



Offer and Acceptance

State of Arizona
State Procurement Office
100 N. 15th Ave, Suite
201 Phoenix, AZ 85007

Contract No: ADSP014-063243

Description: Statewide Medium and Heavy Duty Cab and Chassis

OFFER

TO THE STATE OF ARIZONA:

The Undersigned hereby offers and agrees to furnish the material, service or construction in compliance with all terms, conditions, specifications and amendments in the Solicitation and any written exceptions in the offer. Signature also certifies Small Business status.

Signature of Person Authorized to Sign Offer

Joe Pfeffer

Printed Name

Courtesy Chevrolet

Company Name

1233 E Camelback Road

Address

Phoenix

AZ

85014

City

State

Zip

Fleet Manager

Title

Phone: 602-604-3043

Fax: 602-264-9230

jpfeffer@courtesychev.com

Contact Email Address

By signature in the Offer section above, the Offeror certifies:

1. The submission of the Offer did not involve collusion or other anticompetitive practices.
2. The Offeror shall not discriminate against any employee or applicant for employment in violation of Federal Executive Order 11246, State Executive Order 2009-09 or A.R.S. §§ 41-1461 through 1465.
3. 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, or service to a public servant in connection with the submitted offer. Failure to provide a valid signature affirming the stipulations required by this clause shall result in rejection of the offer. Signing the offer with a false statement shall void the offer, any resulting contract and may be subject to legal remedies provided by law.
4. The Offeror certifies that the above referenced organization IS NOT a small business with less than 100 employees or has gross revenues of \$4 million or less.

ACCEPTANCE OF OFFER

The Offer is hereby accepted.

The Contractor is now bound to sell the materials or services listed by the attached contract and based upon the solicitation, including all terms, conditions, specifications, amendments, etc., and the Contractor's Offer as accepted by the State.

This Contract shall henceforth be referred to as Contract No. ADSP014-063243

The effective date of the Contract shall be: JANUARY 15, 2014

The Contractor has been cautioned not to commence any billable work or to provide any material or service under this contract until Contractor receives purchase order, contract release document or written notice to proceed.

State of Arizona
Awarded this

9

day of

JANUARY

2014

Procurement Officer



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The following documents are not contained physically in this document, but are included by reference and available online in ProcureAZ:

Special and Uniform Instructions to Offerors ADSPO14-00003602

All Solicitation Attachments

Pricing (all pricing is contained within the line items in ProcureAZ AND in an attached spreadsheet in ProcureAZ Attachments)

Contractor’s Final Proposal Documents (Submitted in response to solicitation ADSPO14-00003602 and included by reference, attached in ProcureAZ)

Solicitation ADSPO14-00003602 as amended, including all attachments and exhibits



Specifications

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1. INTRODUCTION/BACKGROUND

- 1.1. Pursuant to A.R.S. 41-2501, The Arizona Department of Administration, State Procurement Office (The State) is seeking to establish statewide contract(s) for Medium and Heavy Duty Cab and Chassis necessary to support all State Agencies, Boards and Commissions and participating Cooperative Members (collectively hereinafter referred to as Eligible Agencies). The Special Terms and Conditions provide a more detailed definition of Eligible Agencies. A list of all [State Agencies](#) and [Cooperative Members](#) may be found on the [State Procurement Office's](#) Website. The State intends to award a contract(s) to qualified vendors in accordance with the terms, conditions and provisions set forth herein.
- 1.2. The awarded contract(s) shall replace existing contracts for Medium and Heavy Duty Cab and Chassis. The State desires to enter into a contract(s) with reliable and capable vendors who can; manage multiple agency accounts and delivery points located throughout the State, provide an effective ordering method for contract specific items, has sufficient statewide delivery capabilities, and offers a full, comprehensive line of Medium and Heavy Duty Cab and Chassis. This contract(s) will be used on an as needed basis; the State makes no guarantee as to actual spend under any resultant contract.

2. GENERAL CONDITIONS AND REQUIREMENTS


- 2.1. All chassis shall be manufacturer's current models in production throughout the term of this contract and shall be services completed by the Contractor before delivery and ready in all respects for use.
- 2.2. All chassis bid and furnished shall meet requirements of applicable Arizona Motor Vehicle laws and all other Federal Motor Vehicle laws (including the Federal Bridge Formula), whether or not such requirements are specified in detail.
- 2.3. The Contractor shall supply a quote sheet within seven (7) calendar days after receiving request from the eligible agency. See Exhibit 1 for quote sheet example. The quotation shall include but not be limited to the following information: State contract number, vehicle availability and delivery lead-time, Vehicle Identification Number (VIN), dealer stock number, vehicle base bid price, itemized options (including line item cost), applicable tax, delivery cost, total price, and point of contact. For vehicles requiring upfit/modifications, all applicable cost shall be included in quotation or as a separate quotation.
- 2.4. Within fourteen (14) calendar days after receipt of a purchase order, Contractor shall provide the eligible agency copies of the manufacturer's factory order numbers, to confirm vehicles have been ordered. If confirmation of manufacturer's factory order numbers is not received within this timeframe the eligible agency has the option to cancel the order and purchase from another source. The eligible agency may charge the extra cost of procuring the vehicles to the original vendor. This shall be considered a mandatory requirement. Failure to provide this document for each vehicle ordered may be cause for determination of default of contract.

3. CHASSIS MODELS

The Contractor is encouraged to provide a full line of new Medium and Heavy Duty Cab & Chassis. Contractors shall submit a vehicle specification sheet for each cab & chassis offered, please see Attachment V, Price and Specification Spreadsheet. Eligible Agencies throughout the State will have varying needs. Contractors shall provide a full line of manufactured new vehicles and all subsequent variants of each vehicle; including but not limited to, models and manufacturer options to meet the needs of an eligible agency.

4. CHASSIS UPFIT/MODIFICATION

The Eligible Agency may request the awarded Contractor(s) to upfit/modify any cab and chassis for specific organizational needs. For example, a chassis may require a specialized body (i.e.: dump body, landscape body, etc.). Other cab and chassis may require interior and/or exterior modifications per the Eligible Agency's request. The Eligible Agency shall supply all upfit/modification requests to the Contractor. The Contractor shall identify any conditions that apply to the upfit/modification on a quotation to the Eligible Agency for review and acceptance before any work commences.


	<h1 style="margin: 0;">Specifications</h1>	State of Arizona State Procurement Office 100 N. 15th Ave, Suite 201 Phoenix, AZ 85007
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5. WARRANTY

- 5.1. At a minimum, all equipment supplies under these specifications shall be fully warranted by the vehicle manufacturer against mechanical and electrical defects for a minimum of the manufacturer’s warranty from the date of acceptance. This warranty shall cover such items as actual repair labor, parts, and shipping charges to and from the nearest service facility or other designated repair depot. Any defects of design, workmanship or material, shall be fully corrected by the vendor without cost to the eligible agency. The written warranty shall be included with the delivered vehicles to the eligible agency. The warranty terms shall be stated on Attachment II, where indicated.
- 5.2. Contractors are encouraged to provide the State additional warranty packages that exceed the minimum requirements. Additional warranty information shall be included on Attachment II.

6. CAB AND CHASSIS EQUIPMENT REQUIREMENTS

- 6.1. **Decals** – Decals or markings of any type pertaining to advertisement other than those installed by the manufacturer such as name and model shall not be attached to any vehicle.
- 6.2. **Fluid Requirements** – Contractor shall be responsible for notifying the eligible agency of special fluid requirements that are necessary to maintain standard and extended warranties and service agreements i.e. transmission fluid, anti-freeze, oils and lubricants that must be Original Equipment Manufacturer (OEM) only.
- 6.3. **Service Requirements** – All vehicles shall be completely assembled, serviced, adjusted and all equipment including standard and optional equipment shall be installed and the units made ready for continuous operation. Servicing requirements shall include, but not limited to, the following:
 - Complete lubrication
 - Checking of all fluid levels to insure that they are filled to the manufacturer’s recommended capacity
 - Full tank(s) of fuel, less delivery fuel
 - Engine adjustment to proper operation condition
 - Tire inflation to correct pressure
 - Checking of all mechanical and electrical operations
 - Checking for any appearance defects
 - Cleaning, removal of all unnecessary tags and stickers, washing if necessary
- 6.4. **Special Paint Requirement** – Eligible agencies may require special paint for some vehicles, i.e., special highway yellow and special eligible agency fleet colors. An increase of no more than thirty (30) days over the required delivery time shall be allowed for this requirement. Contractors shall indicate on Attachment I if there are any quantity requirements or an additional cost for specialty fleet colors. If no information is entered on Attachment I, it will be understood that there is no quantity requirement or additional cost.
- 6.5. **Special Title Requirement** – There may be a requirement for the title on some vehicles purchased to be titled to other than the ordering eligible agency. The State has programs that require equipment purchased from special funds be returned to the State’s communities. These purchases will be made for authorized political subdivisions.
- 6.6. **Tires** – Any spare tire supplied, optional or standard, shall match the OEM tires and wheels contained on the vehicle. Spare tires shall be full size tire and wheel identical to factory OEM.
- 6.7. **Vehicle Equipment Requirements** – All base vehicles offered shall, at a minimum, include the following:
 - All standard factory equipment
 - Automatic transmission
 - Cruise Control
 - Four (4) keys and two (2) keyless entry remotes (if applicable), per vehicle
 - Air conditioning
 - Cloth seats
 - Rear view mirrors on driver and passenger doors

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- Standard tint glass, if available

7. TRAINING MATERIALS AND DIAGNOSTIC TOOLS

- 7.1. Training shall be provided by the Contractor for equipment supplied upon request from the eligible agency. Training shall be available for maintenance of engine and other mechanical and electrical functions. Training shall be categorized by Operator Training and Service (or Repair) Training and shall be provided according to the description provided in Attachment I.
- 7.2. **Shop Manuals** – Shop manuals shall be provided by electronic, web based and/or hard copy to a requesting eligible agency. If hard copy is available, any costs and ordering mechanisms, such as order forms, shall be indicated on Attachment I.
- 7.3. **Diagnostic Tools/Subscriptions** – The Contractor shall provide a diagnostic scan tool(s), laptop program, and/or yearly subscription for any vehicles offered under this contract for which such device is available, upon request of an Eligible Agency. Cost of initial and any additional diagnostic equipment, yearly subscriptions or programs shall be provided in Attachment I.

8. EXECUTIVE ORDER 2006-13

- 8.1. Executive Order 2006-13 shall apply to all State agencies, boards and commissions.
- 8.2. Contractors shall offer all Cab and Chassis that meet the requirements of Executive Order page 3, paragraph E. and/or meet low GHG emission standards. Vehicles that “meet low-GHG emission standards” are vehicles from the EPA Green Vehicle Guide at <http://www.epa.gov/greenvehicles/Index.do;jsessionid=8230dfdfdadb59257e15> that have a Greenhouse Gas Score of 8 or higher, or vehicles that operate on propane, liquefied natural gas (LNG), or compressed natural gas (CNG).

9. MANUFACTURER’S CERTIFICATION

The Contractor shall submit a current and complete Manufacturer’s Certification form (Attachment IV), stating that the Contractor is the Manufacturer or a Certified Representative of the Manufacturer, for each Manufacturer they represent under a resultant contract. The Manufacturer’s Certification form(s) must be executed by the Manufacturer(s) only, and may not be completed by the Contractor. Dealer agreements shall not be accepted in lieu of a Manufacturer’s Certification.



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1. CONTRACT

- 1.1 Contract. The contract between the State of Arizona and the Contractor shall consist of the solicitation as amended, any requests for clarifications, the offer submitted by the Contractor including any Final Proposal Revisions, and their responses to any requests for clarifications. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the solicitation as amended shall govern. However, the State reserves the right to clarify any contractual requirement in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the solicitation as amended or the Contractor's proposal. In all other matters not affected by the written clarification, if any, the solicitation shall govern.
- 1.1.1 The State's primary contact for this solicitation and resultant contracts shall be the Procurement Officer assigned to the contract and listed in ProcureAZ.
- 1.2 Contract Term. The contract term shall commence upon award and will continue for one (1) year unless canceled, terminated or extended as otherwise provided herein.
- 1.3 Contract Extension. The initial contract term is subject to additional successive one-year periods or portions thereof with a maximum aggregate contract term including all extensions not to exceed five (5) years.
- 1.4 Contract Type. The contract is a firm fixed-price, Percent (%) discount from MSRP.
- 1.5 Amendments. Any change in the Contract, including but not limited to the Statement of Work described herein, whether by modification or supplementation, must be accomplished by a formal contract amendment or change order approved by and between the duly authorized representatives of the Contractor and the Arizona State Procurement Office. The Contractor expressly and explicitly understands and agrees that no other method and/or no other document, including correspondence, acts, and oral communications by or from any person, shall be used or construed as an amendment to the contract.
- 1.6 Contract Changes. The State reserves the right to modify this contract as circumstances may require without penalty to fulfill the needs of the State. The Contractor shall be notified prior to any changes in the contract and shall be accomplished by a contact amendment.
- 1.7 Eligible Agencies. This contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible universities, political subdivisions and nonprofit organizations may participate at their discretion. In order to participate in this contract, a university, political subdivision, or nonprofit educational or public health institution shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-2632. The contractor may not restrict or compel the use of this contract by an eligible agency.
- 1.8 Estimated Quantities. The State makes no guarantee or commitment of any kind is made concerning the quantity or monetary value of activity actually initiated and completed.
- 1.9 Non-Exclusive Contract. This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary.
- 1.10 Compliance with Applicable Laws. The Materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.
- Contractor represents and warrants to the State that Contractor has the skill and knowledge possessed by members of its trade or profession and Contractor will apply that skill and knowledge with care and diligence so Contractor and Contractor's employees and any authorized subcontractors shall perform the Services described in this Contract in accordance with the Statement of Work.
- 1.11 Confidentiality of Records. The Contractor shall establish and maintain procedures and controls that are acceptable to the State for the purpose of assuring that no information contained in its records or obtained from the state or from



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others in carrying out its functions under the contract shall be used 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 State. The Contractor also agrees that any information pertaining to individual persons shall not be divulged other than to employees or officers of the Contractor as needed for the performance of duties under the Contract, unless otherwise agreed to in writing by the State.

- 1.12 Acceptance. Determination of the acceptability of goods and services shall be made by the sole judgment of the State. Acceptance criteria shall include, but not be limited to conformity to the scope of work, quality of workmanship and successfully performing all required Tasks. Nonconformance to any of the stated acceptance and performance criteria of both services and or products as required shall result in a delay for payment. Payment shall not be made until nonconformance to the criteria is corrected as determined by the State.
- 1.13 Cancellation. The State reserves the right to cancel the whole or any part of the contract if, at any time during the performance of the Contract, Contractor initiates or is party to actions including, but shall not limited to;
- 1.13.1 Providing personnel that do not meet the requirements of the contract or attempting to impose on the State, personnel of unacceptable quality,
 - 1.13.2 Failure to provide the State with acceptable proof of compliance with prescribed insurance required
 - 1.13.3 Failure in a material way to correct services not in conformance with the Contract or Purchase Orders;
 - 1.13.4 Repeated failure to comply with the requirements of the Contract;
 - 1.13.5 Material disregard of or failure to comply with any applicable Federal, State or Local law, regulation or ordinance
 - 1.13.6 Failure, neglect, or refusal to proceed with the performance of the Contract in a prompt, safe and diligent manner;
 - 1.13.7 Failure to promptly pay all monies due to subcontractors, vendors, or others for materials and services in connection with the Work; and
 - 1.13.8 Attempting to assign this Contract without obtaining the State's prior consent.
- 1.14 Contract Personnel.
- 1.14.1 It is essential that the Contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The Contractor shall provide mentally alert, physically fit and qualified individuals to ensure contracted services progress in a safe, orderly and timely manner.
 - 1.14.2 During the course of the contract, the State reserves the right to require the contractor to remove from the project contractor employees found unacceptable by the State. The State may require that the Contractor remove from the Contract employees who endanger persons or property or whose continued employment under this Contract is inconsistent with the interests of the State.
- 1.15 Licenses. The 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 in performance under this contract.
- 1.16 Appropriation of Funds. Every payment obligation of the Eligible Agency under this Contract is conditioned upon the availability of funds appropriated or allocated for the payment of such obligation. If funds are not allocated and available for the continuance of this Contract, this Contract may be terminated by the Agency at the end of the period for which funds are available. No liability shall accrue to the Agency or the State of Arizona in the event this provision is exercised, and neither the Agency nor the State shall be obligated or liable for any future payments or for any damages as a result of termination under this paragraph.



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2. USAGE REPORTS

- 2.1 Contractors shall submit a Quarterly Report documenting all contract sales. The proper Usage Report Forms may be found on the State Procurement Office’s web site http://spo.az.gov/Contractor_Resources/Admin_Fee/. Any alternate Quarterly Usage Report format shall be approved by the Procurement Officer. If there are no contract sales during a quarter, a Quarterly Usage Report indicating “no contract sales” shall be submitted to satisfy this requirement.
- 2.2 Contractors shall submit the Quarterly Usage Report to the State Procurement Office no later than the last day of the month following the end of each calendar quarter. Usage Reports shall be submitted to the following address:

Arizona Department of Administration
State Procurement Office
Attention: “Statewide Contract Usage Report”
100 N. 15th Avenue, Suite 201
Phoenix, AZ 85007
- 2.3 The submission schedule for Usage Reports shall be as follows:

July through September (FY Q1) Due October 31
October through December (FY Q2) Due January 31
January through March (FY Q3) Due April 30
April through June (FY Q4) Due July 31
- 2.4 Contractor’s failure to remit accurate quarterly usage reports in a timely manner consistent with the contract’s requirements may result in the State exercising any recourse available under the contract or as provided for by law.
- 2.5 Annual Itemized Spend Report. The contractor shall furnish the State an annual report delineating the acquisition activity under the contract. This report shall be submitted electronically and in a format approved by the State. At a minimum, it shall disclose all purchased items, unit cost, and quantity, as well as, individual purchasing Agency, for all sales transacted within the year. The volume sales report shall be submitted annually 30 days before the end of the contract term.

3. CANCELLATION FOR POSSESSION OF WEAPONS ON STATE PROPERTY

This contract may be cancelled if contractor or any subcontractors or others in the employ or under the supervision of the contractor or subcontractors is found to be in possession of weapons. Possession of weapons (firearms, explosive device, knife or blade of more than three inches, or any other instrument designed for lethal or disabling use) is prohibited on State property pursuant to A.R.S. §13-3102. Such property includes State owned or leased office building, yards, parking lots, construction sites or state owned vehicles. Further, if the contractor or any subcontractors or others in the employ or under the supervision of the contractors or subcontractors are asked by an State official to leave the State property and fail to comply with such a request shall result in cancellation of the contract and anyone who refuses, whether armed or not, is subject to prosecution under A.R.S. § 13-1502, 'Criminal trespass in the third degree; classification.'

4. CONTRABAND

- 4.1 Any person who takes into or out of, or attempts to take into or out of a correctional facility or the grounds belonging to adjacent to a correctional facility, any item not specifically authorized by the correctional facility shall be prosecuted under the provisions of the Arizona Revised Statutes. All persons, including employees and visitors, entering upon these confines are subject to routine searches of their person, vehicles, property of packages.
- 4.2 DEFINITION - A.R.S. § 13-2501: Contraband means any dangerous drug, narcotic drug, intoxication liquor of any kind, deadly weapon, dangerous instrument, explosive or any other article whose use or possession would endanger the safety, security, or preservation of order in a correctional institution or any person therein. (Any other article includes any substance which could cause abnormal behavior, i.e. marijuana, non-prescription medication, etc.)
- 4.3 PROMOTING PRISON CONTRABAND - A.R.S. § 13-2505:



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- 4.3.1 A person, not otherwise authorized by law, commits promoting prison contraband:
 - A. By knowingly taking contraband into a correctional facility or the grounds of such a facility; or
 - B. By knowingly conveying contraband to any person confined in a correctional facility; or
 - C. By knowingly making, obtaining or possessing contraband while being confined in a correctional facility.
- 4.3.2 Promoting prison contraband is a Class 5 felony.

5. CURRENT MODELS

All vehicles shall be the manufacturer’s current models in production at the time of delivery. All vehicles shall be new, unused, equivalent in style and quality to those offered to the general public and meet or exceed all specifications and requirements set forth in this solicitation.

6. DEALERSHIP, PARTICIPATING SERVICE AND DELIVERY LOCATIONS

- 6.1 The Contractor may submit, at any time during the contract period, new dealership, participating service and delivery locations that will be used as subcontractors for both product deliveries and drive in service centers under the contract. Requests are to be submitted electronically and shall contain:
 - 6.1.1 The dealer or outlet name
 - 6.1.2 Location (physical address)
 - 6.1.3 Telephone/fax numbers and email information
 - 6.1.4 Key personnel at that location
- 6.2 Approval shall be in the form of a bilateral change order in ProcureAZ, and shall become effective on the date the change order is the ‘Sent’ status.

7. DELIVERY (MINIMUM)

- 7.1 Delivery location shall be identified on the issuing eligible agency purchase order. Deliveries shall be made within 120 days of receipt of purchase orders, unless factory delays make this impossible. Dealer shall notify the eligible agency of such delays along with revised delivery estimate from factory immediately after it becomes known. If manufacturer has a website available to check order status, this information will be shown in space provided on Attachment I.
- 7.2 All deliveries shall be made Monday through Friday from 8:00 A.M. to 2:00 P.M., unless a time has been agreed upon between the Contractor and eligible agency. The Contractor shall be required to give the ordering eligible agency a minimum of 24 hour notification prior to delivery with the anticipated time of delivery and number of units to be delivered.
- 7.3 All vehicles shall be delivered with four (4) keys and if applicable two (2) keyless entry remotes and a full tank(s) of fuel, less delivery.
- 7.4 The following documents shall be provided upon delivery of the vehicles(s):
 - 7.4.1 M.S.O. (Manufacturer Statement of Origin) that includes the odometer statement
 - 7.4.2 Warranty Document
 - 7.4.3 Manufacturers unaltered invoice
 - 7.4.4 The retail price label must be affixed to the window of all vehicles delivered
 - 7.4.5 Delayed warranty/in-service start request form (if requested by ordering entity)



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8. EQUIPMENT INSPECTION

- 8.1 Contractor shall retain title and control of all goods until they are delivered, inspected and accepted. All risk of transportation and related charges shall be the responsibility of the Contractor. The Contractor shall file all claims for visible and concealed damage. The State shall notify the Contractor promptly of any damaged goods and shall assist the Contractor in arranging for inspection.
- 8.2 Each vehicle delivered shall be subject to a complete inspection by the eligible agency prior to acceptance. Inspection criteria shall include, but not be limited to, conformity to the specifications, mechanical integrity, quality, workmanship and materials. Thirty (30) calendar days shall be allowed for this process. If delivered equipment is returned to the Contractor prior to acceptance for any reason, additional periods of thirty (30) calendar days shall be allowed for inspection when subsequent deliveries occur. All corrections shall be made within seven (7) calendar days of reported deficiency. All corrections shall be made without any inconvenience to the State.

9. EXCISE TAX EXEMPTION

The State of Arizona and its political subdivisions are exempt from federal excise tax in the case of sales of articles to state agencies or political subdivision for use in the exercise of essential government functions. It is agreed that where articles purchased tax-free under the exemption are used for purposes other than in the exercise of essential functions, or are sold to employees or others, the user shall report such facts to the vendor.

10. FINANCIAL SOUNDNESS

- 10.1 The State Procurement Office (SPO) must be notified in writing of any substantial change in the Contractor's financial condition during the term of the Contract. Failure to notify SPO of such a substantial change in financial condition will be sufficient grounds for terminating the Contract.
- 10.2 The State may request the Contractor and any of the Contractor's Subcontractors to provide a certified Statement of Financial Capability or the company's most current financial Statement which has been audited by their outside auditing firm.

11. IN-SERVICE NOTIFICATION

Vehicles not placed in service immediately upon receipt shall be warranted from the date the vehicle is placed in service. The eligible agency shall notify the Contractor in writing of the actual in-service date, on forms to be provided for such purpose upon request by the eligible agency.

12. INDEMNIFICATION CLAUSE

Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of, or recovered under, the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.



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13. INSURANCE REQUIREMENTS:

Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. MINIMUM SCOPE AND LIMITS OF INSURANCE: Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal and advertising injury and broad form contractual liability coverage.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: *“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor.”* 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.
- b. Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

2. **Business Automobile Liability**

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.

- Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: *“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”* 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.
- b. Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, as departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- c. Policy shall contain a severability of interest provision.



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3. Worker's Compensation and Employers' Liability

- Workers' Compensation Statutory
- Employers' Liability
 - Each Accident \$ 500,000
 - Disease – Each Employee \$ 500,000
 - Disease – Policy Limit \$1,000,000

- a. Policy shall contain a waiver of subrogation endorsement in favor of the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractors exempt under A.R.S. § 23-901, and when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

B. ADDITIONAL INSURANCE REQUIREMENTS: The policies shall include, or be endorsed to include, the following provisions:

- 1. The Contractor's policies shall stipulate that the insurance afforded the Contractor shall be primary insurance and that any insurance carried by the Department, its agents, officials, employees or the State of Arizona shall be excess and not contributory insurance, as provided by A.R.S. § 41-621 (E).
- 2. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

C. NOTICE OF CANCELLATION: With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the State of Arizona. Such notice shall be sent directly to **the Department** and shall be sent by certified mail, return receipt requested.

D. ACCEPTABILITY OF INSURERS: Contractors insurance shall be placed with companies duly licensed in the State of Arizona or hold approved non-admitted status on the Arizona Department of Insurance List of Qualified Unauthorized Insurers. Insurers shall have an “A.M. Best” rating of not less than A- VII or duly authorized to transact Workers’ Compensation insurance in the State of Arizona. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency.

E. VERIFICATION OF COVERAGE: Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) 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 State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to **the Department**. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete copies of all insurance policies required by this Contract at any time.

F. SUBCONTRACTORS: Contractors’ certificate(s) shall include all subcontractors as insureds under its policies **or** Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to the minimum requirements identified above.



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G. APPROVAL: Any modification or variation from the *insurance requirements* in this Contract shall be made by the contracting agency in consultation with the Department of Administration, Risk Management Division. Such action will not require a formal Contract amendment, but may be made by administrative action.

H. 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. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

14. INVOICE – BILLING

14.1 All billing notices or invoices shall be sent to the eligible agency whose address appears on the contract release order/purchase order as the ‘bill to address’ and should contain, at a minimum, the following information:

- 14.1.1 Both the contract number and contract release/purchase order number
- 14.1.2 Name and address of the contractor
- 14.1.3 The contractor’s remittance address
- 14.1.4 Contractor’s representative to contact concerning billing questions
- 14.1.5 Contractual payment terms
- 14.1.6 Applicable taxes

15. LOBBYING

The Contractor shall not engage in lobbying activities, as defined in 40 CFR part 34 and ARS §41-1231, et seq., using monies awarded under this Contract. Upon award of this Contract, the Contractor shall disclose all lobbying activities to the State to the extent they are an actual or potential conflict of interest or where such activities would create an appearance of impropriety. The Contractor shall implement and maintain adequate controls to assure that monies awarded under this Contract shall not be used for lobbying. All proposed Subcontractors shall be subject to the same lobbying provisions stated above. The Contractor must include anti-lobbying provisions in all Contracts with Subcontractors.

16. OPTIONAL EQUIPMENT

All optional equipment and accessories shall be original equipment from the manufacturer and installed at the factory unless otherwise specified.

17. ORDERING

- 17.1 Purchase Order Sufficiency. This contract was awarded in accordance with the Arizona Procurement Code and all transactions and procedures required by the code for competitive source selection have been met. A contract release order/purchase order, initiated in accordance with the requirements contained herein, that cites the correct Arizona contract number is the only document required for an Eligible Agency to order and the contractor to deliver the material and /or service. No additional memberships or agreements shall be permitted to use this contract. The contractor may use application type forms but shall only be used to set up accounts.
- 17.2 Non Contract Items. Any attempt to knowingly represent any material and/or service not specifically awarded, as being under contract with the State of Arizona is a violation of the contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the state inclusive of, but not limited to, contract cancellation, suspension and/or debarment of the contractor.
- 17.3 Ordering Support. The Contractor shall provide and maintain applicable toll-free telephone numbers, facsimile numbers, and at least one (1) electronic ordering system (such as e-mail or web based) for Customer usage. Failure to maintain this service may be cause for cancellation of the contract.



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- 17.4 Order Guides. Contractor shall be responsible for furnishing a copy of the manufacturers order guide, at no charge, upon request by an eligible agency.
- 17.5 Minimum Orders. No minimum dollar or item count shall be allowed on orders from Eligible Agencies.
- 17.6 Order Acknowledgement. Contractor shall acknowledge receipt of all Orders. See Specifications Section 2.4 of this document for specific contract requirements.

18. OUTRIGHT PURCHASE

The Contractor shall be authorized to sell vehicles on an outright purchase basis only. No financing or installment payments are a part of this agreement. Title shall transfer to the eligible agency at the time of acceptance, or when the vehicle(s) is accepted at the eligible agency's site.

19. PANDEMIC CONTRACTUAL PERFORMANCE

19.1. The Contractor shall have a plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The state may require a copy of the plan at any time prior or post award of a contract. At a minimum, the pandemic performance plan shall include:

- Key succession and performance planning if there is a sudden significant decrease in contractor's workforce;
- Alternative methods to ensure there are products in the supply chain; and
- An up to date list of company contacts and organizational chart.

19.2. In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights:

- After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms;
- The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the director as per § 41-2537 of the Arizona Procurement Code; and
- Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).

19.3. The State, at any time, may request to see a copy of the written plan from the contractor. The contractor shall produce the written plan within 72 hours of the request.

20. PRICING

20.1. For the purpose of this contract, "MSRP" shall be defined as an acronym for the Manufacturer's Suggested Retail Price. It represents the Manufacturer's recommended retail selling Price, list Price, published Price, or other usual and customary Price that would be paid by the purchaser for specific commodities and contractual services. It must be available and verifiable by the State.

20.2. Medium and Heavy Duty Cab and Chassis and Available Options. All pricing shall be a percentage off MSRP. Pricing shall include the following: all profit, administrative charges, Dealer preparation charges, environmental fees, title application and registration fees, plate transfer fees, handling charges, shipping charges, and any other charges or fees necessary to deliver the base vehicle according to the specification, exclusive of taxes. Shipping charges shall be defined as the delivery cost for each vehicle within the county in which the Contractor is located.

20.3. Delivery. Delivery costs for each county outside the county in which the dealer is located shall be indicated on Attachment I. There shall be no delivery charges for vehicles delivered within the county in which the Contractor is located.

20.4. Supplemental Pricing – All Inclusive. Pricing is all-inclusive, including any ancillary fees and costs required to accomplish the Statement of Work and all aspects of the Contractor's offer as accepted by the State. Details of service not explicitly stated in the Statement of Work or in the Contractor's Offer, but necessarily a part of, are deemed to be



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understood by the Contractor and included herein. All administrative, reporting or other requirements, all overhead costs and profit and any other costs towards the accomplishment of the requirements in this Contract are included in the pricing provided.

- 20.5. Pricing for any additional products or services shall be in accordance with the information provided in Attachment I (Supplemental Pricing Information), Attachment V (Pricing and Specifications Spreadsheet) and line items in ProcureAZ.
- 20.6. **Price Adjustment.** A fully documented request for a price increase shall be based on the annual OEM model year change.
 - 20.6.1. The State reserves the right to review a request for price increase due to model year change at any time during the term of the contract. The written request from the Contractor shall provide justification for the increase. If requested at any other time other than contract renewal, the request shall include written documentation for the manufacturer stating the availability of the new model year vehicles.
 - 20.6.2. All written requests for price adjustments made by the Contractor shall be initiated thirty (30) days in advance of any desired price increase to allow the State sufficient time to make a fair and equitable determination to any such requests. This may be waived upon proper documentation demonstrating the urgency of the request.
 - 20.6.3. All price adjustments will be implemented by a formal contract change order. The State shall determine whether the requested price increase or an alternate option is in the best interest of the State.
- 20.7. **Price Reductions.** Price reductions may be submitted to the state for consideration at any time during the contract period. The contractor shall offer the state a price reduction on the contract product(s) concurrent with a published price reduction made to other customers. The state at its own discretion may accept a price reduction. The price reduction request shall be in writing and include the following;
 - Documentation, i.e., published cost lists, from the manufacturer showing, to the satisfaction of the state, the actual cost reduction.
 - Documentation showing that the published cost reductions have been offered to other distributors.
 - Sales promotions requests shall include difference in pricing, begin and end date of promotion along with the products covered.
- 20.8. **Sales Promotions.** In addition to decreasing contract pricing in accordance with the provision entitled Price Reduction, the Contractor may conduct sales promotions involving specific products or groups of products specified herein for specified time periods. If electing to exercise this provision, the Contractor shall submit:
 - 20.8.1. A formal request that identifies the affected contract product or product groups
 - 20.8.2. The promotional price vs. the existing contract price
 - 20.8.3. The start and end date of the sales promotion

Approval shall be in the form of a contract amendment. Pricing shall be available to all eligible agencies through the dates specified in the request. Upon approval the Contractor shall provide conspicuous notice of the promotion.

21. PRODUCTS

- 21.1. **Product Removal.** The contractor shall not cancel or remove products without prior approval of the State. The contractor shall provide an equal or acceptable replacement approved by State if available.
- 21.2. **Product Discontinuance.** In the event that a product or groups of products are discontinued by a manufacturer, written notice shall be submitted to the State within 5 business days of notification from manufacturer. The State at its sole discretion may allow the Contractor to provide replacements for the discontinued product(s) or allow the deletion of such products from the contract. Approval shall be in the form of a contract amendment or change order and shall become effective upon execution of the amendment or change order, unless otherwise stated. Upon approval by the



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State, the Contractor shall make available all electronic and hard catalog/price list updates to all eligible at no additional cost to the State. The request may be submitted at any time during the contract period and shall be supplemented with the following information. Failure to supply any of the following information with the request may result in the State not considering the request.

- A formal announcement or documentation from the manufacturer stating that the product(s) have been discontinued.
- Documentation describing any replacement product providing clear evidence that the replacement product(s) meets or exceeds the specifications of the discontinued product(s) while remaining in the same product group(s) as the discontinued item, and;
- Documentation confirming that the price for the replacement product(s) is equivalent or less than the discontinued item.

21.3. New Products. The State, at its sole discretion, reserves the right to include additional products or product categories that are within the Specifications and in the best interest of the State. The request may be submitted at any time during the contract period and shall be supplemented with the information below. Approval(s) shall be in the form of a contract amendment or change order and shall become effective on the date specified in the amendment or change order. Upon approval by the State, the contractor shall make available all catalog/price list updates to all eligible agencies at no additional cost to the State. Pricing shall be in line with current contract pricing. Contractor’s request for new products shall include the following information;

21.3.1. A formal announcement from the manufacturer stating that the product(s) are new and were not available at the time of contract award.

21.3.2. Documentation from the manufacturer that cites the effected products by item number and description.

21.3.3. Documentation that provides clear evidence that the new products are those that are within an established contract group. **NO OTHER PRODUCTS SHALL BE ALLOWED.**

21.3.4. That States prices at which sales are currently or were last made to a significant number of any categories of buyers or buyers constituting the general buying public for the materials or services involved and that will be sold at the existing discount (percent %) from list price as existing products.


21.4. Warranty. All equipment supplied under these specifications shall be fully warranted by the vehicle manufacturer against mechanical and electrical defects for a minimum period of 36 months from the date of acceptance. This warranty shall cover such items as actual repair labor, parts, and shipping charges to and from the nearest service facility or other designated repair depot. Any defects of design, workmanship or material, shall be fully corrected by the vendor without cost to the Eligible Agency. The written warranty shall be included with the delivered vehicles to the Eligible Agency.

21.5. Forced Substitutions. Forced substitutions shall not be allowed. The contractor shall obtain prior written approval from the Eligible Agency before any substitution may be made for an out of stock item.

21.6. Recall Notices. In the event of any recall notice, technical service bulletin, or other important notification affecting a vehicle purchased from any resultant contract, a notice shall be sent to the eligible agency listed on each applicable purchase order. Each notice shall reference the affected purchase order and vehicle identification number. **The contractor shall provide and retrofit at no cost to the State all vehicles purchased under this contract with vehicle safety enhancements as a result of the recall.**

22. SUBCONTRACTS

22.1. Subcontractor Approval. Supplemental to the Uniform Terms and Conditions, Section 5.2, Subcontracts, Contractor shall not enter into any Subcontract under this Contract, for the performance of services under this Contract, without the advance written approval of the Procurement Officer. The contractor shall submit a formal written request on company

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letterhead and including an Attachment III, Proposed Subcontractors, or a document containing the information requested in Attachment III.

22.2. With the request, Contractor shall certify that all Subcontracts incorporate by reference the terms and conditions of this Contract. The issuance of subcontracts shall not relieve Contractor of any of its obligations under the Contract, including, among other things, the obligation to properly supervise and coordinate the work of subcontractors performing for the Contractor under this Contract. Nothing contained in any subcontract shall create a contractual relationship between any subcontractor and the State.

23. TRAINING QUALITY ASSESSMENT

If determined by the eligible agency that training was insufficient and did not meet all requirements of the contract, the Contractor must conduct additional training at the same location and at the Contractor's expense. Scheduling of any repeated classes shall be coordinated through the requesting eligible agency.

24. VEHICLE DOCUMENTATION

The Contractor shall include in each vehicle an owner, operator and maintenance manual. This shall include all standard manufacturer literature normally furnished with the purchase of a new vehicle at the time of delivery.

25. VEHICLE CONTRACTS PHASE I AND PHASE II (INCLUDING PURCHASES FROM STOCK)

25.1. The State of Arizona shall continue to have two-phase contracts for vehicles. The intent of the two-phase contract is to allow eligible agencies vehicle contract coverage for a full 12-month period.

25.2. Phase I shall take effect upon award of this Invitation for Bid and shall expire on the factory cut-off date.

25.2.1. The Contractor shall notify the State of a contracted vehicle's Production Cut-off date in writing and received by the contract administrator no later than thirty (30) calendar days prior to the effective date of the Production Cut-off. In the event the Manufacturer should give less than thirty (30) calendar days' notice of a Production Cut-off to the Contractor, the Contractor shall notify by telephone, email or letter, the Contract Administrator no later than the next business day. When available, the Contractor agrees to immediately provide copies of the Manufacturer's notice of Production Cut-off to the Contract Administrator upon request.

26. VEHICLE PRICING-PHASE II (PURCHASES FROM STOCK)

26.1. Purchases from dealer's stock may occur at any time during the contract, including during Phase II, which shall be effective upon the expiration date of Phase I and shall expire upon the award of the succeeding year vehicle contract.


26.2. Eligible agencies have historically purchased many vehicles during the Phase II portion of the contract. It is imperative that bidders/contractors view this portion of the contract as a Contractual Requirement.

26.3. Vehicles in the Phase II/purchase from stock portion of the contract shall be priced as follows:

26.4. The Phase II, or purchase from stock, contract price for the vehicles shall be the dealers cost as shown on the manufacturer's invoice for the vehicle in question, less the manufacturer's bid assistance available for that model/power-train combination plus dealer margin for the applicable contract item number. Contractor shall provide a copy of manufacturer's invoice to the ordering eligible agency. The manufacturer's invoice shall be unaltered to include original pricing from the manufacturer. Failure to price in this manner may be cause for contract cancellation. **Transportation costs to transfer a vehicle from another dealer for a Phase II or purchase from stock may be added to the cost of the vehicle. The justification for this cost is at the discretion of the ordering eligible agency.**

27. FEDERAL TERMS

THE FOLLOWING SPECIAL TERMS AND CONDITIONS SHALL APPLY TO PURCHASES OF ANY VEHICLES PROCURED WITH FEDERAL FUNDS

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27.1. BUS TESTING The Contractor (Manufacturer) agrees to comply with 49 U.S.C. §5323 (C) and FTA 's implementing regulation at 49CFR Part 665 and shall perform the following:

Manufacturer of a new bus model or a bus produced with a major change in components or configuration shall provide a copy of the final test report to the recipient at a point in the procurement process specified by the recipient which shall be prior to the recipient's final acceptance of the first vehicle.

A manufacturer who releases a report under paragraph 1 above shall provide notice to the operator of the testing facility that the report is available to the public.

If the manufacturer represents that the vehicle was previously tested, the vehicle being sold should have the identical configuration and major components as the vehicle in the test report, which must be provided to the recipient prior to the recipient's final acceptance of the first vehicle. If the configuration or components are not identical, the manufacturer shall provide a description of the change and the manufacturer's basis for concluding that it is not a major change requiring additional testing.

If the manufacturer represents that the vehicle is "grandfathered" (has been used in mass transit service in the United States before October 1, 1988, and is currently being produced without a major change in configuration or components), the manufacturer shall provide the name and address of the recipient of such vehicle and the details of that vehicle's configuration and major components.

27.2 BUY AMERICA

The Contractor agrees to comply with 49 U.S.C. 5323 (j) and 49 CFR Part 661, which provide that federal funds may not be obligated unless steel, iron, and manufactured products used in FTA-funded projects are produced in the United States, unless a waiver has been granted by FTA or the product is subject to a general waiver. General waivers are listed in 49 CFR 661.7 and include final assembly in the United States for 15 passenger vans and 15 passenger wagons produced by Chrysler Corporation, microcomputer equipment, software, and small purchases (currently less than \$100,000) made with capital, operating, or planning funds. Separate requirements for rolling stock are set out at 5323(j)(2)(C) and 49 CFR 661.11. Rolling stock not subject to a general waiver must be manufactured in the United States and have a 60 percent domestic content.

An Offeror may be required to submit an appropriate Buy America certification if federal funds are utilized to procure products and/or services under the contract.

27.3 CARGO PREFERENCE REQUIREMENTS

The Contractor agrees:

To use privately owned United States-Flag commercial vessels to ship at least 50 percent of the gross tonnage (computed separately for dry bulk carriers, dry cargo liners, and tankers) involved, whenever shipping any equipment, material, or commodities pursuant to the underlying contract to the extent such vessels are available at fair and reasonable rates for United States-Flag commercial vessels.

To furnish within 20 working days following the date of loading for shipments originating within the United States or within 30 days following the date of leading for shipments originating outside the United States, a legible copy of a rated, "on-board" commercial ocean bill-of-lading in English for each shipment of cargo described in the Preceding Paragraph to the Division of National Cargo, Office of Market Development, Maritime Administration, Washington, DC 20590 and to the FTA recipient (through the contractor in the case of a subcontractor's bill-of-lading.)

To include these requirements in all subcontracts issued Pursuant to this contract when the subcontract may involve the transport of equipment, material, or commodities by ocean vessel.

27.4 CIVIL RIGHTS



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The Contractor is required to comply with Executive Order 99-4 “Non-Discrimination in Employment by Government Contractors and Subcontractors,” which is hereby included in its entirety by reference and considered a part of this Contract.

The Contractor is required to comply with Title VI of the Civil Rights Act of 1964, as amended. Accordingly, Title 49, Code of Federal Regulations, Part 21 through Appendix H and Title 23 CFR 710.405 (b) are made applicable by reference and are hereinafter considered part of this Contract.

The Contractor is required to comply with the provisions of Executive Order 11246, entitled “ Equal Employment Opportunity,” as amended by Executive Order 11375, and as supplemented in Department of Labor Regulations (41 CFR Part 60). Said provisions are made applicable by reference and are hereinafter considered a part of this Contract.

27.5 CLEAN AIR

The Contractor agrees to:

Comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act, as amended, 42 U.S.C. §~ 7401 et.seq. The Contractor agrees to report each violation to the Purchaser and understands and agrees that the Purchaser will, in turn, report each violation as required to assure notification to FTA and the appropriate EPA Regional Office.

Include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

27.6 CLEAN WATER

The Contractor agrees to:

Comply with all applicable standards, orders or regulations issued pursuant to the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 et ~g.

To report each violation to the Purchaser and understands and agrees that the Purchaser shall, In turn, report each violation as required to assure notification to the FTA and the appropriate EPA Regional Office.

To include these requirements in each subcontract exceeding \$100,000 financed in whole or in part with Federal assistance provided by FTA.

27.7 CONTRACT WORK HOURS AND SAFETY STANDARDS ACT

Overtime Requirements: No contractor or subcontractor contracting for any part of the contract work which may require or involve the employment of laborers or mechanics shall require or permit any such laborer or mechanic in any workweek in which he or she is employed on such work to work in excess of forty hours in such workweek unless such laborer or mechanic receives compensation at a rate not less than one and one-half times the basic rate of pay for all hours worked in excess of forty hours in such workweek.

Violation; liability for unpaid wages; liquidated damages: In the event of any violation of the clause set forth in paragraph (a) of this section the contractor and any subcontractor responsible therefore shall be liable for the unpaid wages. In addition, such contractor and subcontractor shall be liable to the United States for liquidated damages. Such liquidated damages shall be computed with respect to each individual laborer or mechanic, including watchmen and guards, employed in violation of the clause set forth in paragraph (a) of this section, in the sum of \$10 for each calendar day on which such individual was required or permitted to work in excess of the standard workweek of forty hours without payment of the overtime wages required by the clause set forth in paragraph (a) of this section.



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Withholding for unpaid wages and liquidated damages: The grantee or recipient shall upon its own action or upon written request of an authorized representative of the Department of Labor withhold or cause to be withheld, from any moneys payable on account of work performed by the contractor or subcontractor under any such contract or any other Federal contract with the same prime contractor, or any other federally-assisted contract subject to the Contract Work and Safety Standards Act, which is held by the same prime contractor, such sums as may be determined to be necessary to satisfy any liabilities of such contractor or subcontractor for unpaid wages and liquidated damages as provided in the clause set forth in paragraph (b) of this section.

Subcontractors: The contractor or subcontractor shall insert in any subcontracts the clauses set forth in this section and also a clause requiring the subcontractors to include these clauses in any lower tier subcontracts. The prime contractor shall be responsible for compliance by any subcontractor or lower tier subcontractor with the clauses set forth in this section.

Payrolls and basic records: Relating thereto shall be maintained by the contractor during the course of the work and preserved for a period of three years thereafter for all laborers and mechanics working at the site of the work (or under the United States Housing Act of 1937, or under the Housing Act of 1949, in the construction or development of the project). Such records shall contain the name, address, and social security number of each such worker, his or her correct classification, hourly rates of wages paid (including rates of contributions or cost anticipated for bona fide fringe benefits or cash equivalents thereof of the types described in section 1(b)(2)(B) of the Davis-Bacon Act), daily and weekly number of hours worked, deductions made and actual wages paid. Whenever the Secretary of Labor has found under 29CFR 5.5(a)(1)(iv) that the wages of any laborer or mechanic include the amount of any cost reasonably anticipated in providing benefits under a plan or program described in section 1(b)(2)(B) of the Davis-Bacon Act, the contractor shall maintain records which show that the commitment to provide such benefits is enforceable, that the plan or program is financially responsible, and that the plan or program has been communicated in writing to the laborers or mechanics affected, and records which show the costs anticipated or the actual cost incurred in providing such benefits. Contractors employing apprentices or trainees under approved programs shall maintain written evidence of the registration of apprenticeship programs and certification of trainee programs, the registration of the apprentices and trainees, and the ratios and wage rates prescribed in the applicable programs.

27.8 ENERGY CONSERVATION


The contractor agrees to comply with mandatory standards and policies relating to energy efficiency, which are contained in the state energy conservation plan issued in compliance with the Energy Policy and Conservation Act.

27.9 FEDERAL CHANGES

Contractor shall at all times comply with all applicable FTA regulations, policies, procedures and directives, including without limitation those listed directly or by reference in the Agreement (Form FTA MA (2) dated October, 1995) between Purchaser and FTA, as they may be amended or promulgated from time to time during the term of this contract. Contractor's failure to so comply shall constitute a material breach of this contract.

27.10 INCORPORATION OF FEDERAL TRANSIT ADMINISTRATION (FTA) TERMS

The preceding provisions include, in part, certain Standard Terms and Conditions required by DOT, whether or not expressly set forth in the preceding contract provisions. All contractual provisions required by DOT, as set forth in FTA Circular 4220.1 C, dated May 1, 1995, are hereby incorporated by reference. Anything, to the contrary herein notwithstanding, all FTA mandated terms shall be deemed to control in the event of a conflict with other provisions contained in this Agreement. The Contractor shall not perform any act, fail to perform any act, or refuse to comply with any (name of grantee) requests, which would cause (name of grantee) to be in violation of the FTA terms and conditions.

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27.11 LOBBYING RESTRICTIONS

Contractors who apply or bid for an award of \$100,000.00 or more shall file the certification required (ATTACHMENT ASSIGN NUMBER) by 49CFR part 20, “New Restrictions of Lobbying”. Each tier certifies to the tier above that it will not and has not used Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. Each tier shall also disclose the name of any registrant under the Lobbying Disclosure Act of 1995 who has made lobbying contracts on its behalf with non-Federal funds with respect to the Federal contract, grant or award covered by 31 U.S.C. 1352. Such disclosures are forwarded from tier to tier up to the recipient.

27.12 NO GOVERNMENT OBLIGATION TO THIRD PARTIES

The Purchaser and Contractor acknowledge and agree that, notwithstanding any concurrence by the Federal government in or approval of the solicitation or award of the underlying contract, absent the express written consent by the Federal Government, the Federal Government is not a party to this contract and shall not be subject to any obligations or liabilities to the Purchaser, Contractor, or any other party (whether or not a party to that contract) pertaining to any matter resulting from the underlying contract.

The Contractor agrees to include the above clause in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clause shall not be modified, except to identify the subcontractor who will be subject to its provisions.

27.13 PRE-AWARD AND POST- DELIVERY AUDIT REQUIREMENTS

The contractor agrees to comply with 49 U.S.C. § 5323 (1) and FTA’s implementing regulation at 49 C.F.R. Part 663 and to submit the following certifications:

Buy America Requirements: The Contractor shall complete and submit a declaration certifying either compliance or noncompliance with Buy America. If the offeror certifies compliance with Buy America, it shall submit documentation, which lists:

Component and sub-component parts of the rolling stock to be purchased identified by manufacturer of the parts, their country of origin and costs.

The location of the final assembly point for the rolling stock, including a description of the activities that will take place at the final assembly point and the cost of final assembly.

Solicitation Specification Requirements: The contractor shall submit evidence that it will be capable of meeting the bid specifications.

Federal Motor Vehicle Safety Standards (FMVSS): The Contractor shall submit:

Manufacturer’s FMVSS self-certification sticker information that the vehicle complies with relevant FMVSS or;

Manufacturer’s certified statement that the contracted buses will not be subject to FMVSS regulations.

27.14 PROGRAM FRAUD AND FALSE OR FRAUDULENT STATEMENT OR RELATED ACTS

The Contractor acknowledges that the provisions of the Program Fraud Civil Remedies Act of 1986, as amended, 31 U.S.C. §~ 3801 et seq. And U.S. DOT regulations, “Program Fraud Civil Remedies, “49 C.F.R. Part 31, apply to its actions pertaining to this project. Upon execution of the underlying contract, the Contractor certifies or affirms the truthfulness and accuracy of any statement it has made, it makes, it may make, or causes to be made, pertaining to the underlying contract or the FTA assisted project for



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which this contract work is being performed. In addition to other penalties that may be applicable, the Contractor further acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification, the Federal Government reserves the right to impose the penalties of the Program Fraud Civil Remedies Act of 1986 on the contractor to the extent the Federal Government deems appropriate.

The Contractor also acknowledges that if it makes, or causes to be made, a false, fictitious, or fraudulent claim, statement, submission, or certification to the Federal Government under a contract connected with a project that is financed in whole or in part with Federal assistance originally awarded by FTA under authority of 49 U.S.C. ~ 5307, the Government reserves the right to impose the penalties of 18 U.S.C. § 1001 and 49 U.S.C. §5307(n)(1) on the Contractor, to the extent the Federal Government deems appropriate.

The Contractor agrees to include the above two clauses in each subcontract financed in whole or in part with Federal assistance provided by FTA. It is further agreed that the clauses shall not be modified, except to identify the subcontractor who will be subject to the provisions.


27.15 PRIVACY ACT

The Contractor agrees to comply with, and assures the compliance of its employees with, the information restrictions and other applicable requirements of the Privacy Act of 1974, 5U.S.C. § 552a. Among other things, the contractor agrees to obtain the express consent of the Federal Government before the Contractor or its employees operate a system of records on behalf of the Federal Government. The Contractor understands that the requirements of the Privacy Act, including the civil and criminal penalties for violation of that Act, apply to those individuals involved, and that failure to comply with the terms of the Privacy Act may result in termination of the underlying contract.

The Contractor also agrees to include these requirements in each subcontract to administer any system of records on behalf of the Federal Government financed in whole or in part with Federal assistance provided by FTA.

27.16 STATE AND LOCAL LAW DISCLAIMER

The use of many of the suggested clauses are not governed by Federal Law, but are significantly affected by State Law. The language of the suggested clauses may need to be modified depending on state law, and that before the suggested clauses are used in the grantees procurement documents, the grantees should consult with their local attorney.

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1. Definition of Terms

As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:

- 1.1. *“Attachment”* means any item the Solicitation requires the Offeror to submit as part of the Offer.
- 1.2. *“Contract”* means the combination of the Solicitation, including the Uniform and Special Instructions to Offerors, the Uniform and Special Terms and Conditions, and the Specifications and Statement or Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
- 1.3. *“Contract Amendment”* means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
- 1.4. *“Contractor”* means any person who has a Contract with the State.
- 1.5. *“Days”* means calendar days unless otherwise specified.
- 1.6. *“Exhibit”* means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
- 1.7. *“Gratuity”* means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
- 1.8. *“Materials”* means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
- 1.9. *“Procurement Officer”* means the person, or his or her designee, duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract.
- 1.10. *“Services”* means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
- 1.11. *“Subcontract”* means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
- 1.12. *“State”* means the State of Arizona and Department or Agency of the State that executes the Contract.
- 1.13. *“State Fiscal Year”* means the period beginning with July 1 and ending June 30.

2. Contract Interpretation

- 2.1. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
- 2.2. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.



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- 2.3. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- 2.3.1. Special Terms and Conditions;
 - 2.3.2. Uniform Terms and Conditions;
 - 2.3.3. Statement or Scope of Work;
 - 2.3.4. Specifications;
 - 2.3.5. Attachments;
 - 2.3.6. Exhibits;
 - 2.3.7. Documents referenced or included in the Solicitation.
- 2.4. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- 2.5. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- 2.6. No Parole Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- 2.7. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

3. Contract Administration and Operation

- 3.1. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- 3.2. Non-Discrimination. The Contractor shall comply with State Executive Order No. 2009-09 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- 3.3. Audit. Pursuant to ARS § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- 3.4. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.
- 3.5. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by



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the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice to the other and an amendment to the Contract shall not be necessary.

- 3.6. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- 3.7. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- 3.8. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this contract and any related subcontract (“Intellectual Property”), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this contract.
- 3.9. Federal Immigration and Nationality Act. The contractor shall comply with all federal, state and local immigration laws and regulations relating to the immigration status of their employees during the term of the contract. Further, the contractor shall flow down this requirement to all subcontractors utilized during the term of the contract. The State shall retain the right to perform random audits of contractor and subcontractor records or to inspect papers of any employee thereof to ensure compliance. Should the State determine that the contractor and/or any subcontractors be found noncompliant, the State may pursue all remedies allowed by law, including, but not limited to; suspension of work, termination of the contract for default and suspension and/or debarment of the contractor.
- 3.10. E-Verify Requirements. In accordance with A.R.S. § 41-4401, Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A.
- 3.11. Offshore Performance of Work Prohibited. Any services that are described in the specifications or scope of work that directly serve the State of Arizona or its clients and involve access to secure or sensitive data or personal client data shall be performed within the defined territories of the United States. Unless specifically stated otherwise in the specifications, this paragraph does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the contract. This provision applies to work performed by subcontractors at all tiers.

4. Costs and Payments

- 4.1. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- 4.2. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destination.
- 4.3. Applicable Taxes.
 - 4.3.1. Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.



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- 4.3.2. State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect such taxes from the buyer does not relieve the seller from its obligation to remit taxes.
- 4.3.3. Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- 4.3.4. IRS W9 Form. In order to receive payment the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- 4.4. Availability of Funds for the Next State fiscal year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- 4.5. Availability of Funds for the current State fiscal year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
- 4.5.1. Accept a decrease in price offered by the contractor;
 - 4.5.2. Cancel the Contract; or
 - 4.5.3. Cancel the contract and re-solicit the requirements.

5. Contract Changes

- 5.1. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the procurement officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- 5.2. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- 5.3. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

6. Risk and Liability

- 6.1. Risk of Loss: The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- 6.2. Indemnification
- 6.2.1. Contractor/Vendor Indemnification (Not Public Agency) The parties to this contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the contractor for the vicarious liability of the State as a result of entering into this contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this contract is responsible for its own negligence.



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6.2.2. Public Agency Language Only Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers."

6.3. Indemnification - Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.

6.4. Force Majeure.

6.4.1 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. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.

6.4.2. Force Majeure shall not include the following occurrences:

6.4.2.1. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

6.4.2.2. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or

6.4.2.3. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.

6.4.3. 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 practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be 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 Amendment 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.

6.4.4. Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.

6.5. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

7. Warranties

7.1. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.

7.2. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:



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- 7.2.1. Of a quality to pass without objection in the trade under the Contract description;
- 7.2.2. Fit for the intended purposes for which the materials are used;
- 7.2.3. Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
- 7.2.4. Adequately contained, packaged and marked as the Contract may require; and
- 7.2.5. Conform to the written promises or affirmations of fact made by the Contractor.

7.3. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.

7.4. Inspection/Testing. The warranties set forth in subparagraphs 7.1 through 7.3 of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

7.5. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

7.6. Survival of Rights and Obligations after Contract Expiration or Termination.

7.6.1. Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.

7.6.2. Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

8. State's Contractual Remedies

8.1. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the contract.


8.2. Stop Work Order.

8.2.1. The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.

8.2.2. If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

8.3. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

8.4. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services or a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code,

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or pursue any other right or remedy available to it.


- 8.5. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

9. Contract Termination

- 9.1. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.
- 9.2. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.
- 9.3. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an offer or execution of a contract shall attest that the contractor is not currently suspended or debarred. If the contractor becomes suspended or debarred, the contractor shall immediately notify the State.
- 9.4. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time when in the best interest of the State, without penalty or recourse. Upon receipt of the written notice, the Contractor shall stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- 9.5. Termination for Default.
- 9.5.1. In addition to the rights reserved in the contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
- 9.5.2. Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
- 9.5.3. The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- 9.6. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.

10. Contract Claims

All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and

	<h2>Uniform Terms and Conditions</h2>	State of Arizona State Procurement Office 100 N. 15th Ave, Suite 201 Phoenix, AZ 85007
	Contract No: ADSPO14-063243	
	Description: Statewide Medium and Heavy Duty Cab and Chassis	

rules adopted thereunder.

11. Arbitration

The parties to this Contract agree to resolve all disputes arising out of or relating to this contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

12. Comments Welcome

The State Procurement Office periodically reviews the Uniform Terms and Conditions and welcomes any comments you may have. Please submit your comments to: State Procurement Administrator, State Procurement Office, 100 North 15th Avenue, Suite 201, Phoenix, Arizona, 85007.



Exhibit A

**State of Arizona
State Procurement Office**
100 N. 15th Ave, Suite
201 Phoenix, AZ 85007

Contract No: ADSPO14-063243

Description: Statewide Medium and Heavy Duty Cab and Chassis

Quote Sheet State of Arizona Contract Medium and Heavy Duty Cab and Chassis

DATE:	
CUSTOMER:	
State Contract Number:	ProcureAZ Line Item Number:
Vehicle Description: Make, Model, Vehicle Code, And Trim Level	
Base Vehicle Price	\$
Manufacturer Options Upgrades or Upfit/Modifications Requirements	
1.	\$
2.	\$
3.	\$
4.	\$
5.	\$
6.	\$
7.	\$
8.	\$
9.	\$
10.	\$
\$	Subtotal (Including Destination and Options)
\$	Upfit/Modification Requirements
\$	SALES TAX
\$	TIRE TAX
\$	DELIVERY FEE
\$	TOTAL DELIVERED PRICE



END OF DOCUMENT

Contract No: ADSPO14-063243

Description: Medium and Heavy Duty Cab and Chassis

**State of Arizona
State Procurement Office**
100 N. 15th Ave, Suite 201
Phoenix, AZ 85007

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