTICE OF COVERAGE MODIFICATIONS:** Any changes material to compliance with this contract in the insurance policies above shall require 10 days written notice from the Contractor to the City of Tucson. Such notice shall be sent directly to the Department of Procurement.

**F. ACCEPTABILITY OF INSURERS:** Contractors insurance shall have an "A.M. Best" rating of not less than A:VII. The City of Tucson in no way warrants that the required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

**G. VERIFICATION OF COVERAGE:** Contractor shall furnish the City of Tucson with certificates of insurance (ACORD form or equivalent approved by the City of Tucson) as required by this Contract. The certificates for each insurance policy are to be signed by an authorized representative.

All certificates and endorsements are to be received and approved by the City of Tucson before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work and remain in effect for the duration of the contract and two (2) years after completion. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal upon the City's request, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Department of Procurement.

The City of Tucson project/contract number and project description shall be noted on the certificate of insurance. The City of Tucson reserves the right to require complete copies of all insurance policies required by this Contract at any time.

- H. **SUBCONTRACTORS:** Contractors' certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the City of Tucson separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.
- I. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance.
5. **PAYMENTS:** All payments made by the City of Tucson for goods or services will be made to the vendor named on the Offer and Acceptance form. If you do not wish payment to be made to that address, you must submit an attached sheet indicating the proper mailing address with this bid.
6. **RIGHT TO TERMINATE FOR CHANGE IN OWNERSHIP OR MATERIAL RESTRUCTURE OF THE CONTRACTOR:** In addition to the Termination of Contract clause in the Standard Terms and Conditions section of this solicitation and resulting contract, the City reserves the right to cancel the whole or part of this contract within 60 days written notice of the completion of any material change of ownership in the Contractor's company, including its sale, merger, consolidation or dissolution.
7. **TERM AND RENEWAL:** The term of the Contract shall commence upon award and shall remain in effect for a period of one (1) year, unless terminated, canceled or extended as otherwise provided herein. The Contractor agrees that the City shall have the right, at its sole option, to renew the Contract for four (4) additional one-year periods or portions thereof. In the event that the City exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the renewal period with the possible exception of price and minor scope additions and/or deletions.
- Any job orders, project agreements or maintenance agreements executed against this Master Agreement during the effective term may survive beyond the expiration of the Master Agreement as established and agreed to by both parties.
8. **PRICE ADJUSTMENT:** The City will review fully documented requests for price adjustment after any Contract has been in effect for one (1) year. Any price adjustment will only be made at the time of Contract renewal and/or extension and will be a factor in the extension review process. The City will determine whether the requested price adjustment or an alternate option, is in the best interest of the City. Any price adjustment will be effective upon the effective date of the Contract extension.
9. **MODIFICATION OF TERMS:** A Participating Agency who wishes to piggyback on this Contract may present alternate terms to the Contractor as a condition of their intended purchase transaction. If the Contractor chooses to accept the alternate terms, it shall be as a condition of the Participating Agency's purchase transaction and shall not constitute a modification of this contract.
10. **COOPERATIVE PURCHASING:** Any Contract resulting from this solicitation shall be for the use of the City of Tucson. In addition, public and nonprofit agencies that have entered into a Cooperative Purchasing Agreement with the City of Tucson's Department of Procurement or registered with National IPA are eligible to participate in any subsequent Contract. See [http://www.tucsonprocurement.com/coop\\_partners.aspx](http://www.tucsonprocurement.com/coop_partners.aspx) and click on Cooperatives for a list of the public and nonprofit agencies that have currently entered into Cooperative Purchasing Agreements with the City of Tucson. Additionally, this contract is eligible for use by the Strategic Alliance for Volume Expenditures (SAVE) cooperative. See <http://www.maricopa.gov/Materials/PubDocuments/SAVE-members.pdf> for a listing of participating agencies. The parties agree that these lists are subject to change.

Any orders placed to, or services required from, the successful Contractor(s) will be requested by each participating agency. Payment for purchases made under this agreement will be the sole responsibility of each participating agency. The Contractor may negotiate additional expenses incurred as a result of participating agencies' usage of this contract (i.e., freight charges, travel related expenses, etc.). The City shall not be responsible for any disputes arising out of transactions made by others.

The Contractor(s) will provide an electronic copy of the complete Contract to the City of Tucson Department of Procurement upon receipt of the Notice of Intent to Award. At the City's request, the successful Contractor(s) may also be requested to provide an electronic copy of the complete Contract to a participating agency.

## STANDARD TERMS AND CONDITIONS

1. **ADVERTISING:** Contractor shall not advertise or publish information concerning this Contract without prior written consent of the City's Director of Procurement.
2. **AFFIRMATIVE ACTION:** Contractor shall abide by the provisions of the Tucson Procurement Code Chapter 28, Article XII.
3. **AMERICANS WITH DISABILITIES ACT:** The Contractor shall comply with all applicable provisions of the Americans with Disabilities Act (Public Law 101-336, 42 U.S.C. 12101, et seq.) and applicable Federal regulations under the Act.
4. **APPLICABLE LAW:** This Contract shall be governed, and the City and Contractor shall have all remedies afforded to each, by the Tucson Procurement Code and the law of the State of Arizona. State law claims shall be brought only in Pima County Superior Court.
5. **ASSIGNMENT-DELEGATION:** No right or interest in this Contract shall be assigned by the Contractor without prior written permission of the City, and no delegation of any duty of the Contractor shall be made without prior written permission of the City's Director of Procurement. The City shall not unreasonably withhold approval and shall notify the Contractor of the City's position by written notice.
6. **CHILD/SWEAT-FREE LABOR POLICY:** The Contractor shall comply with all applicable provisions of the United States Federal and State Child Labor and Worker's Right laws and agrees if called upon to affirm in writing, that they, and any subcontractor involved in the provision of goods to the City, are in compliance.
7. **CLEAN UP:** The Contractor shall at all times keep the contract area, including storage areas used by the Contractor, free from accumulation of waste material or rubbish and, prior to completion of the work, remove any rubbish from the premises and all tools, scaffolding, equipment and materials not property of the City. Upon completion of the repair, the Contractor shall leave the work and premises in clean, neat and workmanlike condition.
8. **COMMENCEMENT OF WORK:** The Contractor is cautioned not to commence any billable work or provide any material or service under this Contract until Contractor receives purchase order or is otherwise directed to do so, in writing, by the City.
9. **CONFIDENTIALITY OF RECORDS:** The Contractor shall establish and maintain procedures and controls that are acceptable to the City for the purpose of assuring that no information contained in its records or obtained from the City or from others in carrying out its functions under the Contract shall be used by or disclosed by it, its agents, officers, or employees, except as required to efficiently perform duties under the Contract. Persons requesting such information should be referred to the City. Information pertaining to individual persons shall not be divulged other than to employees or officers of Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the City.
10. **CONTRACT AMENDMENTS:** The Procurement Department has the sole authority to:
  - A. Amend the contract or enter into supplemental verbal or written agreements;
  - B. Grant time extensions or contract renewals;
  - C. Otherwise modify the scope or terms and provisions of the contract.

This Contract shall only be modified with the approval of the Department of Procurement. Except in the case of a documented emergency, approval must be granted prior to performance. Any contract modification not explicitly approved by the Procurement Department through a written contract amendment or change order is performed at the sole risk of the Contractor and may not be eligible for payment by the City.

11. **CONTRACT:** The Contract shall be based upon the Request for Proposal issued by the City and the Offer submitted by the Contractor in response to the Request for Proposal. The offer shall substantially conform to the terms, conditions, specifications and other requirements set forth within the text of the Request for Proposal. The City reserves the right to clarify any contractual terms with the concurrence of the Contractor; however, any substantial non-conformity in the offer, as determined by the City's Director of Procurement, shall be deemed non-responsive and the offer rejected. The Contract shall contain the entire agreement between the City of Tucson and the Contractor relating to this requirement and shall prevail over any and all previous agreements, contracts, proposals, negotiations, purchase orders, or master agreements in any form.
12. **DEFAULT IN ONE INSTALLMENT TO CONSTITUTE TOTAL BREACH:** Contractor shall deliver conforming materials in each installment or lot of this Contract and may not substitute nonconforming materials. Delivery of nonconforming materials, or default of any nature, may constitute breach of the Contract. Noncompliance may be deemed a cause for possible Contract termination.

- 13. DUPLEXED/RECYCLED PAPER:** In accordance with efficient resource procurement and utilization policies adopted by the City of Tucson, the Contractor shall ensure that, whenever practicable, all printed materials produced by the Contractor in the performance of this Contract are duplexed (two-sided copies), printed on recycled paper and labeled as such.
- 14. EQUAL PAY:** The Contractor shall comply with the applicable provisions of the Equal Pay Act of 1963 (Pub.L. 88-38, 29 U.S.C. section 206(d)); Title VII of the Civil Rights Act of 1964 (Pub.L. 88-352, 42 U.S.C. 2000e *et seq.*; and, the Lily Ledbetter Fair Pay Act of 2009 (Pub.L. 111-2).
- 15. EXCLUSIVE POSSESSION:** All services, information, computer program elements, reports and other deliverables created under this Contract are the sole property of the City of Tucson and shall not be used or released by the Contractor or any other person except with prior written permission by the City.
- 16. FEDERAL IMMIGRATION LAWS AND REGULATIONS:** Contractor warrants that it complies with all Federal Immigration laws and regulations that relate to its employees and complies with A.R.S. § 23-214(A) and that it requires the same compliance of all subcontractors under this Contract. Contractor acknowledges that pursuant to A.R.S. § 41-4401 and effective September 30, 2008, a breach of this warranty is a material breach of this Contract subject to penalties up to and including termination of this Contract. The City retains the legal right to audit the records of the Contractor and inspect the papers of any employee who works for the Contractor to ensure compliance with this warranty and the Contractor shall assist in any such audit. The Contractor shall include the requirements of this paragraph in each contract with subcontractors under this Contract.

If the Contractor or subcontractor warrants that it has complied with the employment verification provisions prescribed by sections 274(a) and 274(b) of the Federal Immigration and Nationality Act and the E-verify requirements prescribed by A.R.S. § 23-214(A), the Contractor or subcontractor shall be deemed to be in compliance with this provision. The City may request proof of such compliance at any time during the term of this Contract by the Contractor and any subcontractor.

- 17. FORCE MAJEURE:** Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of Force Majeure. The term "Force Majeure" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Force Majeure shall not include late performance by a subcontractor unless the delay arises out of a Force Majeure occurrence in accordance with this Force Majeure term and condition.

If either party is delayed at any time in the progress of the work by Force Majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practical, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be hand-delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by contract modification for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.

- 18. GRATUITIES:** The City may, by written notice to the Contractor, terminate this Contract if it is found that gratuities, in the form of entertainment, gifts, meals or otherwise, were offered or given by the Contractor or any agent or representative of the Contractor, to any officer or employee of the City amending, or the making of any determinations with respect to the performing of such Contract. In the event this Contract is terminated by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold from the Contractor the amount of the gratuity.

- 19. HUMAN RELATIONS:** Contractor shall abide by the provisions of the Tucson City Code Chapter 28, Article XII.

- 20. INDEMNIFICATION:** To the fullest extent permitted by law, Contractor, its successors, assigns and guarantors, shall pay, defend, indemnify and hold harmless City of Tucson, its agents, representatives, officers, directors, officials and employees from and against all allegations, demands, proceedings, suits, actions, claims, including claims of patent or copyright infringement, damages, losses, expenses, including but not limited to, attorney fees, court costs, and the cost of appellate proceedings, and all claim adjusting and handling expense, related to, arising from or out of or resulting from any actions, acts, errors, mistakes or omissions caused in whole or part by Contractor relating to work, services and/or products provided in the performance of this Contract, including but not limited to, any Subcontractor or anyone directly or indirectly employed by any of them or anyone for whose acts any of them may be liable and any injury or damages claimed by any of Contractor's and Subcontractor's employees. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. The Contractor agrees to waive all rights of subrogation against the City of Tucson, its agents, representatives, officers,

directors, officials, employees and volunteers for losses arising from the work performed by the Contractor for the City of Tucson.

Contractor is responsible for compliance with the Patient Protection and Affordable Care Act (ACA), for its employees in accordance with 26 CFR §54. 4980H. Additionally, Contractor is responsible for all applicable IRS reporting requirements related to ACA. If Contractor or any of Contractor's employees is certified to the City as having received a premium tax credit or cost sharing reduction which contributes to or triggers an assessed penalty against the City, or Contractor fails to meet reporting requirements pursuant to section 6056 resulting in a penalty to City, Contractor indemnifies City from and shall pay any assessed tax penalty.

**21. INDEPENDENT CONTRACTOR:** It is understood that each party shall act in its individual capacity and not as an agent, employee, partner, joint venturer, or associate of the other. An employee or agent of one party shall not be deemed or construed to be the employee or agent of the other party for any purpose.

The Contractor shall not be entitled to compensation in the form of salaries, holidays, paid vacation, sick days, or pension contributions by the City. The City of Tucson will not provide any insurance coverage to the Contractor, including Worker's Compensation coverage. The Contractor is advised that taxes, social security payments, and other withholdings shall not be withheld from a City payment issued under this Contract and that Contractor should make arrangements to directly pay such expenses. Contractor is responsible for compliance with the Affordable Care Act for Contractor and any of Contractor's employees.

**22. INSPECTION AND ACCEPTANCE:** All material or service is subject to final inspection and acceptance by the City. Material or service failing to conform to the specifications of this Contract shall be held at the Contractor's risk and may be returned to the Contractor. If returned, all costs are the responsibility of the Contractor. Noncompliance may be deemed a cause for possible Contract termination.

**23. INTERPRETATION-PAROLE EVIDENCE:** This Contract is intended by the parties to be a final expression of their agreement and is intended also as a complete and exclusive statement of the terms of this agreement. No course of prior dealings between the parties and no usage of the trade shall be relevant to supplement or explain any term used in the Contract. Acceptance or consent in the course of performance under this Contract shall not be relevant to determine the meaning of this Contract even though the accepting or consenting party has knowledge of the nature of the performance and the opportunity to object.

**24. LICENSES:** Contractor shall maintain in current status all Federal, State, and local licenses and permits required for the operation of the business conducted by the Contractor as applicable to this Contract.

**25. LIENS:** All materials, services, and other deliverables supplied to the City under this Contract shall be free of all liens other than the security interest. Security interest shall extinguish upon full payment made by the City. Upon the City's request, the Contractor shall provide a formal release of all liens.

**26. NO REPLACEMENT OF DEFECTIVE TENDER:** Every tender of materials must fully comply with all provisions of this Contract. If a tender is made which does not fully comply, this shall conform to the termination clause set forth within this document.

**27. NON-EXCLUSIVE CONTRACT:** Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the City of Tucson. The City reserves the right to obtain like goods or services from another source when necessary.

**28. OVERCHARGES BY ANTITRUST VIOLATIONS:** The City maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the purchaser. Therefore, to the extent permitted by law, the Contractor hereby assigns to the City any and all claims for such overcharges as to the materials or services used to fulfill the Contract.

**29. PAYMENT:** The City's preferred method of payment is via credit card. The City will issue a Purchase Order and, in some cases, either provide a credit card for payment at the time of ordering or pay subsequent invoices by credit card upon receipt of goods or services in good order. However, not all City employees will possess a credit card and, therefore, the City reserves the right to make payment by check as it deems necessary.

Unless payment is made by credit card at time of order or point of sale, a separate invoice shall be issued for each shipment of material or service performed, and no payment shall be issued prior to receipt of material or service and correct invoice. The invoice shall not be dated prior to the receipt of goods or completion of services.

The City shall make every effort to process payment for the purchase of materials or services within twenty-one (21) calendar days after receipt of materials or services and a correct invoice.

The Contractor's payment terms shall apply to all purchases and to all payment methods.

- 30. PROTECTION OF GOVERNMENT PROPERTY:** The Contractor shall use reasonable care to avoid damaging existing buildings, equipment, and vegetation (such as trees, shrubs, and grass) on City property. If the Contractor fails to do so and damages such property, the Contractor shall replace or repair the damage at no expense to the City, as determined and approved by the City's Director of Procurement. If the Contractor fails or refuses to make such repair or replacement, the City will determine a cost and the Contractor shall be liable for the cost thereof, which may be deducted from the Contract price.
- 31. PROVISIONS REQUIRED BY LAW:** Each and every provision of law and any clause required by law to be in the Contract shall be read and enforced as though it were included herein, and if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon the application of either party the Contract shall be amended to make such insertion or correction.
- 32. RECORDS:** Internal control over all financial transactions related to this Contract shall be in accordance with sound fiscal policies. The City may, at reasonable times and places, audit the books and records of the Contractor and/or any subcontractors. Said audit shall be limited to this Contract.
- 33. RIGHT TO ASSURANCE:** Whenever one party to this Contract has reason to question, in good faith, the other party's intent to perform, the former party may demand that the other party give a written assurance of this intent to perform. In the event that a demand is made and no written assurance is given within five (5) days, the demanding party may treat this failure as the other party's intent not to perform and as a cause for possible Contract termination.
- 34. RIGHT TO INSPECT:** The City may, at reasonable times, and at the City's expense, inspect the place of business of a Contractor or subcontractor which is related to the performance of any Contract as awarded or to be awarded.
- 35. RIGHTS AND REMEDIES:** No provision in this document or in the Contractor's proposal shall be construed, expressly or by implication, as a waiver by either party of any existing or future right and/or remedy available by law in the event of any claim, default or breach of contract. The failure of either party to insist upon the strict performance of any term or condition of the Contract, to exercise or delay the exercise of any right or remedy provided in the Contract or by law, or to accept materials or services required by this Contract or by law shall not be deemed a waiver of any right of either party to insist upon the strict performance of the Contract.
- 36. SEVERABILITY:** The provisions of this Contract are severable to the extent that any provision or application held to be invalid shall not affect any other provision or application of the Contract which may remain in effect without the valid provision or application.
- 37. SHIPMENT UNDER RESERVATION PROHIBITED:** No tender of a bill of lading shall operate as a tender of the materials. Non-compliance shall conform to the termination clause set forth within this document.
- 38. SUBCONTRACTS:** No subcontract shall be entered into by the Contractor with any other party to furnish any of the material/service specified herein without the advance written approval of the City's Director of Procurement. All subcontracts shall comply with Federal and State laws and regulations which are applicable to the services covered by the subcontract and shall include all the terms and conditions set forth herein which shall apply with equal force to the subcontract, as if the subcontractor were the Contractor referred to herein. The Contractor is responsible for contract performance whether or not subcontractors are used.
- 39. SUBSEQUENT EMPLOYMENT:** The City may terminate this Contract without penalty or further obligation pursuant to A.R.S. Section 38-511 if any person significantly involved in initiating, negotiating, securing, drafting, or creating the Contract, on behalf of the City, is or becomes, at any time while the Contract or any extension of the Contract is in effect, an employee of, or a contractor to, any other party to this Contract with respect to the subject matter of the Contract. Termination shall be effective when written notice from the City's Director of Procurement is received by the parties to this Contract, unless the notice specifies a later time.
- 40. TERMINATION OF CONTRACT:** This Contract may be terminated at any time by mutual written consent, or by the City, with or without cause, upon giving thirty (30) days written notice. The City, at its convenience, by written notice, may terminate this Contract, in whole or in part. If this Contract is terminated, the City shall be liable only for payment under the payment provisions of this Contract for services rendered and accepted material received by the City before the effective date of termination.

The City reserves the right to terminate the whole or any part of this Contract due to the failure of the Contractor to carry out any term or condition of the Contract. The City will issue a written ten (10) day notice of default to the Contractor for acting or failing to act as specified in any of the following:

In the opinion of the City, the Contractor provides personnel that do not meet the requirements of the Contract;

In the opinion of the City, the Contractor fails to perform adequately the stipulations, conditions or services/specifications required in this Contract;

In the opinion of the City, the Contractor attempts to impose personnel, materials, products or workmanship of an unacceptable quality;

The Contractor fails to furnish the required service and/or product within the time stipulated in the Contract;

In the opinion of the City, the Contractor fails to make progress in the performance of the requirements of the Contract;

The Contractor gives the City a positive indication that the Contractor will not or cannot perform to the requirements of the Contract.

Each payment obligation of the City created by this Contract is conditioned upon the availability of City, State and Federal funds that are appropriated or allocated for the payment of such an obligation. If funds are not allocated by the City and available for the continued purchase of the services and/or materials provided under this Contract, this Contract may be terminated by the City at the end of the period for which funds are available. The City will endeavor to notify the Contractor in the event that continued service will or may be affected by non-appropriation. No penalty shall accrue to the City in the event this provision is exercised, and the City shall not be obligated or liable for any future payments due or for any damages as a result of termination under this paragraph.

- 41. TITLE AND RISK OF LOSS:** The title and risk of loss of material or service shall not pass to the City until the City actually receives the material or service at the point of delivery, unless otherwise provided within this Contract.
- 42. WARRANTIES:** Contractor warrants that all material or service delivered under this Contract shall conform to the specifications of this Contract. Mere receipt of shipment of the material or service specified and any inspection incidental thereto by the City shall not alter or affect the obligations of the Contractor or the rights of the City under the foregoing warranties. Additional warranty requirements may be set forth in this document.

## OFFER AND ACCEPTANCE

### OFFER

**TO THE CITY OF TUCSON:**

The Undersigned hereby offers and shall furnish the material or service in compliance with all terms, scope of work, conditions, specifications, and amendments in the Request for Proposal which is incorporated by reference as if fully set forth herein.

For clarification of this offer, contact:

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

Name: \_\_\_\_\_

\_\_\_\_\_  
Address

Title: \_\_\_\_\_

\_\_\_\_\_  
City State Zip

Phone: \_\_\_\_\_

\_\_\_\_\_  
Signature of Person Authorized to Sign

Fax: \_\_\_\_\_

\_\_\_\_\_  
Printed Name

E-mail: \_\_\_\_\_

\_\_\_\_\_  
Title

### ACCEPTANCE OF OFFER

The Offer is hereby accepted. The Contractor is now bound to sell the materials or services specified in the Contract. This Contract shall be referred to as Contract No. 161534-\_\_\_\_\_.

**CITY OF TUCSON**, a municipal corporation

Approved as to form this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Awarded this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

\_\_\_\_\_  
As Tucson City Attorney and not personally

\_\_\_\_\_  
Marcheta Gillespie, CPPO, C.P.M., CPPB, CPM  
As Director of Procurement and not personally

## **ATTACHMENTS**

ATTACHMENT A: National IPA Exhibits

Attachment A



**Requirements for National Cooperative Contract  
To be Administered by  
National Intergovernmental Purchasing Alliance Company**

The following documents are used in evaluating and administering national cooperative contracts and are included for Supplier's review and response.

National IPA Exhibit A – NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT

National IPA Exhibit B – NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE

National IPA Exhibit C – NATIONAL IPA MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT, EXAMPLE

National IPA Exhibit D – NATIONAL IPA PRINCIPAL PROCUREMENT AGENCY CERTIFICATE, EXAMPLE

National IPA Exhibit E – NATIONAL IPA CONTRACT SALES REPORTING TEMPLATE

National IPA Exhibit F – NATIONAL IPA ADVERTISING COMPLIANCE REQUIREMENT

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

**1.0 Scope of National Cooperative Contract**

**1.1 Requirement**

The City of Tucson (hereinafter defined and referred to as “Principal Procurement Agency”), on behalf of itself and the National Intergovernmental Purchasing Alliance Company (“National IPA”), is requesting proposals for Heavy Equipment, Parts, Accessories, Supplies and Related Services. The intent of this Request for Proposal is that any contract between Principal Procurement Agency and Supplier resulting from this Request for Proposal (hereinafter defined and referred to as the “Master Agreement”) be made available to other public agencies nationally, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit (“Public Agencies”), through National IPA’s cooperative purchasing program. The Principal Procurement Agency has executed a Principal Procurement Agency Certificate with National IPA (an example of which is included as Exhibit D) and has agreed to pursue the Master Agreement. Use of the Master Agreement by any Public Agency is preceded by their registration with National IPA as a Participating Public Agency in National IPA’s cooperative purchasing program. Registration with National IPA as a Participating Public Agency is accomplished by Public Agencies entering into a Master Intergovernmental Cooperative Purchasing Agreement, an example of which is attached as Exhibit C. The terms and pricing established in the resulting Master Agreement between the Supplier and the Principal Procurement Agency will be the same as that available to Participating Public Agencies through National IPA.

All transactions, purchase orders, invoices, payments etc., will occur directly between the Supplier and each Participating Public Agency individually, and neither National IPA, any Principal Procurement Agency nor any Participating Public Agency, including their respective agents, directors, employees or representatives, shall be liable to Supplier for any acts, liabilities, damages, etc., incurred by any other Participating Public Agency.

This Exhibit A defines the expectations for qualifying Suppliers based on National IPA’s requirements to market the resulting Master Agreement nationally to Public Agencies. Each section in this Exhibit A refers to the capabilities, requirements, obligations, and prohibitions of competing Suppliers on a national level in order to serve Participating Public Agencies through National IPA.

These requirements are incorporated into and are considered an integral part of this RFP. National IPA reserves the right to determine whether or not to make the Master Agreement awarded by the Principal Procurement Agency available to Participating Public Agencies.

**1.2 Marketing, Sales and Administrative Support**

During the term of the Master Agreement National IPA intends to provide marketing, sales and administrative support for Supplier pursuant to this section 1.2 that directly promotes the Supplier’s products and services to Participating Public

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

Agencies through multiple channels, each designed to promote specific products and services to Public Agencies on a national basis.

The National IPA marketing team will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

- A. Marketing collateral (print, electronic, email, presentations)
- B. Website development and support
- C. Trade shows/conferences/meetings
- D. Advertising
- E. Social Media
- F. Sales Team Support

The National IPA sales teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies and prospective Public Agencies through:

- A. Individual sales calls
- B. Joint sales calls
- C. Communications/customer service
- D. Training sessions for Public Agency teams
- E. Training sessions for Supplier teams

The National IPA contracting teams will work in conjunction with Supplier to promote the Master Agreement to both existing Participating Public Agencies prospective Public Agencies through:

- A. Serving as the subject matter expert for questions regarding joint powers authority and state statutes and regulations for cooperative purchasing
- B. Training sessions for Public Agency teams
- C. Training sessions for Supplier teams
- D. Regular business reviews to monitor program success
- E. General contract administration

Suppliers are required to pay an administrative fee of 1.5% of the greater of the Contract Sales under the Master Agreement and Guaranteed Contract Sales under this Request for Proposal. Supplier will be required to execute the National IPA Administration Agreement (refer to Exhibit B).

Capitalized terms not otherwise defined herein shall have the meanings given to them in the Master Agreement or in the National Intergovernmental Purchasing Alliance Company Administration Agreement between Supplier and National IPA (the "National IPA Administration Agreement")

**1.3 Estimated Volume**

The dollar volume purchased under the Master Agreement is estimated to be approximately \$25,000,000 annually. While no minimum volume is guaranteed to Supplier, the estimated annual volume is projected based on the current annual volumes among the Principal Procurement Agency, other Participating Public Agencies that are anticipated to utilize the resulting Master Agreement to be made available to them through National IPA, and volume growth into other Public

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

Agencies through a coordinated marketing approach between Supplier and National IPA.

**1.4 Award Basis**

The basis of any contract award resulting from this RFP made by Principal Procurement Agency will be the basis of award on a national level through National IPA. If multiple suppliers are awarded by Principal Procurement Agency under the Master Agreement, those same suppliers will be required to extend the Master Agreement to Participating Public Agencies through National IPA. Utilization of the Master Agreement by Participating Public Agencies will be at the discretion of the individual Participating Public Agency. Certain terms of the Master Agreement specifically applicable to the Principal Procurement Agency are subject to modification for each Participating Public Agency as Supplier, such Participating Public Agency and National IPA shall agree. Participating Agencies may request to enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in the Master Agreement (i.e. invoice requirements, order requirements, specialized delivery, diversity requirements such as minority and woman owned businesses, historically underutilized business, governing law, etc.). Any supplemental agreement developed as a result of the Master Agreement is exclusively between the Participating Agency and the Supplier (Contract Sales are reported to National IPA).

**1.5 Objectives of Cooperative Program**

This RFP is intended to achieve the following objectives regarding availability through National IPA's cooperative program:

- A. Provide a comprehensive competitively solicited and awarded national agreement offering the Products covered by this solicitation to Participating Public Agencies;
- B. Establish the Master Agreement as the Supplier's primary go to market strategy to Public Agencies nationwide;
- C. Achieve cost savings for Supplier and Public Agencies through a single solicitation process that will reduce the Supplier's need to respond to multiple solicitations and Public Agencies need to conduct their own solicitation process;
- D. Combine the aggregate purchasing volumes of Participating Public Agencies to achieve cost effective pricing.

**2.0 REPRESENTATIONS AND COVENANTS**

As a condition to Supplier entering into the Master Agreement, which would be available to all Public Agencies, Supplier must make certain representations, warranties and covenants to both the Principal Procurement Agency and National IPA designed to ensure the success of the Master Agreement for all Participating Public Agencies as well as the Supplier.

**2.1 Corporate Commitment**

Supplier commits that (1) the Master Agreement has received all necessary corporate authorizations and support of the Supplier's executive management, (2) the Master Agreement is Supplier's primary "go to market" strategy for Public Agencies, (3) the Master Agreement will be promoted to all Public Agencies, including any existing customers, and Supplier will transition existing customers, upon their request, to the Master Agreement, and (4) that the Supplier has read and agrees to the terms and

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

conditions of the Administration Agreement with National IPA and will execute such agreement concurrent with and as a condition of its execution of the Master Agreement with the Principal Procurement Agency. Supplier will identify an executive corporate sponsor and a separate national account manager within the RFP response that will be responsible for the overall management of the Master Agreement.

**2.2 Pricing Commitment**

Supplier commits the not-to-exceed pricing provided under the Master Agreement pricing is its lowest available (net to buyer) to Public Agencies nationwide and further commits that if a Participating Public Agency is eligible for lower pricing through a national, state, regional or local or cooperative contract, that the Supplier will match such lower pricing to that Participating Public Agency under the Master Agreement.

**2.3 Sales Commitment**

Supplier commits to aggressively market the Master Agreement as its go to market strategy in this defined sector and that its sales force will be trained, engaged and committed to offering the Master Agreement to Public Agencies through National IPA nationwide. Supplier commits that all Master Agreement sales will be accurately and timely reported to National IPA in accordance with the National IPA Administration Agreement. Supplier also commits that its sales force will be compensated, including sales incentives, for sales to Public Agencies under the Master Agreement in a consistent or better manner compared to sales to Public Agencies if the Supplier were not awarded the Master Agreement.

**3.0 SUPPLIER QUALIFICATIONS**

Supplier must supply the following information in order for the Principal Procurement Agency to determine Supplier's qualifications to extend the resulting Master Agreement to Participating Public Agencies through National IPA.

**3.1 Company**

- A. Brief history and description of your company.
- B. Total number and location of sales persons employed by your company.
- C. Number and location of support centers (if applicable).
- D. Annual sales for the three previous fiscal years.
- E. Submit your FEIN and Dunn & Bradstreet report.

**3.2 Distribution, Logistics**

- A. Describe how your company proposes to distribute the products/service nationwide.
- B. Identify all other companies that will be involved in processing, handling or shipping the products/service to the end user.
- C. Provide the number, size and location of your company's distribution facilities, warehouses and retail network as applicable.
- D. State any return and restocking policy and fees, if applicable, associated with returns.
- E. Describe the full line of products and services offered by your company.

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

**3.3 Marketing and Sales**

- A. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to immediately implement the Master Agreement as your company's primary go to market strategy for Public Agencies to your teams nationwide, to include, but not limited to:
- i. Executive leadership endorsement and sponsorship of the award as the public sector go-to-market strategy within first 10 days
  - ii. Training and education of your national sales force with participation from the executive leadership of your company, along with the National IPA team within first 90 days
- B. Provide a detailed ninety-day plan beginning from award date of the Master Agreement describing the strategy to market the Master Agreement to current Participating Public Agencies, existing Public Agency customers of Supplier, as well as to prospective Public Agencies nationwide immediately upon award, to include, but not limited to:
- i. Creation and distribution of a co-branded press release to trade publications
  - ii. Announcement, contract details and contact information published on the Supplier company website within first 90 days
  - iii. Design, publication and distribution of co-branded marketing materials within first 90 days
  - iv. Commitment to attendance and participation with National IPA at national (i.e. NIGP Annual Forum, NPI Conference, etc.), regional (i.e. Regional NIGP Chapter Meetings, etc.) and supplier-specific trade shows, conferences and meetings throughout the term of the Master Agreement
  - v. Commitment to attend, exhibit and participate at the NIGP Annual Forum in an area reserved by National IPA for partner suppliers. Booth space will be purchased and staffed by your company. In addition, you commit to provide reasonable assistance to the overall promotion and marketing efforts for the NIGP Annual Forum, as directed by National IPA.
  - vi. Design and publication of national and regional advertising in trade publications throughout the term of the Master Agreement
  - vii. Ongoing marketing and promotion of the Master Agreement throughout its term (case studies, collateral pieces, presentations, promotions, etc.)
  - viii. Dedicated National IPA internet web-based homepage on Supplier website with:
    - National IPA standard logo;
    - Copy of original Request for Proposal;
    - Copy of contract and amendments between Principal Procurement Agency and Supplier;
    - Summary of Products and pricing;
    - Marketing Materials
    - Electronic link to National IPA's website including the online registration page;
    - A dedicated toll free number and email address for National IPA
- C. Describe how your company will transition any existing Public Agency customers' accounts to the Master Agreement available nationally through National IPA. Include a list of current cooperative contracts (regional and

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

- national) your company holds and describe how the Master Agreement will be positioned among the other cooperative agreements.
- D. Acknowledge that your company agrees to provide its company/corporate logo(s) to National IPA and agrees to provide permission for reproduction of such logo in marketing communications and promotions. Acknowledge that use of National IPA logo will require permission for reproduction, as well.
- E. Supplier is responsible for proactive direct sales of Supplier's goods and services to Public Agencies nationwide and the timely follow up to leads established by National IPA. All sales materials are to use the National IPA logo. At a minimum, the Supplier's sales initiatives should communicate:
- i. Master Agreement was competitively solicited and publicly awarded by a Principal Procurement Agency
  - ii. Best government pricing
  - iii. No cost to participate
  - iv. Non-exclusive contract
- F. Supplier is responsible for the training of its national sales force on the Master Agreement. At a minimum, sales training should include:
- i. Key features of Master Agreement
  - ii. Working knowledge of the solicitation process
  - iii. Awareness of the range of Public Agencies that can utilize the Master Agreement through National IPA
  - iv. Knowledge of benefits of the use of cooperative contracts
- G. Provide contact information for the person(s), who will be responsible for:
- i. Marketing
  - ii. Sales
  - iii. Sales Support
  - iv. Financial Reporting
  - v. Contracts
- H. Describe in detail how your company's national sales force is structured, including contact information for the highest-level executive in charge of the sales team.
- I. Explain in detail how the sales teams will work with the National IPA team to implement, grow and service the national program.
- J. Explain in detail how your organization will manage the overall national program throughout the term of the Master Agreement, including ongoing coordination of marketing and sales efforts, timely new Participating Public Agency account set-up, etc.
- K. State the amount of your company's Public Agency sales for the previous fiscal year. Provide a list of your top 10 Public Agency customers, the total purchases for each for the previous fiscal year along with a key contact for each.
- L. Describe your company's information systems capabilities and limitations regarding order management through receipt of payment, including description of multiple platforms that may be used for any of these functions.
- M. Provide the Contract Sales (as defined in Section 10 of the National Intergovernmental Purchasing Alliance Company Administration Agreement) that your company will guarantee each year under the Master Agreement for the initial three years of the Master Agreement ("Guaranteed Contract Sales").

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT A- NATIONAL IPA RESPONSE FOR NATIONAL COOPERATIVE CONTRACT**

\$\_\_\_\_\_.00 in year one  
\$\_\_\_\_\_.00 in year two  
\$\_\_\_\_\_.00 in year three

To the extent Supplier guarantees minimum Contract Sales, the administration fee shall be calculated based on the greater of the actual Contract Sales and the Guaranteed Contract Sales.

- N. Even though it is anticipated that many Public Agencies will be able to utilize the Master Agreement without further formal solicitation, there may be circumstances where Public Agencies will issue their own solicitations. The following options are available when responding to a solicitation for Products covered under the Master Agreement.
- i. Respond with Master Agreement pricing (Contract Sales reported to National IPA).
  - ii. If competitive conditions require pricing lower than the standard Master Agreement not-to-exceed pricing, Supplier may respond with lower pricing through the Master Agreement. If Supplier is awarded the contract, the sales are reported as Contract Sales to National IPA under the Master Agreement.
  - iii. Respond with pricing higher than Master Agreement only in the unlikely event that the Public Agency refuses to utilize Master Agreement (Contract Sales are not reported to National IPA).
  - iv. If alternative or multiple proposals are permitted, respond with pricing higher than Master Agreement, and include Master Agreement as the alternate or additional proposal.

Detail your strategies under these options when responding to a solicitation.

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY  
ADMINISTRATION AGREEMENT**

This ADMINISTRATION AGREEMENT (the "Agreement") is made this \_\_\_ day of \_\_\_\_\_ 20\_\_\_, between National Intergovernmental Purchasing Alliance Company ("National IPA"), and \_\_\_\_\_ (herein "Supplier").

**RECITALS**

**WHEREAS**, the \_\_\_\_\_ (herein "Principal Procurement Agency") has entered into a Master Agreement effective \_\_\_\_\_, Agreement No\_\_\_\_\_, by and between the Principal Procurement Agency and Supplier, (as may be amended from time to time in accordance with the terms thereof, the "Master Agreement"), as attached hereto as Exhibit A and incorporated herein by reference as though fully set forth herein, for the purchase of \_\_\_\_\_ (herein "Product");

**WHEREAS**, said Master Agreement provides that any or all public agencies, including state and local governmental entities, public and private primary, secondary and higher education entities, non-profit entities, and agencies for the public benefit ("Public Agencies"), that register (either via registration on the National IPA website or execution of a Master Intergovernmental Cooperative Purchasing Agreement, attached hereto as Exhibit B) (hereinafter referred to as a "Participating Public Agency") may purchase Product at prices stated in the Master Agreement;

**WHEREAS**, Participating Public Agencies may access the Master Agreement which is offered through National IPA to Public Agencies;

**WHEREAS**, National IPA serves as the contract administrator of the Master Agreement on behalf of Principal Procurement Agency;

**WHEREAS**, Principal Procurement Agency desires National IPA to proceed with administration of the Master Agreement; and

**WHEREAS**, National IPA and Supplier desire to enter into this Agreement to make available the Master Agreement to Participating Public Agencies and to set forth certain terms and conditions governing the relationship between National IPA and Supplier.

**NOW, THEREFORE**, in consideration of the payments to be made hereunder and the mutual covenants contained in this Agreement, National IPA and Supplier hereby agree as follows:

**DEFINITIONS**

1. Capitalized terms used in this Agreement and not otherwise defined herein shall have the meanings given to them in the Master Agreement.

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

**TERMS AND CONDITIONS**

2. The Master Agreement and the terms and conditions contained therein shall apply to this Agreement except as expressly changed or modified by this Agreement. Supplier acknowledges and agrees that the covenants and agreements of Supplier set forth in the solicitation and Supplier's response thereto resulting in the Master Agreement are incorporated herein and are an integral part hereof.

3. National IPA shall be afforded all of the rights, privileges and indemnifications afforded to Principal Procurement Agency by or from Supplier under the Master Agreement, and such rights, privileges and indemnifications shall accrue and apply with equal effect to National IPA, its agents, employees, directors, and representatives under this Agreement including, but not limited to, the Supplier's obligation to provide appropriate insurance.

4. National IPA shall perform all of its duties, responsibilities and obligations as contract administrator of the Master Agreement on behalf of Principal Procurement Agency as set forth herein, and Supplier hereby acknowledges and agrees that all duties, responsibilities and obligations will be undertaken by National IPA solely in its capacity as the contract administrator under the Master Agreement.

5. With respect to any purchases by Principal Procurement Agency or any Participating Public Agency pursuant to the Master Agreement, National IPA: (i) shall not be construed as a dealer, re-marketer, representative, partner or agent of any type of the Supplier, Principal Procurement Agency or any Participating Public Agency; (ii) shall not be obligated, liable or responsible for any order for Product made by Principal Procurement Agency or any Participating Public Agency or any employee thereof under the Master Agreement or for any payment required to be made with respect to such order for Product; and (iii) shall not be obligated, liable or responsible for any failure by Principal Procurement Agency or any Participating Public Agency to comply with procedures or requirements of applicable law or the Master Agreement or to obtain the due authorization and approval necessary to purchase under the Master Agreement. National IPA makes no representation or guaranty with respect to any minimum purchases by Principal Procurement Agency or any Participating Public Agency or any employee thereof under this Agreement or the Master Agreement.

**TERM OF AGREEMENT**

6. This Agreement shall be in effect so long as the Master Agreement remains in effect, provided, however, that the provisions of paragraphs 3, 4 and 5 hereof and the indemnifications afforded by the Supplier to National IPA herein and in the Master Agreement, to the extent such provision survive the term of the Master Agreement, shall survive the term of this Agreement.

**NATIONAL PROMOTION**

7. National IPA and Supplier shall publicize and promote the availability of the Master Agreement's products and services to Public Agencies and such agencies' employees. Supplier's failure to maintain its covenants and commitments contained in this Agreement or any action of the Supplier which gives rise to a right by Principal Procurement Agency to terminate the Master Agreement shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of this Agreement at

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

National IPA's sole discretion. Notwithstanding anything contained herein to the contrary, this Agreement shall terminate on the date of the termination or expiration of the Master Agreement.

8. Supplier shall require each Public Agency to register its participation in the National IPA program by either registering on the National IPA website, [www.nationalipa.org](http://www.nationalipa.org), or executing a Master Intergovernmental Cooperative Purchasing Agreement prior to processing the Participating Public Agency's first sales order.

9. Upon request, Supplier shall make available to interested Public Agencies a copy of the Master Agreement and such price lists or quotes as may be necessary for such Public Agencies to evaluate potential purchases. In addition, Supplier shall provide such marketing and administrative support as set forth in the solicitation resulting in the Master Agreement, including assisting in development of marketing materials as reasonably requested by Principal Procurement Agency and National IPA. Supplier and National IPA shall provide each respective party with its logo ("Logo") and the standard terms of use for its general use in marketing the Master Agreement. Both parties shall obtain written approval from the other party prior to use of such party's Logo. Notwithstanding, the parties understand and agree that except as provided herein neither party shall have any right, title or interest in the other party's Logo. Upon termination of this Agreement, each party shall immediately cease use of the other party's Logo.

**MONTHLY REPORTING & FEES**

10. Supplier shall pay National IPA an administrative fee in the amount of \_\_\_% of the total purchase amount paid to Supplier, less refunds, credits on returns, rebates and discounts, for the sale of products and/or services to Principal Procurement Agency and Participating Public Agencies pursuant to the Master Agreement (as amended from time to time and including any renewal thereof) ("Contract Sales"). Supplier shall provide National IPA with an electronic accounting report, in Microsoft Excel, in the format prescribed by National IPA, on a monthly basis summarizing all Contract Sales for the applicable month. A sample of the Contract Sales reporting format is provided as Exhibit C, attached hereto and incorporated herein by reference.

11. Reports of Contract Sales for Principal Procurement Agency and Participating Public Agencies in each calendar month shall be provided by Supplier to National IPA by the 10<sup>th</sup> day of the following month. Such reports shall be accompanied by an administrative fee payment in the amount indicated on the report as being due. Administrative fee payments are to be paid by the Supplier to National IPA via Automated Clearing House (ACH) to the National IPA designated financial institution identified in Exhibit D. Failure to provide a monthly report or payment of the administrative fees within the time and manner specified herein shall constitute a material breach of this Agreement and if not cured within thirty (30) days of written notice to Supplier shall be deemed a cause for termination of the Master Agreement, at Principal Procurement Agency's sole discretion, and/or this Agreement, at National IPA's sole discretion. All administrative fees not paid when due shall bear interest at a rate equal to the lesser of 1 1/2% per month or the maximum rate permitted by law until paid in full.

12. Supplier shall maintain an accounting of all purchases made by Participating Public Agencies under the Master Agreement. National IPA, or its designee, in National IPA's sole discretion, reserves the right to compare Participating Public Agency records with monthly reports submitted by Supplier for a period of four (4) years from the date National IPA receives such monthly report. National IPA may engage a third party to conduct an independent audit of

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

Supplier's monthly reports. In the event of such an audit, Supplier shall provide all materials reasonably requested relating to such audit by National IPA at the location designated by National IPA. In the event an underreporting of Contract Sales and a resulting underpayment of administrative fees is revealed, National IPA will notify the Supplier in writing. Supplier will have thirty (30) days from the date of such notice to resolve the discrepancy to National IPA's reasonable satisfaction, including payment of any administrative fees due and owing, together with interest thereon in accordance with Section 11, and reimbursement of National IPA's costs and expenses related to such audit.

**GENERAL PROVISIONS**

13. This Agreement, the Master Agreement and the exhibits referenced herein supersede any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereto and no other agreement, statement, or promise relating to the subject matter of this Agreement which is not contained or incorporated herein shall be valid or binding. In the event of any conflict between the provisions of this Agreement and the Master Agreement, as between National IPA and Supplier, the provisions of this Agreement shall prevail.

14. If any action at law or in equity is brought to enforce or interpret the provisions of this Agreement or to recover any administrative fee and accrued interest, the prevailing party shall be entitled to reasonable attorney's fees and costs in addition to any other relief to which it may be entitled.

15. This Agreement and National IPA's rights and obligations hereunder may be assigned at National IPA's sole discretion, to an existing or newly established legal entity that has the authority and capacity to perform National IPA's obligations hereunder. Supplier may not assign its obligations hereunder without the prior written consent of National IPA.

16. All written communications given hereunder shall be delivered by first-class mail, postage prepaid, or overnight delivery on receipt to the addresses as set forth below.

A. National Intergovernmental Purchasing Alliance Company

National IPA  
Attn: President  
2555 Meridian Blvd  
Suite 300  
Franklin, TN 37067

B. Supplier

17. If any provision of this Agreement shall be deemed to be, or shall in fact be, illegal, inoperative or unenforceable, the same shall not affect any other provision or provisions herein contained or render the same invalid, inoperative or unenforceable to any extent whatever, and this Agreement will be construed by limiting or invalidating such provision to the minimum extent necessary to make such provision valid, legal and enforceable.

**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT B- NATIONAL IPA ADMINISTRATION AGREEMENT, EXAMPLE**

18. This Agreement may not be amended, changed, modified, or altered without the prior written consent of the parties hereto, and no provision of this Agreement may be discharged or waived, except by a writing signed by the parties. A waiver of any particular provision will not be deemed a waiver of any other provision, nor will a waiver given on one occasion be deemed to apply to any other occasion.

19. This Agreement shall inure to the benefit of and shall be binding upon National IPA, the Supplier and any respective successor and assign thereto; subject, however, to the limitations contained herein.

20. This Agreement will be construed under and governed by the laws of the state of Delaware, excluding its conflicts of law provisions.

Authorized Signature, Supplier

NATIONAL INTERGOVERNMENTAL  
PURCHASING ALLIANCE COMPANY

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Ward H. Brown  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Chief Operating Officer  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT C – NATIONAL IPA MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING  
AGREEMENT, EXAMPLE

**MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING AGREEMENT**

This Master Intergovernmental Cooperative Purchasing Agreement (the “**Agreement**”) is entered into by and between those certain government agencies that execute a Principal Procurement Agency Certificate (“**Principal Procurement Agencies**”) with National Intergovernmental Purchasing Alliance Company (“**National IPA**”) to be appended and made a part hereof and such other public agencies (“**Participating Public Agencies**”) who register to participate in the cooperative purchasing programs administered by National IPA and its affiliates and subsidiaries (collectively the “**National IPA Parties**”) by either registering on a National IPA Party website (such as [www.nationalipa.org](http://www.nationalipa.org)), or by executing a copy of this Agreement.

**RECITALS**

**WHEREAS**, after a competitive solicitation and selection process by Principal Procurement Agencies, a number of suppliers have entered into “**Master Agreements**” (herein so called) to provide a variety of goods, products and services (“**Products**”) to the applicable Principal Procurement Agency and the Participating Public Agencies;

**WHEREAS**, Master Agreements are made available by Principal Procurement Agencies through the National IPA Parties and provide that Participating Public Agencies may purchase Products on the same terms, conditions and pricing as the Principal Procurement Agency, subject to any applicable federal and/or local purchasing ordinances and the laws of the State of purchase;

**WHEREAS**, in addition to Master Agreements, the National IPA Parties may from time to time offer Participating Public Agencies the opportunity to acquire Products through other group purchasing agreements;

**NOW, THEREFORE**, in consideration of the mutual promises contained in this Agreement, and of the mutual benefits to result, the parties agree as follows:

1. That each party will facilitate the cooperative procurement of Products.
2. That the procurement of Products by Participating Public Agencies subject to this Agreement shall be conducted in accordance with and subject to the relevant federal, state and local statutes, ordinances, rules and regulations that govern Participating Public Agency’s procurement practices.
3. That the cooperative use of Master Agreements and other group purchasing agreements shall be in accordance with the terms and conditions of such agreements, except as modification of those terms and conditions is otherwise allowed or required by applicable federal, state or local law.
4. That the Principal Procurement Agencies will make available, upon reasonable request and subject to convenience, Master Agreement information which may assist in improving the procurement of Products by the Participating Public Agencies.
5. That the Participating Public Agency agrees that the National IPA Parties may provide access to group purchasing organization (“**GPO**”) agreements directly or

NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT C- NATIONAL IPA MASTER INTERGOVERNMENTAL COOPERATIVE PURCHASING  
AGREEMENT, EXAMPLE

indirectly by enrolling the Participating Public Agency in another GPO's purchasing program, including but not limited to Vizient Supply, LLC, Provista, Inc. and other National IPA affiliates and subsidiaries; provided that the purchase of Products through a National IPA Party or any other GPO shall be at the Participating Public Agency's sole discretion.

6. That the Participating Public Agencies (each a "**Procuring Party**") that procure Products through any Master Agreement or GPO Product supply agreement (each a "**GPO Contract**") will make timely payments to the distributor, manufacturer or other vendor (collectively, "**Supplier**") for Products received in accordance with the terms and conditions of the Master Agreement or GPO Contract, as applicable. Payment for Products and inspections and acceptance of Products ordered by the Procuring Party shall be the exclusive obligation of such Procuring Party. Disputes between Procuring Party and any Supplier shall be resolved in accordance with the law and venue rules of the State of purchase unless otherwise agreed to by the Procuring Party and Supplier.
7. The Procuring Party shall not use this Agreement as a method for obtaining additional concessions or reduced prices for similar products or services.
8. The Procuring Party shall be responsible for the ordering of Products under this Agreement. A non-procuring party shall not be liable in any fashion for any violation by a Procuring Party, and the Procuring Party shall hold non-procuring party harmless from any liability that may arise from action or inaction of the Procuring Party. Without limiting the generality of the foregoing, the National IPA Parties make no representations or warranties regarding any Product, Master Agreement or GPO Contract, and shall have no liability for any act or omission by a Supplier or other party under a Master Agreement or GPO Contract.
9. This Agreement shall remain in effect until termination by a party giving 30 days written notice to the other party. The provisions of paragraphs 6, 7 and 8 hereof shall survive any such termination.
10. This Agreement shall take effect upon (i) execution of the Principal Procurement Agency Certificate or (ii) the registration on a National IPA Party website or the execution of this Agreement by a Participating Public Agency, as applicable.

**PRINCIPAL PROCUREMENT AGENCY CERTIFICATE**

In its capacity as Principal Procurement Agency for National IPA, NAME OF PPA agrees to pursue Master Agreements for Products as specified in the attached exhibits to this Principal Procurement Agency Certificate.

I hereby acknowledge, in my capacity as \_\_\_\_\_ of and on behalf of NAME OF PPA (“Principal Procurement Agency”), that I have read and hereby agree to the general terms and conditions set forth in the attached Master Intergovernmental Cooperative Purchasing Agreement regulating the use of the Master Agreements and purchase of Products that from time to time are made available by Principal Procurement Agencies to Participating Public Agencies nationwide through National Intergovernmental Purchasing Alliance Company (“National IPA”) pursuant to the terms of the Administrative Agreement by and between National IPA and the applicable supplier.

I understand that the purchase of one or more Products under the provisions of the Master Intergovernmental Cooperative Purchasing Agreement is at the sole and complete discretion of the Participating Public Agency.

Authorized Signature, Principal Procurement Agency

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date



**NATIONAL INTERGOVERNMENTAL PURCHASING ALLIANCE COMPANY EXHIBITS  
EXHIBIT F- NATIONAL IPA ADVERTISING COMPLIANCE REQUIREMENT**

Pursuant to certain state notice provisions, including but not limited to Oregon Revised Statutes Chapter 279A.220, the following public agencies and political subdivisions of the referenced public agencies are eligible to register with National IPA and access the Master Agreement contract award made pursuant to this solicitation, and are hereby given notice of the foregoing request for proposals for purposes of complying with the procedural requirements of said statutes:

Nationwide:

State of Alabama*	State of Hawaii	State of Massachusetts	State of New Mexico	State of South Dakota
State of Alaska	State of Idaho	State of Michigan	State of New York	State of Tennessee
State of Arizona	State of Illinois	State of Minnesota	State of North Carolina	State of Texas
State of Arkansas	State of Indiana	State of Mississippi	State of North Dakota	State of Utah
State of California	State of Iowa	State of Missouri	State of Ohio	State of Vermont
State of Colorado	State of Kansas	State of Montana	State of Oklahoma*	State of Virginia
State of Connecticut	State of Kentucky	State of Nebraska	State of Oregon	State of Washington
State of Delaware	State of Louisiana	State of Nevada	State of Pennsylvania	State of West Virginia
State of Florida	State of Maine	State of New Hampshire	State of Rhode Island	State of Wisconsin
State of Georgia	State of Maryland	State of New Jersey	State of South Carolina	State of Wyoming
District of Columbia				

Lists of political subdivisions and local governments in the above referenced states / districts may be found at [http://www.usa.gov/Agencies/State\\_and\\_Territories.shtml](http://www.usa.gov/Agencies/State_and_Territories.shtml) and <https://www.usa.gov/local-governments>.

\*Some public agencies and political subdivisions of these states may be restricted by state statutes that limit competition among cooperative purchasing organizations by only allowing use of purchasing cooperatives sponsored by certain National Associations.

Certain Public Agencies and Political Subdivisions:

**CITIES, TOWNS, VILLAGES AND BOROUGHS  
INCLUDING BUT NOT LIMITED TO:**

BAKER CITY GOLF COURSE, OR  
CITY OF ADAIR VILLAGE, OR  
CITY OF ASHLAND, OR  
CITY OF AUMSVILLE, OR  
CITY OF AURORA, OR  
CITY OF BAKER, OR  
CITY OF BATON ROUGE, LA  
CITY OF BEAVERTON, OR  
CITY OF BEND, OR  
CITY OF BOARDMAN, OR  
CITY OF BONANAZA, OR  
CITY OF BOSSIER CITY, LA  
CITY OF BROOKINGS, OR  
CITY OF BURNS, OR  
CITY OF CANBY, OR  
CITY OF CANYONVILLE, OR  
CITY OF CLATSKANIE, OR  
CITY OF COBURG, OR  
CITY OF CONDON, OR  
CITY OF COQUILLE, OR  
CITY OF CORVALLI, OR  
CITY OF CORVALLIS PARKS AND RECREATION  
DEPARTMENT, OR  
CITY OF COTTAGE GROVE, OR  
CITY OF DONALD, OR  
CITY OF EUGENE, OR  
CITY OF FOREST GROVE, OR  
CITY OF GOLD HILL, OR  
CITY OF GRANTS PASS, OR  
CITY OF GRESHAM, OR  
CITY OF HILLSBORO, OR  
CITY OF INDEPENDENCE, OR  
CITY AND COUNTY OF HONOLULU, HI  
CITY OF KENNER, LA

CITY OF LA GRANDE, OR  
CITY OF LAFAYETTE, LA  
CITY OF LAKE CHARLES, OR  
CITY OF LEBANON, OR  
CITY OF MCMINNVILLE, OR  
CITY OF MEDFORD, OR  
CITY OF METAIRIE, LA  
CITY OF MILL CITY, OR  
CITY OF MILWAUKIE, OR  
CITY OF MONROE, LA  
CITY OF MOSIER, OR  
CITY OF NEW ORLEANS, LA  
CITY OF NORTH PLAINS, OR  
CITY OF OREGON CITY, OR  
CITY OF PILOT ROCK, OR  
CITY OF PORTLAND, OR  
CITY OF POWERS, OR  
CITY OF PRINEVILLE, OR  
CITY OF REDMOND, OR  
CITY OF REEDSPORT, OR  
CITY OF RIDDLE, OR  
CITY OF ROGUE RIVER, OR  
CITY OF ROSEBURG, OR  
CITY OF SALEM, OR  
CITY OF SANDY, OR  
CITY OF SCAPPOOSE, OR  
CITY OF SHADY COVE, OR  
CITY OF SHERWOOD, OR  
CITY OF SHREVEPORT, LA  
CITY OF SILVERTON, OR  
CITY OF SPRINGFIELD, OR  
CITY OF ST. HELENS, OR  
CITY OF ST. PAUL, OR  
CITY OF SULPHUR, LA  
CITY OF TIGARD, OR  
CITY OF TROUTDALE, OR

CITY OF TUALATIN, OR  
CITY OF WALKER, LA  
CITY OF WARRENTON, OR  
CITY OF WEST LINN, OR  
CITY OF WILSONVILLE, OR  
CITY OF WINSTON, OR  
CITY OF WOODBURN, OR  
LEAGUE OF OREGON CITES  
THE CITY OF HAPPY VALLEY OREGON  
ALPINE, UT  
ALTA, UT  
ALTAMONT, UT  
ALTON, UT  
AMALGA, UT  
AMERICAN FORK CITY, UT  
ANNABELLA, UT  
ANTIMONY, UT  
APPLE VALLEY, UT  
AURORA, UT  
BALLARD, UT  
BEAR RIVER CITY, UT  
BEAVER, UT  
BICKNELL, UT  
BIG WATER, UT  
BLANDING, UT  
BLUFFDALE, UT  
BOULDER, UT  
CITY OF BOUNTIFUL, UT  
BRIAN HEAD, UT  
BRIGHAM CITY CORPORATION, UT  
BRYCE CANYON CITY, UT  
CANNONVILLE, UT  
CASTLE DALE, UT  
CASTLE VALLEY, UT  
CITY OF CEDAR CITY, UT  
CEDAR FORT, UT  
CITY OF CEDAR HILLS, UT  
CENTERFIELD, UT  
CENTERVILLE CITY CORPORATION, UT  
CENTRAL VALLEY, UT  
CHARLESTON, UT  
CIRCLEVILLE, UT  
CLARKSTON, UT  
CLAWSON, UT  
CLEARFIELD, UT  
CLEVELAND, UT  
CLINTON CITY CORPORATION, UT  
COALVILLE, UT  
CORINNE, UT  
CORNISH, UT  
COTTONWOOD HEIGHTS, UT  
DANIEL, UT  
DELTA, UT  
DEWEYVILLE, UT  
DRAPER CITY, UT  
DUCHESNE, UT  
EAGLE MOUNTAIN, UT  
EAST CARBON, UT  
ELK RIDGE, UT  
ELMO, UT  
ELSINORE, UT  
ELWOOD, UT  
EMERY, UT  
ENOCH, UT  
ENTERPRISE, UT  
EPHRAIM, UT  
ESCALANTE, UT

EUREKA, UT  
FAIRFIELD, UT  
FAIRVIEW, UT  
FARMINGTON, UT  
FARR WEST, UT  
FAYETTE, UT  
FERRON, UT  
FIELDING, UT  
FILLMORE, UT  
FOUNTAIN GREEN, UT  
FRANCIS, UT  
FRUIT HEIGHTS, UT  
GARDEN CITY, UT  
GARLAND, UT  
GENOLA, UT  
GLENDALE, UT  
GLENWOOD, UT  
GOSHEN, UT  
GRANTSVILLE, UT  
GREEN RIVER, UT  
GUNNISON, UT  
HANKSVILLE, UT  
HARRISVILLE, UT  
HATCH, UT  
HEBER CITY CORPORATION, UT  
HELPER, UT  
HENEFER, UT  
HENRIEVILLE, UT  
HERRIMAN, UT  
HIDEOUT, UT  
HIGHLAND, UT  
HILDALE, UT  
HINCKLEY, UT  
HOLDEN, UT  
HOLLADAY, UT  
HONEYVILLE, UT  
HOOPER, UT  
HOWELL, UT  
HUNTINGTON, UT  
HUNTSVILLE, UT  
CITY OF HURRICANE, UT  
HYDE PARK, UT  
HYRUM, UT  
INDEPENDENCE, UT  
IVINS, UT  
JOSEPH, UT  
JUNCTION, UT  
KAMAS, UT  
KANAB, UT  
KANARRAVILLE, UT  
KANOSH, UT  
KAYSVILLE, UT  
KINGSTON, UT  
KOOSHAREM, UT  
LAKETOWN, UT  
LA VERKIN, UT  
LAYTON, UT  
LEAMINGTON, UT  
LEEDS, UT  
LEHI CITY CORPORATION, UT  
LEVAN, UT  
LEWISTON, UT  
LINDON, UT  
LOA, UT  
LOGAN CITY, UT  
LYMAN, UT  
LYNNNDYL, UT

MANILA, UT  
MANTI, UT  
MANTUA, UT  
MAPLETON, UT  
MARRIOTT-SLATERVILLE, UT  
MARYSVALE, UT  
MAYFIELD, UT  
MEADOW, UT  
MENDON, UT  
MIDVALE CITY INC., UT  
MIDWAY, UT  
MILFORD, UT  
MILLVILLE, UT  
MINERSVILLE, UT  
MOAB, UT  
MONA, UT  
MONROE, UT  
CITY OF MONTICELLO, UT  
MORGAN, UT  
MORONI, UT  
MOUNT PLEASANT, UT  
MURRAY CITY CORPORATION, UT  
MYTON, UT  
NAPLES, UT  
NEPHI, UT  
NEW HARMONY, UT  
NEWTON, UT  
NIBLEY, UT  
NORTH LOGAN, UT  
NORTH OGDEN, UT  
NORTH SALT LAKE CITY, UT  
OAK CITY, UT  
OAKLEY, UT  
OGDEN CITY CORPORATION, UT  
OPHIR, UT  
ORANGEVILLE, UT  
ORDERVILLE, UT  
OREM, UT  
PANGUITCH, UT  
PARADISE, UT  
PARAGONAH, UT  
PARK CITY, UT  
PAROWAN, UT  
PAYSON, UT  
PERRY, UT  
PLAIN CITY, UT  
PLEASANT GROVE CITY, UT  
PLEASANT VIEW, UT  
PLYMOUTH, UT  
PORTAGE, UT  
PRICE, UT  
PROVIDENCE, UT  
PROVO, UT  
RANDOLPH, UT  
REDMOND, UT  
RICHFIELD, UT  
RICHMOND, UT  
RIVERDALE, UT  
RIVER HEIGHTS, UT  
RIVERTON CITY, UT  
ROCKVILLE, UT  
ROCKY RIDGE, UT  
ROOSEVELT CITY CORPORATION, UT  
ROY, UT  
RUSH VALLEY, UT  
CITY OF ST. GEORGE, UT  
SALEM, UT

SALINA, UT  
SALT LAKE CITY CORPORATION, UT  
SANDY, UT  
SANTA CLARA, UT  
SANTAQUIN, UT  
SARATOGA SPRINGS, UT  
SCIPPIO, UT  
SCOFIELD, UT  
SIGURD, UT  
SMITHFIELD, UT  
SNOWVILLE, UT  
CITY OF SOUTH JORDAN, UT  
SOUTH OGDEN, UT  
CITY OF SOUTH SALT LAKE, UT  
SOUTH WEBER, UT  
SPANISH FORK, UT  
SPRING CITY, UT  
SPRINGDALE, UT  
SPRINGVILLE, UT  
STERLING, UT  
STOCKTON, UT  
SUNNYSIDE, UT  
SUNSET CITY CORP, UT  
SYRACUSE, UT  
TABIONA, UT  
CITY OF TAYLORSVILLE, UT  
TOOELE CITY CORPORATION, UT  
TOQUERVILLE, UT  
TORREY, UT  
TREMONTON CITY, UT  
TRENTON, UT  
TROPIC, UT  
UINTAH, UT  
VERNAL CITY, UT  
VERNON, UT  
VINEYARD, UT  
VIRGIN, UT  
WALES, UT  
WALLSBURG, UT  
WASHINGTON CITY, UT  
WASHINGTON TERRACE, UT  
WELLINGTON, UT  
WELLSVILLE, UT  
WENDOVER, UT  
WEST BOUNTIFUL, UT  
WEST HAVEN, UT  
WEST JORDAN, UT  
WEST POINT, UT  
WEST VALLEY CITY, UT  
WILLARD, UT  
WOODLAND HILLS, UT  
WOODRUFF, UT  
WOODS CROSS, UT

**COUNTIES AND PARISHES INCLUDING BUT NOT LIMITED TO:**

ASCENSION PARISH, LA  
ASCENSION PARISH, LA, CLEAR OF COURT  
CADDO PARISH, LA  
CALCASIEU PARISH, LA  
CALCASIEU PARISH SHERIFF'S OFFICE, LA  
CITY AND COUNTY OF HONOLULU, HI  
CLACKAMAS COUNTY, OR  
CLACKAMAS COUNTY DEPT OF TRANSPORTATION, OR  
CLATSOP COUNTY, OR  
COLUMBIA COUNTY, OR

COOS COUNTY, OR  
COOS COUNTY HIGHWAY DEPARTMENT, OR  
COUNTY OF HAWAII, OR  
CROOK COUNTY, OR  
CROOK COUNTY ROAD DEPARTMENT, OR  
CURRY COUNTY, OR  
DESCHUTES COUNTY, OR  
DOUGLAS COUNTY, OR  
EAST BATON ROUGE PARISH, LA  
GILLIAM COUNTY, OR  
GRANT COUNTY, OR  
HARNEY COUNTY, OR  
HARNEY COUNTY SHERIFFS OFFICE, OR  
HAWAII COUNTY, HI  
HOOD RIVER COUNTY, OR  
JACKSON COUNTY, OR  
JEFFERSON COUNTY, OR  
JEFFERSON PARISH, LA  
JOSEPHINE COUNTY GOVERNMENT, OR  
LAFAYETTE CONSOLIDATED GOVERNMENT, LA  
LAFAYETTE PARISH, LA  
LAFAYETTE PARISH CONVENTION & VISITORS  
COMMISSION  
LAFOURCHE PARISH, LA  
KAUAI COUNTY, HI  
KLAMATH COUNTY, OR  
LAKE COUNTY, OR  
LANE COUNTY, OR  
LINCOLN COUNTY, OR  
LINN COUNTY, OR  
LIVINGSTON PARISH, LA  
MALHEUR COUNTY, OR  
MAUI COUNTY, HI  
MARION COUNTY, SALEM, OR  
MORROW COUNTY, OR  
MULTNOMAH COUNTY, OR  
MULTNOMAH COUNTY BUSINESS AND  
COMMUNITY SERVICES, OR  
MULTNOMAH COUNTY SHERIFFS OFFICE, OR  
MULTNOMAH LAW LIBRARY, OR  
ORLEANS PARISH, LA  
PLAQUEMINES PARISH, LA  
POLK COUNTY, OR  
RAPIDES PARISH, LA  
SAINT CHARLES PARISH, LA  
SAINT CHARLES PARISH PUBLIC SCHOOLS, LA  
SAINT LANDRY PARISH, LA  
SAINT TAMMANY PARISH, LA  
SHERMAN COUNTY, OR  
TERREBONNE PARISH, LA  
TILLAMOOK COUNTY, OR  
TILLAMOOK COUNTY SHERIFF'S OFFICE, OR  
TILLAMOOK COUNTY GENERAL HOSPITAL, OR  
UMATILLA COUNTY, OR  
UNION COUNTY, OR  
WALLOWA COUNTY, OR  
WASCO COUNTY, OR  
WASHINGTON COUNTY, OR  
WEST BATON ROUGE PARISH, LA  
WHEELER COUNTY, OR  
YAMHILL COUNTY, OR  
COUNTY OF BOX ELDER, UT  
COUNTY OF CACHE, UT  
COUNTY OF RICH, UT  
COUNTY OF WEBER, UT  
COUNTY OF MORGAN, UT  
COUNTY OF DAVIS, UT

COUNTY OF SUMMIT, UT  
COUNTY OF DAGGETT, UT  
COUNTY OF SALT LAKE, UT  
COUNTY OF TOOELE, UT  
COUNTY OF UTAH, UT  
COUNTY OF WASATCH, UT  
COUNTY OF DUCHESNE, UT  
COUNTY OF Uintah, UT  
COUNTY OF CARBON, UT  
COUNTY OF SANPETE, UT  
COUNTY OF JUAB, UT  
COUNTY OF MILLARD, UT  
COUNTY OF SEVIER, UT  
COUNTY OF EMERY, UT  
COUNTY OF GRAND, UT  
COUNTY OF BEVER, UT  
COUNTY OF PIUTE, UT  
COUNTY OF WAYNE, UT  
COUNTY OF SAN JUAN, UT  
COUNTY OF GARFIELD, UT  
COUNTY OF KANE, UT  
COUNTY OF IRON, UT  
COUNTY OF WASHINGTON, UT

**OTHER AGENCIES INCLUDING ASSOCIATIONS,  
BOARDS, DISTRICTS, COMMISSIONS, COUNCILS,  
PUBLIC CORPORATIONS, PUBLIC DEVELOPMENT  
AUTHORITIES, RESERVATIONS AND UTILITIES  
INCLUDING BUT NOT LIMITED TO:**

BANKS FIRE DISTRICT, OR  
BATON ROUGE WATER COMPANY  
BEND METRO PARK AND RECREATION DISTRICT  
BIENVILLE PARISH FIRE PROTECTION DISTRICT 6,  
LA  
BOARDMAN PARK AND RECREATION DISTRICT  
CENTRAL CITY ECONOMIC OPPORTUNITY CORP, LA  
CENTRAL OREGON INTERGOVERNMENTAL  
COUNCIL  
CITY OF BOGALUSA SCHOOL BOARD, LA  
CLACKAMAS RIVER WATER  
CLATSKANIE PEOPLE'S UTILITY DISTRICT  
CLEAN WATER SERVICES  
CONFEDERATED TRIBES OF THE UMATILLA INDIAN  
RESERVATION  
COOS FOREST PROTECTIVE ASSOCIATION  
CHEHALEM PARK AND RECREATION DISTRICT  
DAVID CROCKETT STEAM FIRE COMPANY #1, LA  
EUGENE WATER AND ELECTRIC BOARD  
HONOLULU INTERNATIONAL AIRPORT  
HOODLAND FIRE DISTRICT #74  
HOUSING AUTHORITY OF PORTLAND  
ILLINOIS VALLEY FIRE DISTRICT  
LAFAYETTE AIRPORT COMMISSION, LA  
LAFOURCHE PARISH HEALTH UNIT – DHH-OPH  
REGION 3  
LOUISIANA PUBLIC SERVICE COMMISSION, LA  
LOUISIANA WATER WORKS  
MEDFORD WATER COMMISSION  
MELHEUR COUNTY JAIL, OR  
METRO REGIONAL GOVERNMENT  
METRO REGIONAL PARKS  
METROPOLITAN EXPOSITION RECREATION  
COMMISSION  
METROPOLITAN SERVICE DISTRICT (METRO)  
MULTNOMAH EDUCATION SERVICE DISTRICT  
NEW ORLEANS REDEVELOPMENT AUTHORITY, LA  
NORTHEAST OREGON HOUSING AUTHORITY, OR

PORT OF BRANDON, OR  
PORT OF MORGAN CITY, LA  
PORTLAND DEVELOPMENT COMMISSION, OR  
PORTLAND FIRE AND RESCUE  
PORTLAND HOUSING CENTER, OR  
OREGON COAST COMMUNITY ACTION  
OREGON HOUSING AND COMMUNITY SERVICES  
OREGON LEGISLATIVE ADMINISTRATION  
ROGUE VALLEY SEWER, OR  
SAINT LANDRY PARISH TOURIST COMMISSION  
SAINT MARY PARISH REC DISTRICT 2  
SAINT MARY PARISH REC DISTRICT 3  
SAINT TAMMANY FIRE DISTRICT 4, LA  
SALEM MASS TRANSIT DISTRICT  
SEWERAGE AND WATER BOARD OF NEW ORLEANS,  
LA  
SOUTH LAFOURCHE LEVEE DISTRICT, LA  
TRI-COUNTY METROPOLITAN TRANSPORTATION  
DISTRICT OF OREGON  
TUALATIN HILLS PARK & RECREATION DISTRICT  
TUALATIN VALLEY FIRE & RESCUE  
TUALATIN VALLEY WATER DISTRICT  
WILLAMALANE PARK AND RECREATION DISTRICT  
WILLAMETTE HUMANE SOCIETY

**K-12 INCLUDING BUT NOT LIMITED TO:**

ACADIA PARISH SCHOOL BOARD  
BEAVERTON SCHOOL DISTRICT  
BEND-LA PINE SCHOOL DISTRICT  
BOGALUSA HIGH SCHOOL, LA  
BOSSIER PARISH SCHOOL BOARD  
BROOKING HARBOR SCHOOL DISTRICT  
CADDO PARISH SCHOOL DISTRICT  
CALCASIEU PARISH SCHOOL DISTRICT  
CANBY SCHOOL DISTRICT  
CANYONVILLE CHRISTIAN ACADEMY  
CASCADE SCHOOL DISTRICT  
CASCADES ACADEMY OF CENTRAL OREGON  
CENTENNIAL SCHOOL DISTRICT  
CENTRAL CATHOLIC HIGH SCHOOL  
CENTRAL POINT SCHOOL DISTRICT NO.6  
CENTRAL SCHOOL DISTRICT 13J  
COOS BAY SCHOOL DISTRICT NO.9  
CORVALLIS SCHOOL DISTRICT 509J  
COUNTY OF YAMHILL SCHOOL DISTRICT 29  
CULVER SCHOOL DISTRICT  
DALLAS SCHOOL DISTRICT NO.2  
DAVID DOUGLAS SCHOOL DISTRICT  
DAYTON SCHOOL DISTRICT NO.8  
DE LA SALLE N CATHOLIC HS  
DESCHUTES COUNTY SCHOOL DISTRICT NO.6  
DOUGLAS EDUCATIONAL DISTRICT SERVICE  
DUFUR SCHOOL DISTRICT NO.29  
EAST BATON ROUGE PARISH SCHOOL DISTRICT  
ESTACADA SCHOOL DISTRICT NO.10B  
FOREST GROVE SCHOOL DISTRICT  
GEORGE MIDDLE SCHOOL  
GLADSTONE SCHOOL DISTRICT  
GRANTS PASS SCHOOL DISTRICT 7  
GREATER ALBANY PUBLIC SCHOOL DISTRICT  
GRESHAM BARLOW JOINT SCHOOL DISTRICT  
HEAD START OF LANE COUNTY  
HIGH DESERT EDUCATION SERVICE DISTRICT  
HILLSBORO SCHOOL DISTRICT  
HOOD RIVER COUNTY SCHOOL DISTRICT  
JACKSON CO SCHOOL DIST NO.9

JEFFERSON COUNTY SCHOOL DISTRICT 509-J  
JEFFERSON PARISH SCHOOL DISTRICT  
JEFFERSON SCHOOL DISTRICT  
JUNCTION CITY SCHOOLS, OR  
KLAMATH COUNTY SCHOOL DISTRICT  
KLAMATH FALLS CITY SCHOOLS  
LAFAYETTE PARISH SCHOOL DISTRICT  
LAKE OSWEGO SCHOOL DISTRICT 7J  
LANE COUNTY SCHOOL DISTRICT 4J  
LINCOLN COUNTY SCHOOL DISTRICT  
LINN CO. SCHOOL DIST. 95C  
LIVINGSTON PARISH SCHOOL DISTRICT  
LOST RIVER JR/SR HIGH SCHOOL  
LOWELL SCHOOL DISTRICT NO.71  
MARION COUNTY SCHOOL DISTRICT  
MARION COUNTY SCHOOL DISTRICT 103  
MARIST HIGH SCHOOL, OR  
MCMINNVILLE SCHOOL DISTRICT NOAO  
MEDFORD SCHOOL DISTRICT 549C  
MITCH CHARTER SCHOOL  
MONROE SCHOOL DISTRICT NO.1J  
MORROW COUNTY SCHOOL DIST, OR  
MULTNOMAH EDUCATION SERVICE DISTRICT  
MULTISENSORY LEARNING ACADEMY  
MYRTLE PINT SCHOOL DISTRICT 41  
NEAH-KAH-NIE DISTRICT NO.56  
NEWBERG PUBLIC SCHOOLS  
NESTUCCA VALLEY SCHOOL DISTRICT NO.101  
NOBEL LEARNING COMMUNITIES  
NORTH BEND SCHOOL DISTRICT 13  
NORTH CLACKAMAS SCHOOL DISTRICT  
NORTH DOUGLAS SCHOOL DISTRICT  
NORTH WASCO CITY SCHOOL DISTRICT 21  
NORTHWEST REGIONAL EDUCATION SERVICE  
DISTRICT  
ONTARIO MIDDLE SCHOOL  
OREGON TRAIL SCHOOL DISTRICT NOA6  
ORLEANS PARISH SCHOOL DISTRICT  
PHOENIX-TALENT SCHOOL DISTRICT NOA  
PLEASANT HILL SCHOOL DISTRICT  
PORTLAND JEWISH ACADEMY  
PORTLAND PUBLIC SCHOOLS  
RAPIDES PARISH SCHOOL DISTRICT  
REDMOND SCHOOL DISTRICT  
REYNOLDS SCHOOL DISTRICT  
ROGUE RIVER SCHOOL DISTRICT  
ROSEBURG PUBLIC SCHOOLS  
SCAPPOOSE SCHOOL DISTRICT 1J  
SAINT TAMMANY PARISH SCHOOL BOARD, LA  
SEASIDE SCHOOL DISTRICT 10  
SHERWOOD SCHOOL DISTRICT 88J  
SILVER FALLS SCHOOL DISTRICT 4J  
SOUTH LANE SCHOOL DISTRICT 45J3  
SOUTHERN OREGON EDUCATION SERVICE  
DISTRICT  
SPRINGFIELD PUBLIC SCHOOLS  
SUTHERLIN SCHOOL DISTRICT  
SWEET HOME SCHOOL DISTRICT NO.55  
TERREBONNE PARISH SCHOOL DISTRICT  
THE CATLIN GABEL SCHOOL  
TIGARD-TUALATIN SCHOOL DISTRICT  
UMATILLA MORROW ESD  
WEST LINN WILSONVILLE SCHOOL DISTRICT  
WILLAMETTE EDUCATION SERVICE DISTRICT  
WOODBURN SCHOOL DISTRICT  
YONCALLA SCHOOL DISTRICT

ACADEMY FOR MATH ENGINEERING & SCIENCE (AMES) , UT  
ALIANZA ACADEMY , UT  
ALPINE DISTRICT , UT  
AMERICAN LEADERSHIP ACADEMY , UT  
AMERICAN PREPARATORY ACADEMY , UT  
BAER CANYON HIGH SCHOOL FOR SPORTS & MEDICAL SCIENCES , UT  
BEAR RIVER CHARTER SCHOOL , UT  
BEAVER SCHOOL DISTRICT , UT  
BEEHIVE SCIENCE & TECHNOLOGY ACADEMY (BSTA) , UT  
BOX ELDER SCHOOL DISTRICT , UT  
CBA CENTER , UT  
CACHE SCHOOL DISTRICT , UT  
CANYON RIM ACADEMY , UT  
CANYONS DISTRICT , UT  
CARBON SCHOOL DISTRICT , UT  
CHANNING HALL , UT  
CHARTER SCHOOL LEWIS ACADEMY , UT  
CITY ACADEMY , UT  
DAGGETT SCHOOL DISTRICT , UT  
DAVINCI ACADEMY , UT  
DAVIS DISTRICT , UT  
DUAL IMMERSION ACADEMY , UT  
DUCHESNE SCHOOL DISTRICT , UT  
EARLY LIGHT ACADEMY AT DAYBREAK , UT  
EAST HOLLYWOOD HIGH , UT  
EDITH BOWEN LABORATORY SCHOOL , UT  
EMERSON ALCOTT ACADEMY , UT  
EMERY SCHOOL DISTRICT , UT  
ENTHEOS ACADEMY , UT  
EXCELSIOR ACADEMY , UT  
FAST FORWARD HIGH , UT  
FREEDOM ACADEMY , UT  
GARFIELD SCHOOL DISTRICT , UT  
GATEWAY PREPARATORY ACADEMY , UT  
GEORGE WASHINGTON ACADEMY , UT  
GOOD FOUNDATION ACADEMY , UT  
GRAND SCHOOL DISTRICT , UT  
GRANITE DISTRICT , UT  
GUADALUPE SCHOOL , UT  
HAWTHORN ACADEMY , UT  
INTECH COLLEGIATE HIGH SCHOOL , UT  
IRON SCHOOL DISTRICT , UT  
ITINERIS EARLY COLLEGE HIGH , UT  
JOHN HANCOCK CHARTER SCHOOL , UT  
JORDAN DISTRICT , UT  
JUAB SCHOOL DISTRICT , UT  
KANE SCHOOL DISTRICT , UT  
KARL G MAESER PREPARATORY ACADEMY , UT  
LAKEVIEW ACADEMY , UT  
LEGACY PREPARATORY ACADEMY , UT  
LIBERTY ACADEMY , UT  
LINCOLN ACADEMY , UT  
LOGAN SCHOOL DISTRICT , UT  
MARIA MONTESSORI ACADEMY , UT  
MERIT COLLEGE PREPARATORY ACADEMY , UT  
MILLARD SCHOOL DISTRICT , UT  
MOAB CHARTER SCHOOL , UT  
MONTICELLO ACADEMY , UT  
MORGAN SCHOOL DISTRICT , UT  
MOUNTAINVILLE ACADEMY , UT  
MURRAY SCHOOL DISTRICT , UT  
NAVIGATOR POINTE ACADEMY , UT  
NEBO SCHOOL DISTRICT , UT

NO UT ACAD FOR MATH ENGINEERING & SCIENCE (NUAMES) , UT  
NOAH WEBSTER ACADEMY , UT  
NORTH DAVIS PREPARATORY ACADEMY , UT  
NORTH SANPETE SCHOOL DISTRICT , UT  
NORTH STAR ACADEMY , UT  
NORTH SUMMIT SCHOOL DISTRICT , UT  
ODYSSEY CHARTER SCHOOL , UT  
OGDEN PREPARATORY ACADEMY , UT  
OGDEN SCHOOL DISTRICT , UT  
OPEN CLASSROOM , UT  
OPEN HIGH SCHOOL OF UTAH , UT  
OQUIRRH MOUNTAIN CHARTER SCHOOL , UT  
PARADIGM HIGH SCHOOL , UT  
PARK CITY SCHOOL DISTRICT , UT  
PINNACLE CANYON ACADEMY , UT  
PIUTE SCHOOL DISTRICT , UT  
PROVIDENCE HALL , UT  
PROVO SCHOOL DISTRICT , UT  
QUAIL RUN PRIMARY SCHOOL , UT  
QUEST ACADEMY , UT  
RANCHES ACADEMY , UT  
REAGAN ACADEMY , UT  
RENAISSANCE ACADEMY , UT  
RICH SCHOOL DISTRICT , UT  
ROCKWELL CHARTER HIGH SCHOOL , UT  
SALT LAKE ARTS ACADEMY , UT  
SALT LAKE CENTER FOR SCIENCE EDUCATION , UT  
SALT LAKE SCHOOL DISTRICT , UT  
SALT LAKE SCHOOL FOR THE PERFORMING ARTS , UT  
SAN JUAN SCHOOL DISTRICT , UT  
SEVIER SCHOOL DISTRICT , UT  
SOLDIER HOLLOW CHARTER SCHOOL , UT  
SOUTH SANPETE SCHOOL DISTRICT , UT  
SOUTH SUMMIT SCHOOL DISTRICT , UT  
SPECTRUM ACADEMY , UT  
SUCCESS ACADEMY , UT  
SUCCESS SCHOOL , UT  
SUMMIT ACADEMY , UT  
SUMMIT ACADEMY HIGH SCHOOL , UT  
SYRACUSE ARTS ACADEMY , UT  
THOMAS EDISON - NORTH , UT  
TIMPANOGOS ACADEMY , UT  
TINTIC SCHOOL DISTRICT , UT  
TOOELE SCHOOL DISTRICT , UT  
TUACAHN HIGH SCHOOL FOR THE PERFORMING ARTS , UT  
UINTAH RIVER HIGH , UT  
UINTAH SCHOOL DISTRICT , UT  
UTAH CONNECTIONS ACADEMY , UT  
UTAH COUNTY ACADEMY OF SCIENCE , UT  
UTAH ELECTRONIC HIGH SCHOOL , UT  
UTAH SCHOOLS FOR DEAF & BLIND , UT  
UTAH STATE OFFICE OF EDUCATION , UT  
UTAH VIRTUAL ACADEMY , UT  
VENTURE ACADEMY , UT  
VISTA AT ENTRADA SCHOOL OF PERFORMING ARTS AND TECHNOLOGY , UT  
WALDEN SCHOOL OF LIBERAL ARTS , UT  
WASATCH PEAK ACADEMY , UT  
WASATCH SCHOOL DISTRICT , UT  
WASHINGTON SCHOOL DISTRICT , UT  
WAYNE SCHOOL DISTRICT , UT  
WEBER SCHOOL DISTRICT , UT  
WEILENMANN SCHOOL OF DISCOVERY , UT

**HIGHER EDUCATION**

ARGOSY UNIVERSITY  
BATON ROUGE COMMUNITY COLLEGE, LA  
BIRTHINGWAY COLLEGE OF MIDWIFERY  
BLUE MOUNTAIN COMMUNITY COLLEGE  
BRIGHAM YOUNG UNIVERSITY - HAWAII  
CENTRAL OREGON COMMUNITY COLLEGE  
CENTENARY COLLEGE OF LOUISIANA  
CHEMEKETA COMMUNITY COLLEGE  
CLACKAMAS COMMUNITY COLLEGE  
COLLEGE OF THE MARSHALL ISLANDS  
COLUMBIA GORGE COMMUNITY COLLEGE  
CONCORDIA UNIVERSITY  
GEORGE FOX UNIVERSITY  
KLAMATH COMMUNITY COLLEGE DISTRICT  
LANE COMMUNITY COLLEGE  
LEWIS AND CLARK COLLEGE  
LINFIELD COLLEGE  
LINN-BENTON COMMUNITY COLLEGE  
LOUISIANA COLLEGE, LA  
LOUISIANA STATE UNIVERSITY  
LOUISIANA STATE UNIVERSITY HEALTH SERVICES  
MARYLHURST UNIVERSITY  
MT. HOOD COMMUNITY COLLEGE  
MULTNOMAH BIBLE COLLEGE  
NATIONAL COLLEGE OF NATURAL MEDICINE  
NORTHWEST CHRISTIAN COLLEGE  
OREGON HEALTH AND SCIENCE UNIVERSITY  
OREGON INSTITUTE OF TECHNOLOGY  
OREGON STATE UNIVERSITY  
OREGON UNIVERSITY SYSTEM  
PACIFIC UNIVERSITY  
PIONEER PACIFIC COLLEGE  
PORTLAND COMMUNITY COLLEGE  
PORTLAND STATE UNIVERSITY  
REED COLLEGE  
RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII  
ROGUE COMMUNITY COLLEGE  
SOUTHEASTERN LOUISIANA UNIVERSITY  
SOUTHERN OREGON UNIVERSITY (OREGON UNIVERSITY SYSTEM)  
SOUTHWESTERN OREGON COMMUNITY COLLEGE  
TULANE UNIVERSITY  
TILLAMOOK BAY COMMUNITY COLLEGE  
UMPQUA COMMUNITY COLLEGE  
UNIVERSITY OF HAWAII BOARD OF REGENTS  
UNIVERSITY OF HAWAII-HONOLULU COMMUNITY COLLEGE  
UNIVERSITY OF OREGON-GRADUATE SCHOOL  
UNIVERSITY OF PORTLAND  
UNIVERSITY OF NEW ORLEANS  
WESTERN OREGON UNIVERSITY  
WESTERN STATES CHIROPRACTIC COLLEGE  
WILLAMETTE UNIVERSITY  
XAVIER UNIVERSITY  
UTAH SYSTEM OF HIGHER EDUCATION, UT  
UNIVERSITY OF UTAH, UT  
UTAH STATE UNIVERSITY, UT  
WEBER STATE UNIVERSITY, UT  
SOUTHERN UTAH UNIVERSITY, UT  
SNOW COLLEGE, UT  
DIXIE STATE COLLEGE, UT  
COLLEGE OF EASTERN UTAH, UT  
UTAH VALLEY UNIVERSITY, UT  
SALT LAKE COMMUNITY COLLEGE, UT  
UTAH COLLEGE OF APPLIED TECHNOLOGY, UT

**STATE AGENCIES**

ADMIN. SERVICES OFFICE  
BOARD OF MEDICAL EXAMINERS  
HAWAII CHILD SUPPORT ENFORCEMENT AGENCY  
HAWAII DEPARTMENT OF TRANSPORTATION  
HAWAII HEALTH SYSTEMS CORPORATION  
OFFICE OF MEDICAL ASSISTANCE PROGRAMS  
OFFICE OF THE STATE TREASURER  
OREGON BOARD OF ARCHITECTS  
OREGON CHILD DEVELOPMENT COALITION  
OREGON DEPARTMENT OF EDUCATION  
OREGON DEPARTMENT OF FORESTRY  
OREGON DEPT OF TRANSPORTATION  
OREGON DEPT. OF EDUCATION  
OREGON LOTTERY  
OREGON OFFICE OF ENERGY  
OREGON STATE BOARD OF NURSING  
OREGON STATE DEPT OF CORRECTIONS  
OREGON STATE POLICE  
OREGON TOURISM COMMISSION  
OREGON TRAVEL INFORMATION COUNCIL  
SANTIAM CANYON COMMUNICATION CENTER  
SEIU LOCAL 503, OPEU  
SOH- JUDICIARY CONTRACTS AND PURCH  
STATE DEPARTMENT OF DEFENSE, STATE OF HAWAII  
STATE OF HAWAII  
STATE OF HAWAII, DEPT. OF EDUCATION  
STATE OF LOUISIANA  
STATE OF LOUISIANA DEPT. OF EDUCATION  
STATE OF LOUISIANA, 26<sup>TH</sup> JUDICIAL DISTRICT  
ATTORNEY  
STATE OF UTAH