

State of Arkansas  
OFFICE OF STATE PROCUREMENT  
1509 West Seventh Street, Room 300  
Little Rock, Arkansas 72201-3966  
501-324-9316

STATE CONTRACT AWARD

**THIS IS THE FINAL OF THREE (3) EXTENSION OPTIONS.** THIS CONTRACT EXTENDS ACCEPTANCE OF YOUR BID ALONG WITH ALL TERMS AND CONDITIONS THEREIN AND SIGNIFIES THE OFFERER'S KNOWLEDGE AND ACCEPTANCE OF ALL TERMS AND CONDITIONS SET FORTH WITHIN THE ORIGINAL REQUEST FOR QUOTATION AND CONTRACT.

THIS IS A TERM CONTRACT ISSUED BY THE OFFICE OF STATE PROCUREMENT. THIS IS NOT AUTHORITY TO SHIP. A SEPARATE PURCHASE ORDER WILL BE ISSUED.

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**BUYER:** Kelley Kelley

**CONTRACT/BID NO.:** SP-07-0070

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**DESCRIPTION:** Printed Envelopes for All State Agencies  
**CONTRACT PERIOD:** October 13, 2009 through October 12, 2010

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**CONTRACT VALUE:** \$2,723,780.56  
**AGENCY CONTACT/PHONE:** As Specified on Purchase Order  
**DELIVERY REQUIREMENTS:** As Specified on page 2

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**PRICES ARE F.O.B. DESTINATION, INSIDE DELIVERY, UNLESS OTHERWISE SPECIFIED.**

**INVOICE TO:**  
As Specified on Purchase Order

**DELIVER TO:**  
As Specified on Purchase Order

**CONTRACT AWARD TO:**  
Printing Papers  
11605 Otter Creek South Blvd.  
Mabelvale, AR 72103

**CONTACT NAME:** James Priest  
**TELEPHONE NO:** 501-455-5555  
**FAX NO:** 501-455-8885  
**VENDOR NO:** 100001745  
**FEDERAL I.D. NO:** 71-061-3287

STATE OF ARKANSAS OFFICE OF STATE PROCUREMENT

**BY:** \_\_\_\_\_ **DATE:** \_\_\_\_\_

## TABLE OF CONTENTS

COOPERATIVE PURCHASING PROGRAM PARTICIPATION.....	3
SCOPE .....	3
MINIMUMS/MAXIMUMS .....	3
DELIVERY .....	3
RUSH ORDERS .....	4
QUALITY .....	4
SUBSTITUTIONS .....	4
ORDERS .....	4
OVERRUNS/UNDERRUNS .....	4
EXCLUSIONS.....	5
EXCEPTIONS.....	5
EXTENSION CLAUSE.....	5
SUMMARY REPORTS .....	5
PROOF OF PAPER COST.....	5
PRICE CHANGE CLAUSE.....	5
ITEM SPECIFICATIONS .....	6
GENERAL DESCRIPTION OF CONTRACT ITEMS .....	9
Item 1-19 STOCK ENVELOPES -- FIRST CLASS FORMAT .....	9
Item 20- 59 REGULAR ENVELOPES ( NO WINDOWS), WHITE WOVE/RAG STOCK ONLY .....	9
Items 60-107 WINDOW ENVELOPES - WHITE WOVE STOCK ONLY.....	9
Items 108-123 MANILA, BUFF OR TAN WOVE CHECK SIZE ENVELOPES .....	9
Items 124-127 COLOR INK: ADDITIONAL UPCHARGE .....	9
Items 128-239 BROWN KRAFT, UNGLAZED .....	9
Items 240-272 WHITE KRAFT, UNGLAZED .....	9
Items 273-274 COLOR INK: ADDITIONAL UPCHARGE .....	9
Item 275-280 LATEX SELF - SEAL ADHESIVE .....	9
Items 281-286: METAL CLASP .....	9
Items 287-301 INTEROFFICE ENVELOPES (MESSENGER) .....	9
Items 302-305 ENVELOPE BANDING.....	9
Items 306-309 BLEEDS (NON-MANDATORY ITEMS).....	10
GENERAL TERMS AND CONDITIONS.....	10
TERM AWARD TERMS AND CONDITIONS .....	11

STATE OF ARKANSAS  
STATE CONTRACT AWARD

CONTRACT NO: SP-09-0070

PAGE 3 of 12

**COOPERATIVE PURCHASING PROGRAM PARTICIPATION:** Arkansas' Purchasing Law provides that local public procurement units (counties, municipalities, school districts, certain nonprofit corporations, etc.) may participate in state purchasing contracts. The contractor(s) therefore agree(s) to sell to Cooperative Purchasing Program participants at the option of the program participants. Unless otherwise stated, all standard and special terms and conditions listed within the request for quotation must be equally applied to such participants.

**SCOPE:** This is a term contract for printed envelopes for All State Agencies within the State of Arkansas to procure on an as needed basis throughout a one (1) year period. Quantities less than or exceeding limits set in this contract, double window envelopes, blank envelopes and envelope sizes or stocks not covered in this contract may not be purchased from this contract and must be purchased separately.

**MINIMUMS/MAXIMUMS:** Quantities ordered may range from 500 to 500,000 envelopes as allowed within each "Quantity Break" on all items. If the quantity is not specified within the "Quantity Break" range you must increase, decrease or send order to State Procurement for bidding. Example: Item 4 (0040) only goes to 24,000. If you need 50,000, it is not available on this contract. You can reduce to 24,000 and use this contract or you can send a Purchase Requisition to State Procurement for bidding (unless the dollar amount falls within your Printing Delegation Order limit.)

**DELIVERY:** Inside delivery of the finished items must be made to the location specified on the ordering entity's purchase order.

Delivery of exact repeat orders with quantities of 10,000 or less black ink only shall be made within **15 working days after receipt of order.**

Delivery of exact repeat orders with quantities of 10,000 or more black ink only shall be made within **20 working days after receipt of order.**

Delivery of exact repeat orders with quantities of 10,000 or less in one color other than black or in two colors of ink shall be made within **20 working days after receipt of order.**

Delivery of exact repeat orders with quantities of 10,000 or more in one color other than black or in two colors of ink shall be made within **25 working days after receipt of order.**

Delivery of Inter-Office envelopes (string & button) shall be made within **20 working days after receipt of order.**

If an order is not an exact repeat and new composition is required an **additional 5 working days** to the above delivery will be allowed. Vendor will also be allowed an **additional 2 working days** to produce and deliver proof to the ordering agency.\*

(\*Vendor must provide proofs for all orders except in those instances in which camera ready copy is sent with the order or preexisting negatives are to be used. Proof is required within 7 working days after receipt of order. The time the proof is out of the vendors' hands for agency approval will not count against production time.)

Envelopes requiring metal clasp, latex self seal, bleeds or special binding will be allowed an additional 10 working days of above delivery requirements.

"Working days" shall be defined as Monday through Friday of each week exclusive of all official state holidays. The contractor shall be responsible for all transportation expenses including charges for inside delivery.

STATE OF ARKANSAS  
STATE CONTRACT AWARD

CONTRACT NO: SP-09-0070

PAGE 4 of 12

**RUSH ORDERS:** If a State agency requires delivery of an order in less than the specified time outlined in this contract, **that agency must contact the contractor. They may choose one of the two options stated below:**

Option 1. Waive the order from the contract, which will allow the agency to procure elsewhere. Agency to forward a copy of any "Rush" orders to the Office of State Procurement, Attn: Kelley Kelley.

Option 2. Accept the order and meet delivery requested. The ordering agency should obtain a written document with the agreed delivery date stated. The contractor may charge 1% of the original contract price for each working day less than the prescribed time authorized by the contract, that the delivery schedule is reduced. Rush order up charges shall not exceed twenty percent (20%) of the original contract price.

If the contractor fails to meet the "RUSH" delivery, the rush charges will not be applied. If the contractor exceeds the delivery time for a normal delivery, the contractor may be charged late charges.

**QUALITY:** Envelopes printed under the scope of this Contract shall be of good quality. The envelopes must meet the minimum Federal Postal Regulations. The dimensions of the envelopes shall not deviate more than plus or minus 1/16" from those given. All envelopes must be of the quality and construction to allow machine insertion. Folding, cutting and gluing shall be positioned to insure sufficient width and strength of the envelopes. Squeeze out of excessive glue must not occur.

Side seam envelopes, except as noted, will be allowable under this contract with prior approval of the user. Vendor shall guarantee all above stipulations for quality. If problems occur; vendor shall replace the envelope order at no charge. No side seam envelopes will be accepted by the Department of Finance & Administration under this contract.

All printing must be clear and concise with no blurred or broken letters.

**SUBSTITUTIONS:** If at any point during the term of the contract the contractor is unable to provide the brand of paper stock indicated in the contract, any alternate brands must be verified as an equal and approved in writing by the Office of State Procurement prior to substitution or the State will not be responsible for payment.

**ORDERS:** All orders placed against this contract shall be in the form of a purchase order issued directly to the contractor from the ordering agency. A written purchase order received by mail or facsimile must be in the contractor's possession before shipment can be made. Walk in or verbal orders will not be accepted by the contractor.

Ordering entity should provide the name and phone number of a contact person to facilitate communication from vendor. Unit price reflects quantity for one FOB point.

**OVERRUNS/UNDERRUNS:** Overruns/Underruns will be allowed per the sliding scale below:

<u>QUANTITY</u>	<u>% ALLOWED</u>
1,000 - 49,999	10%
50,000 - 124,999	5%
125,000 - 249,999	3%
250,000 - 500,000	2%

All overruns will be priced at 80% of the unit contract price. Underruns will be priced at the full unit contract price and subtracted from the total bid price.

The ordering entity will not be responsible for accepting or making payment for any overruns exceeding the determined allowance from the scale above. If the contractor delivers an excessive overrun the user shall

STATE OF ARKANSAS  
STATE CONTRACT AWARD

CONTRACT NO: SP-09-0070

PAGE 5 of 12

inform vendor of overrun quantity and the contractor must pick up the unwanted envelopes within 5 working days. If the user elects to keep all envelopes, those in excess of the overrun allowance, will be provided to the user at 50% discount from the unit prices established in the contract.

**EXCLUSIONS:** Any order requiring an expedited delivery which the contractor cannot meet, will be excluded from this contract. See "RUSH ORDERS".

Any envelope which requires the setting of composition in a foreign language will be excluded from this contract.

Envelopes covered under the state letterhead contract are excluded.

**EXCEPTIONS:** The State reserves the right to route orders for divisions of the Arkansas State Legislature to contracts established especially for their use. The State reserves the right to purchase envelopes from State owned printing facilities.

**EXTENSION CLAUSE:** Any contract awarded from the offering of these specifications will be subject to up to three (3) extensions each for a period not to exceed a 12-month period. Any extension must be mutually agreed upon by the Office of State Procurement and the contractor. The Office of State Procurement will notify the contractor before expiration of the contract if an extension is requested. The price change clause will remain in effect for any period agreed upon for extension.

**SUMMARY REPORTS:** The contractor is required to provide the Office of State Procurement with a summary reports as outlined in the Request for Quotation.

**PROOF OF PAPER COST:** The contractor is required to provide the Office of State Procurement with proof of paper cost as outlined in the Request for Quotation.

**PRICE CHANGE CLAUSE:** The contractor confirms that his company and any subcontractors will guarantee full disclosure and benefit of any and all paper price decreases passed along from the mill or supplier.

No price increases will be authorized during the initial 120 days of the contract. In the event of an industry wide paper price increase, the contractor may request a paper cost increase, but must furnish a written request including all documentation to support the cost increase. Price increases which are approved will become effective within the (10) working days after date of written authorization from the Office of State Procurement. Any price increase will remain firm for a period of not less than sixty (60) days.

Paper price information supplied by the successful bidder at time of award will be used as the basis for any cost increases or decreases authorized by the Office of State Procurement during the term of this contract and any subsequent periods of extension. The Office of State Procurement will review the price of paper on a regular basis. When market conditions indicate that a reduction in cost is warranted, the contractor will be required upon written notification from the Office of State Procurement to lower his price for paper on all jobs in production and on all future jobs until such time as an authorized change in cost is made or the contract is terminated. The actual amount of decrease in cost will be in direct proportion to the change in the marketplace. The contractor may be required to provide documentation of the prices paid for paper either by his company or his subcontractor.

## ITEM SPECIFICATIONS

**SIZE:** Various, see pricing sheet.

**STOCK:** Various: White Wove; White bond, Brown Kraft; Manila Wove. See pricing sheet.

**INK:** All prices bid to be based on the use of black ink with the exception of items 1 through 19. Vendors may bid an up charge per order for printing in lieu of black ink, 2 colors neither black, and black and one additional color. Two color inks will be allowed on white envelopes only. If two envelopes are ordered under one purchase order, same size, same copy and same ink color; only 1 ink charge will be allowed. If two envelopes are ordered under one purchase order and the sizes are different, two ink charges will be allowed.

### *SOY INK REQUIREMENT*

The use of a soy ink product is REQUIRED for the printing of this contract.

Brand of ink: Inx

Mfgr.: Inx

**ADHESIVE:** Dry gum (dextrin) adhesive shall be used. Envelopes may be ordered with no glue on flap at no additional charge on quantities above 10,000. Latex self-seal available on some envelopes with an up charge allowed. Interoffice envelopes: string and button only.

**PRINTING ON BACK OR FLAP OF ENVELOPE:** The contractor may charge 25% of the total cost of the envelope for back or flap printing on orders with a quantity of 10,000 or less. No additional charge will be allowed for back or flap printing on orders with quantities above 10,000.

**BUSINESS REPLY AREA:** The contractor may charge a \$15.00 flat charge to compose the business reply area. This charge may not be multiplied by the number of different envelopes on an order. Example: A user orders fifty (50) different envelopes utilizing the same information for the business reply area. The contractor may charge the composition of the business reply area only once.

Postal Regulations limit areas on envelope where composition is allowed. The contractor is required to route any orders received by users with incorrect positioning of composition back to the ordering entity with recommended changes.

Prior to submitting a request for envelopes with bar coding the using agency should contact their postal service representative or postal business center to assure that the information supplied to the vendor is correct.

**WINDOW SPECIFICATIONS:** Windows shall meet transparency standards as prescribed by the U.S. Postal Service Regulations. Windows must be of sufficient strength to keep from being broken under ordinary use and machine insertion.

Envelopes requiring more than one window are excluded from this contract.

Windows for quantities above 24,000 may be ordered from the contractor's available die list without extra charge. This window may be positioned anywhere on the face of envelope as long as it does not violate postal restrictions.

**COMPOSITION:** Negatives from the previous contract may be provided for orders. In those instances where a negative or camera ready copy is not provided, the vendor will be required to reset the type. Second generation negatives which might result in inferior quality printing are not to be used.

STATE OF ARKANSAS  
STATE CONTRACT AWARD

CONTRACT NO: SP-09-0070

PAGE 7 of 12

Envelopes printed on recycled stock under this contract must have the **recycle logo** printed on the envelope unless the using entity states on their purchase order that it is to be excluded. Placement of the logo will be determined by the vendor. Any placement of the recycled logo must meet all postal regulations.

Vendor may charge up to \$10.00 for each order which requires the **typesetting** of composition. This charge will cover the cost of up to six (6) lines of type, the agency logo, a negative and proof to the agency. Additional composition may be charged at \$.50 per line. This amount may be charged only when the typesetting has been prepared and not photocopied. The contractor will provide type styles commonly used in the envelope industry. Non-standard type styles will be provided camera ready by the ordering agency.

**Corner card copy** will be centered 3/8" from the left edge and 3/8" from the top edge of the envelope. Permissible error will be limited to 1/8" in either direction.

Any **special artwork or logos** must be provided camera ready by the ordering entity. This does not include the basic State Seal, which will be provided to the contractor in various sizes by the Office of State Procurement.

The contractor may charge 25% of the total cost of the envelope for **back or flap printing** on orders with a quantity of 10,000 or less. No additional charge will be allowed for back or flap printing on orders with quantities above 10,000.

The contractor may charge a \$15.00 flat charge to compose the **business reply area**. This charge may not be multiplied by the number of different envelopes on an order. Example: A user orders fifty (50) different envelopes utilizing the same information for the business reply area. The contractor may charge the composition of the business reply area only once.

**Postal Regulations limit areas** on envelope where composition is allowed. The contractor is required to route any orders received by users with incorrect positioning of composition back to the ordering entity with recommended changes.

Prior to submitting a request for envelopes with **bar coding** agencies should contact their postal service representative or postal business center to assure that the information supplied to the vendor is correct.

**NEGATIVES:** All negatives and artwork paid for by the State of Arkansas and used during the contract period shall be routed to the new contractor at the end of the contract period at the previous contractor's expense. It is the responsibility of the contractor to keep an accurate inventory of the negatives and their usage throughout the term of the contract.

After award of the contract, the new contractor will be shipped production quality negatives that are to be used in the printing of reorders. The previous contractor will have 10 working days after notification from State Procurement to deliver the negatives to the new contractor. The new contractor is required to make a visual inspection of the negatives and within ten (10) days provide the Office of State Procurement with a letter acknowledging receipt of the negatives and noting their condition. All of the negatives furnished to the new contractor will remain the property of the State of Arkansas and any loss or damage to the items listed in the inventory sheet signed by the contractor will require replacement at no cost to the State.

Negatives which have deteriorated through use and require replacement may be priced out as an original order after the contractor has provided written notification to the Office of State Procurement and received authorization to reset composition.

Contractor will keep the negatives in a secure location during the term of the contract. Upon request of the Office of State Procurement, the contractor will be required to transfer the negatives to a location designated by the Office of State Procurement. The transportation expenses will be paid by the contractor.

STATE OF ARKANSAS  
STATE CONTRACT AWARD

CONTRACT NO: SP-09-0070

PAGE 8 of 12

The negatives must be placed in an envelope or file pocket designating the ordering agency's name and agency number.

A complete inventory list must be delivered with the negatives to the new contractor. A copy of the list must also be forwarded to the Office of State Procurement, Attn: Kelley Kelley ; 1509 W. 7<sup>th</sup> Street, Room 300; Little Rock, AR 72201.

If the new contractor receives the negatives and the aforementioned requirements have not been met, the previous contractor will be held responsible for correcting any discrepancies that may exist. Failure to complete this portion of the contract could jeopardize the future bidding status of the previous contractor.

**PROOF:** Vendor must provide proofs for all orders except in those instances in which camera ready copy is sent with the order or preexisting negatives are to be used. Vendor may charge \$5.00 for proofs when camera ready copy or preexisting negative is provided; only if a proof is requested by the ordering agency. Contractor must provide proof(s) to the ordering agency within 5 working days after receipt of order. The time the proof is out of the vendors hands for agency approval will not count against production time.

Both the user and the contract holder are responsible for keeping accurate records showing the time copy and proofs are mailed and received in order to calculate the final delivery date of the finished product. These records must show the dates proofs are mailed or delivered to the user and the date(s) they are returned. When the proofs are returned to the user, the contract holder will provide a proofing document for the user to sign indicating if corrections are necessary. The document will show the signature of the person reviewing the document, the date it was reviewed, and the necessary corrections to be made, if any. The contractor will not proceed without this signature. The time proofs are out of his plant will not count against production time.

When proofs are submitted to the user, it will be the user's responsibility to make the necessary corrections. The notation "AA" (Author's Alterations) or "PE" (Printer's Error) will be made in the margin of the copy along side each correction.

Author's alterations are changes made by the originator after typesetting has been accomplished according to the original manuscript. If the printer makes errors in the setting of composition, the correction of these errors is not chargeable to the agency. The "PE", "AA" designations will identify those charges for which the user should correctly be billed. Since most manuscripts have substantial changes made during the proofing process, a sizeable amount of money may be involved.

All corrections must be made in blue, non-reproducing pencil.

**PACKAGING:** Finished items shall be packaged and cartoned so as to protect contents from damage during shipment, handling and storage. Cartons shall not exceed 50 pounds in weight each.

All cartons shall be identified with the contractor's name, quantity and description of the item.

**The following information should be included on all purchase orders.**

**A sample from previous printing must be included, if possible? This will assist the vendor in retrieving the correct negative. Sample MUST be exact printing required.**

Invoice to:  
Ship to:  
Agency Contact Person:  
Phone:  
Line Item Number:  
Quantity in thousands (**Not boxes**):  
Total Price:



Ink Color(s):  
Latex Self-Seal OR Metal Clasp?  
Special Banding on Messenger Envelope Order?  
Sample attached of repeat order?

Copy to be set by vendor, if any. (Include typesetting fee of \$10.00)

Proof for all orders will be provided at no charge except when camera ready copy is sent with order or pre-existing negatives are to be used.

## GENERAL DESCRIPTION OF CONTRACT ITEMS

### **Item 1-19 STOCK ENVELOPES -- FIRST CLASS FORMAT**

Items 1 through 19 shall be printed in green ink with a green first class diamond border format. This will include the flap to be printed with "First Class Mail" and a corner card of six (6) lines of type maximum and the user logo.

NOTE: Green ink shall be included in base cost of Items 1 through 19. If user desires another color in lieu of green for printing corner card, the colored ink up charge will apply. Latex self seal adhesive is available on these sizes with the added up charge.

### **Item 20- 59                   REGULAR ENVELOPES ( NO WINDOWS), WHITE WOVE/RAG STOCK ONLY**

### **Items 60-107               WINDOW ENVELOPES - WHITE WOVE STOCK ONLY**

User may specify window location providing it meets U.S. Postal Service regulations.

### **Items 108-123            MANILA, BUFF OR TAN WOVE CHECK SIZE ENVELOPES**

Available with or without windows.

### **Items 124-127            COLOR INK: ADDITIONAL UPCHARGE**

### **Items 128-239            BROWN KRAFT, UNGLAZED**

### **Items 240-272            WHITE KRAFT, UNGLAZED**

### **Items 273-274            COLOR INK: ADDITIONAL UPCHARGE**

### **Item 275-280            LATEX SELF - SEAL ADHESIVE**

This will replace the normal dry gum adhesive and must be self-sticking by pressure (no peel and seal). This is an up charge to be added to the per thousand (m) price.

### **Items 281-286:           METAL CLASP**

This is an up charge to be added to the per thousand (m) price.

### **Items 287-301            INTEROFFICE ENVELOPES (MESSENGER)**

28 lb. Virgin Brown Kraft, unglazed envelopes, open end, with string and button, lined rule copy, standard drilled holes, black ink. No agency personalization, no gum, all agencies will receive same basic format.

### **Items 302-305            ENVELOPE BANDING**

Interoffice Envelopes may be banded with paper, string, rubber band or by other similar means, in lots of 100. This is an up charge to be added to the per thousand (m) price.

**Items 306-309 BLEEDS (NON-MANDATORY ITEMS)**

Up charge for bleeds, available on #9 and #10 regular or window envelopes only.

Minimum order: 2,500 each

**GENERAL TERMS AND CONDITIONS**

**INVOICING:**

Invoices must be sent in triplicate, unless otherwise specified by the user. Contractor must include the appropriate contract number on the face of the invoice.

**SAMPLES:**

Contractors shall provide samples when requested by the Office of State Procurement. Sample must be provided within 5 working days after request.

If quality problems are evident, the Office of State Procurement in coordination with the using agency, will review the problems, and if the specifications of the contract are not met, will assess a penalty for the inferior merchandise. If, in the opinion of the Office of State Procurement and the using agency, the merchandise is unacceptable, the Vendor may be offered an opportunity to reprint the material within a reasonable time. At the time authorization for the reprint is given, the Office of State Procurement will establish, in writing, a new delivery date. If final delivery exceeds the original delivery date, the vendor may be charged a late penalty as specified in the contract. Receipt of the merchandise does not necessarily constitute acceptance. The using agency will be granted a reasonable time in which to inspect the merchandise and to determine if its quality meets the requirements or standards of the contract.

**MISCELLANEOUS CHARGES/ALLOWANCES:**

Prior to any work being performed under this contract that will result in additional costs, written authorization must be obtained either (a) The Office of State Procurement (for State Agency orders) or (b) the initiating office on orders from Cooperative Purchasing Program Participants.

Any other costs incurred in production and not provided for in these instructions and specifications may be invoiced at fair market price as established by the Office of State Procurement. However, any additional costs incurred after the contract award will not be used in determining the low bid. These costs may include, but are not limited to, halftones, author's alterations, extra composition, overruns, or any other unforeseen costs.

**LIQUIDATED DAMAGES OR PENALTY (STATE AGENCIES):** All commodities furnished will be subject to inspection and acceptance after delivery. Failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.

Liquidated damages imposed by the State against the contractor for failure to meet delivery schedule will be one percent (1%) of the invoice amount for each working day beyond the specified delivery time. The contractor shall be relieved of delays due to causes beyond his control such as acts of God, national emergency, strikes or fire. The Office of State Procurement will assess penalties for late delivery in all cases except those approved by the Office of State Procurement that relate to causes beyond the contractor's control. The contractor must notify in writing, on a timely basis, the Office of State Procurement of such developments stating reason, justification and extent of delay. Other liquidated damages provided for in this contract must be verified and approved in writing by the Office of State Procurement prior to application by the ordering agency.

When the time does not allow for reprinting or reordering, acceptance of an inferior commodity may result in a liquidated damage of up to 20% of the invoice price or \$500 whichever is smaller.

## TERM AWARD TERMS AND CONDITIONS

1. **GENERAL:** All terms and conditions stated in the invitation for bid govern this contract.
2. **PRICES:** Prices are firm and not subject to escalation, unless otherwise specified in the invitation for bid.
3. **DISCOUNTS:** All cash discounts offered will be taken if earned.
4. **TAXES:** Most state agencies must pay state sales tax. Before billing, the contractor should contact the ordering agency to find out if that agency must pay sales tax. Itemize state sales tax when applicable on invoices.
5. **BRAND NAME REFERENCES:** The contractor guarantees that the commodity delivered is the same as specified in the bid.
6. **GUARANTY:** All items delivered are to be newly manufactured, in first- class condition, latest model and design, including, where applicable, containers suitable for shipment and storage unless otherwise indicated in the bid invitation. The contractor guarantees that everything furnished hereunder will be free from defects in design, workmanship, and material; that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which furnished. The contractor further guarantees that if the items furnished hereunder are to be installed by the contractor, such items will function properly when installed. The contractor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling, and registration. The contractor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified in the invitation for bid.
7. **AWARD:** This contract award does not authorize shipment. Shipment against this contract is authorized by the receipt of a purchase order from the ordering agency. A written purchase order mailed or otherwise furnished to the contractor results in a binding obligation without further action by either party.
8. **DELIVERY:** The term of the contract is shown on the face of the contract award. The contractor is required to supply the state's needs during this term. The number of days required to place the commodity in the receiving agency's designated location under normal conditions is also shown. Consistent failure to meet delivery without a valid reason may cause removal from the bidders' list or suspension of eligibility for award.
9. **BACK ORDERS OR DELAY IN DELIVERY:** Back orders or failure to deliver within the time required may be default of the contract. The contractor must give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. If the reason is not acceptable, the contractor is in default. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere.
10. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during agency work hours only, 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.
11. **STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.
12. **DEFAULT:** All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Default in promised delivery or failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.

STATE OF ARKANSAS  
STATE CONTRACT AWARD

CONTRACT NO: SP-09-0070

PAGE 12 of 12

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13. **VARIATION IN QUANTITY:** The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified herein.
14. **INVOICING:** The contractor shall submit an original and two copies of an itemized invoice showing the bid number and purchase request number when itemized in the invitation for bid. Invoices must be sent to "Invoice to" point shown on the purchase order.
15. **STATE PROPERTY:** Any specifications, drawing, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for the use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized, and be returned at the contractor's expense to the F.O.B. point, properly identifying what is being returned.
16. **ASSIGNMENT:** This contract is not assignable nor the duties hereunder delegable by either party without the written consent of the other party to the contract.
17. **OTHER REMEDIES:** In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.
18. **LACK OF FUNDS:** The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.
19. **QUANTITIES:** The state may order more or less than the estimated quantity in the invitation for bid.
20. **DISCLOSURE:** Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.