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PART A - Instructions and General Terms and Conditions AEPA SOLICITATION #024

Notice to Respondents

Solicitation offers will be received by the Association of Educational Purchasing Agencies (AEPA) on behalf of its Member Agencies until:

September 12, 2023, 1:30 p.m. ET

For Solicitations:

024-A Natural & Synthetic Surfaces for Sports Fields, Tracks, Courts, Playground & Landscaping Applications; 024-B Electric Vehicle Charging; 024-C Digital Resources & Instructional Materials; 024-D Computerized Maintenance Management System; 024-E Lawn & Groundskeeping Equipment, Supplies, & Services; 024-F Digital Display Solutions; 024-G Vehicles – Cars, SUVs, Light Duty Trucks/Vans, Emergency, Fuel, Hybrid, Electric; and 024-H Audio Visual Integration, Equipment, and Installation.

Each package consists of multiple parts:

- Part A – Terms and Conditions**
- Part B – Technical Specifications**
- Part C – Member Agency (State) Terms and Conditions**
- Part D – Questionnaire**
- Part E – Signature Forms**
- Part F – Discount & Pricing Workbook**

All offers must be submitted online via the Public Purchase website by the due date and time listed above. AEPA solicitation documents can be downloaded after registering, at no cost, on Public Purchase at www.publicpurchase.com.

AEPA and/or the respective Member Agencies reserve the right to reject any or all offers in whole or in part; to waive any formalities or irregularities in any offers, and to accept the offers, which in its discretion, within state law, are for the best interest of any of the AEPA Member Agencies and/or their Participating Entities. Note that Respondents must be able to provide their proposed products and services in up to 29 states including California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Massachusetts, Michigan, Minnesota, Missouri, Montana, Nebraska, New Jersey, New Mexico, North Dakota, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. Note that not all states participate in each solicitation. The complete list of participating states is found in Part B for each category.

Solicitations will be opened online on **September 12, 2023 at 1:30 p.m. ET**

Bid & Contract Timeline:

August 2, 2023	Release of IFBs/RFP via Public Purchase
August 17, 2023	Voluntary Pre-Bid Conference Call
August 28, 2023	Deadline for questions from Respondents
September 12, 2023	Deadline for Submittals and Reading via Public Purchase
October 23, 2023	Opening Record posted on the AEPA website, www.aepacoop.org
November 27-29, 2023	AEPA Approval of Offers
December 2023	Vendor Partners submit required documentation to AEPA Agencies
	Initial contract term–See Term of Contract and Extensions in General Terms & Conditions. Annual contract renewal dates subject to approval by AEPA

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I. About AEPA

Welcome to The Association of Educational Purchasing Agencies (AEPA) annual solicitation. AEPA is a unique school procurement consortium established in 2000 and incorporated in 2007 under the state laws of Nevada. We are a consortium of non-profit public agencies representing twenty-nine (29) states. We joined to issue simultaneous Invitations for Bids (IFB), or Request for Proposals (RFP), generating sales for vendor partners in all fifty (50) states. AEPA's mission is to cooperatively serve our members through a continuous effort to explore and solve present and future purchasing needs. Our goal is to secure multi-state volume purchasing contracts with benefits for our public members that are measurable, cost-effective, and exceed members' expectations for customer service and value. AEPA is committed to accomplishing this mission lawfully and ethically, using leading-edge technology and contemporary business practices.

The advantage for vendors to work with AEPA is that you respond to one bid or proposal that is legally performed across as many as 29 states, which have the potential to sell nationwide. You are working with up to 29 agencies with a long and trusted history with their public membership. Through our partnerships, AEPA vendors have access to thousands of public agencies across the country. We are a multi-million-dollar procurement group through our current awarded vendors and are growing.

AEPA designates one Member Agency per state that is operating legally under the rules and regulations of that state. Any additional agencies that wish to participate will negotiate with the authorized Member Agency and participate through them in a manner in which they mutually agree is not in conflict with AEPA procedures. The Member Agency will be the only agency allowed to represent that state at AEPA and will be the only communication link between AEPA and that state.

Each Member Agency, along with the awarded Vendor Partner, represents, supports, and promotes the AEPA contracts within their respective state. While the consortium was initially created to support

educational entities, the Member Agency for each state determines which public entities (higher educational institutions, cities, counties, townships, states, etc.) can utilize the competitively solicited contracts (see the Summary of State Participation by Solicitation Category Table). Participating entities may include Public and Private School Districts, Educational Service Agencies, Intermediate School Districts, Higher Education Institutions, Federal Agencies, State Agencies, Local Public Bodies, and Nonprofit Non-Public Corporations, Organizations, other entities contracted to conduct business on behalf of a participating entity provided they are required to follow member state and local procurement regulations, etc. that have authorizations to utilize the AEPA Member Agencies' Awarded Contracts.

AEPA has an elected President, Vice President, Secretary, and Treasurer. Operations are overseen by the Executive Director. The AEPA Board representing member states meets twice per year and operates otherwise through a sophisticated committee structure.

AEPA Member Agency Information

State	Member Agency Name	Contact	Email	Students
California	Monterey County Office of Education d/b/a CalSAVE	Ted Witt	tedwitt@epylon.com	6,002,523
Colorado	Colorado BOCES Association	Ed Vandertook	vandertook@earthlink.net	889,000
Connecticut	Capitol Region Education Council (CREC)	Cara Hart	chart@crec.org	538,000
Florida	Panhandle Area Education Consortium	Tori Baxley	tori.baxley@paec.org	2,700,000
Georgia	Cooperative Purchasing Agency	Kevin Benson	kbenson@cpa4schools.com	1,600,000
Indiana	Wilson Education Service Center	James Tyler	jtyler@wesc.k12.in.us	1,010,811
Illinois	Illinois Learning Technology Purchase Program	Hope Hardin-Borbely	hhardinborbely@iltpp.org	1,843,617
Iowa	AEA Purchasing	Joni Puffett	joni@aeapurchasing.org	520,000
Kansas	The Purchasing Cooperative at Greenbush	Tina Smith	tina.smith@greenbush.org	478,749
Kentucky	Green River Regional Educational Cooperative	Scott Howard	scott.howard@grrec.org	675,000
Massachusetts	The Education Cooperative	Tricia McKim	pmckim@tec-coop.org	955,739
Michigan	Oakland Schools	Anna Marie Hollander	AnnaMarie.Hollander@oakland.k12.mi.us	1,550,802
Minnesota	Cooperative Purchasing Connection	Melissa Mattson	mmattson@lcsc.org	842,932
Missouri	EducationPlus	Steve Griggs	sgriggs@edplus.org	897,864
Montana	Montana Cooperative Service	Dave Puyear	dpuyear@mrea-mt.org	144,129
Nebraska	ESU Coordinating Council (ESUCC)	Craig Peterson	craig.peterson@esucc.org	327,055
New Jersey	Educational Services Commission of New Jersey	Anthony LaMarco	alamarco@escnj.us	1,369,000
New Mexico	Cooperative Educational Services	Robin Strauser	robin@ces.org	338,307
North Dakota	North Dakota Educators Service Cooperative	Jane Eastes	jeastes@lcsc.org	113,858
Ohio	Ohio Council of Educational Purchasing Consortia	Tamra Hurst	tamra.hurst@apps.sparcc.org	1,614,633
Oregon	Intermountain ESD	Rob Naughton	rob.naughton@imesd.k12.or.us	570,857
Pennsylvania	Central Susquehanna Intermediate Unit d/b/a Keystone Purchasing Network	Mark Carollo	mcarollo@csiui.org	1,700,000
South Carolina	Carolinas Alliance 4 Innovation (CA4I) dba Carolina Buy	Fred Payne	fred.payne@ca4i.org	787,000
Texas	Region 16 Education Service Center d/b/a TexBuy	Andrew Pickens	andrew.pickens@esc16.net	5,232,065
Virginia	Fairfax County Public Schools	Michelle Pratt	MRPratt@fcps.edu	1,249,000
Washington	King County Directors' Association	Bart Powelson	bpowelson@kcda.org	1,077,339

West Virginia	Mountain State Educational Services Cooperative	Jan Hanlon	jhanlon@k12.wv.us	299,899
Wisconsin	Cooperative Educational Service Agency (CESA Purchasing) #2	Meghan Cropp	meghan.cropp@cesapurchasing.org	854,000
Wyoming	Northeast Wyoming Board of Cooperative Educational Services (NEW BOCES)	Nita Werner	nwerner@newboces.com	90,334

II. Solicitation Procedures

A. Issuing Agency

The great benefit to the Vendor is that one response may be prepared for approval by AEPA and awarded by multiple AEPA Member Agencies and utilized by their Participating Entities located throughout many states. Solicitations may be issued as an IFB or an RFP depending on the category of goods/services being solicited. Respondents to a solicitation will submit their response in the required formats (PDF, Word, Excel) of all files requested along with complete catalogs via Public Purchase, a free online bidding platform, by the published due date and time. Respondents selected in response to this solicitation have the potential to provide products and services to local education agencies serving over 36,000,000 (excludes non-represented AEPA states) students, with additional local government agencies as permitted by state law.

Each AEPA Member Agency will individually publish notice of the solicitation. Respondents will submit responses online, electronically via Public Purchase (www.publicpurchase.com). Instructions on registering for AEPA solicitations on Public Purchase can be found on the AEPA website, www.aepacoop.org. Responses will be evaluated by solicitation category committees comprised of AEPA Member Agencies representatives who have indicated they will participate in the category of products and services being solicited, and after AEPA approval, individual AEPA Member Agencies may award contracts to the AEPA Approved Vendor Partners or reject their offers.

The procurement activities of AEPA are limited to document preparation, distribution of the solicitation, initial evaluation, and recommendation for possible approval to AEPA Member Agencies. AEPA consists of agency officials who have agreed to assist one another in meeting the public purchasing needs of local school districts and other political subdivisions.

Contracts awarded through cooperative purchasing must meet the procurement laws of the states of each AEPA Member Agency. When these laws are satisfied, an individual entity using these contracts is deemed in compliance with competitive procurement regulations. As allowed by specific state statutes, they can issue purchase orders for any amount without the necessity to prepare their own solicitation, Request for Proposal (RFP), or Request for Quotations (RFQ). This saves the entity time and allows for economical and efficient purchasing.

AEPA requires that Respondents only respond if they can offer prices equal to or better than what they ordinarily offer to individual entities or cooperatives with equal or lesser volume. State laws that permit or encourage cooperative purchasing contracts do so in the belief that it saves the participants both time and money. Time is saved by having access to volume discounted contracts publicly solicited and being able to purchase what is needed without having to wade through the solicitation process (write solicitation, advertise the solicitation, open each response, evaluate, and select). Money is saved in procurement cost and lower prices will be the result of volume purchasing. Therefore, a contract issued by a cooperative can be used by hundreds of separate political units; but if it has the same or higher prices than what a single agency or state contract can get through its own solicitation, a cooperatively solicited contract may not be attractive to these members. **We request that Respondents respond with advantageous pricing and package so that together we can attract members to prefer the cooperatively awarded contract.**

The AEPA policy for membership permits new agencies to become AEPA Member Agencies upon approval of existing members. If additional Agencies are added, they and their members may procure from existing contracts upon approval of the awarded Vendor Partners and in accordance with their state laws.

B. Questions

All questions from Respondents must be submitted online through Public Purchase, AEPA will not accept questions in any other format during the solicitation process. All questions received during the solicitation process will be available via Public Purchase. All Respondents will be automatically notified through email when AEPA responds to a question asked by a potential respondent. It is the Respondent's responsibility to check Public Purchase for any questions and answers before the deadline. Questions received after the question deadline date will not be answered.

Should AEPA issue addenda during the solicitation process, all Respondents will be automatically notified through email of the released addenda. AEPA is not responsible for Respondents not acknowledging the issued addenda and not submitting a response according to those changes.

Questions regarding this solicitation after Opening, but before the approval of the contract, should be submitted to questions@aepacoop.org.

Questions regarding this solicitation after Notification of Approval should be submitted to bid-committee@aepacoop.org.

C. Respondent Qualifications

An essential part of the solicitation process is an evaluation to qualify the company being considered. All solicitations must contain answers, responses, and/or documentation to the information requested in the documents. Any Respondent failing to provide the required information/ documentation may be considered non-responsive, this includes submitting a response not in the proper format.

Respondents must demonstrate their ability, capacity, and available resources to provide the proposed products and services to 90% of the AEPA Member Agencies indicating an interest in participating in the categories being solicited unless otherwise noted in Part B – Technical Specifications of the category being solicited. The Respondents are required to communicate and demonstrate within their response they have extensive knowledge, background, and at least five (5) years of experience with manufacturing, obtaining, delivering, installing, maintaining, and/or supporting the product lines of products, equipment, services, or software offered. AEPA and/or its Member Agencies reserve the right to accept or reject newly formed companies or companies failing to demonstrate their abilities or capacity solely based on information provided in the solicitation response and/or its own investigation of the company.

D. Bid/Proposal Security

If required, bids or proposals must be accompanied by a satisfactory security bond. **This will vary by the goods/services requested and will be noted in Part B, Technical Specifications for that category.**

If a security bond is required, a hard copy of the bid security must be in the possession of AEPA at Lakes Country Service Cooperative, on or before, the exact due date and time. Original copies of the security must be submitted to AEPA c/o LCSC, ATTN: Purchasing Dept, 1001 E Mt Faith, Fergus Falls, MN 56537 in a sealed envelope with the Solicitation Number, Solicitation Category, and Respondent's name and address clearly indicated on the envelope or box. A copy of the bid security must be submitted via Public Purchase. AEPA will not reject a response from a Vendor whose bid bond has not arrived by the due date and time as long as a scanned copy of the bid bond dated prior to the due date is uploaded with their response and the actual bond is in transit.

An acceptable bid/proposal security will have the principal being the Respondent and the Association of Educational Purchasing Agencies listed as the Agency of Record. The Security may be a one-time bond underwritten by a surety company licensed to issue bonds in the state of Nevada and said surety to be approved in federal circular 570 as published by the United States treasury department or the equivalent in cash or an irrevocable letter of credit from a FDIC financial institution. The security bond must remain in force for one hundred twenty (120) days of the solicitation opening.

E. Solicitation Submittal

1. Preparation of the Response

- a. The solicitation is published in multiple parts.
 - i. Part A contains the general terms and conditions that apply to all solicitations.
 - ii. Part B is the technical specifications or proposal request for the individual commodity or service requested.
 - iii. Part C includes specific state terms and conditions. This is where you will find information about each AEPA state member and any specific procurement rules of each state.
 - iv. Part D, E, and F are to be filled out in their entirety and submitted online via Public Purchase in their required formats with the Respondent's offer. Some categories may contain additional Parts or Forms. All Forms must be uploaded before the published solicitation due date and time of opening.
 - b. All responses must be on the forms provided by AEPA for each solicitation found in Public Purchase unless otherwise noted. Respondents will submit all documents, in their required formats, online via Public Purchase by the due date and time of the solicitation.
 - c. Forms requiring signatures must be submitted by the person authorized to sign the bid or proposal response. Failure to properly sign the solicitation documents will result in the offer being deemed non-responsive.
 - d. In case of an error in extension of prices in the solicitation, unit prices must govern.
 - e. Periods of time stated as a number of days must be in calendar days, not business days.
 - f. It is the responsibility of all Respondents to examine the entire solicitation package, to seek clarification of any item or requirement that may not be clear, and to check all responses for accuracy before submitting an offer. Negligence in preparing an offer confers no right of withdrawal after due time and date.
 - g. The Respondents' ability to follow the preparation instructions set forth in this solicitation will also be considered to be an indicator of the Respondents' ability to follow instructions should they receive an award as a result of this solicitation. Any contract between the AEPA Member Agency and a Respondent requires the delivery of information and data. The quality of organization and writing reflected in the offer will be considered to be an indication of the quality of organization and writing which would be prevalent if a contract was awarded. As a result, the offer will be evaluated as a sample of data submission.
2. **Document Development:** Forms for this solicitation are published in Public Purchase, in Word, Excel, and PDF formats. Respondents may download the documents once they are registered with AEPA on Public Purchase. All documents must be titled properly and submitted in their required format as noted in the Solicitation Checklist. Respondents must scan and upload all documents to Public Purchase following the Solicitation Checklist, along with any additional documents or files other than those listed below that may be requested and/or related to the solicitation.
- a. **Part C – Member Agency (State) Terms and Conditions:** Some states require additional documentation and signature forms. Review Part C and submit the required state documents with your offer. Submit all state-specific forms as one (1) form in PDF format.
 - b. **Part D – Questionnaire:** Complete the form provided. The questionnaire seeks information about the Respondent's pricing structure, service areas, past performance, and commerce processes. The Company Information form provides

background information on the Respondent's company. Submit the form as one (1) individual form.

- c. **Part E – Signature Forms:** Complete the forms provided. The signature form includes multiple areas where signatures are required. Submit the form as one (1) individual form in PDF format.
- d. **Part F – Discount & Pricing Workbook:** Complete the Excel workbook provided. Title the Excel document as per the instructions in Document Development above. Be sure to complete the required tabs as outlined in Part F.
 - **Price Lists and/or Catalogs:** For catalog bids, PDFs of the Respondent's most recent published catalog(s) or price lists must be included. Each PDF document must be titled as per the instructions.

3. **Solicitation Transmittal**

- a. It is the responsibility of the Respondent to be certain that its submittal has been uploaded in its entirety to Public Purchase, on or prior to the exact published due date and time.
- b. If a security bond is required, a hard copy of the security must be in the actual possession of AEPA at Lakes Country Service Cooperative, ATTN: Purchasing Dept, 1001 E Mt Faith, Fergus Falls, MN 56537, on or before, the exact due date and time and a copy must be submitted via Public Purchase. Original copies of the security must be submitted in a sealed envelope properly addressed to the Association of Educational Purchasing Agencies, with the Solicitation Number, Solicitation Category, and Respondent's name and address clearly indicated on the envelope or box. AEPA will not reject a response from a Vendor whose bid bond has not arrived by the due date and time as long as a scanned copy of the bid bond dated prior to the due date is uploaded with their response and the actual bond is in transit.
- c. If the designated location for receiving the bid or proposal security is closed due to an unforeseen circumstance on the day the security is due (due date), the security will be due at the same time on the next day the building is open. Responsive offers will be opened, and the name of each Respondent and other appropriate information will be posted to Public Purchase and the AEPA website.

F. **Solicitation Evaluation, Approval, and Award:** Solicitation responses received will be evaluated in accordance with acceptable standards of cooperative procurement, set forth in and governed by the Procurement Codes of AEPA Member Agency's states; AEPA by-laws, policies, and procedures; AEPA Member Agencies' policies and procedures.

For IFB categories, approval of prospective Vendor Partners and recommendation of contracts will be made to the lowest responsive and responsible Respondent utilizing the criteria listed in Part B of the solicitation. As a reminder, AEPA recommends offers to Respondents. Final contract awards are subsequently made by individual AEPA Member Agencies.

- 1. **Responsive Offer:** A responsive offer reasonably and substantially conforms to all material requirements of the solicitation. Offers must be responsive and approved by AEPA to receive award consideration by AEPA Member Agencies. To be determined responsive, the response must meet all of the requirements below:
 - a. Submitted on time.
 - b. Materially satisfy all mandatory requirements identified throughout the solicitation.
 - c. Must substantially conform to all of the specified requirements in the solicitation in the judgment of AEPA and its AEPA Member Agency representatives.
 - d. Any deviation from requirements indicated herein must be stated, in writing, and included with the offer submitted. Otherwise, it will be considered that responses are in strict compliance with all requirements, and any successful vendor will be held responsible, therefore.
 - e. Deviations or exceptions stipulated in response may result in the offer being classified as non-responsive. Language to the effect that the Respondent does not consider this solicitation to be part of a contractual obligation will result in that

Respondent's offer being disqualified. Terms of the solicitation that any Respondent considers particularly unwarranted, and to which that would have to take significant exception in his/her offer, should be stated clearly and concisely as exceptions and/or deviations.

- f. In preparing a proposal, the Respondent's inability to follow the proposal preparation instructions set forth in this solicitation and its inability to provide written responses, narratives, requested and support documentation relating to the Respondent's qualifications; abilities; capacity; products; specifications; delivery, installation, setup, maintenance; support services and pricing utilized by AEPA evaluators may result in the Respondent's offer to be deemed non-responsive.
2. **Non-responsive Offer:** Any offer that does not conform to all material requirements of the solicitation including, but not limited to: offers received after the deadline; offers that do not contain required items and/or provided in the format required, such as proper and/or signed forms, pricing, catalogs, electronic files; offers that do not contain the proper security bond where required; failure to meet the specified qualifications, product specifications, stipulated documentation or pricing equal to or better than individual entities or cooperatives with equal or lesser volume. AEPA reserves the right to request documents that do not affect pricing, waive minor irregularities, and/or seek clarification following its Board approved procedures. Offers deemed non-responsive will not be considered for approval and award.
3. **Responsible Respondent:** A responsible Respondent is a firm or person with the qualifications, capability, and capacity to perform the contract requirements with integrity and reliability, which will assure good faith performance. As a part of the process of determining responsible respondents during the evaluation period, the category committee may request reports that describe the financial soundness of your organization. You may be asked to include a third-party report or reports that demonstrate your firm's strength. Accepted financial reports may include balance sheets and Profit & Loss statements for the past three years, a Letter of Credit or Line of Credit from a bank or lending institution indicating the line of credit limit and the average outstanding balance, Dun & Bradstreet reports, a complete Annual Financial Report (for publicly traded companies).

AEPA's approval of a response will make the Respondent available for consideration to the AEPA Member Agencies for contract award. Factors to be considered in determining whether the standard of responsibility has been met may include but is not limited to whether a Vendor Partner has:

- a. Submitted a responsive offer;
 - b. The qualifications stipulated in this solicitation, such as adequate financial resources, production or service facilities, personnel, service reputation and experience to make satisfactory delivery of the products, services, or construction;
 - c. A demonstrated and documented satisfactory track record of performance in the national marketplace;
 - d. A satisfactory record of integrity and a reputation of responding to and meeting educational and local government institutions' needs, adherence of and compliance with federal, state, local and industry standards, rules, regulations, and codes;
 - e. Quality and suitability of products and services offered to meet and perform to the specifications, expectations, and requirements identified in this solicitation;
 - f. Supplied all necessary information and data in connection with determining whether a Respondent meets the standard of responsibility.
4. **Cost Evaluation:**
 - a. Cost and price schedules conform to and provide the information required in Part B – Technical Specifications of the bid or proposal;
 - b. Pricing offered that is equal to or better than what they ordinarily offer to individual entities or cooperatives with equal or lesser volume;

- c. Methodology used by AEPA and its AEPA Member Agencies to approve prospective Vendor Partners and award contracts;
 - i. Line-Item Bid: Lowest responsive, responsible Bidder(s). Based on the cost evaluation, a recommendation will be made to approve a single Bidder or make a multiple Bidder award. The evaluation committee may consider such factors as life-cycle costs, total cost of ownership, quality, and the suitability of an offering in meeting AEPA members' needs; or
 - ii. Catalog Bid: Lowest responsive, responsible Bidder(s) is/are determined based on the price evaluation criteria; and by a "Core List" and/or by creating a "Market Basket Study" to compare overall pricing between Respondents. A "Market Basket" is a list of items typically purchased by AEPA Member Agencies and their Participating Entities that represent a cross-section of the types of those items purchased. The selection and quantity of line items evaluated will be at the sole discretion of the AEPA evaluators. Based on the cost evaluation, a recommendation will be made to approve a single Bidder or make a multiple Bidder award. The evaluation committee may consider such factors as life-cycle costs, total cost of ownership, quality, and the suitability of an offering in meeting AEPA members' needs.
 - iii. Proposal: Identified weighted criteria for evaluation, including pricing, published in Part B of the solicitation.

G. Contract Award and Implementation

An AEPA category committee will perform initial response review and evaluation and will prepare and make a recommendation to AEPA for its consideration and approval. Those selected Respondents who are approved by AEPA will then be considered by the individual AEPA Member Agencies for contract award. It should be noted that once AEPA has approved the response, a Respondent becomes a "Vendor Partner" for AEPA.

All respondents will be notified of the outcome of the solicitation. Vendors recommended for award by AEPA states will be posted on the AEPA website.

Once the approved Respondents have been notified, it is their responsibility to contact those AEPA Member Agencies (up to 29) who had indicated an interest in participating and send Part C (if applicable), Part D, E, and F to each of the participating AEPA Member Agencies. Each AEPA Member Agency will review, evaluate, and determine which, if any, it will award contracts to.

The approved Vendor Partner and the AEPA Member Agency will hold final contract negotiations, if necessary, to work out state-specific details of contract implementation including:

1. Acquiring additional information and having discussions on how the awarded contract will be executed.
2. Signing the contract with the AEPA Member Agency.
3. Jointly develop marketing strategies and a plan for contract roll-out activities to the AEPA Member Agency's Participating Entities (Advertising, flyers, website access, etc.).
4. Establish how orders will be processed, handled, and reported.
5. Contract management: Establish how and by whom the day-to-day contract management will be handled and who will be the AEPA Member Agency's representative.

It is not guaranteed that each AEPA Member Agency will enter into a contract with AEPA approved Vendor Partners. The final decision as to the appropriateness of a contract for a Member Agency rests solely with that AEPA Member Agency.

III. Responsibilities of A Vendor Partner

- A. As an approved AEPA Vendor Partner, the following is expected in support of the contract:

1. Designate and assign a dedicated senior-level contract manager (one authorized to make decisions) to each of the Member Agency accounts. This employee will have a complete copy and must have a working knowledge of the contract.
2. Train and educate sales staff on what the AEPA cooperative contract promised, including pricing, who can order from the contract (by state), terms/conditions of the contract, and the respective ordering procedures for each state. It is expected that Vendor Partners will lead with AEPA contracts.
3. Develop a marketing plan to support the AEPA contract in collaboration with respective AEPA Member Agencies. The plan should include, but not be limited to, a website presence, electronic mailings, sales flyers, brochures, mailings, catalogs, etc.
4. Create an AEPA-specific sell sheet with a space to add a Member Agency logo and contact information for use by the Member Agencies and the Vendor Partner's local sales representatives to market within each state.
5. Quarterly, complete the sales and administrative fee report (see attached PDF example) and submit to each Member Agency along with the respective administrative fees to be paid. If there are no sales, a \$0 report is required.
6. Report sales and administrative fees by participating state if requested by AEPA.
7. Have ongoing communication with the Category Committee Chairperson, AEPA Member Agencies, and the Member Agencies Participating Entities.
8. Annually attend two (2) AEPA meetings: Annual meeting which is typically in April or May and the Winter Meeting which is typically the week after Thanksgiving and has historically been held in conjunction with the Association of Educational Service Agencies (AESAs) annual conference. At the Annual Meeting, Vendor Partners participate in a round table meeting with each of the AEPA Member Agencies. Vendor Partners that have paid the registration fees can participate in the meetings.
9. Trade show support: Strongly encourage participation in national and local conference trade shows to promote the AEPA contracts such as, but not limited to, the Association of School Business Officials (ASBO), the National Institute of Governmental Purchasing (NIGP), and the National Association of Educational Procurement (NAEP).
10. Increasing sales over the term of the contract with all participating AEPA Member Agencies.

IV. Responsibilities of AEPA Member Agencies

- A. In support of the Vendor Partner and respective contract, each AEPA Member Agency should provide the following support:
 1. Designate a staff member(s) that will serve as a point person for the AEPA program within that state.
 2. Provide a staff member to work collaboratively with the Vendor Partner to determine the best marketing plan for the respective Member Agency state. Marketing efforts may include but not be limited to the education and use of sales force, a website presence, electronic mailings, brochures, mailings, etc.
 3. Develop marketing materials for the Member Agency to use that would include representation of the awarded contracts. Materials may include, but not be limited to, a website presence, electronic mailings, sales flyers, brochures, mailings, catalogs, etc. as determined by the respective Member Agency and what works best within their state.
 4. Assist the Vendor Partner to jointly market the contract to potential Participating Entities within the state.
 5. Work with the Vendor Partner to identify eligible Participating Entities within the state possibly including providing a list of potential customers.
 6. Work with the Vendor Partner to identify and help manage costs associated with fulfilling this contract.
 7. Attendance at the two (2) AEPA meetings which provides for an opportunity to interact with Vendor Partners.

V. **General Terms and Conditions for All Agencies**

For the purposes of this Solicitation, the following terms must be defined as indicated below, and constitute the general terms and conditions for all AEPA Member Agencies:

Administrative Fee: The percentage of sales that each Vendor Partner pays the Member Agency for sales in their respective state or states that they extend the AEPA pricing to. Administrative Fees must be paid to each Member Agency quarterly. See the Summary of State General Overview for the administrative fees by Member Agency (state).

Advertising: Vendor Partner must not advertise or publish information concerning this contract prior to the award being announced by the AEPA Member Agencies. Once the award is made, the Vendor Partner may advertise to the individual Participating Entities that products/services are available. Vendor Partner must submit ad copy to the AEPA Member Agency for review and approval prior to issuing the advertisement.

AEPA Bi-Annual Meetings: AEPA holds two general meetings each year: one in the Spring (usually in April or May) and the other in the Winter (currently the week after Thanksgiving). AEPA requires that all successful contract holders attend both meetings and participate in the vendor round tables at the Spring meeting. AEPA requests that all vendor partners register in advance and stay at the AEPA official hotel if rooms are available. All registrations for the meetings are required by the official registration due date as announced by AEPA.

AEPA Member Agency: Refers to the entities identified in the table in Part I of this document who are approved as AEPA members. Member Agencies participating in a particular category are listed in Part B - Specifications, Item 3: Anticipated Member Agency Participation. "Direct or Indirect Participation" may include their involvement through the formulation of any part of a procurement activity; the influencing of the content of any term, condition and/or specification; the evaluation, investigation, auditing and/or the rendering, of advice, recommendation, decision, approval, disapproval and the award and implementation of procurement contract. Not every listed entity may elect to participate in a solicitation once the responses are reviewed and approved.

Affirmative Action: An Affirmative Action Plan, Certificate of Affirmative Action, or other documentation regarding Affirmative Action may be required by AEPA Member Agencies. Vendors must comply with requirements and/or requests for information regarding Affirmative Action by Member Agencies.

Amendment of Solicitation: A solicitation may be amended up to the time of opening.

Applicable Law: The laws of the state of the respective AEPA Member Agency must govern any resulting contract of this solicitation. Suits pertaining to this contract may be brought only in courts in the County and State as prescribed by the AEPA Member Agency. Both parties agree that the Uniform Commercial Code, as adopted by the State of the AEPA Member Agency, must fully apply. The Vendor Partner must comply with any and all laws, whether local, state, federal or otherwise, applicable to any aspect of the work to be performed in relation to the resulting contract. It must be the Vendor Partner's responsibility to identify, make themselves aware of, and determine the applicability and requirements of any such laws and to abide by them.

Approval and Awarding of Contract: AEPA and its AEPA Member Agencies reserve the right to approve and award a contract to one Vendor Partner, to make multiple approvals and awards, to reject any or all offers in whole or in part, to waive any minor formalities or irregularities in any offers, and to accept offers, which in its discretion and according to law may be in the best interest of the AEPA Member Agencies and their Participating Entities. A response to this solicitation is an offer to contract with the AEPA Member Agencies based upon the terms, conditions, and scope of work and specifications contained in this invitation. A solicitation does not become a contract unless and until it is accepted, recommended, and approved by AEPA and awarded by the individual AEPA Member Agency. A contract is formed when an AEPA Member Agency

administrator and, if required, an AEPA Member Agency Board approves and signs the Acceptance of Solicitation and Contract Award Form (see Form E) document, eliminating the need for a formal signing of a separate contract.

Assignment: No right or interest in this contract must be assigned or transferred by the Vendor Partner without prior written permission by AEPA and its AEPA Member Agencies, and no delegation of any duty of the Vendor Partner must be made without prior written permission by the AEPA Member Agency. AEPA and its AEPA Member Agencies must not unreasonably withhold approval and must notify the Vendor Partner within fifteen (15) days of receipt of written notice by the Vendor Partner.

Audit Rights: In accordance with applicable law of the State of the AEPA Member Agency, the Vendor Partner's books, and pertinent records related to this contract may be audited at a reasonable time and place.

Authority: This solicitation, as well as any resulting contract/agreement, is issued under the general authority of the State laws of the AEPA Member Agency and those identified within the AEPA Member Agencies' Specific Terms and Conditions, Part C, (see also Procurement Code below). Internal or external Cooperative Purchasing Agreements between the AEPA Member Agency and Participating Entities may exist.

Respondent/Bidder/Vendor Partner Definitions:

Bidder, Respondent, Offeror, and Vendor Partner are interchangeable and are used to identify the person(s) or firm(s) submitting a response to an Invitation for Bid or Request for Proposal.

1. Prospective Respondent/Bidder/Offeror: has notified AEPA of a desire to bid by registering on the AEPA website. "Bidder" has submitted an offer to AEPA in response to an AEPA solicitation.
2. Recommended Respondent/Bidder/Offeror: has been approved by AEPA for its AEPA Member Agencies for contract consideration.
3. Vendor Partner: has entered into a contract with a participating AEPA Member Agency or subsequently a Participating Entity.

Respondent Acceptance Period: To allow AEPA Member Agencies the opportunity to evaluate the offers, AEPA requires that an offer in response to this solicitation be valid and irrevocable for one hundred twenty-days (120) after opening time and date.

Performance Bonding (required for construction projects): Performance bonds are completed after the contract and at the time a member authorizes a project. The Vendor Partner agrees to provide all performance and payment bonds for individual projects executed by a surety company authorized to do business in the individual AEPA Member's state and said surety to be approved in federal circular 570 as published by the United States treasury department, the state or the local governing authority, in an amount equal to one hundred percent of the price specified in the contract; when required by an AEPA Member Agency or Participating Entity at the time a contract is executed. If the Vendor Partner fails to deliver any required performance or payment bonds, the AEPA Member Agency or Participating Entity must not execute the contract or terminate the contract with the Vendor Partner and the appropriate AEPA Category Committee must be notified of such failure and must take the appropriate action.

Brand Names: The use of the name of a manufacturer, brand, make or catalog number does not restrict the Respondent. Brand names and model numbers are used to indicate the character, quality, and/or performance equivalence of the commodity on which offers are submitted. Respondents may submit alternates. However, the AEPA reserves the right to decide whether alternatives to the identified manufacturer and brand are equal to the product, equipment, and/or service described in the invitation. AEPA's decision must be final.

Buyer: Identifies the AEPA Member Agencies and their Participating Entities that acquire and purchase commodities, supplies, materials, equipment, and services under AEPA Member Agencies' awarded contracts.

Captions, Headings, and Illustrations: The captions, illustrations, headings, and subheadings in this solicitation are for explanation only and in no way define, limit, or describe the scope or intent of the request.

Certification: By signature in the solicitation section of the Contract Award page, the Respondent certifies: the submission of the offer did not involve collusion or other anti-competitive practices; the Respondent must not discriminate against any employee, or applicant for employment in violation of Federal and State Laws (see Federal Executive Order 11246); the Respondent 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; and the Respondent agrees to promote and offer to AEPA Member Agencies and Participating Entities only those materials and/or services as stated in and allowed under resultant contract(s) awarded.

Christian Doctrine: Any federal, state, and local governing authority's/jurisdiction's statutes, codes, rules, and regulations referenced and/or govern the products, services, and activities relating to and are part of this solicitation, whether or not physically noted or included, must be complied with, and adhered to as required. It is the sole responsibility of the Respondent to perform and complete any necessary research and investigation required to make themselves aware of and comply with this item.

Clarification: As used in this solicitation, clarification means communication with a Respondent for the sole purpose of eliminating minor irregularities, informalities, or apparent clerical mistakes in the solicitation. It is achieved by explanation or substantiation, either in response to an inquiry by the AEPA Member Agency or as initiated by the Respondent. Clarification does not allow the Respondent to revise or modify its solicitation.

Commercially Available Catalog: A published paper catalog or an online website that is widely distributed or accessible to a wide population or set of businesses across the United States. It is made available to the general public, public or nonprofit entities and contains a verifiable price, along with product descriptions, SKU numbers, and photographs. A commercially available catalog is distinct from a custom catalog or website, whose prices and offerings are tailored to niche audiences, or are targeted to a small geographic location. The prices published in a Commercially Available Catalog will be considered a company's base pricing or "commercially available pricing" for the purpose of AEPA bids or proposals. All pricing must be in U.S. Dollars. AEPA will not accept an artificial catalog or price list, or base price created for the purpose of responding to a competitive solicitation.

Competitive Range: AEPA and its AEPA Member Agencies reserve the right to establish a competitive range of acceptable responses as part of the evaluation process as defined herein. Responses below the competitive range will be determined to be unacceptable and will not receive further consideration.

Contract Documents: AEPA Member Agency will review proposed contract documents. Vendor Partner's contract document must not become part of AEPA Member Agency's contract with Vendor Partner unless and until an authorized representative of an AEPA Member Agency reviews and accepts it.

Construction: Each AEPA Member Agency within their state statutes defines what constitutes construction, identifies the policies, rules, regulations, and codes that govern construction projects. AEPA has defined construction as building, altering, repairing, installing or demolishing in the ordinary course of business any road, highway, bridge, parking area or related project; building,

stadium or other structure; airport, subway or similar facility; park, trail, athletic field, golf course or similar facility; dam, reservoir, canal, ditch or similar facility; sewage or water treatment facility, power generating plant, pump station, natural gas compressing station or similar facility; sewage, water, gas or other pipelines; transmission line; radio, television or other towers; water, oil or other storage tanks; shaft, tunnel or other mining appurtenance; electrical wiring, plumbing or plumbing fixture, gas piping, gas appliances or water conditioners; air conditioning conduit, heating or other similar mechanical work; or similar work, structures or installations. Construction must also include leveling or clearing land; excavating earth; drilling wells of any type, including seismographic shot holes or core drilling; and similar work, structures, or installations.

Cooperative Procurement: Some individual state procurement codes may contain cooperative purchasing statutes that state any state agency or local public body may either participate in, sponsor or administer a cooperative procurement agreement for the procurement of any services, construction or items of tangible personal property with any other state agency, local public body or external procurement unit in accordance with an agreement entered into and approved by the governing authority of each of the state agencies, local public bodies or external procurement units involved. The cooperative procurement agreement must clearly specify the purpose of the agreement and the method by which the purpose will be accomplished. Any power exercised under a cooperative procurement agreement entered into according to each state's procurement code must be limited to the central purchasing authority common to the contracting parties, even though one or more of the contracting parties may be located in different states.

Cooperative Purchasing Contracts: The Vendor Partner agrees that all the prices, terms, warranties, and benefits granted by the Vendor Partner to AEPA Member Agencies or Participating Entities through this contract **will be equal to or better than** those offered to any individual entities or cooperatives that have equal or lesser volume. If the Vendor Partner must, during the term of this Contract, enter into arrangements with any customer or cooperative providing greater benefits or terms that are more favorable, the Vendor Partner must notify the AEPA category committee chairman and offer said prices, terms, warranties, and benefits to all AEPA Member Agencies. The following must be noted:

1. AEPA and its AEPA Member Agencies reserve the right to accept or reject the Respondent's offer if it is determined it does not comply with the above based on their knowledge, investigation, review, and findings of Respondents' submitted prices.
2. In the event the Vendor Partner offers lower prices to another customer or cooperative, AEPA and its AEPA Member Agencies must notify the Vendor Partner of the deviation and request written justification. Based on AEPA and its AEPA Member Agencies' investigation, review, and findings, AEPA reserves the right to take the following actions: to request the Vendor Partner to immediately adjust its AEPA's offered prices to match the lower prices offered, to work with the Vendor Partner to mediate and resolve the situation; or to notify the Vendor Partner that it intends to suspend and/or terminate their contract.

Cost of Preparation: Neither AEPA nor any AEPA Member Agency must reimburse the cost of developing, presenting, or providing any response to this solicitation.

Credit Hold: The Vendor Partner must agree not to place the AEPA Member Agency and/or its Participating Entity on "credit hold" without 10-days advanced notice in writing, either by letter, facsimile, or email to the AEPA Member Agency and the Participating Entity. The AEPA Member Agencies believe it is better for the Vendor Partner if the AEPA Member Agency places the slow-paying Agency Member on "credit hold;" if a Vendor Partner places the Participating Entity on credit hold, agencies that pay promptly are penalized. If, on the other hand, the Member Agency places the offending Participating Entity on "credit hold", payment is more likely to result and only the offender is disciplined.

Delivery Terms, Conditions, and Requirements

1. **Delivery:** is to be made within the specified time identified in Part B Specifications for each solicitation category, unless otherwise stipulated in writing and accepted by all parties (Buyer

- placing order and Vendor Partner). The Vendor Partner agrees to notify the Buyer if an order cannot be processed within the specified period and/or the agreed-upon timelines.
2. **The title and risk of loss of material or service:** must not pass to the Buyer purchasing the material or services until it receives the material or service at the point of delivery (FOB Destination), and they have been accepted, unless otherwise provided within this document or individual project's contract.
 3. **Ownership of products and services** happens only after receipt and acceptance of delivery by the Buyer. The Buyer will be the determining judge of whether materials and services delivered under the purchase order/contract satisfy the specifications and requirements as identified in the contract/order.
 4. **Fungible Goods:** Title to an undivided share or quantity of an identified mass of fungible goods will not pass to a Buyer until the separation of the purchased share has been made, delivered, and received.
 5. **Shipping Terms:** (See Part B Specifications for specific instructions on shipping and handling costs for the individual category you are responding to.) Vendor Partner must retain the title and control of all goods until they are delivered and received. All risks of transportation and all related charges must be the responsibility of the Vendor Partner unless other arrangements have been made between the vendor partner and the AEPA Member Agency. Shipping must be FOB destination. The Vendor Partner must file all claims for visible or concealed damage. AEPA Member Agency, or the receiving Buyer, will notify the Vendor Partner and/or Freight Company promptly of any damaged goods and must assist the freight company/Vendor Partner in arranging for inspection. No FOB vessel, car, or other vehicle terms will be accepted.
 - a. **Shipping Costs:** Products may be shipped without separate shipping costs. If shipping is allowed as a separate line item per Part B Specifications and charged, the actual cost of delivery may be added to an invoice. No COD orders will be accepted unless specifically requested by the AEPA Member Agency.
 - b. **Shipment under Reservation:** Vendor Partner is not authorized to ship materials under reservation and no tender of a bill of lading will operate as a tender of the materials.
 - c. **Shipping Errors:** Vendor Partner agrees that shipping errors will be at the expense of the Vendor Partner. For example, if a Vendor Partnerships a product that was not ordered, it is the responsibility of the Vendor Partner to pay for return mail or shipment.
 6. **Stored Materials (vendor managed inventory):** Upon prior written agreement between Vendor Partner and Buyer, payment may be made for materials not incorporated in the work but delivered and suitably stored at the site or some other location, for installation at a later date. An inventory of the stored materials must be provided to the Buyer prior to payment. Such materials must be stored and protected in a secure location and be insured for their full value by Vendor Partner against loss and damage. Vendor Partner agrees to provide proof of coverage and/or addition of Buyer as an additional insured upon Buyer's request. Additionally, if stored offsite, the materials must also be clearly identified as the property of the Buyer and be separated from other materials. The buyer must be allowed reasonable opportunity to inspect and take inventory of stored materials, on or offsite, as necessary. Until final acceptance by Buyer, it must be the Vendor Partner's responsibility to protect all materials and equipment. Vendor Partner warrants and guarantees that title for all work, materials, and equipment must pass to Buyer upon final acceptance. Payment for stored materials must not constitute final acceptance of such materials.
 7. **Improper delivery:** Unless contrary to other parts of this solicitation, if the goods, services, or tender of delivery fail in any respect to conform and adhere to the terms, conditions, specifications of the resulting contract based on this solicitation and/or the individual Buyer's contract/order. The Buyer may reject the whole, accept the whole, or accept any commercial unit or units and reject the rest.
 8. **Defective Goods:** Vendor Partner agrees to pay for return shipment on goods that arrive in a defective or inoperable condition. Vendor Partner must agree to arrange for return shipment of damaged goods.
 9. **Liquidated Damages:** The Buyer may suffer financial loss if the project is not substantially complete, or products or services are not delivered on the established date. The Vendor Partner (if applicable surety) must be liable for and must pay to the Buyer, not as a penalty, the sums

that may be hereinafter agreed upon as liquidated damages per calendar day of delay until the work and/or delivery is determined by Buyer to be complete and/or delivered. Liquidated damages will be determined on a project-by-project basis.

10. **No Replacement of Defective Tender:** Every tender of materials must fully comply with all provisions of this contract. If tender is made which does not fully conform, this must constitute a breach, and Vendor Partner must not have the right to substitute a conforming tender without the written consent of all parties involved.
11. **Default in One Installment to Constitute Total Breach:** Vendor Partner must deliver conforming materials in each installment or lot of this contract and may not substitute nonconforming materials. The AEPA Member Agency reserves the right to declare a breach of contract if the Vendor Partner delivers nonconforming materials or services to any Buyer under this contract.
12. **Restocking Fees:** A restocking fee may only be charged on products ordered and delivered to the Buyer's site in accordance with the order/contract. Restocking fees in excess of 15% will not be allowed. Restocking fees may be waived, at the option of the Vendor Partner. The Vendor Partner must identify, specify, and justify any exceptions or deviations taken.

Deviations or Exceptions to Requirements: Deviations or exceptions stipulated in a Respondent's proposal may result in the rendering of the response non-responsive. AEPA and its AEPA Member Agencies reserve the right to determine whether the deviation or exception does or does not serve the interest of or is not advantageous or acceptable to AEPA, its AEPA Member Agencies, or Participating Entities.

Disbarment and Suspension: By signature accepting Terms and Conditions, it is certified on behalf of the company and their key employees that neither the company nor its key employees have been proposed for debarment, debarred, or suspended by any State or Federal Agency within the last five (5) years. If within the past five (5) years, any Respondent has been disbarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with a federal, state or local government, the Respondent must include a letter with its response that includes the name and address of the public procurement unit, the effective date of the suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. Any failure to supply such a letter or to not disclose in the letter all the pertinent information may result in the cancellation of any resulting contract. By signing the solicitation section, the Respondent certifies that no current suspension or debarment exists.

EDGAR (2 CFR 200) Compliance: Respondents are required to complete Education Department General Administrative Regulations (EDGAR) compliance certification. EDGAR regulations govern all federal grants awarded by the U. S. Department of Education on or after December 26, 2014.

Eligible Entities: The individual AEPA Member Agency's state procurement code and statutes provide for cooperative procurement and identifies those types of agencies, entities, and organizations that are allowed to participate in and take advantage of cooperative procurement contracts solicited and approved by AEPA and awarded by AEPA Member Agencies. Therefore, depending on the individual state procurement codes and statutes federal agencies, state agencies, local public bodies, and Non-Profit/Non-Public entities may be allowed to participate in and utilize AEPA solicited, approved and AEPA Member Agency awarded contracts.

Estimated Quantities: In Part B: Specifications of this solicitation, AEPA, and AEPA Member Agencies have indicated their anticipated volume for the products and services requested. It is anticipated that a considerable amount of activity will result from this solicitation; however, there is no guarantee of future order quantities since this is an indefinite-quantity contract. Usage depends on the actual needs of the AEPA Member Agencies, their Participating Entities, and the marketing by the Vendor Partner.

Experience, Proven Track Record and Past Performance Information: it has been determined by AEPA and its AEPA Member Agencies to be a major factor in consideration if a Respondent possesses the ability, capacity, and resources to acquire, manufacture, deliver, construct, install, services and support all of the procurement functions and activities involved in a national contract of this nature. AEPA and its AEPA Member Agencies reserve the right to accept or reject an offer if, in its judgment, the Respondent failed to demonstrate the following: a proven track record in the products and services offered (qualifications, knowledge, and background); is willing and able to deliver the proposed products and/or services to ninety (90%) percent of those participating AEPA Member Agencies identified in Part B (unless otherwise noted in Part B): Specifications; and has provided relevant information regarding its actions under previously awarded contracts to schools, local, state, or federal agencies. It includes the Respondent's record of conforming to specifications and standards of good workmanship; the Respondent's record of containing and forecasting costs on any previously performed cost-reimbursable contract schedules, including the administrative aspects of performance; the Respondent's history for reasonable and cooperative behavior and commitment to customer satisfaction; and generally, the Respondent's businesslike concern for the interests of the customer.

External Procurement Unit: means any procurement organization not located in a current AEPA Member Agency state which, if located in the state, would qualify as a federal or state agency or a local public body. Various state procurement codes allow external procurement units to offer their contracts and for agencies within those states to utilize those contracts to acquire goods and services.

Federal Agency [25] USC 3001 (4): Is defined as any department, agency, or instrumentality of the United States, any executive department, military department, government corporation, government-controlled corporation, or other establishments in the executive branch of government, including the Executive Office of the President or any independent regulatory agency established through legislative and/or administrative action.

Federal Requirements: Vendor Partner agrees, when working on any federally-assisted projects with more than \$2,000 in labor costs, to comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. 329 et seq.) and all applicable sections of the act and the Department of Labor's supplemental regulations (29 CFR parts 5 and 1926), the Civil Rights Act of 1964 as amended, the Davis-Bacon Act (Section 29, CFR Part 5), the Copeland "Anti-Kickback" Act (18 U.S.C. 874) as supplemented in the Department of Labor regulation (29 CFR part 3), and the Equal Opportunity Employment requirements of Executive Order 11246 as amended by Executive Order 11375 (Labor regulations (41 CFR Part 60)). In such projects, the Vendor Partner agrees to post wage rates at the worksite and submit a copy of their payroll to the AEPA Member Agency for their files. Also, to comply with the Copeland Act, the Vendor Partner must submit weekly payroll records to the AEPA Member Agency. The Vendor Partner must keep records for three (3) years and allow the federal grantor agency access to these records, upon demand. All federally assisted contracts to an AEPA Member Agency that exceed \$10,000 may be terminated by the federal grantee for noncompliance by the Vendor Partner. In projects that are not federally funded, Vendor Partners must agree to meet any federal, state, or local requirements, as necessary. Also, if compliance with the federal regulations increases the contract costs beyond the agreed-on costs in this solicitation, the additional costs may only apply to the portion of the work paid by the federal grantee. On all other projects, the prices must agree with this contract. Vendor Partner must comply with all applicable standards, orders, or requirements issued under Section 306 of the Clean Air Act (42 U.S.C.) 187 [h], and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et. Seq.); and, Executive Order 11738 and Environmental Protection Agency (EPA) regulations (40 CFR Part 15), which prohibit the use under non-exempt federal contracts, grants, or loans of facilities included in the EPA list of violated facilities.

Force Majeure: Except for payments of sums due, neither party must be liable to the other, nor be 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, including,

but not limited to the following: acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; blizzards; earthquakes; tornadoes or violent winds; hail storms; 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. The force majeure must be deemed to commence when the party declaring it notifies the other party of the existence of the force majeure and must be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with the contract. Force majeure must not include late deliveries of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, or similar occurrences. If either party is delayed at any time by force majeure, the delayed party must notify the other party in writing of such delay within forty-eight (48) hours.

Form of Contract: The form of contract for this solicitation must be the published solicitation, the awarded Vendor Partner's response, and properly issued purchase orders and/or contracts in accordance with this solicitation. If a firm submitting an offer requires AEPA Member Agency and/or Participating Entities to sign an additional contract, a copy of the proposed contract must be included with these.

Gratuities: AEPA Member Agency may, by written notice, cancel this contract if it is found that gratuities, in the form of entertainment, gifts or otherwise, were offered or given by the Vendor Partner or any agent or representative of the Vendor Partner, to any employee of the AEPA Member Agency with a view toward securing a contract or with respect to the performance of this contract. However, paying the expenses of normal business meals, which are generally made available to all eligible school and government employees, must not be prohibited by this paragraph. Samples of software, equipment, or hardware provided to the AEPA Member Agency for demonstration, evaluation, or loan purposes are not considered gratuities.

Historically Under-Utilized Business: An "Historically Under-Utilized Business" (HUB) is a category for companies that have traditionally failed to reap the benefit from full and equal procurement opportunities. Typically, these types of companies may include women-owned, disabled veteran-owned, and minority-owned businesses or operations defined as small business, micro businesses, or businesses operating in enterprise zones. For the purpose of the IFB, a Bidder opting to offer a HUB program, may self-define the types of HUB businesses it includes in its network of HUB partners and the role they play; however, the Bidder must ensure that the partner-authorized HUBs provide a "Commercially Useful Function." As it related to HUB businesses, a "Commercially Useful Function" (CUF) is work that is integral to sales, delivery, or supply-chain solution, and not a mere façade for the pass through of goods. Examples of HUB work that qualify as a Commercially Useful Function include instances when HUBs:

- Execute a specific element of the scope of work including supplying of goods and services.
- Provide services work that is normal for the firm's assortment of business services.
- Are fully or partially responsible for paying for wholesale materials, conducting sales, installation of products, delivery of products.
- Do not subcontract a portion of the work greater than expected by industry practices.
- Act as resellers, buying products wholesale from the awarded Vendor/Contractor.

Indemnification: Vendor Partner will indemnify, defend and save harmless AEPA, its Members, Participating Entities, its employees from any and all claims, demands, suits, proceedings, loss, cost and damages of every kind and description, including any attorney's fees and/or litigation expenses, which might be brought or made against or incurred by AEPA, its Members, Participating Entities, its employees on account of loss or damage to any property or for injuries to or death of any person, caused by, arising out of, or contributed to, in whole or in part, by reasons of any act, omission, professional error, fault, mistake, or negligence of Vendor Partner, its employees, agents, representatives, or Subcontractors, their employees, agents, or representatives in connection with or incident to the performance of this agreement, or arising out of worker's compensation claims, unemployment compensation claims, or unemployment disability compensation claims of

employees of Vendor Partner, and/or its Subcontractors or claims under similar such laws or obligations. Vendor Partner's obligation under this section will not extend to any liability caused by the sole negligence of AEPA, its Members, participating Entities, its employees. The liability of AEPA, its Members, Participating Entities, or its employees will be subject in all cases to the immunities and limitations of Nevada or the AEPA Member Agency's state laws. Installation: Equipment and items of construction must be installed in accordance with the manufacturer's instructions, specifications, in accordance with any federal, state, local rules, regulations, codes, and the schedule determined by the AEPA Member Agency and/or Participating Entity.

Insurance: Prior to executing a contract with the AEPA Member Agency or a Participating Entity under this solicitation, if required, the Vendor Partner must procure, maintain and provide certification from insurer(s) for minimal coverage during the life of any resulting contract/agreement, to include but not limited to comprehensive public and/or commercial liability, errors and omissions, workman's compensation, unemployment and other insurance coverage required by and applicable to each AEPA Member Agency state's statutes and federal laws in which proposed products and services will be offered and provided. Evidence of the required insurance for each of those AEPA Member Agencies' state, who indicated an interest to participate in this solicitation, identified in Part B: Specifications by providing written evidence and/or documentation from your insurer(s) indicating your firm has in place the type and amount of coverage required by each of the states. The Bidder has the sole responsibility to conduct and perform the necessary research to make themselves aware of and to understand each state's requirements.

1. **Certificate of Insurance:** The Vendor Partner must provide, as required, a certificate of insurance for commercial liability insurance naming the AEPA Member Agency and or its Participating Entity as the certificate holder (co-insurer). All insurance policies are to be executed by an insurance company authorized to do business in those AEPA Member Agencies' states participating in this solicitation.
2. **Subcontractor's Insurance:** Prior to commencing any work, any Subcontractor must procure and maintain, at its own expense until final acceptance of the work, insurance coverage in a form, and from insurers acceptable to the prime Vendor Partner. All Subcontractors must hold the appropriate type and amount of insurance coverage required by the AEPA Member Agency state in which the work is being done and will provide insurance, which waives all subrogation rights against the prime Vendor Partner, AEPA Member Agency and its Participating Entities.

Invalid Term or Condition: If any term or condition of this solicitation and any resulting contract must be held invalid or unenforceable, the remainder of this solicitation and any resulting contract must not be affected and must be valid and enforceable.

Late Responses: Late responses will not be accepted. All offers must be submitted online via Public Purchase by the due date and time of this solicitation.

Leases and Rentals: Vendor Partner may allow AEPA Member Agency or Participating Entity to rent, lease, or lease-purchase. The buyer must receive a copy of the executed leasing documents prior to processing a purchase order. Vendor Partner agrees that leases will comply with the Uniform Commercial Code and the Buyer's individual state laws. All terms of leasing must be included in the offer, with interest rates described as related to a published government standard. Vendor Partner must indicate in their response to this solicitation and in any leasing/rental agreement, all costs (must be itemized) associated with early termination and/or the returning of leased or rented equipment that are the responsibility of the Buyer. No sale of a contract to a third party will be made without informing the Buyer of the transfer. If Vendor Partner sells a lease contract to a third party, the cost of return of the product must not be greater than the cost of return to the original Vendor Partner.

Legal Remedies: All claims and controversies must be subject to the Procurement Code of the state in which the AEPA Member Agency or Participating Entity resides.

Licenses and Registration: Each state and local jurisdictions in which a transaction may occur may require various types of licenses and/or registrations (business, construction Vendor Partner, etc.). Likewise, there are various policies, procedures, rules, regulations, codes, and laws that govern such licensing/registration within federal, state, and local jurisdictions, therefore, it is the Respondent's/Vendor Partner's responsibility to be aware of, obtain and maintain in current status all federal, state, and local licenses, registrations and bonds required for the performance and delivery of any and all products and services offered in its response to this solicitation. It is also the responsibility of the Respondent/Vendor Partner to ensure that any Subcontractors performing under this solicitation hold and maintain the appropriate licenses/registrations. The Respondent will submit copies of licenses, registration, and/or other documentation to substantiate they hold the appropriate licenses/registration required by individual jurisdictions covered by this solicitation.

Liens: All materials and services must be free of all liens.

Local Public Body: A political subdivision of the state and the agencies, instrumentalities, and institutions thereof. Such agencies may include but are not limited to two-year and four-year post-secondary educational institutions, pre-k-12 institutions, counties, cities, and municipalities, except as exempted pursuant to the Procurement Code within each state. Entities within these groups may include but are not limited to political subdivisions, administrative units, councils, commissions, boards, and organizations that either by federal, state, or local legislative or administrative action or appointment and have been established or given the responsibility and authority to act, conduct and perform various activities on behalf of the federal or state agency or local public body.

Manufacturer's Representative: Dealers, distributors, and installers of specialized facility technology, electrical, mechanical systems and equipment, who, if permitted by the Scope of Work, submit an offer as a manufacturer's representative, must be able to provide documented evidence from and/or between it and the manufacturer certifying that the Respondent is a bona fide manufacturer's agent for the specific products/services proposed, the Respondent is authorized to submit an offer on such products/services, and a guarantee that, should the Respondent fail to satisfactorily fulfill any obligations established as a result of the award of contract, the manufacturer will either assume and discharge such obligations covered by warranties or provide for their competent assumption by one or more bona fide representatives for the term of the contract/warranty period. Respondents of software, mechanical devices, electrical products/systems, and other commodities that makeup systems/networks must be able to provide the same information from a manufacturer.

Modification by Buyer: Vendor Partner must have no obligation with respect to any patent and copyright infringement claim based upon Buyer's modification of the equipment and/or software, or its operation or use with apparatus, data or programs not furnished by Vendor Partner. However, one Buyer's action will not preclude Vendor Partner's obligation to others not having modified their equipment or software.

Money: All transactions are payable in U.S. currency only. Multiple Approvals and Awards: throughout the United States, AEPA Member Agencies have a large number of Participating Entities who take advantage of and utilize awarded contracts. To assure that any issued contract will allow these entities to fulfill current and future needs and requirements, AEPA and its AEPA Member Agencies reserve the right at its discretion to approve and/or award one contract, multiple contracts, or no contracts. The actual use of any contract will be at the sole discretion of the AEPA Member Agency or the Participating Entity.

Nonexclusive Contract: Any contract resulting from this solicitation must be approved and awarded with the understanding and agreement that it is for the sole convenience of the AEPA, its AEPA Member Agencies, their Participating Entities and they reserve the right to obtain like goods and services from another source.

Nonprofit, Non-Public Educational Institutions, and other Nonprofit Organizations (Section 501(c)(3) of the Internal Revenue Code, Federal Tax Code): is defined as charitable, religious, educational, public service, support, and scientific organizations, entities, corporations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of the Federal Tax Code.

Notice: Notices under this solicitation/contract will be in writing and will, for all purposes, be deemed to have been fully given when sent by registered or certified mail, return receipt requested, postage prepaid, an email with appropriate verification, properly addressed to the respective parties as specified herein or at such other address as may be specified by either party from time to time.

Novation: If the original Vendor Partner sells or transfers all assets or the entire portion of the assets used to perform this contract, a successor in interest must guarantee to perform all obligations under this contract. AEPA and its AEPA Member Agencies reserves the right to recommend approval, acceptance, or rejection of the new party. A simple change of name agreement will not change the contractual obligations of the Vendor Partner.

Ordering Procedures: AEPA has established a standard and special ordering process as defined below. Additionally, some AEPA Member Agencies also prefer or utilize electronic ordering as the method for the transactions. For details on the ordering processes utilized for each AEPA Member Agency, please reference the Summary of State General Overview.

1. **Standard Ordering Process:** Buyer will select items for purchase from provided published catalog/price list or Vendor Partner will issue a quote upon request; the vendor will also send a copy of their quote to the state AEPA Member Agency for all construction-related bids. The buyer will prepare and issue a purchase order to the Vendor Partner based on the product catalog, price list, or Vendor Partner's quote. Vendor Partner will deliver and invoice the Buyer; Buyer will acknowledge delivery and acceptance by issuing the Vendor Partner payment. Vendor Partner, based on the agreed-to process, will report and submit payment for the AEPA Member Agency's administrative fee to the AEPA Member Agency (quarterly). The vendor Partner must provide the transaction and volume reporting in the AEPA report format.
2. **Special Ordering Process:**
 - a. Buyer will select items for purchase from provided published catalog/price list or Vendor Partner will issue a quote upon request;
 - b. Buyer will prepare and issue a purchase order to the AEPA Member Agency based on the product catalog, price list or Vendor Partner's quote;
 - c. Vendor Partner will deliver the goods and/or service to the Buyer and will invoice the AEPA Member Agency;
 - d. AEPA Member will invoice the Buyer and add their administrative fee to the invoice price;
 - e. AEPA Member will pay Vendor Partner for the goods and/or service once the Buyer has confirmed acceptance.
 - f. The vendor Partner must provide the transaction and volume reporting as stipulated quarterly in the AEPA report format.

3. Electronic Ordering

When a Vendor Partner based online ordering system is available, the following functionality is required:

- a. Electronic ordering systems must be secure, and password protected. Entering the system with the designated password must automatically send the user to AEPA contract pricing.
- b. When the Buyer requires purchase orders, electronic ordering system must require the entry of a purchase order number, credit card, or purchasing card prior to accepting an order.
- c. Electronic ordering systems must automatically assign correct contract prices to applicable orders.
- d. Electronic ordering systems should list catalog price and AEPA discounted price.

- e. Electronic ordering systems must track orders and purchases covered by the AEPA contract for reporting and audit purposes. The vendor Partner must provide the transaction and volume reporting in the AEPA format.
- f. Electronic ordering systems' pricing must include the AEPA Member Agencies administrative fee required by the AEPA Member Agencies.
- g. Electronic ordering systems should allow AEPA Member Agencies to print an archived (historical) copy of a Buyer's order.

Order of Precedence: In the event a conflict occurs the following order of precedence must prevail:

1. Member Agency specific terms and conditions
2. Specifications and scope of work
3. General terms and conditions
4. Attachments and exhibits
5. Documents referenced or included in the solicitation.

Overcharges by Antitrust Violations: Member Agency maintains that, in actual practice, overcharges resulting from antitrust violations are borne by the Buyer. Therefore, to the extent permitted by law, the Vendor Partner hereby assigns to the Member Agency any and all claims for such overcharges as to the goods or services used to fulfill the contract.

Parole Evidence: This contract represents the final written expression of agreement. All agreements are contained herein and no other agreements or representations that materially alter it are acceptable.

Participating Entity: Those Public and Private School Districts, Educational Service Agencies, Intermediate School Districts, Higher Education Institutions, Federal Agencies, State Agencies, Local Public Bodies, and Nonprofit Non-Public Corporations, Organizations, other entities contracted to conduct business on behalf of a participating entity provided they are required to follow member state and local procurement regulations, etc. that have authorizations to utilize the AEPA Member Agencies' Awarded Contracts.

Patent and Copyright Indemnification: To the extent permitted by law, Vendor Partner must indemnify and hold harmless Member Agency and its Participating Entities against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of contract performance or use by Member Agency and its Participating Entities of materials furnished or work performed under this contract. Member Agency and its Participating Entities must reasonably notify Vendor Partner of any claim for which it may be liable under this paragraph.

Piggyback Contracts: In the event a new Member Agency joins AEPA, the Member Agency may elect to award any and all existing contracts if permissible by their State laws.

Prevailing Wage: Where applicable, the Vendor Partner must comply with prevailing wage legislation in effect in the jurisdiction of the awarding AEPA Member Agency.

Pricing: AEPA has identified and stipulated the type of bid and the pricing methodologies that are to be utilized to price and submit bid or proposal prices. The Vendor Partner agrees that the cost for any item bid or offered on this contract will be uniform for all states and that any differences in pricing are due to state-specific installation and labor costs, AEPA Member Agency's Administrative Fee, or other approved reasons. The Respondent must provide their pricing as requested utilizing the various pricing methodologies specified. **The Respondent/Vendor Partner must agree that they will not offer or provide a better price to any individual entities or cooperatives with equal or lesser volume than that through AEPA.** Please note the following that relates to pricing:

1. **Primary Pricing Strategies for Bids:** All Respondents will be required to submit

“Primary Pricing” in the form of either “Catalog Pricing” or “Line-Item Pricing” or a combination of these two pricing strategies, or Proposal (RFP) pricing as defined in Part B, solicitation specifications. Respondents are also encouraged to offer OPTIONAL pricing strategies including short term pricing discounts/incentives and volume discounts.

- a. **Catalog Pricing:** Catalog pricing is utilized when the products and/or services solicited are clearly identified with set and specific characteristics, attributes, and configurations that are identifiable as a stand-alone single unit and can be listed and priced as a single unit with options that can be added to enhance and/or improve its operation and functionality. The Respondent offers a fixed discount(s) off the retail price, catalog price, published price, or list price. The discounts may be for the entire commercially available catalog, for specific products, product lines, manufacturers, or category of products as determined by the Respondent and in conformity with the scope of the solicitation.
 - i. **Discounts:** Discount offers must clearly identify the percent of discount to apply to a commercially available catalog, manufacturer, manufacturer's suggested retail price (MSRP), retail, or nationally published price lists. Respondents must identify and stipulate if the discounts apply to the entire catalog/price list, specific product lines, manufacturers, and/or categories of products. Respondents must agree that there will be no reduction in discount(s) during the term of the contract.
 - ii. **New Catalogs/Price Changes:** New catalogs and corresponding nationally published price lists may be submitted throughout the term of the contract and must be submitted to the AEPA Category Committee for review prior to release to all AEPA Member Agencies. Prices may change based on manufacturer's price changes, newly published pricing, or price lists, but the original discount bid must remain firm for the duration of the contract. New catalogs/products must conform to the scope of the solicitation.
 - iii. **Core List:** In a Catalog Priced solicitation, a category (i.e., office supplies) may include a “core list” which contains a selection of the most commonly used products/services with the expectation that a deeper discount would be bid for these items. If a new catalog and price list are published during the contract term, the original discounts must be applied to the newly published prices to establish the AEPA price for these core items.
 - iv. **Product Addition/Discontinuation:** New products, within the same scope of work, may be added at the established percentage discounts at any time. Discontinued products may be dropped at any time during the year. In the event a Core item is discontinued by the manufacturer during the term of the contract, Vendor Partner is required to add a functionally equivalent substitute at the same discount structure.
- b. **Line-Item Pricing:** Line-item pricing is utilized when products and/or services that are broken down in detail by element, component, product categories, product type, and each product and/or service is presented as an individual item which needs to be combined with other items to make up a final project or solution. The Respondent offers firm pricing for specific line items in response to this bid; a project's cost is derived by the Vendor Partner preparing and providing a quote based on the project's terms, conditions, and requirements based on the line-item pricing provided in the bid. The information provided in this bid for each item includes: Product Category, Product Description, Manufacturer, Manufacturer SKU, Vendor SKU, Unit of Measure, Item List Price, AEPA Bid Price.
 - i. **Fixed prices:** Prices bid must be firm until each anniversary date of the contract, unless there is an occurrence of one or more economic price adjustment contingencies outlined in the bid. Fixed price offers must include prices for any and all items.
 - ii. **Routine Price Adjustments (Without Economic Price Adjustment):** Vendors may request adjustments to the prices by submitting a fully documented written request to the AEPA Category Committee Chairperson. The request must specifically detail and document the cause and/or reason for price changes and include any supporting documentation (manufacturer's letter, indexes, etc.). All

- price changes require approval by the AEPA Category Committee.
- iii. **Unpredictable Economic Price Adjustment:** If economic price adjustment contingencies occur, Vendor Partner may submit a fully documented request (manufacturer's letter, indexes, etc.) for a price adjustment to AEPA Category Committee for review and approval by the committee. The documentation must substantiate the cause and/or reason for the requested price increase and demonstrate that it was unpredictable at the time of bid submittal and/or contract renewal and out of the Vendor Partner's control. Pricing will take effect upon approval.
 - iv. **New Products/Services:** Vendor Partner may submit new products or technologies that are within the original scope of work for the bid, to be added to the contract pending review and approval of the AEPA Category Committee. Requests should be submitted to the AEPA Category Committee for review and written approval.
- c. **Automated System for Pricing (ASP):** The method consisting of an ASP and/or software application (e.g., RSMeans) that is self-contained and consists of a turn-key solution that includes a complete line-item listing of all of the products, supplies, materials, equipment, services, accessories and options with their description, specifications, terms, conditions and associated pricing for each item, sub-assemblies and/or assemblies. The Bidder provides a percent of discount or fixed multiplier/factor to be applied to total project cost to allow for individual state conditions and requirements and to arrive at the AEPA price.
- d. **RSMeans (Construction Related Bids only):** It is important for Vendor Partners to breakout all costs (quantity and price) of all items listed under RSMeans or an Alternative Pricing method. This includes all quoted items not on the approved AEPA bid submittal. The following are minimum requirements for using RSMeans for quoting projects to AEPA Member Agencies:
- i. The Contractors must use the current year and standard cost data. Only the following cost data titles will be excepted:
 - a. Building Construction Cost Data Book
 - b. Facilities Construction Cost Data
 - c. Facilities Maintenance & Repair Cost Data
 - d. Site Work & Landscape Cost Data Book
 - ii. All work proposed under RSMeans must use RSMeans format, even if subcontractors are used.
 - iii. An RSMeans spreadsheet must be submitted to substantiate the quote given to the AEPA Member Agency. The spreadsheet columns must reveal the full RSMeans number and a sufficient amount of the description. This also applies to change orders.
 - iv. Pricing must be done by Location codes. National Average will not be allowed. To choose the "closest" location code, the first three (3) numbers of the zip code will be used to determine the city location index in the AEPA Member Agency State.
 - v. The AEPA contract holder factor, bonding cost, AEPA discount, and taxes if applicable must be shown as separate line items at the bottom of the RSMeans spreadsheet. This information can be shown on a separate summary sheet. The summary sheet must start with the RSMeans spreadsheet total and show the detail for each of the items stated above. This detail will be provided to that AEPA State Agency and the AEPA Buyer as required.
 - vi. All change orders which list items covered by RSMeans must be supported by an RSMeans spreadsheet.
- e. **Alternative Method of Costing:** This method covers any product and/or service not covered by catalog pricing, published price list, line-item price list, automated system for pricing, or is a product and/or service due to the projects or applications specifications,

conditions and /or requirements that need to be custom-designed, developed, manufactured and/or produced to meet the requirements of an individual, project, or sole source. The alternative pricing is calculated as follows:

- i. The Bidder must prepare, issue, and receive three written quotes from available suppliers and select the supplier that offers the products and services that meet the stipulated requirements and specifications, offers the best value, and the most cost-effective solution.
- ii. All quotes must be made available upon request.
- iii. The Bidder must indicate the percent of overhead and /or markup as part of their response to be added to these costs to obtain the normal and customary retail price.
- iv. The AEPA price is calculated by taking the product and services to cost to the Contractor plus the indicated percent of profit/overhead to equal the normal and customary retail price. The Contractor will then subtract the approved AEPA discount to obtain the AEPA price. Example: item cost \$1,000; percent of profit/overhead of 20% equals retail price of \$1,200; less the AEPA discount of 10% or \$120 equals the AEPA price of \$1,080.

2. **Secondary Pricing Methods (Catalog based solicitations only, see Part B for category designation):** Respondents are encouraged to offer Customized Price Lists (Catalog solicitations ONLY), as well as short term pricing reductions/incentives and volume discounts as follows:

- a. **Customized Price List:** Respondents are encouraged to offer customized price lists to Participating Entities for items within the Vendor Partner's Commercially Available Catalog for Catalog solicitations ONLY (not pertinent to Line-Item Bids). Customized price lists must be allowed under the following conditions:
 - i. Items within the Vendor Partner's Commercially Available Catalog may be included on the customized price list providing they are not already on the Core Item list.
 - ii. Items are to be determined by the Participating Entity; Vendor Partner may object to up to ten (10) of the suggested items proposed by the customer and must offer substitutes until an agreement of the customized list is reached.
 - iii. Items on the customized price list must be sold with an additional discount (deeper than what was originally bid on the non-core or catalog discount)
 - iv. Items may not include special order or customized service products unless agreed to by the Vendor Partner.
- b. **Short Term Pricing Reductions/Incentives and Regional Promotions:** Respondents are invited, at their option, to offer a selection of products/services at greater discounts than those listed in the standard catalog or core list discounts. Special time-limited reductions are permissible under the following conditions:
 - i. The price reduction is for a specific period, no less than thirty (30) days.
 - ii. The reduction/incentive may be used to discount and liquidate close-out and discounted products/services if those items are clearly labeled as such.
 - iii. The original price for products/services is not exceeded after the time limit.
 - iv. The AEPA Category Committee and any affected AEPA Member state must be notified of any special or time-limited price reduction.
 - v. New prices must be on record fifteen (15) days prior to any offer of the new priced being proposed or offered to AEPA Member Agencies and Participating Entities.
 - vi. Pricing for all items must be submitted to all affected AEPA Member Agencies in an electronic format so that specials can be posted to websites, emailed, and shared with Participating Entities/Buyers.
- c. **Volume Price Discounts:** Respondents are encouraged to offer additional pricing discounts that may be offered for a group of agencies in a local geographic area that desire to combine requirements (one-time purchase or annual spend), i.e., local city, county, school district(s), etc. and/or for large one-time purchases. Additional volume price discounts are permissible under the following conditions: Discounts should be tiered and based on spend ranges as established by the Bidder on the Pricing Forms. Volume determination must be determined between the Vendor Partner and the

individual Buyers on a case-by-case basis. All additional discounts are to be offered equally to all AEPA Member Agencies and Participating Entities and be based on the Volume Price Discounts originally bid providing the same or similar volume commitment, specific needs, terms and conditions, a similar time frame, seasonal considerations and provided the same manufacturer support is available to the Vendor Partner.

3. **Proposal Pricing:** For services priced through an AEPA Request for Proposal, vendors may respond with a discount off labor and material costs. Labor must be sufficiently itemized by title and include total rate (salary and fringe). Material costs must be itemized. Any Vendor Partner awarded under a time and materials pricing strategy must provide a “not to exceed” project quote to the purchasing Agency for work approval.

Prime Vendor Partner: For the purpose of this solicitation, a Vendor Partner will be considered a prime Vendor Partner and not a Subcontractor. Any Vendor Partner paid directly by the AEPA Member Agency or Participating Entity is a prime Vendor Partner; a Vendor Partner pays a Subcontractor. Prime Vendor Partners using Subcontractors are responsible for all actions of its Subcontractors.

Procurement Code: All Respondents/Vendor Partners must make themselves aware of and comply with all federal, state, and local statutes and regulations.

Products and Services

1. **Product Line:** If applicable, contracts will be awarded to Respondents able to provide their complete product line(s) of commodities, supplies, equipment, software, and services that meet the scope of work and specifications of this solicitation. Respondents with a published, priced catalog may submit their entire catalog; AEPA reserves the right to select or reject products within the catalog for recommendation without having to award all the contents.
2. **Serial Numbers:** Offers must be for equipment on which the original manufacturer’s serial number has not been altered in any way.
3. **Current Products:** All offers must be for commodities, supplies, equipment, supplies, and software in current production; meet or exceed commercial and industry standards; and marketed and provided nationally to the general public and/or educational/governmental agencies.
4. **Construction Products and/or Services:** Are associated with building, erecting, altering, repairing, installing or demolishing in the ordinary course of business any: (1) road, highway, bridge, parking area or related project; (2) building, stadium or other structure; (3) airport, subway or similar facility; (4) park, trail, athletic field, golf course or similar facility; (5) dam, reservoir, canal, ditch or similar facility; (6) sewage or water treatment facility, power generating plant, pump station, natural gas compressing station or similar facility; (7) radio, television or other tower; (8) shaft, tunnel or other mining appurtenance; (9) electrical wiring, plumbing or plumbing fixture, gas piping, gas appliances or water conditioners; (10) air conditioning conduit, heating or other similar mechanical work; or similar work, structures or installations; (11) leveling or clearing land; (12) excavating earth; (13) drilling, wells of any type, including seismographic shot holes or core drilling; and similar work, structures or installations.
5. **Services:** Are defined as the furnishing of labor, time, or effort by a Vendor Partner not involving the delivery of a specific tangible product other than reports and other materials which are merely incidental to the required performance.
6. **Professional Services:** Services relating to architects, archeologists, engineers, surveyors, landscape architects, medical arts practitioners, scientists, management and systems analysts, certified public accountants, registered public accountants, lawyers, psychologists, planners, researchers, educational specialist, construction managers and other persons or businesses providing similar professional services, which may be designated as part of this solicitation.
7. **Peripheral & Optional Items:** Respondents can include various peripheral products, equipment, accessories, services, deliverables, and related items that are associated with and function with the primary offering. Optional equipment or products may be added to the

contract during the term of the contract. AEPA reserves the right to accept or reject such offerings under the following conditions: the enhancement is recommended by AEPA and approved by the Member Agency; the option is priced at a discount similar to other options; and the option is an enhancement to the unit.

8. **Descriptive Literature and Brand Names:** All offers are to include a complete set of the manufacturer's descriptive literature regarding the commodities, supplies, materials, equipment, and software offered. Brand names, trade names, and/or catalog numbers used in the solicitation will be intended to describe and identify the type, level, and quality of products, equipment, and software being requested.
9. **Discontinued Products:** If a product or model is discontinued by the manufacturer, Vendor Partner may substitute a new product or model if the replacement product meets or exceeds the specifications and performance of the discontinued model and if the discount is the same or greater than the discontinued model.
10. **Product Specifications:** This solicitation is designed to enable a Respondent to satisfy a requirement for a commodity, supply, material, equipment, software, process, or service. A specification may be expressed as a standard, a part of a standard, or independent of a standard; by specifying a manufacturer's brand and model. No specification is intended to unnecessarily limit competition by eliminating items capable of satisfactorily and/or meeting the actual needs of the procurement. When a brand name product is specified and is only available for a single source, Respondents are encouraged to offer alternative products that they believe to adhere to and comply materially, functionally, and operationally equal to or better than the brand name product specified. **Any Respondent believing a specification is unnecessarily restrictive, must indicate such in the form of a question during the solicitation process and prior to solicitation due date.** The fact that a manufacturer or supplier chooses not to produce or supply the commodity, supply, material, equipment, software, or services to meet these specifications will not be considered sufficient cause to adjudge these specifications as restrictive. If the Respondent deviates from these specifications, reasons must be stated for such deviation and state why, in their opinion, the commodity, supply, material, equipment, software, or services they bid will render equivalent reliability, coverage, performance, and/or service. Failure to detail all such deviations may comprise sufficient grounds for rejection of the entire offer.
11. **Quality:** Unless otherwise modified elsewhere in this solicitation, Vendor Partner warrants the commodities, supplies, materials, equipment, and services delivered as stipulated in the Buyer's purchase order/contract, must be: of quality to pass without objection in the industry and professional standards normally associated with them; fit for the intended purpose(s) for which they are used; of even kind, quantity and quality within each unit and among all units, within the variations permitted by the contract; adequately offered, presented, delivered, accomplished and complete as the contract may require; and conform to the written promises and/or oral affirmations of fact made by Vendor Partner.

Product Information, Catalogs, and Price Lists: Respondents must include an electronic copy of the latest edition of the commercially available catalog and price lists that the discount will be applied to with the response. Throughout the term of the contract, Vendor Partner(s) must furnish all AEPA Member Agencies and their Participating Entities with copies of approved commercially available catalogs and price lists in the format desired (electronic, paper, online shopping cart, etc.).

Progress Payments: Progress payments are allowed on purchases for goods and services under the following conditions: The Buyer and the Vendor Partner agree to the terms of the progress payments prior to issuing a purchase order; the purchase order describes the amounts to be paid and the date of payment; the Buyer has a satisfactory method of verifying progress described in writing in a letter or on the purchase order; that payments will only be made when actual goods and/or services are verified/received; and that any such payments be made in full compliance of Buyer's local board rules and any and all other applicable state rules and regulations.

Protests: Under this public procurement and AEPA's Solicitation, any Respondent who is aggrieved in connection with this procurement, can file a protest in accordance with (1) AEPA's

Solicitation Document; (2) AEPA's Policies and Procedures; and (3) AEPA Member Agency's State Procurement Code and Board Policies. Venue for all legal actions will follow AEPA policy and as outlined in Part E, 13. Governing Law; Forum Selection.

1. **Procurement Phases:** AEPA's solicitation process is broken down into three (3) phases. Any Respondent who is aggrieved in connection with any of the three (3) procurement/solicitation phases listed below and/or any functions or activities associated with each must file their protest with the AEPA representative indicated below.
 - a. **Solicitation Due Date:** The preparation and contents of the solicitation, its terms, conditions, and specifications, the notification, distribution of solicitation documents and addendums (date published through the solicitation due date and time).
 - b. **AEPA Approval:** The receiving, opening, recording, evaluating, recommending, and approving Respondents to be considered for AEPA approval and/or actions relating to contract renewal and extension. (Date received and opened through the date of individual contract award and future renewals).
 - c. **Contract Award:** The awarding, implementing, and administering of resulting contracts and the disclosure of confidential data. (Date individual contracts awarded by AEPA Member Agencies or 120 days from AEPA approval).
2. **Protest contents:** Protests must be in writing and must be filed with the appropriate AEPA represented below. A protest must include:
 - a. The name, address, and telephone number of the protester;
 - b. The original signature of the protester or its representative;
 - c. Identification of the procurement function and/or contract activity with the solicitation or the contract number;
 - d. A detailed statement of the factual grounds or legal basis for the protest;
 - e. Supporting exhibits, evidence, or documents to substantiate any claim unless not available within the filing time, in which case, the expected availability date must be indicated; and
 - f. The form of relief requested.
3. **Protest Submittal:** Protester must submit the solicitation protest in accordance with the requirements of the above three (3) procurement functions immediately or within ten (10) days of the date the protester knows or should have known the basis of the protest per the following:
 - a. Solicitation Due Date: Knows or should have known the basis of the protest upon the solicitation due date or ten (10) days after the due date, send a protest to Solicitation Committee (bid-committee@aepacoop.org).
 - b. AEPA Approval: Knows or should have known the basis of the protest upon notification from AEPA of the solicitation category approval, send a protest to the Category Committee (bid-committee@aepacoop.org).
 - c. Contract Award: Knows or should have known the basis of the protest or ten days after the notification from the AEPA Member Agency award, send a protest to Individual AEPA Member Agency; see AEPA Member Agency information sheet.
4. **Protest Resolution:** Protest must be resolved, in accordance with AEPA's Board Policies, Procedures and/or the appropriate state statutes where the AEPA Member resides. AEPA intends that all solicitation protest decisions from the point a solicitation has been published through contract approval or rejection will be resolved by AEPA. Protests concerning contract award by AEPA Member Agencies will be resolved by the respective AEPA Member Agency.
5. **Protest Costs:** The losing party to the protest must be responsible for the reasonable and justifiable costs of the protest. The protest costs must be based on the costs and expenses incurred by the AEPA and its Member Agencies, including but not limited to staff salaries, attorneys' fees, hearing, reproduction, transcription, and travel costs.

Provisions Required by Law: By submitting a response to this solicitation, Respondents are acknowledging they have conducted and performed the required research to make themselves aware and knowledgeable of all federal, state, and local laws/statutes that are referenced herein, may pertain to and/or govern the procurement activities and transactions covered by this solicitation. These provisions of law and any clause required by law that is associated with and relates to this solicitation and any resulting contract will be read and enforced as though it were included herein.

Public Purchase: An easy-to-use platform that provides Respondents with the automatic notification of open solicitations, automatic notification of answered questions and issued addenda, and a way to electronically submit an organization's solicitation response. All changes, updates, uploads, and downloads are time-stamped and logged as part of the solicitation process.

Public Record: All offers submitted to this invitation become the property of AEPA and will become a matter of public record, available for review, subsequent to the solicitation due date. The Opening Record will be posted to the AEPA website (www.aepacoop.org).

Questions: Inquiries and questions related to this solicitation, must be submitted online in Public Purchase per solicitation and be submitted as follows:

1. From the time the solicitation is published until the deadline for questions for Respondents, questions should be submitted online via Public Purchase.
2. Questions regarding this solicitation after Opening, but before the approval of the contract, should be submitted to questions@aepacoop.org.
3. Questions regarding this solicitation after Notification of Approval should be submitted to bid-committee@aepacoop.org.
4. Once a contract has been awarded by an individual AEPA Member Agency any inquiries and questions relating to contract implementation, execution, transactions, and/or concerns/issues occurring within that state should be addressed to the individual AEPA Member Agency.

Reporting: Vendor Partners are required to submit quarterly detailed sales reports to all AEPA Member Agencies. Access to reports will be granted after contract approval. If there are no sales, \$0 reports are required.

Right to Assurance: Whenever one party to this contract in good faith has reason to question the other party's intent to perform, he/she may demand that the other party give written assurance of this intent to perform. In the event that a demand is made, and no written assurance is given within ten (10) days, the demanding party may treat this failure as an anticipatory repudiation of the contract.

Right to Request Additional Information: AEPA, and its respective representatives, reserves the right to request any additional information during the procurement process that might be deemed necessary to better understand the submitted solicitation response including, but not limited to, clarifying questions. Respondents may be requested to submit such answers in writing but will not be allowed to change or alter their offer.

Safety Measures: Vendor Partners must take all necessary precautions for the safety of employees on the worksite, and must erect and properly maintain at all times, as required by job conditions and progress of the work, all necessary safeguards for the protection of the workers and public. They must post danger-warning signs against the hazards created by their operation and work in progress. Proper precautions must be taken pursuant to state law and standard construction practices in order to protect workers, the general public, and existing structures from injury or damage.

Safety Standards: All items supplied on this contract must comply with the current applicable Occupational Safety and Health Standards, the National Electric Code, and the National Fire Protection Association Standards.

Severability: The provisions of this contract are severable to the extent that any provision or application held to be invalid must not affect any other provision or application of the contract that may remain in effect without the invalid provision or application.

Substance Use & Conduct: All Vendor Partners and Subcontractors must adhere to the local substance (alcohol, drug, smoking, etc.) and conduct (dress code, language, parking, etc.) policies while on AEPA Member Agencies and Participating Entities premises.

State Agency: means any department, commission, council, board, committee, institution, legislative body, agency, government corporation, educational institution, or official of the executive, the legislative or judicial branch of the government of this state.

Survival: All applicable software license agreements, warranties, or service agreements that were entered into between Vendor Partner and Buyer under the terms and conditions of the Contract must survive the expiration or termination of the Contract. All purchase orders issued and accepted by Vendor Partner must survive expiration or termination of the Contract.

Tare: If the Vendor Partner requires the Buyer to pay for shipping, the weight of the empty container and any material used for packing must be of the lightest weight practical for safe delivery of the contents.

Taxes: Different jurisdictions taxing authorities have different tax laws, rules, regulations, and processes, therefore, prices offered will not include applicable federal, state, and local taxes. All applicable taxes must be listed as a separate item on all cost proposals, invoices.

Term of Contract and Extensions: The initial term of the contract must be for up to fifteen (15) months and will commence on the date as indicated by each Participating Member Agency on the Acceptance of Solicitation and Contract Award (Form B). The contract must continue in accordance with the dates stipulated in the solicitation and Timeline schedule located in Part A of this solicitation unless terminated, canceled, or extended. By mutual written agreement, the contract may be extended for three additional 12-month periods, ending on the last day of February. AEPA may choose to recommend the contract extension. If so recommended, an individual Member Agency may choose, at their sole discretion, to extend the contract. In the event AEPA does not recommend or approve a contract extension, or a contract expires, a Member Agency reserves the right to offer an extension not to exceed six (6) months until a new contract is awarded by that Member Agency.

Termination by Non-Approval of AEPA: AEPA Member Agencies on annual basis assess, evaluate, and review existing AEPA vendors to determine if the organization as a whole desire to extend its approval of those vendors. If an existing AEPA vendor's approval is not extended for an additional term, the AEPA Member Agencies can not extend the dis-approved vendor's contract. (See Term of Contract and Extensions)

Termination by AEPA Member Agency: An AEPA Member Agency may cancel any contract secured by the solicitation without any further obligation if any person significantly involved in initiating, negotiating, securing, drafting, or creating the contract on behalf of the AEPA Member Agency is or becomes, at any time while the contract or any extensions 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. Such cancellation must be effective when the parties to this contract receive written notice from the AEPA Member Agency unless the notice specifies a later time. Cancellation by one AEPA Member Agency does not require other Agencies to cancel their contracts.

Termination for Convenience: AEPA Member Agency reserves the right to immediately terminate this contract, without penalty or recourse, in whole or in part, if the AEPA Member Agency determines that termination is in the best interest of Participating Entities. The Vendor Partner, after receipt of a "Notice of Termination," must not accept any new orders after the termination date specified in the notice. Any termination must not affect projects that are in progress at the time the cancellation is received by the AEPA Member Agency. Vendor Partner must be entitled to receive just and equitable compensation in accordance with applicable contract pricing for work in progress, work completed, and materials accepted before the effective date of the cancellation. The Vendor Partner will not be reimbursed for any anticipated profit. The AEPA

Member Agency reserves the right to cancel, or suspend the use thereof, any contract resulting from this SOLICITATION if the Vendor Partner files for bankruptcy protection or is acquired by an independent third party. Vendor Partner may cancel this contract upon written notice to the AEPA Member Agency prior to the intended termination date (or on the yearly anniversary of the solicitation). Any termination must not affect projects that are in progress at the time the cancellation is received by the AEPA Member Agency.

Termination for Default: If either party is in default under this contract, it must have an opportunity to cure the default within the time indicated (ten business days in most states) after it is given written notice of default by the other party, specifying the nature of the default. Upon receipt of the notice of default, the defaulting party must have ten business days to provide a satisfactory response to the AEPA Member Agency. Failure on the part of the defaulting party to adequately address all issues of concern may result in contract termination. If the default is not cured within the time specified in the notice of default, the non-defaulting party must have the right, in addition to all other remedies at law or equity, to immediately terminate this contract. Failure to complain of any action, non-action or default under this Agreement must not constitute a waiver of any of the parties' rights hereunder. The AEPA Member Agency reserves the right to terminate this contract, or any part hereof, for cause in the event of any default by the Vendor Partner, or if the Vendor Partner fails to comply with any contract terms and conditions, or fails to provide the AEPA Member Agency, upon request, with adequate assurances of future performance. In the event of termination for cause, the AEPA Member Agency must not be liable to the Vendor Partner for any amount for supplies or services not accepted, and the Vendor Partner must be liable to the AEPA Member Agency or any Participating Entity for any and all rights and remedies provided by law. If it is determined that the AEPA Member Agency improperly terminated this contract for default, such termination must be deemed a termination for convenience. The AEPA Member Agency will issue written notice to the Vendor Partner for acting or failing to act in any of the following:

1. The Vendor Partner provides material that does not meet the specifications of the contract;
2. The Vendor Partner fails to adequately perform the services set forth in the specifications of the contract;
3. The Vendor Partner fails to complete the work required or to furnish the materials required within a reasonable amount of time;
4. The Vendor Partner fails to make progress in the performance of the contract and/or gives the AEPA Member Agency reason to believe that the Vendor Partner will not or cannot perform to the requirements of the contract;
5. The Vendor Partner fails to extend lower pricing that has been offered to another customer or cooperative that have equal or lesser volume.
6. The Vendor Partner fails to observe any of the terms and conditions of the contract;
7. The Vendor Partner fails to follow the established procedure for purchase orders, invoices, and receipt of funds as stipulated by the AEPA Member Agency.

Termination for Non-Appropriation: Any individual Buyer's procurement/contract covered by this solicitation and executed in accordance with the resulting contract may be terminated if insufficient appropriations and/or authorizations do not exist due to changes in state or federal law, or because of a court order, or because of insufficient appropriations made available to the Buyer's governing board and/or its State Legislature. Such termination will be affected by sending fifteen (15) days written notice to the Vendor Partner. The Buyer's decision as to whether sufficient appropriations and authorizations are available must be accepted by the Vendor Partner and must be final.

Title and Risk of Loss: The title and risk of loss of material or service must not pass to the Buyer purchasing the material or services until it receives the material or service at the point of delivery unless otherwise provided within this document.

Trade-in Equipment: Equipment for trade-in must be dismantled by the Vendor Partner and removed at its expense. The conditions of the trade-in equipment at the time it is turned over to the Vendor Partner must be the same as when the original agreement was made, except as affected by

normal wear and tear from use between the time of the solicitation and the trade-in. Values placed on trade-in products are between the Buyer purchasing the new unit and the Vendor Partner.

Type of Solicitation: Due to the various types, kinds and levels of products and services solicited by AEPA in its solicitations; the various pricing methodologies and/or methods utilized and offered to price the various products and services offered; and the type of contracts that results from any one of AEPA's solicitations, AEPA has established the following types of solicitations.

1. **Catalog Bid:** A catalog bid is utilized when the products and /or services solicited are clearly identified with set and specific characteristics, attributes, and configurations that are identifiable as a stand-alone single unit and can be listed and priced as a single unit with options that can be added to enhance and/or improve its operation and functionality. The Bidder offers a fixed discount(s) off retail price or prices in a Commercially Available Catalog. The discounts may be for the entire Catalog for specific products, product lines, manufacturers, or category of products as determined by the Bidder. See the Pricing section for detailed information on Catalog pricing.
2. **Line Item Bid:** A Line-item bid is utilized when the products and services solicited cannot be identified or listed as a single unit; consists of a number of different variable and configurations, it is necessary to identify the specific project or application; the end product or solution is made of individually priced elements or components and the end product's or solutions' cost is derived by the Vendor Partner specially prepared and providing a quote based on the project's terms, conditions and requirements. See the Pricing section for detailed information on Line-Item pricing.
3. AEPA also uses Request for Proposal (RFP) for certain service/goods categories in accordance with AEPA bylaws and procedures.

Vendor Partner: Respondent who has been approved and awarded a contract for the delivery of construction, tangible personal property, supplies, or services in response to this solicitation.

Vendor Partner Contact: Vendor Partner will designate one individual who will represent them to the AEPA, its AEPA Member Agencies during the contract period. This contact person will correspond with each AEPA Member Agency for technical assistance, problems, or questions that may arise. If other staff, distributors and/or independent Vendor Partners will be performing the sales or support functions for different geographical areas (states), Vendor Partner must include instructions and contact information that can be distributed to AEPA Member Agencies upon approval of this bid.

Warranty: Vendor Partner warrants that all commodities, supplies, materials, equipment, software, and service delivered under this contract must conform to the specifications of this contract. All items should carry a warranty equal to the intended life cycle or a minimum manufacturer's warranty that includes parts and labor unless otherwise specified in the category specifications. The manufacturer has the primary responsibility to honor a manufacturer's warranty; a distributor or dealer agrees to assist the purchaser to reach a solution in a dispute with the manufacturer over a warranty's terms. Any extended manufacturer's warranty will be passed on to the Buyer. For example, if a voice board has a three-year warranty, but the board is in a turnkey system that has a one-year warranty, the voice board's three-year warranty must be honored by the manufacturer and the Vendor Partner. All extended warranties must be passed on, without exception. If upon discovery, the Vendor Partner charges a Buyer for a replacement part that the Vendor Partner actually received at no cost under a warranty, the Vendor Partner will rebate the amount billed and the Buyer reserves the right to cancel the contract.

Invitation for Bid AEPA #024-C DIGITAL RESOURCES & INSTRUCTIONAL MATERIALS

Part B – Technical Specifications

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1. Scope of Bid

AEPA is seeking qualified, experienced contractor(s) who possess the necessary resources and capabilities to acquire, deliver and perform the required supplies, materials equipment and labor to all participating member states (up to 29) in the category of Digital Resources & Instructional Materials.

- a. Respond to requests from a number of different types of educational, governmental and public institutions seeking Digital Resources & Instructional Materials.
- b. These parts and supplies will include but are not limited to: Library resources for purposes of information literacy, automation, and access to reference materials and eBooks; licensing of digital & print textbooks and supporting materials; access to online professional development & training resources through video, audio, and other formats.
- c. Types of services may include, but are not limited to Digital/Print Instructional/Classroom Content and materials (Multimedia/Video content, Courseware/online lessons, Game-Based Learning, Virtual simulations), Library/Media Resources/Materials & Automation software, Digital/Print Textbooks and materials, Online Professional Development & Training Resources and Curriculum support materials, and Assessment tools.

All products offered must be considered new, unused, of the latest design and technology and from the most current and popular product lines available.

AEPA and Member Agencies prefer a single vendor with a comprehensive array of products. However, because of the unique nature of Digital Resources & Instructional Material products, Member Agencies may consider multiple awards, if the lowest, best-value bids come from Bidders whose business concentrates on subset of categories, such as:

1. Instructional/Classroom Content
2. Library/Media Resources & Automation
3. Digital/Print Textbooks
4. Online Professional Development & Training Resources

2. Type of Bid

AEPA requests Bidders to submit primary pricing in the form of either “catalog pricing,” or “line-item pricing.” This category is constructed in the form checked below. An explanation of each can be found in the table below. Additional information on permissible pricing strategies can be found in Part A – General Terms and Conditions under “Pricing.”

This bid is considered a:

YES	NO	TYPE OF BID
√		CATALOG: A catalog bid is utilized when the products and/or services solicited are clearly identified with set and specific characteristics, attributes and configurations that are identifiable as a stand-alone single unit and can be listed and priced as a single unit with options that can be added to enhance and/or improve its operation and functionality. The Bidder offers a fixed discount(s) off retail price or prices in a Commercially Available Catalog. The discounts may be for the entire Commercially Available Catalog, for specific products, product lines, manufacturers or category of products as determined by the Bidder. See Pricing section for detailed information on Catalog Pricing.
	√	LINE ITEM: A line-item bid is utilized when the products and services solicited cannot be identified or listed as a single unit; consists of a number of different variables and configurations, it is necessary to identify the specific project or application; the end product or solution is made of individually priced elements or components and the end product’s or solution’s cost is derived by the Vendor Partner specially prepared and providing a quote based on the project’s terms, conditions and requirements. See Pricing section for detailed information on Line-Item Pricing.

3. Anticipated AEPA Member Agency Participation

State	Participate?	Other States Member Sells In
California	Yes	AZ, NV
Colorado	Yes	
Connecticut	Yes	ME, NH, NY, RI, VT
Florida	Yes	AL
Georgia	Yes	
Illinois	Yes	
Indiana	Yes	
Iowa	Yes	SD
Kansas	Yes	OK
Kentucky	Yes	AL, LA, MS, NC, TN
Massachusetts	Yes	
Michigan	Yes	
Minnesota	Yes	SD
Missouri	Yes	AR, LA, SD
Montana	Yes	ID
Nebraska	Yes	
New Jersey	Yes	
New Mexico	Yes	
North Dakota	Yes	
Ohio	Yes	
Oregon	Yes	
Pennsylvania	Yes	DE, HI, MD, NY
South Carolina	Yes	NC
Texas	Yes	
Virginia	Undecided	
Washington	Yes	AK, ID
West Virginia	Undecided	
Wisconsin	Yes	
Wyoming	Yes	SD,UT

Please note that individual AEPA Member Agencies that have indicated that they intend to participate in any contract approved under this solicitation, does not guarantee or mean that the individual AEPA Member Agency will enter into a contract with any AEPA approved Vendor Partner. Each AEPA Member

Agency will make that determination after reviewing Vendor Partner responses and AEPA's recommendation for acceptance and bid award. The AEPA Member Agency's contracting decision shall be final.

4. Anticipated Volume

Digital Resources & Instructional Materials is a currently held category for AEPA. The resulting bid will be an Indefinite Delivery, Indefinite Quantity (IDIQ) contract(s). AEPA Member Agencies estimate \$10-15 million in sales in the first contract term. AEPA Member Agencies anticipate that purchase volumes will increase over the course of contract years two (2) through four (4). This information is provided as an aid to Bidders in preparing responses only. It is not to be considered a guarantee of volume. The successful Vendor Partner's discount and pricing schedule shall apply regardless of the volume of business under the contract.

5. Voluntary Pre-Bid Conference – August 17, 2023

AEPA will host a voluntary pre-bid conference call, for any interested Bidders or potential Bidders. The conference call times are set in the following schedule for each of the four contiguous United States time zones. No pre-registration will be required. Recording of the conference call will be posted on the AEPA Website.

Voluntary Pre-Bid Conference Call Schedule (All Categories) – August 17, 2023

Category	Eastern	Central	Mountain	Pacific
024-B Electric Vehicle Charging	10:00 AM	9:00 AM	8:00 AM	7:00 AM
024-C Digital Resources & Instructional Materials	10:30 AM	9:30 AM	8:30 AM	7:30 AM
024-D Computerized Maintenance Management System	11:00 AM	10:00 AM	9:00 AM	8:00 AM
024-E Lawn & Groundskeeping Equipment, Supplies, & Services	11:30 AM	10:30 AM	9:30 AM	8:30 AM
024-F Digital Display Solutions	12:00 PM	11:00 AM	10:00 AM	9:00 AM
024-H Audio Visual Integration, Equipment, & Installation	1:00 PM	12:00 PM	11:00 AM	10:00 AM
024-G Vehicles – Cars, SUVs, Light Duty Trucks/Vans, Emergency, Fuel, Hybrid, Electric	1:30 PM	12:30 PM	11:30 AM	10:30 AM
024-A Natural & Synthetic Surfaces for Sports Fields, Tracks, Courts, Playground & Landscaping Applications	2:00 PM	1:00 PM	12:00 PM	11:00 AM

Conference Call Number/Online Connection:

<https://us02web.zoom.us/j/85105482270?pwd=VElaSG15WVAyelQyWFgxZEpWM2UyQT09>

Meeting ID: 851 0548 2270

Passcode: B3C5yU

Dial In Information: 1 305 224 1968

Meeting ID: 851 0548 2270

Passcode: 548099

6. Glossary of Terms and Abbreviations

Abbreviations and Acronyms for Standards and Regulations: Where abbreviations and acronyms are used in specifications or other contract documents, they shall mean the recognized name of the organizations responsible for the standards and regulations in the following list. Names, telephone numbers, and websites are subject to change and are believed to be accurate and up-to-date as of the date of the contract documents.

- a. **AEPA Member Agency:** A state cooperative purchasing agency recognized by AEPA to represent a specified state in contracting activities associated with this solicitation.
- b. **Contracting AEPA Member Agency:** An AEPA Member Agency that enters into a contract as a result of this solicitation.
- c. **Member:** A public school district or other qualifying agency authorized to use the contracts of an AEPA Member Agency.
- d. **Vendor:** Individual or entity providing goods and services to AEPA members based on the specifications of this solicitation.
- e. **Instructional Materials:** Collection of materials used in educational lessons including inanimate objects and non-human resources to promote active learning and assessment of desired learning objectives. These may include materials used in the classroom or available in a library to include textbooks, workbooks, vocabulary/spelling workbooks, study guides, supplemental reading materials such as novels or poems, visuals, graphic organizers, electronic interactives.
- f. **Library automation:** refers to the use of a computer to automate the typical procedures of libraries such as cataloging and circulation.
- g. **Z39.50:** is an international standard client-server, application layer communications protocol for searching and retrieving information from a database over a TCP/IP computer network. It is covered by ANSI/NISO standard **Z39.50**, and ISO standard 23950. The standard's maintenance agency is the Library of Congress.
- h. **SaaS:** Software as a Service is a software licensing and delivery model in which software is licensed on a subscription basis and is centrally hosted. It is sometimes referred to as "on-demand software". **SaaS** is typically accessed by users using a thin client via a web browser.
- i. **W3C:** The W3C is an international community that includes a full-time staff, industry experts, and several member organizations. These groups work together to develop standards for the World Wide Web.
- j. **LDAP:** Lightweight Directory Access Protocol is a directory service protocol that runs on a layer above the TCP/IP stack. It provides a mechanism used to connect to, search, and modify Internet directories.
- k. **SAML:** Security Assertion Markup Language is an XML-based, open-standard data format for exchanging authentication and authorization data between parties, in particular, between an identity provider and a service provider.
- l. **CAS:** The **Central Authentication Service** is a single sign-on protocol for the web. Its purpose is to permit a user to access multiple applications while providing their credentials (such as User ID and password) only once.
- m. **OAuth:** Is an open standard for authorization. It provides client applications a 'secure delegated access' to server resources on behalf of a resource owner.
- n. **Asynchronous Learning:** A form of education, instruction, and learning that occurs online or utilizing online resources but not necessarily at the same time or same place for all students.

7. General Specifications

Item	Description
7.1.1.	The Vendor Partner will have access to a full inventory of the awarded product line.
7.1.2.	The Vendor Partner shall maintain a minimum monthly overall average fill rate of 95% or above. Items that are reordered, backordered, or partially filled are not considered filled items when calculating this service level. The Vendor Partner will maintain a minimum monthly overall average fill rate of 95% or above for non-custom items. Exceptions will be approved with notification of supply disruptions.
7.1.3.	The Vendor Partner will notify the Buyer if product ordered cannot be shipped within a 48 hour time

Item	Description
	period to provide the opportunity to secure product elsewhere.
7.1.4.	Vendor Partners must be a manufacturer's authorized sales and service dealer for all proposed equipment/software. An authorized sales and service dealer is defined in this solicitation as one purchasing their products for resell directly from the manufacturer(s) or the manufacturer's approved channels. Products that result from new authorized sales and service dealer arrangements between the Vendor Partner and the manufacturer during the term of this contract may be added and offered through the AEPA contract.
7.1.5.	All charges and components necessary for performance of the contract shall be clearly identified even if such are not specifically addressed in any paragraph or sub-paragraph or form that is a part of this request.
7.1.6.	If the Vendor Partner intends to utilize independent agents/distributors, subcontractors and/or third-party agents to perform and/or provide any part of the products and services offered herein, the Vendor Partner must identify all providers and any and all associated costs with these providers.
7.1.7.	Optional services must be identified separately and must include clear descriptions of proposed services.
7.1.8.	Vendor Partners must provide a product or mix of products in a manner that will allow Buyers to migrate to emerging technologies/services and between legacy technologies with no penalty charge associated with maintaining the most appropriate selections of goods and services throughout the life of the contract.
7.1.9.	Vendor partners will be required to provide their complete product offerings in an electronic catalog upon request.
7.1.10.	Packing slips shall accompany all deliveries and shall contain Buyer's purchase order number, vendor name and name of article. Cartons shall be identified by purchase order number and vendor name.
7.1.11.	Orders not filled and partials shall be indicated on the packing list. Vendor Partner shall inform member of anticipated availability date for unfilled and partial orders.
7.1.12.	All products sold by the Vendor Partner must be new. Only the newest versions of software and equipment will be bid. Older versions will only be sold, if specifically requested. Vendor Partner may offer reconditioned products as a Voluntary Alternate; such items shall be marketed and labeled as being reconditioned.
7.1.13.	Products that have a money back guarantee will be clearly identified in the catalog and on the web site (if applicable).
7.1.14.	Vendor Partner has the option to offer private label products. Vendor Partner shall maintain the same manufacturer specifications for private label products throughout the term of contract. Any change of manufacturers for a private label shall result in offerings equal to or superior to the originally approved manufacturer at a price equal to or lower than the original offering.
7.1.15.	If the Vendor Partner makes an error in pricing (typographical or photographic error, for example), the Buyer reserves the right to return the product. The Vendor Partner agrees to pay for cost of any returned product due to a pricing error.
7.1.16.	Vendor Partner shall provide a Safety Data Sheet (SDS) for all items sold, if required. A separate sheet shall be provided for each individual item when purchase is made.
7.1.17.	Vendor Partner will endeavor to supply products made in the United States of America.

8. Product | Category Specific Specifications

Item	Description
8.1.1.	Digital Learning is defined: as a digital resource and/or device that can enhance or improve the learning of all students or in support of staff. Instructional Materials is defined as: Collection of materials used in educational lessons including inanimate objects and non-human resources to promote active learning and assessment of desired learning objectives. These may include materials used in the classroom or available in a library to include textbooks, workbooks, vocabulary/spelling workbooks, study guides, supplemental reading materials such as novels or poems, visuals, graphic organizers, electronic interactives. With the following categories 8.2.1 Instructional/Classroom Content

Item	Description
	8.3.1 Library/Media Resources & Automation 8.4.1 Digital/Print Textbooks 8.5.1 Online Professional Development & Training Resources
8.1.2.	Contractor may offer a catalog in more than one category as listed in 8.2.1, 8.3.1, 8.4.1 and 8.5.1
8.1.3.	For cloud, based services or Web Apps vendor will supply a list of supported browsers and required plugins or extensions for service to perform properly to include versions of browsers supported.
8.1.4.	For locally installed applications vendor will supply a list of Operating Systems supported by their service (i.e. Windows 11, OS 13.3.1, IOS 13 or greater, Android 13, etc.).
8.1.5.	Pricing
8.1.5.1	While under contract vendor can provide to AEPA members updates to software and services at no cost or software maintenance costs must be included in final proposal.
8.1.6	Customer Service
8.1.6.1	Vendor provides customer support options at no additional cost to AEPA members or support costs must be included in final proposal.
8.1.6.2	When authentication is required by user Vendor can provide support for multiple authentication methods (i.e. Active Directory,, LDAP, SAML, CAS, OAuth, Local Accounts etc.)
8.1.6.3	Vendor has defined additional training and implementation costs not included in licensing fees of the product.
8.1.6.4	Vendor has provided the hosting service model (Cloud, Software as a Service SaaS, Local hosted, etc.) and associated costs for each if any.
8.1.6.5	Connectivity for applications – Must users always be connected to the internet to use the application or does service offer offline capabilities
8.1.6.6	If product/service is not a tangible item requiring shipping, such as Software as a Service or cloud based service, vendor will provide installation or access to service within 30 days of order.

Instructional/Classroom Content

Item	Description
8.2.1	Content is aligned to Common Core, National and/or State Academic Standards.
8.2.2	Vendor provides content in K-12 and most curricular areas
8.2.2.1	English Language Arts
8.2.2.2	Mathematics
8.2.2.3	Science
8.2.2.4	World Languages
8.2.2.5	History/Social Sciences
8.2.2.6	Art
8.2.2.7	Health & Physical Education
8.2.2.8	Career & Technical
8.2.2.9	Special Education
8.2.2.10	Alternative Education
8.2.2.11	Reading
8.2.2.12	Literacy
8.2.2.13	Music
8.2.2.14	Health/Physical Ed.
8.2.2.15	Intervention/Supplemental
8.2.2.16	AP/Honors/Electives
8.2.2.17	English Language Learner
8.2.3	If offering an Instructional catalog the vendor shall offer a broad range of products covering multiple curricular areas.
8.2.4	Examination, Testing, Assessment feature
8.2.5	For Digital content supports multiple Learning Management Systems (LMS)
8.2.6	Online Courseware
8.2.7	Adaptive Learning devices/software services
8.2.8	Vendor has a sufficient offering of instructional and classroom content available. Provide a total number of items that could be offered to members for this sub-category:
8.2.9	Vendor is able provide correlation reports for crosswalks to State Level Reports

Library/Media Resources & Automation

Item	Description
8.3.1	eBooks
8.3.1.1	Multiple eBook formats are supported by vendor (ePUB, ePUB3, Mobi, KF8, iBook, PagePerfect etc.).
8.3.2	Educational Reference Databases or Collections
8.3.2.1	Offers a selection of standard products and services with a variety of options. Databases should offer simultaneous, unlimited access to all users. Databases linked to state and common core standards.
8.3.2.2	Offers a selection of reference books and/or materials.
8.3.3	Library Automation system should be capable in design, architecture, and performance capacity of supporting all library related applications that make use of bibliographic data, including but not limited to:
8.3.3.1	OPAC
8.3.3.2	Circulation
8.3.3.3	Library/Classroom Cataloging
8.3.3.4	Z39.50 Capable
8.3.3.5	Acquisitions
8.3.3.6	Serial Control System
8.3.3.7	Reporting
8.3.3.8	Online Public Catalog Access
8.3.4	Content Database Repository
8.3.5	Content Management system (Video, Audio, Document)
8.3.6	Content Subscription Services (Streaming Video, Audio, digital document formats)
8.3.6.1.	Content includes Metadata
8.3.7	Textbook, Library, Asset Management
8.3.8	Ancillary items available (Library Books, Classroom Literature, Workbooks/Consumables, Reference Books, Textbooks preowned or new

Digital or Print Textbooks

Item	Description
8.4.1	Text is aligned to Common Core and/or State Standards
8.4.2	Ancillary materials are included in text licensing
8.4.3	Text is offered in multiple Languages
8.4.4	Digital Textbooks
8.4.4.1	Support for IOS, Android, Windows, Mac
8.4.4.2	Textbooks should be available in either interactive or PDF formats. The bidder shall provide a device compatibility table that clearly identifies all handheld or wireless device compatibilities. Pricing should be per student. Vendor must demonstrate how they meet the individual state's adoptive textbook list.
8.4.5	Vendor has sufficient quantities of electronic textbooks available, minimum of 250. Provide the current number of titles that could be offered to members:

Online Professional Development & Training Resources

Item	Description
8.5.1	Content is aligned to Common Core and/or State Standards
8.5.2	Accredited Continuing Education Units (to include but not limited to ASCD, USDA, USDA Child Nutrition, etc.)
8.5.3	Internet/Cloud hosted online content
8.5.4	Teacher Certification Services
8.5.5	Online Tutoring
8.5.6	Online Professional Development
8.5.7	Workforce Development
8.5.8	Vendor has sufficient quantities of training offerings available, minimum of 250.

9. Pricing

AEPA has identified and stipulated the type of bid and the pricing methodologies that are to be utilized to price and submit bid prices. The Vendor Partner agrees that the cost for any item bid or offered on this contract will be uniform for all states, and that any differences in pricing are due to state specific installation and labor costs, AEPA Member Agency's Administrative Fee, or other approved reasons. The Bidder must provide their pricing as requested utilizing the various pricing methodologies specified. **The Bidder/Vendor Partner must agree that they will offer prices equal to or better than what they ordinarily offer to individual entities or cooperatives with equal or lesser volume.** Please note the following that relate to pricing:

1. **Primary Pricing Strategies:** All Bidders will be required to submit "Primary Pricing" in the form of either "Catalog Pricing" or "Line-Item Pricing" or a combination of these two pricing strategies as defined in Part B, bid specifications. Bidders are also encouraged to offer OPTIONAL pricing strategies including "Hot List" and "Volume Discounts".
 - a. **Catalog Pricing:** Catalog pricing is utilized when the products and/or services solicited are clearly identified with set and specific characteristics, attributes and configurations that are identifiable as a stand-alone single unit and can be listed and priced as a single unit with options that can be added to enhance and/or improve its operation and functionality. The Bidder offers a fixed discount(s) off retail price, catalog price, published price or list price. The discounts may be for the entire commercially available catalog, for specific products, product lines, manufacturers or category of products as determined by the Bidder.
 - i. **Discounts:** Discount offers must clearly identify percent of discount to apply to a commercially available catalog, manufacturer, MSRP, retail or nationally published price lists. Bidders shall identify and stipulate if the discounts apply to the entire catalog/price list, specific product lines, manufacturers and/or categories of products. Bidder shall agree that there will be no reduction in discount(s) during the term of the contract.
 - ii. **New Catalogs/Price Changes:** New catalogs and corresponding nationally published price lists may be submitted throughout the term of the contract and shall be submitted to the AEPA Category Committee for review prior to release to all AEPA Member Agencies. Prices may change based on manufacturer's price changes, new published pricing or price lists, but the original discount bid shall remain firm for the duration of the contract.
 - iii. **Core List:** In a Catalog Priced bid, a category (i.e., office supplies) may include a "core list" which contains a selection of the most commonly used products/services with the expectation that a deeper discount would be bid for these items. If a new catalog and price list is published during the contract term, the original discounts shall be applied to the new published prices to establish the AEPA price for these core items.
 - iv. **Product Addition/Discontinuation:** New products, within the same scope of work, may be added at the established percentage discounts at any time. Discontinued products may be dropped at any time during the year. In the event a Core item is discontinued by the manufacturer during the term of the contract, Vendor Partner is required to add a functionally equivalent substitute at the same discount structure.
2. **Secondary Pricing Methods (Catalog Bids only, see Part B for category designation):** Bidders are required to offer Customized Price Lists (Catalog Bids ONLY) and encouraged to offer Hot Lists and Volume Discounts as follows:
 - a. **Customized Price List:** Bidders are required to offer customized price lists to Participating Entities for items within the Bidder's Commercially Available Catalog for Catalog Bids ONLY (not pertinent to Line-Item Bids). Customized price lists shall be allowed under the following conditions:
 - i. Items within the Vendor Partner's Commercially Available Catalog may be included on the customized price list providing they are not already on the Core Item list.
 - ii. Items are to be determined by the Participating Entity; Vendor Partner may object to up to ten

- (10) of the suggested items proposed by the customer and must offer substitutes until an agreement of the customized list is reached.
- iii. Items on the customized price list shall be sold with an additional discount (deeper than what was originally bid on the non-core or catalog discount)
 - iv. Items may not include special order or customized service products unless agreed to by the Vendor Partner.
- b. **Hot List Pricing:** Bidders are invited, at their option, to offer a selection of products/services, defined as a Hot List, at greater discounts than those listed in the standard catalog or core list discounts. Special, time-limited reductions are permissible under the following conditions: The price reduction is available to all AEPA Member Agencies equally. The price reduction is for a specific time period, no less than thirty (30) days. May be used to discount and liquidate close-out and discontinued products/services as long as those items are clearly labeled as such. The original price for products/services is not exceeded after the time limit. The AEPA Oversight Committee and all AEPA Member Agencies shall be notified of any special or time limited price reduction. New prices must be on record fifteen (15) days prior to any offer of the new prices being proposed or offered to AEPA Member Agencies and Participating Entities. Pricing for all Hot List items must be updated on the Vendor Partner's online catalog and submitted to all AEPA Member Agencies in an electronic format that can be posted to websites, emailed and shared with Participating Entities/Buyers.
 - c. **Volume Price Discounts:** Bidders are encouraged to offer additional pricing discounts that may be offered for a group of agencies in a local geographic area that desire to combine requirements (one time purchase, or annual spend), i.e. local city, county, school district(s), etc. and/or for large one time purchases. Additional volume price discounts are permissible under the following conditions: Discounts should be tiered and based on spend ranges as established by the Bidder on the Pricing Forms. Volume determination shall be determined between the Vendor Partner and the individual Buyers on a case-by-case basis. All additional discounts are to be offered equally to all AEPA Member Agencies and Participating Entities and be based on the Volume Price Discounts originally bid providing the same or similar volume commitment, specific needs, terms and conditions, a similar time frame, seasonal considerations and provided the same manufacturer support is available to the Vendor Partner.

3. Part F - Pricing Workbook

- a. Pricing shall be completed on the provided pricing sheets (Microsoft Excel Workbook) with the individual tables to be completed as follows:
 - i. F.1 – Catalog Discounts (Required)
 - ii. F.2 - Price Schedule (Required)
 - iii. F.3 – Services Price Schedule (Optional)
 - iv. F.4 – Volume Discounts (Optional)
- b. Pricing evaluation may include considerations, other than product cost, including the total cost of the acquisition and whether the Proposer's offering represents the best value. See Evaluation, Approval and Award in Part A – Terms and Conditions for additional information.

10. Evaluation

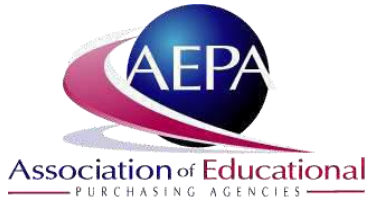
The AEPA Committee for this category will evaluate bid responses based on the entire response, and according to the criteria detailed in Part A for AEPA's definition of Responsive and Responsible bids.

As a part of the process of determining responsible respondents, the category committee may request reports that describe the financial soundness of your organization. You may be asked to include a third-party report or reports that demonstrate your firm's strength. Accepted financial reports may include balance sheets and Profit & Loss statements for the past three years, a Letter of Credit or Line of Credit from a bank or lending institution indicating the line of credit limit and the average outstanding balance, Dun & Bradstreet reports, a complete Annual Financial Report (for publicly traded companies).

A recommendation may be made to recommend a single response, or to recommend multiple bidders based on differentiation of product or service between bidders. AEPA will vote as a whole to accept or not accept a committee's recommendation. Once accepted, each recommended bid response will go to the individual states for contract approval. Please note, pricing evaluation may include other considerations, including the total cost of the acquisition and whether the Proposer's offering represents the best value. The evaluation committee may consider such factors as life-cycle costs, total cost of ownership, quality, and the suitability of an offering in meeting AEPA members' needs.

Below is a summary taken from the Evaluation section in Part A, F. Bid Evaluation, Approval and Award:

Evaluation Criteria
Cost Evaluation
Complete Response to Bid
Conformance to Bid Terms and Conditions
Pricing Equal to or Better Than That Offered to Individual Entities or Cooperatives with Equal or Lesser Volume
Quality and Suitability of Products Offered
Marketing Plan
Financial Viability
Demonstrated Track Record of Performance in the Public Marketplace
Value Added Attributes



Part C – AEPA Member Agency (State) Terms and Conditions AEPA Solicitation #024-C

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1. AEPA Member Agency Terms and Conditions

A solicitation is being published and distributed on behalf of the Member Agencies in many states. Differences in contract implementation and operation will exist between the Member Agencies. Each state may have special laws relating to this procurement that must be adhered to in addition to the previously stated constraints. *When Member Agency/State-Specific Terms and Conditions differ from the AEPA General Terms and Conditions, the Member Agency/State-Specific Terms and Conditions will prevail in that Member Agency/State.*

2. Common Terms and Conditions

Active Promotion of Contract: Agencies require that the Vendor Partner take ownership and actively promote the contract in cooperation with the AEPA Member Agency to all of the Agencies' qualified Participating Entities.

Sales to Participating Entities: AEPA Member Agencies require that all awarded Vendor Partners offer the Member Agency contract opportunity to all qualified Participating Entities of the cooperative.

Legal Obligations: All Vendor Partners shall comply with all applicable Federal, State, and Local Laws, Codes, and Regulations while fulfilling the contract. It is the Bidder's responsibility to be aware of and comply with all state and local laws governing this procurement. Applicable laws, codes, and regulations (etc.) must be followed even if not specifically identified herein.

Administrative Fees: AEPA Member Agencies charge Vendor Partners an administrative fee (a percentage of sales in their respective state or states that they extend the AEPA pricing to). Administrative Fees are generally paid to each Member Agency quarterly. Additional details of how these fees are charged may be found under each state's Terms and Conditions.

A summary of each State's Administrative Fee, any special terms and conditions, and special ordering process requirements are listed here for the convenience of the Bidders.



Value Added Attributes

Bluum is uniquely situated to support public entities to maximize the return on investment for all technologies by ensuring the strategic planning, purchasing, and implementation based on the organization's operational and technological needs. We have a local representative in **IN EVERY AEPa STATE** who can meet with you in person as well as the backing of a corporation for exceptional support. Additionally, we are focused on education with a pairing of professional development for so teachers are ready for the classroom. We have former teachers ready to train your staff on how to use technology in the classroom. We are excited to partner with you to make safer spaces with security or make a modern learning space with the latest in technology.

WHAT SETS BLUUM APART?

Our deep experience in understanding how technology is used to manage, teach, and learn helps us create differentiated solutions that are purpose-built to improve the learning landscape.

Bluum Digital Resources and Instructional Material

Never Stop Growing

Our fully licensed, highly engaging team is expertly equipped to deliver Professional Development training sessions on a wide variety of topics and all the latest technology.

Leading STEM Brands, Big Selection, Competitive Prices

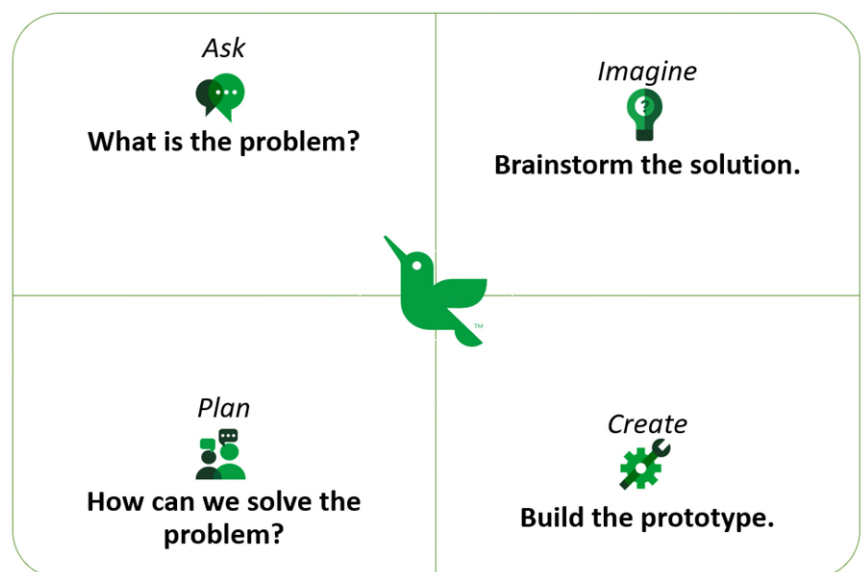
We have a large (and growing) selection of hands-on STEM learning experiences, designed and packaged for you by the world's leading makers of STEM products. Whether it's robotics, coding, AR/VR or instructional software, Bluum STEM solutions are easy to use and affordably priced and must come with digital instructional material by grade and subject.

Teach. Grow. Bluum.

Join our **community** of educators on Facebook where our professional development team shares free resources and tips on how to make the most of technology in your classroom.

Funding and Grant Advisors

Bluum's School Funding Services are available to help you seek available funds and/or apply for grants. Bluum offers a range of funding advisory services, including **Grant Writing**, to help you find and apply for available funds.



3. State Specific Terms and Conditions

1. California, Monterey County Office of Education (MCOE) – for the Programs CalSave and CalBuy

1. Governing Law and Venue

The laws of the State of California govern the Contract and prevail in the interpretation and administration of the Contract. California-specific Terms and Conditions prevail over any General Terms and Conditions. Each and every provision of law and clause required by law to be included in the Contract shall be deemed to be inserted herein, and the Contract shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either party the Contract shall be physically amended to make such inclusion or correction.

The venue for any litigation arising out of or related to the Contract shall be with either the Superior Court in and for the County of Monterey, State of California or the Federal District Court for the Northern District of California, San Jose Division.

2. Authority

For California, the IFB is issued under the authority of the elected Monterey County Superintendent of Schools administering MCOE located at 901 Blanco Circle, Salinas California, 93912. In this document, MCOE may be referred to as Agency, being distinct from other parties who may use this Contract who are hereinafter referred to as Local Education Agencies (LEAs), regardless of their hierarchy or their political and organizational status as schools or municipalities.

3. CalSave, Administration, and Agent

Contracts awarded and Awarded Vendors will automatically be part of the CalSave program (or the alternatively named CalBuy program). CalSave is the cooperative purchasing program founded by MCOE and administered by the Epylon Corporation under an agreement with MCOE. MCOE is the lead agency for all contracts, and MCOE is the authority for the solicitation, evaluation, and award of all contracts. Epylon serves as MCOE's agent, but only MCOE has the authority to award contracts. Correspondence and communication related to the Contract award or administration of the program should be directed to Epylon, 630 San Ramon Valley Blvd., Suite 210, Danville, CA 94526.

MCOE reserves the right to change agents or to change the contact name of existing Agent's personnel administering the Contract. If Agent or Agent's personnel change, Awarded Vendors will be notified with new instructions.

4. Transaction Fees

Transaction Fees are the funding source for the operation of the self-supporting CalSave cooperative purchasing program. Awarded Vendors shall be required to pay a Transaction Fee for all purchases by LEAs made through the awarded Contract. For the purpose of this bid through MCOE and all contracts awarded using this document, the Transaction Fee shall be 2 percent of Net Sales, which means gross sales less returns and canceled orders within thirty days, shipping and sales, and other taxes (excluding taxes based on net income). Transaction Fees will not be charged to or paid by the buyers themselves. Neither Awarded Vendor nor its designated Authorized Reseller(s) shall include any additional amount corresponding to the Transaction Fees in the awarded Contract prices. This Transaction Fee applies to all orders, regardless of the method used to submit the order, or the quantity or dollar amount of the order.

The CalSave Administrator, Epylon Corporation, will collect the Transaction Fee on behalf of the CalSave program. The Awarded Vendor will make all participation fee payments within two weeks after sending the quarterly report. Checks are to be made payable to the Epylon Corporation and sent to 630 San Ramon Valley Blvd., Suite 210, Danville, CA 94526.

5. Non-Conforming Jurisdictions

The Transaction Fee shall not be authorized to be charged to Awarded Vendors for sales within any jurisdiction where prohibited by law or local-government policy. Instead, the cost of products, services, licenses, and goods sold under this Contract in such jurisdictions shall be the same as for all school districts in all other counties of California. However, any LEA using this Contract where Section 4 fees are not permitted will pay a 2 percent fee for use of the Contract, imposed by MCOE on the authority of Public Contract Code §20118 and §20652, which allows MCOE to charge reasonable costs to the public corporation or agency for furnishing the services incidental to the purchase of items under Contract.

6. Reports

The Awarded Vendor will compile a quarterly report listing each purchase made by participating agencies under this Contract, and send them by the 15th of April, July, October, and January to Racquel Landolf with the email address of rlandolf@epylon.com. These reports shall be in Microsoft Excel format and shall have file names that identify the Awarded Vendor and the month being reported. The file at a minimum shall include the fields listed below and shall allow for sorting on any of these fields:

- Date of Order
- Name of Participating Agency or other Agency (LEA)
- Description of Item and Services Purchased
- Manufacturer's SKU Number
- Quantity or Job Order Units
- Contract Unit Price
- Extended Price
- List Price Before AEPA Discount

7. Length of Term

The term of the agreement shall commence on the date of the award and continue until the end date as stipulated in General Terms and

Conditions unless otherwise terminated, canceled, or extended. California statutory term limits and extensions shall apply. By mutual written agreement as warranted, the Contract may be extended month by month for up to six months, if allowed by law.

8. Marketing and Advertising Under This Agreement

Awarded Vendor will actively promote the use of this Contract by LEAs in California. Awarded Vendor must comply with the marketing plan offered as part of its bid submission. Unless other arrangements are made with the CalSave Administrator, Awarded Vendor also agrees to perform the following:

- Include the approved CalSave logo and web address in all print, electronic mail and other advertising and promotion intended for release to California K-12 schools, excluding national marketing releases.
- Provide CalSave with a copy or proof sheet of the advertisement or promotion material. Awarded Vendor will provide CalSave with date of release and name of publication, journal, etc.
- Place a CalSave Vendor sign on booths, tables, etc. of any or all exhibits for which the Awarded Vendor displays/participates at California tradeshows, conventions, and the like.
- Insert the approved CalSave logo and web address on any Awarded Vendor's web site promoting the Contract or a specific CalSave landing page and providing a link to the CalSave website.
- Awarded Vendor will supply product catalog information, product description, pricing, etc., in a spreadsheet format as specified by CalSave for inclusion on the CalSave website.
- Awarded Vendor agrees to cooperate in developing appropriate website content to promote its products, services, and their advantages to school districts.
- Requested materials will be submitted to CalSave within thirty days.

9. Conformance to Public Contract Code §20111

An award by MCOE under this solicitation will be for the purchase of equipment, materials, supplies, services or repairs to be furnished, sold, or leased in accordance with Public Contract Code §20111 and §20650 or other California code sections as may be allowed by law. Awards shall include allowance for installation and assembly services incidental and necessary to the use of the equipment, materials, supplies and repairs purchased or leased.

10. Conformance to Public Contract Code §20118 and §20652

All public agencies (LEAs) are authorized by law to purchase off a contract awarded by an agency that has itself gone to bid, including all K-12 schools districts, community college districts, special districts, and JPAs serving education, pursuant to Public Contract Code §20118 and §20652. Using these statutes, the MCOE hereby declares its intent and authorization to make all contracts awarded under this Contract "piggybackable" by other agencies in the state. The Agency waives any right to receive payment from other California agencies making purchases off the awarded contracts and those agencies will make payment directly to the Awarded Vendors. Any legislative changes to Public Contract Codes §20118 and §20652 during the term of the Contract(s) with Awarded Vendor(s) shall apply to the Contract(s) immediately when such changes become law.

11. Piggyback and Standard School Supply & Equipment Authority

MCOE declares that items, materials, personal property, equipment and licenses under Contract as a result of this Invitation to Bid will qualify as items to be included within its Standard School Supply and Equipment List. Because many County Offices of Education have banded together to support the CalSave program for the purpose of collectively creating both a standard School Supply & Equipment List and cooperative contracts, the items solicited and awarded through this bid may also constitute a portion of an official Standard School Supply and Equipment List for other participating County Offices of Education and County Superintendents of Schools. Purchases by other County Offices of Education and LEAs may be made, not only in accordance with Public Contract Code §20118 and §20652, but also in accordance with Education Code §38110 and §38112 dealing with cooperatives and Standard School Supplies & Equipment.

12. Intended for Personal Property

An award by the MCOE under this solicitation will be for the purchase of equipment, materials, supplies, services or repairs to be furnished, sold, or leased in accordance with Public Contract Code §20111 and §20650. Awards shall include allowance for installation and assembly services incidental and necessary for use of the equipment, materials, supplies and repairs purchased or leased. When any services or repairs fall into a category of Public Works as defined in Public Contract Code §22002, an LEA may be required to conduct a separate bid for labor and services but may use this Contract for an unlimited dollar amount for any supplies, materials, equipment or personal property to be staged and ready for use in a local Public Works project.

13. Public Works Limitations

When Public Works services cost \$15,000 or more, an LEA, under most situations, must bid itself independently for the services and labor related to the public work, but may use this Contract for the contracted supplies, material or equipment related to the project. If circumstances allow, LEAs may also combine this competitively bid Contract with other alternative authorities for Public Works projects as may be allowed by law, such as Public Contract Code §22030, Education Code §17406 or Government Code §1466. LEAs may consult with their own legal counsel to see if such statutes apply to their Public Works projects.

14. Job Order and Unit Price Contracting

Notwithstanding, Sections I.9 through I.13, the Awarded Vendors and any authorized resellers or subcontractors, may extend bid pricing from AEPA IFB 124 to other agencies in California, including school districts, community colleges, state colleges, cities, and counties to the extent allowed by law under job-order-contracting statutes, including but not limited to Public Contracts Codes §20919.20 through §20919.33, §20665.20 through §20665.35 and §10710. Agency allows any school district, college, or agency to use this Contract

and its competitively bid unit pricing as an alternative to other contracting procedures that the school district or agency is otherwise authorized or required by law to use. In using this Contract and pursuing a job-order-contracting project, a participating agency is obliged to conform to contracting steps spelled out in their respective code sections, state college trustee policies, or local board policies.

15. Start Date

Once the award is made to the Awarded Vendor and signatures have been placed on the Contract from both parties, the Awarded Vendor is authorized to begin selling to eligible agencies. MCOE will begin informing LEAs of the Contract once the Contract has been signed.

16. Prices and Requests for Quotes

The Awarded Vendor, in cooperation with MCOE's agent, must make provision for LEAs to quickly ascertain bid prices by posting prices, posting a link or contact for prices, distributing catalogs and price lists, responding to requests for quotations, or participating in eCommerce. (The 2 percent Transaction Fee on all sales is a cost of doing business to the Awarded Vendor and the requirement for the fee is publicly disclosed in these bid documents for the edification of all buying agencies and LEAs. Transaction fees should not appear as a line item on a quotation or on listed bid pricing. The final price quoted or displayed must be inclusive of the participation fee on all pricing and quotations.)

17. Submission of Orders and Delivery

After entering into an agreement with MCOE, an LEA electing to use this Contract will enter into a Separate Contract with the Awarded Vendor by way of a purchase order or separate contracting document ("Separate Contract"). Purchase orders will be issued by participating LEAs to Awarded Vendor.

LEAs will fax or mail purchase orders directly to the CalSave office fax at (866) 488-3729, unless other arrangements have been made and agreed to by the CalSave Administrator. LEAs may also use Epylon eCommerce software for transmission of purchase orders. Standard business practice is for all purchase orders received by 3:00 p.m. Pacific Time to be logged and forwarded to the appropriate Awarded Vendor on the same day received unless unusual circumstances occur. It is the responsibility of the Awarded Vendor to track any purchase order received directly from an LEA, and to include that order on quarterly reports.

Awarded Vendor will deliver goods, services and corresponding invoices directly to the participating LEAs and receive payments directly from the participating LEAs as per bid specifications.

18. Other Agencies' Right to Purchase

CalSave is a self-supporting contracting program led by MCOE. Contracts are made available to all California public school districts, private and nonpublic schools registered with a county office of education or state Department of Education, charter schools, community college districts, eligible state agencies, non-profits (particularly those such as PTAs buying on behalf of schools or government), and any other agency allowed by law – all referred to as LEAs.

Subject to the following Terms and Conditions, MCOE consents to LEAs purchasing items at the same unit price(s) or pricing formula under the Terms and Conditions of this Contract, as may be authorized by §20118 and §20652 of the Public Contract Code or other legal authority:

a) Any other agency (LEA) authorized by law to use this Contract for its own purchase(s) from the Awarded Vendor or their authorized resellers shall by default enter into a standard agreement with MCOE, which *inter alia* will include the terms, conditions, and information set forth in this paragraph A and paragraphs B through I below.

b) After entering into a standard agreement with MCOE, an Other Agency electing to use this Contract will enter into a Separate Contract or purchase order ("Separate Contract") with the Awarded Vendor. The Separate Contract is subject to and includes and/or incorporates all applicable terms of this Contract and the specific requirement that the Awarded Vendor comply with the provisions set forth in the paragraph regarding payment of the 2 percent Transaction Fee (or the non-conforming jurisdiction fee) to be collected by the Epylon Corporation. MCOE will not be a party to any Separate Contract but will be considered a third-party beneficiary of such Separate Contract.

c) The Awarded Vendor understands and agrees that failure or refusal to comply with the provisions set forth in this agreement regarding payment of the 2 percent Transaction Fee in conjunction with any Separate Contract or any other use of this Contract by an "Other Agency" is grounds for cancellation of the Contract. The Awarded Vendor also understands and agrees that if the Contract is canceled for this or any other reason, MCOE may give notice of such cancellation by any other means appropriate to inform LEAs of that cancellation.

d) The MCOE waives any right it may have to require any LEA using this Contract to draw its warrants for the purchase(s) in its favor and consents to each agency making such payment(s) directly to the Awarded Vendor.

e) Sales tax and freight/shipping charges included in the Contract apply to the MCOE only. Additional sales tax and freight/shipping charges may be required on purchases by any LEA and are outside the scope of this Contract, unless specifically addressed elsewhere in Part A or Part B of the Terms and Conditions.

f) This Contract and any Separate Contract are for the purchase of the items covered by Contract. An LEA may, however, exercise its authority under Education Code §17597 or 81645 or other legal authority to sell and lease back any item owned by, or to be owned by, it pursuant to any Separate Contract. The Awarded Vendor agrees to take any and all actions requested by any LEA that are necessary to effect any such transfer, by way of example only, accepting payment under the Separate Contract from any third party to whom any such transfer is made.

g) Both the Awarded Vendor and any LEA using this Contract agree that the MCOE makes no representation that use of this Contract by any Other Agency is, in fact, authorized by law. In this regard, the MCOE suggests that, at a minimum, Awarded Vendor and any LEA considering such use consult with their own legal counsels before doing so.

- h) Both the Awarded Vendor and any LEA using this Contract agree to defend, indemnify and hold MCOE, the Monterey County Superintendent of Schools, and the Monterey County Board of Education and its members, as well as all of their respective officers, employees, and agents, free and harmless from any claims, liabilities, costs, penalties, or interest arising out of any such use.
- i) MCOE reserves the right to cancel the whole or any part of this Contract due to failure by the contractor to carry out any obligation, term or condition of the Contract. MCOE will issue written notice to the contractor for acting or failing to act in any of the following:
- a) The Vendor fails to adequately perform the services set forth in the Contract
 - b) The Vendor fails to make progress in the performance of the Contract and/or gives MCOE reason to believe that the contractor will not or cannot perform to the requirements of the Contract
 - c) The contractor fails to observe any of the Terms and Conditions of the Contract
 - d) The contractor fails to pay Transaction Fees
 - e) The contractor fails to follow the established procedure for purchase orders, invoices and receipt of funds as stipulated by the MCOE. MCOE shall follow the following procedure if the Contract is to be terminated:
 - Step 1 - Issue a warning letter of concern outlining the violations and length of time to correct the problem(s).
 - Step 2 - Issue a letter of intent to cancel the Contract, if the problem(s) is not resolved by a given date.
 - Step 3 - Issue a letter to cancel the Contract. Upon receipt of the written notice of concern, the contractor shall have ten (10) business days to provide a satisfactory response to MCOE. Failure on the part of the contractor to address adequately all issues of concern may result in Contract cancellation.

19. Conversion to a California Multiple Awards Schedule (CMAS) Contract

Because of its multiple-award provisions, this Contract may qualify for adoption as a California Multiple-Award Schedule contract. If the Awarded Vendor uses this MCOE Contract for the purpose of obtaining a separate CMAS contract from the State of California, the Vendor is responsible for paying and agrees to pay both the CMAS fee and the 2 percent Transaction Fee described in Section I.4 for all orders submitted under the authority of the CMAS program based on this contract. If an Authorized Reseller uses this Contract to apply for a CMAS contract, the Authorized Reseller must enter into a written agreement with Awarded Vendor and MCOE agreeing to be responsible for paying the CMAS Fee and the 2 percent Transaction Fee, unless in that same written agreement Awarded Vendor agrees to pay such fees. In exchange for this fee, the Vendor (or if applicable, the Designated Reseller) is given a license to use and duplicate MCOE/AEPA Terms and Conditions for the purpose of applying for a CMAS contract. Also, CalSave or CalBuy will post pricing allowing prospective buyers to check for pricing that is compliant with the MCOE Contract and CMAS requirements. Vendor (or Authorized Reseller) must comply with MCOE's quarterly reporting requirements. Any report to the Department of General Services for CMAS-authorized purchases must simultaneously be reported to CalSave.

20. Other Agencies, Constitutionally Independent Agencies, & Out-of-State Agencies

Other agencies and out-of-state agencies and LEAs may use the Contract as allowed by California Government Code §6502, which says, "If authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties, even though one or more of the contracting agencies may be located outside this state. It shall not be necessary that any power common to the contracting parties be exercisable by each such contracting party with respect to the geographical area in which such power is to be jointly exercised. For purposes of this section, two or more public agencies having the power to conduct agricultural, livestock, industrial, cultural, or other fairs or exhibitions shall be deemed to have common power with respect to any such fair or exhibition conducted by any one or more of such public agencies or by an entity created pursuant to a joint powers agreement entered into by such public agencies."

2. Colorado, Colorado BOCES Association (CBA)

A. Additional Agency Terms and Conditions

Advertising: CBA will require a marketing flier, in electronic format, and timely updates from each vendor promoting the contract and AEPA/CBA relationship. CBA will assist in the development of the marketing flier and other appropriate materials which will include logos representing the vendor/AEPA/CBA. This flier will be for distribution and dissemination to all qualified customers through the CBA website and other appropriate and available methods.

Sales to Qualified Customers: Boards of Cooperative Educational Services (BOCES) in Colorado are legislatively created cooperative organizations directed by Colorado state statute 22-105 to serve all qualified agencies in a cooperative manner. BOCES are governed by publicly elected officials and by state and federal laws. No agency is obligated to use these services and contracts, but they find the benefits of low price and the satisfied bidding process most advantageous. Qualified agencies in Colorado include all public or private educational institutions, K-12 and higher education, all non-profit organizations, and all county or local governmental agencies. CBA requires that all participating vendors offer the Agency contract opportunities to all qualified customers.

B. Procedure for Processing Orders: Once the award is made to the vendor.

- CBA will inform its members of the contract by:
 - i.* Including the contract in the agency database that is available on the CBA website
 - ii.* Announcing the award through normal communication channels, CBA member presentations as well as regular electronic and direct mail communications.
 - iii.* Offering the opportunity to the vendor to publish their marketing information on the CBA website link to cooperative purchasing opportunities.
- A listing of CBA members, institutional names, contact names, addresses and phone numbers is available to the vendors through the CBA website. At this point the vendor must contact the members and qualified customers; and the customers have the right to contact the vendors directly. Note: CBA requires the awarded vendors to take ownership and actively promote the contract in cooperation with CBA to all members and qualified customers.
- When the customer identifies a desired product or service as available through the AEPA/CBA contract and agrees on price as presented to the customer by the awarded AEPA/CBA vendor, the customer then issues to the vendor a purchase order for that item or service.
- The awarded price must include an additional two percent (2%) administrative fee in the total cost (not as a separate line item), based on the total cost of goods and services including installation. This fee is to be forwarded by the vendor to CBA after the sale and payment is made to the vendor. Payment shall be made to CBA on a quarterly basis along with the complete sale report as specified in the general terms and conditions.
- The sale and transaction may continue without delay or anticipation of the CBA denial of said transaction.
- The administrative fee percentage (2%) is based on the total sale of goods and services including installation and must be included in the original cost quoted to the customer. In the event of a lease, the total administrative fee for the value of goods and services shall be paid to CBA by the vendor at the front end of the lease.
- Vendor makes all deliveries and installation of products and services. CBA does not warehouse items nor provide services.

3. Connecticut, Capitol Region Education Council (CREC)

A. ADDITIONAL MEMBER AGENCY GENERAL TERMS AND CONDITIONS

Affirmative Action - The Contractor must have an employment policy that there shall be no discrimination against anyone on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, intellectual or physical disability or sexual orientation in the hiring, upgrading, demotions, recruitment, termination and selections for training, in any manner prohibited by the laws of the United States or of the State of Connecticut. The Contractor further agrees to be an "affirmative action-equal opportunity employer."

An Act Concerning Student Data Privacy

Contractor shall comply in all material respects with the provisions of Public Act 16-189, as amended (the "Act"), applicable to it. In connection therewith, the Contractor shall not use any so-called "student information" as defined in the Act and provided to it by or on behalf of CREC ("Student Information") for any purpose other than in connection with the performance of its obligations under this Agreement. The Contractor shall take commercially reasonable actions designed to ensure the security and confidentiality of all Student Information in its possession. The Contractor shall provide written notice to CREC within fourteen (14) days of Contractor's becoming aware of any unauthorized release, disclosure, or acquisition of Student Information in the possession of the Contractor. The Contractor and CREC shall each comply in all material respects with the requirements of the federal Family Educational Rights and Privacy Act of 1974, as amended ("FERPA").

Conflict of Interest

The Contractor shall disclose any relationship with a CREC employee that would not be considered an "arms-length" or independent transaction, as described below. This disclosure must be made in writing to CREC for an evaluation. CREC will respond to this disclosure in writing.

A CREC employee (including independent contractors for purposes of this definition) placing an order or recommending a vendor must disclose any relationship with that vendor which would not be considered an "arms-length" or independent transaction. This disclosure must be made in writing to CREC for an evaluation. CREC will respond to this disclosure in writing.

For a transaction to be considered "arms-length" or "independent", a CREC employee should not be influenced, dependent upon, guided or controlled by a vendor into choosing that vendor, or item to purchase; nor should it appear to a third party that a CREC employee made a purchasing decision which appears to be based upon a personal relationship between the CREC employee and vendor.

The following are examples when a transaction is NOT considered arms-length or independent: (1) when there exists a personal relationship between a CREC employee and a vendor, (2) when there exists the potential for a personal benefit to a CREC employee, or (3) the parties to a business deal are dependent upon one another for "something" other than the purchase itself.

In addition, the Contractor shall, if given a copy of the potential Participant's conflict of interest policy, follow the process in that policy, or otherwise disclose to a potential Participant any relationship that would not be considered an "arms-length" or independent transaction with that Participant, as described above. This disclosure must be made in writing to the chief official (for example, the Superintendent at a board of education) at the potential Participant.

Determination of the existence of a conflict of interest does not prohibit CREC and/or a Participant from entering into the contract and purchase order, respectively.

Financing Arrangements - Any financing arrangements (including lease purchasing arrangements) will be made directly between the Contractor and a Participant. Financing arrangements may be subject to additional laws, rules and regulations, terms and conditions not described in this document and are subject to separate negotiation with each Participant that is interested in such an arrangement. Each Participant should seek its own legal advice prior to entering into a financing arrangement. CREC must receive a report annually summarizing the executed lease purchases along with the summary of the customer purchases. CREC will not collect lease payments or be involved in the terms and conditions of the lease. All lease arrangements are between the Contractor and the Participant only.

Freedom of Information Act - The Contractor acknowledges that CREC and some Participants are subject to the Freedom of Information Act, Connecticut General Statutes Sections 1-200 et seq., and submitted to CREC and/or such Participants may be made available to the public under the provisions of the Freedom of Information Act.

Independent Contractor - The Contractor shall not be held or deemed in any way to be the agent or employee of CREC and/or a Participant. It is the intention of the parties that the Contractor shall be and is to be considered an independent contractor.

Modification to Bid Language in the AEPA Invitation for Bid - The Bidder by submitting its bid hereby declares that this Bid is made without any connection with any other person or persons making any proposal for the same items, that it is in all respects

fair and without collusion or fraud and that no person acting for or employed by CREC or a Participant is directly or indirectly interested in the proposal or in the goods or services to which it relates, or in any portion of the profits therefrom.

A. ADDITIONAL MEMBER AGENCY TERMS AND CONDITIONS FOR NON-CONSTRUCTION PRODUCTS AND SERVICES

None

B. ADDITIONAL MEMBER AGENCY TERMS AND CONDITIONS FOR CONSTRUCTION PRODUCTS AND SERVICES

CT Commission on Human Rights and Opportunities

Municipal Public Works contracts funded in whole or in part by the State of Connecticut are subject to contract compliance requirements and set-aside goals as follows:

The contractor who is selected to perform this State project must comply with CONN. GEN. STAT. §§ 4a-60, 4a-60a, 4a-60g, and 46a-68b through 46a-68f, inclusive, as amended by June 2015 Special Session Public Act 15-5.

State law requires a minimum of twenty-five (25%) percent of the state-funded portion of the contract for award to subcontractors holding current certification from the Connecticut Department of Administrative Services ("DAS") under the provisions of CONN. GEN. STAT. § 4a-60g. (25% of the work with DAS certified Small and Minority owned businesses and 25% of that work with DAS certified Minority, Women and/or Disabled owned businesses.) The contractor must demonstrate good faith effort to meet the 25% set-aside goals.

For municipal public works contracts and quasi-public agency projects, the contractor must file a written or electronic non-discrimination certification with the Commission on Human Rights and Opportunities. Forms can be found at:

http://www.ct.gov/opm/cwp/view.asp?a=2982&q=390928&opmNav_GID=1806

C. AGENCIES ALLOWED TO PURCHASE UNDER THE MEMBER AGENCY

There are 169 school districts in Connecticut and all are eligible for membership. No district is obligated to use these services. Additional members may include other public educational institutions, independent schools, colleges or universities, libraries, municipal governments, and other governmental, quasi-governmental, or non-profit organizations.

Work in Other States

CREC is making the CT AEPA contract available for vendors to use in all New England states – CT, ME, NH, RI, VT – and New York, and any other state without AEPA member representation. Our contract is also available in MA for vendors who TEC has not signed a contract with.

Sales made in any of these states using the AEPA contract are to be reported to CREC, with the 2.0% administrative fee made payable to CREC. The Contractor must advise CREC its intent to use the contract in any of these states.

All Terms and Conditions for Connecticut apply to work in these states. It is the Contractor's obligation to ensure that the purchaser fully understands the AEPA contract, including whether it is allowable under applicable state regulations.

4. Florida, Panhandle Area Education Consortium/Florida Buy Purchasing Program

A. Additional Agency Terms and Conditions

Vendor Contact: Vendor will designate to the Panhandle Area Educational Consortium Florida Buy, one individual who will represent them during the agreement period. This contact person will correspond with each ordering member for technical assistance, problems, or questions that may arise, including instructions if different contacts for different geographical areas are needed. This information will be distributed to all school districts upon award of this bid. Vendors may use this contract to sell products or services in addition to school districts to any government agency, non-profit organizations or institutions.

Vendor agrees to abide by all federal, state and local laws and regulations. It is the responsibility of the Vendor to determine applicability and requirements of any such laws and to abide by them.

All terms and conditions may be modified and revised by PAEC Florida Buy with the written consent of both PAEC Florida Buy and the Awardee.

PAEC Florida Buy, at its discretion, may offer the use of the awarded agreement to governmental entities such as state agency purchasing programs, to extend the use of the contract to eligible users. This option will be referred to as an Interlocal Agreement. Under such conditions, the participating agency may, with written consent from the Awardee, modify and revise the terms and conditions of the master agreement.

Other state and public agency purchasing program agreements may require additional administrative fees, associated with sales, to be paid by the Awardee for the management of the contract. The Awardee will be notified in writing and will have the option of accepting or rejecting the Interlocal Agreement program fees.

No right or interest in the Contract shall be assigned or transferred by the Contractor without the prior written consent of the PAEC Florida Buy program. No delegation of any duty of the Contractor shall be assigned without prior written permission of PAEC Florida Buy. If the original Vendor/Contractor sells or transfers all assets or the entire portion of the assets used to perform this Contract, a successor in interest must guarantee to perform all obligations under this Contract. PAEC Florida Buy reserves the right to reject the acquiring person or entity as a Vendor/Contractor. A change of name agreement will not change the contractual obligations of the Vendor/Contractor.

The Awardee, may, upon entering into negotiations with qualified buyers, amend their prices to offer volume discounts below the lowest unit rates established in the pricing portion of this agreement.

The Awardee(s) agrees to sign contact acknowledgement form with the Florida Buy State Cooperative Purchasing and pay an administrative fee for sales and services generated from this contract. This fee is not to be added to the invoice of any entity choosing to use this agreement and will be equal to 2% of the invoice and be paid to Florida Buy State Cooperative Purchasing on a quarterly basis. The Awardee will be provided a template for reporting sales, and it will include the entity using the contract, the date of service, and the savings to the school district and other eligible users. Florida Buy State Cooperative Purchasing extends the authority for the Awardee to use the contract for eligible entities outside of Florida provided 2% administrative fee is paid.

B. Procedures For Processing Orders

Once the award is made to the Vendor, PAEC Florida Buy will inform all school districts of the contract by:

1. Including the award information on the PAEC Web site at www.floridabuy.org
2. Announcing the award in its PAEC Florida Buy website
3. Announcing the award via electronic mail to all members

Any members, contact names, addresses and phone numbers will be available at the PAEC Web site www.floridabuy.org. At this point, the Vendor may contact the members and the members may contact the Vendor. The member will identify a desired product or service available through the AEPA contract and agrees on the price and conditions as presented to the member by the awarded AEPA Vendor. A final copy of the customer purchase order or sales summary must be sent to PAEC Florida Buy by the Vendor after completion of the service or installation. The Vendor has (30) thirty days to forward this purchase order. This will insure compliance of the contract.

Vendor makes all deliveries and installations of products and services. PAEC Florida Buy does not warehouse items. All participating Vendors agree to and are subject to audit proceedings of the AEPA sales to members.

The Vendor will produce and provide to PAEC Florida Buy quarterly reports ending March 31, June 30, September 30 and December 31 throughout the contract period. The reports shall identify the Vendor and the quarter being reported, shall include a minimum of the fields listed below:

1. Date of Order
2. School district
3. List or academic price sales totals
4. PAEC Florida Buy price sales totals
5. Member savings total

Quarterly reports and administrative fee payments to PAEC Florida Buy are due the 15th of the succeeding month, and all checks are to be made payable to the Panhandle Area Educational Consortium and sent to: PAEC, 753 West Blvd, Chipley, Florida 32428 and Attention: Florida Buy. PAEC may designate another agent for collecting and administrative fee that will be negotiated with Vendor for e-commerce transactions.

C. Agency Members Purchasing Under The Member Agency

The Panhandle Area Educational Consortium is a fourteen-member consortium that includes a voluntary purchasing program developed for schools in Florida. All other school districts in Florida are participating members in the programs of the Panhandle Area Educational Consortium (PAEC), including participation in the statewide cooperative purchasing program. Agencies that use this contract will be in compliance with FS1001.42. PAEC was established to provide easily accessible information for our member and participating public school districts and the communities we serve. Since the creation of PAEC in 1967, our school districts have benefitted from shared services made available through leading edge technology. While school districts access our teaching and learning, training and technology, and business operations services in varying degrees of need, all come for the mutually beneficial purpose of reaching their goals together.

5. Georgia, Cooperative Purchasing Agency (CPA)

1. General Overview

- a. Cooperative Purchasing Agency is now the AEPA representative for the state of Georgia. In Georgia we advertise our bids on the state procurement registry website: <http://doas.ga.gov/state-purchasing/georgia-procurement-registry-for-local-governments>
- b. In 1971 several small school systems in North Georgia decided to work together & form **Cooperative Purchasing Agency (CPA)**, a non-profit organization built by & for the school systems to combine their purchasing power. As a division of North Georgia, Northeast Georgia, & Pioneer RESA; Pioneer RESA serves as our fiscal agent and as such we currently show up on the Georgia Procurement Registry as Pioneer RESA. CPA serves as a purchasing agent for classroom & office supplies for its 35-member school systems plus neighboring ones who choose to take advantage of cooperative buying. CPA also serves as a recipient agency for USDA commodities that member systems receive through the USDA school lunch program. In addition to items included in our catalog & website, CPA has access to brands, custom items, & entire product categories that meet systems' office & classroom needs – including furniture options (indoor & outdoor), playground equipment, shelving installations, print supplies, & more.

2. Additional Participating Agency Terms and Conditions for Construction Related Products and Services

- a. Georgia requires all local school boards to post any bids requiring capital improvements / public works construction over \$100,000.00 to be posted on the Georgia procurement website, regardless of who they are purchasing through.

3. Local Government Provisions - Provisions Applicable to Counties, Municipal Corporations, And Other Governmental Entities

§ 36-91-20. Written contract required; advertising; competitive sealed bidding; timing of addendums; prequalification

- a. All public works construction contracts subject to this chapter entered into by a governmental entity with private persons or entities shall be in writing and on file and available for public inspection at a place designated by such governmental entity. Municipalities and consolidated governments shall execute and enter into contracts in the manner provided in applicable local legislation or by ordinance.
- b. Prior to entering into a public works construction contract other than those exempted by Code Section 36-91-22, a governmental entity shall publicly advertise the contract opportunity. Such notice shall be posted conspicuously in the governing authority's office and shall be advertised in the legal organ of the county or by electronic means on an Internet website of the governmental entity or an Internet website identified by the governmental entity which may include the Georgia Procurement Registry as provided by Code Section 50-5-69.
 - i. Contract opportunities that are advertised in the legal organ shall be advertised a minimum of two times, with the first advertisement occurring at least four weeks prior to the opening of the sealed bids or proposals. The second advertisement shall follow no earlier than two weeks from the first advertisement.
 - ii. Contract opportunities that are advertised solely on the Internet shall be posted continuously for at least four weeks prior to the opening of sealed bids or proposals. Inadvertent or unintentional loss of Internet service during the advertisement period shall not require the contract award or bid or proposal opening to be delayed.
 - iii. Contract opportunities that will be awarded by competitive sealed bids shall have plans and specifications available on the first day of the advertisement and shall be open to inspection by the public. The plans and specifications shall indicate if the project will be awarded by base bid or base bid plus selected alternates and:
 1. A statement listing whether all anticipated federal, state, or local permits required for the project have been obtained or an indication of the status of the application for each such permit including when it is expected to be obtained; and
 2. A statement listing whether all anticipated rights of way and easements required for the project have been obtained or an indication of the status as to when each such rights of way or easements are expected to be obtained.
 - iv. Contract opportunities that will be awarded by competitive sealed proposals shall be publicly advertised with a request for proposals which request shall include conceptual program information in the request for proposals describing the requested services in a level of detail appropriate to the project delivery method selected for the project.
 - v. The advertisement shall include such details and specifications as will enable the public to know the extent and character of the work to be done.
 - vi. All required notices of advertisement shall also advise of any mandatory prequalification requirements or pre-bid conferences as well as any federal requirements pursuant to subsection (d) of Code Section 36-91-22. Any advertisement which provides notice of a mandatory prebid conference or prequalification shall provide reasonable advance notice of said conference or for the submittal of such prequalification information.
- c. Governmental entities are authorized to utilize any construction delivery method, provided that all public works construction contracts subject to the requirements of this chapter that:
 - i. Place the bidder or offeror at risk for construction; and
 - ii. Require labor or building materials in the execution of the contract shall be awarded on the basis of competitive sealed bidding or competitive sealed proposals. Governmental entities shall have the authority to reject all bids or

proposals or any bid or proposal that is nonresponsive or not responsible and to waive technicalities and informalities.

- d. No governmental entity shall issue or cause to be issued any addenda modifying plans and specifications within a period of 72 hours prior to the advertised time for the opening bids or proposals, excluding Saturdays, Sundays, and legal holidays. However, if the necessity arises to issue an addendum modifying plans and specifications within the 72-hour period prior to the advertised time for the opening of bids or proposals, excluding Saturdays, Sundays, and legal holidays, then the opening of bids or proposals shall be extended at least 72 hours, excluding Saturdays, Sundays, and legal holidays, from the date of the original bid or proposal opening without need to readvertise as required by subsection (b) of this Code section.
- e. Bid and contract documents may contain provisions authorizing the issuance of change orders, without the necessity of additional requests for bids or proposals, within the scope of the project when appropriate or necessary in the performance of the contract. Change orders may not be used to evade the purposes of this article.
- f. Any governmental entity may, in its discretion, adopt a process for mandatory prequalification of prospective bidders or offerors; provided, however, that:
 - i. Criteria for prequalification must be reasonably related to the project or the quality of work;
 - ii. Criteria for prequalification must be available to any prospective bidder or offeror requesting such information for each project that requires prequalification;
 - iii. Any prequalification process must include a method of notifying prospective bidders or offerors of the criteria for or limitations to prequalification; and
 - iv. Any prequalification process must include a procedure for a disqualified bidder to respond to his or her disqualification to a representative of the governmental entity; provided, however, that such procedure shall not be construed to require the governmental entity to provide a formal appeals procedure. A prequalified bidder or offeror cannot be later disqualified without cause. History Code 1981, § 36-91-20, enacted by Ga. L. 2000, p. 498, § 1; Ga. L. 2001, p. 820, § 12; Ga. L. 2007, p. 640, §

6. Illinois

The following State Specific Terms and Conditions shall apply to all contracts involving public schools and/or other educational entities operating in Illinois, (hereinafter "Illinois Customers") and shall prevail over any General Terms and Conditions if/when they differ.

Illinois Law to Govern.

The Agreement, as modified by these Illinois Terms & Conditions, is (and shall be) governed by, construed under, subject to compliance with, and interpreted in accordance with, the laws and regulations of the State of Illinois, expressly including, (but not limited to): the Illinois School Code, 105 ILCS 5/1-1 *et seq.*; its procurement and bidding standards and prerequisites delineated at 105 ILCS 5/10-20.21; the Illinois Public Officer Prohibited Activities Act, 50 ILCS 105/0.01 *et seq.*; the Illinois Criminal Code, 720 ILCS 5/1-1 *et seq.*; its prohibitions against interference with public contracting delineated at 720 ILCS 5/33E-1, *et seq.*; the Illinois State Officials and Employees Ethics Act, 5 ILCS 430/1 *et seq.*; the Illinois Public Officer Prohibited Activities Act, 50 ILCS 105/1 *et seq.*; the Illinois Drug-Free Workplace Act, 30 ILCS 580/1 *et seq.*; the Illinois Business Enterprises for Minorities, Females and Persons with Disabilities Act, 30 ILCS 575/0.01 *et seq.*; the Illinois Human Rights Act, 775 ILCS 5/2-105 *et seq.*; and policies of the Illinois Customer relating to the subject matter of the Agreement with Contractor.

When Contractor and/or its agents will be on an Illinois Customer's premises (whether for delivery, installation, the provision of contractual services, or otherwise), Contractor shall also comply in all respects with: all background check requirements set forth at 105 ILCS 5/10-21.9; the Illinois Smoke Free Illinois Act, 410 ILCS 82/1 *et seq.*, and the Illinois Firearm Concealed Carry Act, 430 ILCS 66/1 *et seq.*

Any contractual payment requested of an Illinois Customer shall be invoiced, processed, and remitted to a Contractor in accordance with the requirements and provisions of the Illinois Local Government Prompt Payment Act, 50 ILCS 505/1 *et seq.*

This Agreement shall be construed and incorporated in accordance with the laws of the State of Illinois, regardless of any choice of law provision that might otherwise authorize construction of its terms in accordance with the law(s) of another state, states, or federal law.

By entering into this Agreement with an Illinois Customer, the Contractor's signature on the executed contract shall serve as Contractor's certification of Contractor's compliance with the foregoing laws and all requirements thereunder.

Entire Agreement and Construction

The Agreement, as modified by these Illinois Terms & Conditions, represents the entire agreement between Contractor and the Illinois Customer, and supersedes all prior negotiations or agreements, written or oral, which are not included herein. This Agreement may only be amended by written instrument executed by the Illinois Customer and Contractor. In the event of a conflict between the Agreement, as modified by these Illinois Terms & Conditions, and a proposal from Contractor, the terms of this modified Agreement will take precedence.

Each party has reviewed and approved the Agreement, and no rule of construction that resolves ambiguities against the drafting party will be employed in the interpretation of this Agreement.

Dispute Resolution.

Any dispute arising in any manner hereunder shall be subject to resolution by litigation, unless all involved parties consent to an alternative means of dispute resolution. Venue for any legal action brought hereunder shall be the Illinois state circuit court of the county in which the Illinois Customer's administrative office is located or (if different and only if the Illinois Customer so elects) the Illinois state circuit court of the county where the Project is performed. Any provision of the General Terms purporting to change, limit, restrict, or shorten any Illinois period of repose and/or the duration of any applicable Illinois statute of limitation shall be of no force or effect against an Illinois Customer, it being understood by the parties that the Illinois periods of repose and statutes of limitation applicable to the subject matter hereof shall govern actions relating to this Agreement. No provision from the General Conditions shall limit, restrict, or shorten the duration of any period of repose or statute of limitation applicable under Illinois law.

Termination of the Agreement.

The Illinois Customer may terminate this Agreement at any time, in whole or in part, with or without cause, upon providing written notice to Contractor. If this Agreement is terminated by the Illinois Contractor for cause, the Contractor shall be liable to the Owner for any increase in cost incurred by the Owner in replacing the goods under contract and/or completing the contractual work, and for any additional or other damages the Illinois Customer suffers. In the event this Agreement is terminated by the Illinois Customer solely for the Illinois Customer's convenience, Contractor shall be compensated for items properly provided and/or work properly rendered through the date of termination, as can be documented to the reasonable satisfaction of the Illinois Customer. The Illinois Customer shall have no liability to Contractor beyond the date of termination. In no event shall Contractor be compensated for anticipated profit or lost opportunity.

Insurance and Indemnification Provisions.

Contractor hereby agrees to indemnify and hold the Illinois Customer, its board members, officers, agents, employees, administrators, attorneys, and any other parties designated by the Illinois Customer (hereinafter collectively called the Indemnitees) harmless from all losses, claims, liabilities, injuries, damages and expenses, including (but not limited to) all attorneys fees and defense and court costs and expenses, that the Indemnitees may incur arising out of, or occurring in connection with, the performance, acts, omissions, negligence, willful and/or wanton behavior, and/or breaches by Contractor of its duties and obligations under or pursuant to this Agreement. This indemnification obligation shall not be limited by a limitation on amount or type of damages, compensation or benefits payable by or for the Contractor or a Subcontractor under workers or workmens compensation acts, disability benefit acts or other employee benefit acts.

Contractor shall procure, at no expense to the Illinois Customer, the insurance coverages set forth in the General Conditions. In each such instance, Contractor shall, by endorsement, name the Illinois Customer as an additional insured and shall provide copies of said policies and endorsements to the Illinois Customer prior to commencement under this Agreement.

Funding Contingencies for Multi-Year Projects.

All contracts with Illinois Customers that call for performance, or otherwise extend, beyond the Illinois Customers' current fiscal year, are, and shall be, expressly contingent upon annual appropriations. In the event an Illinois Customer's entry into an Agreement with Contractor constitutes a lease purchase (whether for financing purposes or otherwise), that Agreement shall be subject to the provisions of 105 ILCS 5/10-22.25a in addition to all other terms set forth in this Agreement.

Warranties and Claims.

No provision(s) set forth in the General Conditions shall serve to limit the Contractor's liability with respect to damages of any sort (whether actual, incidental, consequential, or otherwise) suffered by an Illinois Customer, nor will any disclaimer of warranties be effective against an Illinois Customer.

Attorney Fee Provisions.

No provision providing for the payment of prevailing party costs and expenses (including legal fees) resulting from litigation or other method of dispute resolution shall be applicable to Illinois Customers.

Automatic Renewals.

No provision calling for automatic renewals or "evergreen" renewals, (wherein the term of the agreement automatically renews for a period beyond the initial term unless a party provides affirmative advance notice of termination to the other party) shall be effective in an Agreement with an Illinois Customer, it being the parties' understanding, instead, that the contractual arrangements with Illinois Customers will terminate upon completion of the initial term or satisfaction of the original scope, unless the parties subsequently and affirmatively agree to supplemental renewal provisions.

Successors and Assigns: No Subcontracting.

Contractor shall not assign any rights under, or interest in, this Agreement, nor may Contractor subcontract any duties arising hereunder, without the prior written consent of the Illinois Customer. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns.

7. Indiana, Wilson Education Service Center (WESC)

A. Additional Agency Terms and Conditions

Participating entities and approved vendors must be in full compliance with statutory requirements of all applicable federal, state, and local laws, rules, regulations, and ordinances including applicable public works and prevailing wage projects. All provisions required thereby to be included herein and are hereby incorporated for reference. This contract shall be construed in accordance with and governed by the laws of the State of Indiana. Awarded pricing must be made available to all participating entities regardless of size.

B. Procedure for Processing Orders

Wilson Education Service Center will inform all public school corporations, private/parochial schools, charter schools, nonprofit entities, municipalities, other governmental entities and higher education entities of contract awards via web sites and various marketing strategies. Vendors will have the primary responsibility to market contracts to eligible buyers within Indiana. After contracts are awarded and product information is available on our e-procurement sites vendors are free to contact eligible buyers and vice versa. The Wilson Education Service Center utilizes an e-procurement facilitation system as the primary mechanism for ordering and the primary method of marketing. Vendors are required to use the IAESC Procurement System and GovPro systems upon award. A 2.25% administrative fee will be assessed on gross monthly sales for IAESC Procurement (used by schools), and a 3.25% administrative fee will be assessed on gross monthly sales on GovPro (all other entities) after a 1% price increase. Vendors shall not include shipping and handling charges, federal excise tax, or state sales tax on invoices. Taxes do not apply to purchases by the participating entities. All participating entities have a "Not for Profit Tax Exemption Certificate" which will be furnished by the buyer upon request by the vendor. Quantities shipped in excess of quantities designated in the Purchase Order, or unapproved product substitutions will be returned at the vendor's expense.

C. Members Purchasing Under the Agency

All public school corporations, private/parochial schools, charter schools, nonprofit entities, municipalities, other governmental entities and higher education entities are eligible buyers. The Wilson Education Center as established by Indiana Code 20-1-11.3-1 with Inter-local Agreement Powers as established by Indiana Code 36-1-7-2 represents all eligible buyers in this program within Indiana.

8. Iowa, AEA Purchasing

A. Additional Member Agency General Terms and Conditions that apply for all categories

Right to Assign

AEA Purchasing specifically reserves the right, in its sole discretion, to assign and transfer its interest in the Contract with the Vendor Partner, consistent with the terms and conditions of said Contract, to any organization, along with all corresponding duties, responsibilities, and obligations of both parties, and under the terms provided herein.

B. Additional Member Agency Terms and Conditions for Non-Construction Products and Services None.

C. Additional Member Agency Terms and Conditions for Construction Products and Services

AEA Purchasing may participate in Construction Products and Services bids through AEPA on a limited basis due to the restrictions mandated in the Iowa Code, Chapter 26 and 573.

D. Procedure for Processing Orders

AEA Purchasing's eligible clients follow a standard or electronic ordering process. The awarded Contractor will invoice and deliver products and services directly to AEA Purchasing's eligible clients. All invoices for payment shall be sent directly to the AEA Purchasing eligible client ordering under the terms and conditions of this agreement. The AEA Purchasing eligible client will make payment directly to the awarded Vendor Partner(s) AEA Purchasing does not process any orders.

E. Agencies Allowed to Purchase under the Member Agency

- K-12 Public & Private Schools
- Area Education Agencies
- Colleges & Universities
- Public Libraries
- City, County & State Government
- Non-Profit Education Organizations

9. Kansas, Greenbush-Southeast Kansas Education Service Center (SEKESC)

A. Additional Member Agency General Terms and Conditions that apply for all categories **Kansas Mandatory Contract Provisions**

Terms Herein Controlling Provisions: It is expressly agreed that the terms of each and every provision in this attachment shall prevail and control over the terms of any other conflicting provision in any other document relating to and a part of the contract in which this attachment is incorporated. Any terms that conflict or could be interpreted to conflict with this attachment are nullified.

Kansas Law and Venue: This contract shall be subject to, governed by, and construed according to the laws of the State of Kansas, and jurisdiction and venue of any suit in connection with this contract shall reside only in courts located in the State of Kansas.

Termination Due To Lack Of Funding Appropriation: If, in the judgment of the Director of Accounts and Reports, Department of Administration, sufficient funds are not appropriated to continue the function performed in this agreement and for the payment of the charges hereunder, State may terminate this agreement at the end of its current fiscal year. State agrees to give written notice of termination to contractor at least 30 days prior to the end of its current fiscal year, and shall give such notice for a greater period prior to the end of such fiscal year as may be provided in this contract, except that such notice shall not be required prior to 90 days before the end of such fiscal year. Contractor shall have the right, at the end of such fiscal year, to take possession of any equipment provided State under the contract. State will pay to the contractor all regular contractual payments incurred through the end of such fiscal year, plus contractual charges incidental to the return of any such equipment. Upon termination of the agreement by State, title to any such equipment shall revert to contractor at the end of the State's current fiscal year. The termination of the contract pursuant to this paragraph shall not cause any penalty to be charged to the agency or the contractor.

Disclaimer Of Liability: No provision of this contract will be given effect that attempts to require the State of Kansas or its agencies to defend, hold harmless, or indemnify any contractor or third party for any acts or omissions. The liability of the State of Kansas is defined under the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.).

Anti-Discrimination Clause: The contractor agrees: (a) to comply with the Kansas Act Against Discrimination (K.S.A. 44-1001, *et seq.*) and the Kansas Age Discrimination in Employment Act (K.S.A. 44-1111, *et seq.*) and the applicable provisions of the Americans With Disabilities Act (42 U.S.C. 12101, *et seq.*) (ADA), and Kansas Executive Order No. 19-02, and to not discriminate against any person because of race, color, gender, sexual orientation, gender identity or expression, religion, national origin, ancestry, age, military or veteran status, disability status, marital or family status, genetic information, or political affiliation that is unrelated to the person's ability to reasonably perform the duties of a particular job or position; (b) to include in all solicitations or advertisements for employees, the phrase "equal opportunity employer"; (c) to comply with the reporting requirements set out at K.S.A. 44-1031 and K.S.A. 44-1116; (d) to include those provisions in every subcontract or purchase order so that they are binding upon such subcontractor or vendor; (e) that a failure to comply with the reporting requirements of (c) above or if the contractor is found guilty of any violation of such acts by the Kansas Human Rights Commission, such violation shall constitute a breach of contract and the contract may be cancelled, terminated or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration; (f) Contractor agrees to comply with all applicable state and federal anti-discrimination laws and regulations; (g) Contractor agrees all hiring must be on the basis of individual merit and qualifications, and discrimination or harassment of persons for the reasons stated above is prohibited; and (h) if it is determined that the contractor has violated the provisions of any portion of this paragraph, such violation shall constitute a breach of contract and the contract may be canceled, terminated, or suspended, in whole or in part, by the contracting state agency or the Kansas Department of Administration.

Acceptance Of Contract: This contract shall not be considered accepted, approved or otherwise effective until the statutorily required approvals and certifications have been given.

Arbitration, Damages, Warranties: Notwithstanding any language to the contrary, no interpretation of this contract shall find that the State or its agencies have agreed to binding arbitration, or the payment of damages or penalties. Further, the State of Kansas and its agencies do not agree to pay attorney fees, costs, or late payment charges beyond those available under the Kansas Prompt Payment Act (K.S.A. 75-6403), and no provision will be given effect that attempts to exclude, modify, disclaim or otherwise attempt to limit any damages available to the State of Kansas or its agencies at law, including but not limited to the implied warranties of merchantability and fitness for a particular purpose.

Representative's Authority To Contract: By signing this contract, the representative of the contractor thereby represents that such person is duly authorized by the contractor to execute this contract on behalf of the contractor and that the contractor agrees to be bound by the provisions thereof.

Responsibility For Taxes: The State of Kansas and its agencies shall not be responsible for, nor indemnify a contractor for, any federal, state or local taxes which may be imposed or levied upon the subject matter of this contract.

Insurance: The State of Kansas and its agencies shall not be required to purchase any insurance against loss or damage to property or any other subject matter relating to this contract, nor shall this contract require them to establish a "self-insurance" fund to protect against any such loss or damage. Subject to the provisions of the Kansas Tort Claims Act (K.S.A. 75-6101 et seq.), the contractor shall bear the risk of any loss or damage to any property in which the contractor holds title.

Information: No provision of this contract shall be construed as limiting the Legislative Division of Post Audit from having access to information pursuant to K.S.A. 46-1101 et seq.

The Eleventh Amendment: "The Eleventh Amendment is an inherent and incumbent protection with the State of Kansas and need not be reserved, but prudence requires the State to reiterate that nothing related to this contract shall be deemed a waiver of the Eleventh Amendment."

Campaign Contributions / Lobbying: Funds provided through a grant award or contract shall not be given or received in exchange for the making of a campaign contribution. No part of the funds provided through this contract shall be used to influence or attempt to influence an officer or employee of any State of Kansas agency or a member of the Legislature regarding any pending legislation or the awarding, extension, continuation, renewal, amendment or modification of any government contract, grant, loan, or cooperative agreement.

Assignment - SEKESC Right to Assign

In the event of a cancellation, the SEKESC specifically reserves the right, in its sole discretion, to assign and transfer its interest in any contract, consistent with the terms and conditions of any contract, to any organization, along with all corresponding duties, responsibilities for both parties and provisions contained herein.

Purchase Orders

Any purchase order issued by SEKESC, or one of its eligible entities, is cancelable under provisions of K.S.A. 10-1113. All purchase orders shall be issued by the SEKESC or its participating eligible entities desiring to acquire the products or services under the contract. Said purchase order shall include adequate reference to identify the bid to which it relates.

Marketing

- Awarded Vendor will proactively market the awarded contract to all eligible entities. The SEKESC will enhance the Awarded Vendor's marketing efforts through communication and meetings with eligible entities, participation in marketing events and tradeshow, through its website and social media resources and through day-to-day customer support activities.
- Awarded Vendor will train its professional staff and sales force in the provisions and benefits of the awarded contract. The SEKESC will enhance such effort by providing joint trainings and participating in joint sales calls as needed.
- The SEKESC and Awarded Vendor will jointly design presentations, documents, and other promotional material to assist in the promotion of the awarded contract.
- Awarded Vendor will include the SEKESC (Greenbush) logo on all sales materials targeted to eligible entities for the awarded contract. The SEKESC hereby grants to Awarded Vendor a non-exclusive, revocable, non-transferable, permission to use the SEKESC (Greenbush) name and logo during the term of this Agreement. Likewise, during the term of this agreement, the Awarded Vendor grants the SEKESC (Greenbush) permission to reproduce their name and logo in connection with marketing and promotion of the awarded contract.

B. Additional Member Agency Terms and Conditions for Non-Construction Products and Services
SEKESC has no additional terms and conditions for non-construction products and services.

C. Additional Member Agency Terms and Conditions for Construction Products and Services

K.S.A. 60-1111. Public works bond. (a) Bond by contractor. Except as provided in this section, whenever any public official, under the laws of the state, enters into contract in any sum exceeding \$100,000 with any person or persons for the purpose of making any public improvements, or constructing any public building or making repairs on the same, such officer shall take, from the party contracted with, a bond to the state of Kansas with good and sufficient sureties in a sum not less than the sum total in the contract, conditioned that such contractor or the subcontractor of such contractor shall pay all indebtedness incurred for labor furnished, materials, equipment or supplies, used or consumed in connection with or in or about the construction of such public building or in making such public improvements.

A contract which requires a contractor or subcontractor to obtain a payment bond or any other bond shall not require that such bond be obtained from a specific surety, agent, broker or producer. A public official entering into a contract which requires a contractor or subcontractor to obtain a payment bond or any other bond shall not require that such bond be obtained from a specific surety, agent, broker or producer.

(b) Filing and limitations. The bond required under subsection (a) shall be filed with the clerk of the district court of the county in which such public improvement is to be made. When such bond is filed, no lien shall attach under this article. Any liens which have been filed prior to the filing of such bond shall be discharged. Any person to whom there is due any sum for labor or material furnished, as stated in subsection (a), or such person's assigns, may bring an action on such bond for the recovery of such indebtedness but no action shall be brought on such bond after six months from the completion of such public improvements or public buildings.

(c) In any case of a contract for construction, repairs or improvements for the state or a state agency under K.S.A. 75-3739 or 75-3741, and amendments thereto, a certificate of deposit payable to the state may be accepted in accordance with and subject to K.S.A. 60-1112, and amendments thereto. When such certificate of deposit is so accepted, no lien shall attach under this article. Any liens which have been filed prior to the acceptance of such certificate of deposit shall be discharged. Any person to whom there is due any sum for labor furnished, materials, equipment or supplies used or consumed in connection with or for such contract for construction, repairs or improvements shall make a claim therefor with the director of purchases under K.S.A. 60-1112, and amendments thereto.

4-1030. State and local government contracts; mandatory provisions. (a) Except as provided by subsection (c), every contract for or on behalf of the state or any county or municipality or other political subdivision of the state, or any agency of or authority created by any of the foregoing, for the construction, alteration or repair of any public building or public work or for the acquisition of materials, equipment, supplies or services shall contain provisions by which the contractor agrees that:

(1) The contractor shall observe the provisions of the Kansas act against discrimination and shall not discriminate against any person in the performance of work under the present contract because of race, religion, color, sex, disability, national origin or ancestry;

(2) in all solicitations or advertisements for employees, the contractor shall include the phrase, "equal opportunity employer," or a similar phrase to be approved by the commission;

(3) if the contractor fails to comply with the manner in which the contractor reports to the commission in accordance with the provisions of K.S.A. 44-1031 and amendments thereto, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the contracting agency;

(4) if the contractor is found guilty of a violation of the Kansas act against discrimination under a decision or order of the commission which has become final, the contractor shall be deemed to have breached the present contract and it may be canceled, terminated or suspended, in whole or in part, by the contracting agency; and

(5) the contractor shall include the provisions of subsections (a)(1) through (4) in every subcontract or purchase order so that such provisions will be binding upon such subcontractor or vendor.

(b) The Kansas human rights commission shall not be prevented hereby from requiring reports of contractors found to be not in compliance with the Kansas act against discrimination.

(c) The provisions of this section shall not apply to a contract entered into by a contractor:

(1) Who employs fewer than four employees during the term of such contract; or

(2) whose contracts with the governmental entity letting such contract cumulatively total \$5,000 or less during the fiscal year of such governmental entity.

D. Procedure for Processing Orders

The SEKESC utilizes the following ordering/delivery procedures:

- Purchase orders will be issued by the individual eligible entity.
- Vendors must issue invoices directly to the ordering eligible entity as specified on each purchase order.
- Delivery of all items included in this solicitation will be made to the locations within each eligible entity as will be specified on the purchase order.
- Each order shall contain a packing slip of its contents to assist in prompt processing of payments to Vendor.
- The SEKESC reserves the right to implement a Vendor Quotation Number process for contract awards related to, but not limited, to project-based and construction related proposal activities.

E. Agencies Allowed to Purchase under the Member Agency

Eligible Entities: Entities eligible to purchase from Southeast Kansas Education Service Center (Greenbush) cooperative purchasing contracts include but may not be limited to:

- K-12 Public Schools
- K-12 Private Schools
- Colleges & Universities
- City, County, and State Governments
- Public Libraries
- Non-profit organizations holding form #501C3

10. Kentucky, Green River Regional Educational Cooperative (GRREC)

A. Additional Member Agency General Terms and Conditions that apply for all categories The Green River Regional Educational Cooperative, Inc. (GRREC) is one of eight educational cooperatives in Kentucky, all of which are participants in the AEPA bids. GRREC serves as contact agency for all AEPA correspondence for all eight educational cooperatives. For the Kentucky Educational Cooperatives, the collective bidding process is conducted consistent with KRS Chapter 45A, the Kentucky Model Procurement Code. Contracts with GRREC shall include the provision granting GRREC employees the right to access to the Contractor's records. Vendor Contact: Vendor will designate to GRREC one individual who will represent them to Kentucky Bidding Cooperative members during the agreement period. This contact person will correspond with each ordering member for technical assistance, problems, or questions that may arise. Include instructions if different contacts for different geographical areas are needed; this information will be distributed to Kentucky Bidding Cooperative members upon award of this bid. The following Federal Clauses are required as a part of KY bid documents: 1. CLEANAIR/CLEANWATER A. Vendor Partner 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 seq). Vendor Partner agrees to report each violation to the USDA and the appropriate EPA Regional Office.

B. Vendor Partner 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. Vendor Partner agrees to report each violation to the USDA and the appropriate EPA Regional Office. 2. SUSPENSIONANDDEBARMENT Vendor Partner understands that a contract award (see 2 CFR 180.220) must not be made to parties listed on the government wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR part 1986 Comp., p. 189) and 12689 (3 CFR part 1989 Comp., p. 235), "Debarment and Suspension." By signing and submitting its bid or proposal, the bidder or proposer certifies as follows: The certification in this clause is a material representation of fact relied upon by GRREC. If it is later determined that Vendor Partner knowingly rendered an erroneous certification, in addition to remedies available to GRREC, the Federal Government may pursue available remedies, including but not limited to suspension and/or debarment. Vendor Partner agrees to comply with the requirements of 2 CFR 180.220 while the above referenced contract is valid. Vendor Partner further agrees to include a provision requiring such compliance in its lower tier covered transactions. 3. LOBBYING Vendor Partner will comply with the Byrd Anti-Lobbying Amendment (31 U.S.C. § 1352) and the New Restrictions on Lobbying and has signed and attached to this Addendum the Certificate Regarding Lobbying and, if applicable, the Disclosure of Lobbying Activities (Forms SF-LLL) and annually will sign and submit a certificate, if applicable, Form SF-LLL to GRREC. 4. PROCUREMENTOFRECOVERED MATERIALSPURSUANTTO2 C.F.R. § 200.322 Vendor Partner agrees to comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. 5. BUYAMERICAN "Domestic Commodity or Product" are defined as an agricultural commodity that is produced in the United States and a food product that is processed in the United States using substantial agricultural commodities that are produced in the United States. "Substantial" means that over 51 percent of the final processed product consists of agricultural commodities that were grown domestically. Products from Guam, American Samoa, Virgin Islands, Puerto Rico, and the Northern Mariana Islands are allowed under this provision as territories of the United States. The Buy American provision (7 CFR Part 210.21(d)) is one of the procurement standards School Food Authorities ("SFAs") must comply with when purchasing commercial food products served in the school meals programs. Buy American: AEPA Member Agencies or Participating Entities participating in the federal school meal programs are required to purchase domestic commodities and products for school meals to the maximum extent practicable. Domestic commodity or product means an agricultural commodity that is produced in the US and a food product that is processed in the US substantially (atleast51percent) using agricultural commodities that are produced in the US. Federal regulations require that all foods purchased for Child Nutrition Program be of domestic origin to the maximum extent practicable. While rare, two (2) exceptions may exist when: the product is not produced or Manufactured in the US in sufficient, reasonable and available quantities of a satisfactory quality, such as bananas and pineapple; and competitive proposals reveal the cost of a domestic product is significantly higher than a non-domestic product. ALL products that are normally purchased by Vendor Partner as non-domestic and proposed as part of this contract must be identified with the country of origin. Vendor Partner shall outline their procedures to notify GRREC when products are purchased as non-domestic. Any substitution of a non-domestic product for a domestic product (which was originally a part of the solicitation), must be approved, in writing, by GRREC, prior to the delivery of the product to the AEPA Member Agency or Participating Entities. Any non-domestic product delivered to the AEPA Member Agencies or Participating Entities, without the prior, written approval of GRREC will be rejected. Vendor Partner must affirm its willingness to assert its best and reasonable efforts to ensure compliance with this federal rule.

6. COST REIMBURSEMENTCONTRACTS Solicitation Requirements for cost reimbursable contracts:

A. Allowable costs will be paid from the nonprofit school food service account to the contractor net of all discounts, rebates and other applicable credits accruing to or received by the contractor or any assignee under the contract, to the extent those credits are allocable to the allowable portion of the costs billed to the school food authority;

B. Contractor will separately identify for each cost submitted for payment to the school food authority the amount of that cost that is allowable (can be paid from the nonprofit school food service account) and the amount that is unallowable (cannot be paid from the nonprofit school food service account); or (B) Contractor will exclude all unallowable costs from its billing documents and certify that only allowable costs are submitted for payment and records have been established that maintain the visibility of unallowable costs, including directly associated costs in a manner suitable for contract cost determination and verification;

C. Contractor's determination of its allowable costs will be made in compliance with the applicable

Departmental and Program regulations and Office of Management and Budget cost circulars;

D. Contractor will identify the amount of each discount, rebate and other applicable credit on bills and invoices presented to the school food authority for payment and individually identify the amount as a discount, rebate, or in the case of other applicable credits, the nature of the credit;

E. Contractor must identify the method by which it will report discounts, rebates and other applicable credits allocable to the contract that are not reported prior to conclusion of the contract; and F. Contractor must maintain documentation of costs and discounts, rebates and other applicable credits, and must furnish such documentation upon request to the school food authority, the State agency, or the Department.

B. Additional Member Agency Terms and Conditions for Construction Products and Services

The Contractor and subcontractors shall pay all laborers, workmen and mechanics performing work under this contract not less than the rate of wages set forth in the prevailing wage schedule incorporated in the contract conditions as determined by the Kentucky Department of Labor in accordance with the provisions of KRS 337.505 through KRS 337.550. Bidders are informed that construction contracts of the Commonwealth of Kentucky and political subdivisions are not exempt from the provisions of the Kentucky Sales and/or Use Tax. Current sales and/or Use Tax shall be provided for and included in the bid amount as no adjustments will be permitted nor made after receipt of bids.

1. It should be noted that where performance bonds are required, it should include both performance and payment bonds.

2. State Prevailing Wages shall apply for projects of \$250,000.00 or more, or Davis Bacon wages (when federal funds are utilized) if higher than State Prevailing Wages.

3. All work shall be in accordance with necessary approvals from the Kentucky Department of Housing, Buildings and Construction and the Kentucky Building Code.

4. All processes of the project comply with 702 KAR 4:160, the Capital Construction Process, including necessary approvals from the Kentucky Department of Education.

5. Performance and payment bond on AIA document 312 must be provided for all projects that exceed \$25,000. (Also provide that the Surety shall comply with state requirements.)

6. In accordance with 702 KAR 4:160, AIA and KDE documents be utilized on all projects including but limited to:

a. A 101 Standard form of Agreement between Owner and Contractor (including KDE amendments)

b. A 201 General Conditions of the Standard Form of Agreement between Owner and Contractor (including KDE amendments)

c. AIA A701 Instructions to bidders, with KDE amendment and KDE Form of proposal (may require editing AEPA instructions to bidders to eliminate conflicts).

d. KDE purchase Order (for direct purchase of materials with tax number, to exempt materials from state sales tax)

e. If applicable, where architectural services are provided by the Owner, Form B141, Standard Form of Agreement between Owner and Architect

7. Architectural services shall be provided in accordance with KRS 322.360 and other relevant Kentucky Revised Statutes by the vendor or the Owner at the Owner's preference.

C. Procedure for Processing Orders Once the award is made to the Contractor/vendor, GRREC and Kentucky's other cooperatives will inform their members (school districts and other entities) of the contract by: 1) including the contract in the Current Bids section on their websites and 2) publishing the contract information in catalogs disseminated to all members. A list of members, contact names, addresses and phone numbers is made available to the Contractor. At this point the Contractor/vendor contacts the members and members may contact the Contractor/vendor. When the member identifies a product or service, it will issue a purchase order for that item to the vendor. The vendor's price will include a two percent (2%) administrative fee that the vendor will collect from the member and remit to GRREC on a quarterly basis. Municipal and county governments, and other governmental, quasigovernmental, or nonprofit organization price will reflect a two percent (2%) administrative fee. On the occasion that an AEPA contract awarded by Kentucky is utilized by public school and public non-school entities in other states, purchases in these instances will also reflect a two percent (2%) administrative fee. The vendor will also compile and provide to GRREC a quarterly report showing all purchases made by Kentucky members (with specific detail as to what purchases were made by which members) under this contract. Further, if no purchases are made in any given quarter, the Vendor shall remit a "No Activities" statement to GRREC for that quarter. The vendor will also produce and provide to GRREC an annual summary report for all purchases made under this contract for a period of beginning with the award of the contract through December 31st and all consecutive annual periods if contract is extended. The vendor will make all administrative fee payments to the GRREC by the 15th of the month following the end of the quarter (i. e. April 15th, July 15th, October 15th and January 15th). All checks are to be made payable to GRREC and sent to GRREC, 230 Technology Way, Bowling Green, KY 42101 and Attention: Finance Director. GRREC may designate another agent for collecting an administrative fee that will be negotiated with vendor for e-commerce transaction. GRREC will share information from the quarterly and annual reports and distribute the administrative fee among the other KY Educational Cooperatives according to membership.

D. Members Purchasing under the Agency: Currently there are 8 Bidding Cooperatives in Kentucky and all are participating in this invitation through GRREC's solicitation. There are 170+ independent and county school districts and all are eligible for membership in a Bidding Cooperative and approximately 98% of the districts are members of one of the cooperatives. No district

is obligated to use these services. Additional members may include other public educational institutions in the state, public colleges or universities, community colleges, vocational or technical schools, municipal and county governments, and other governmental, quasi- g o v e r n m e n t a l or non- profit organizations. Kentucky currently shares its AEPA contracts with the following states: AL, LA, MS, NC, and TN. Only those districts or institutions listed on an approved Bidding Cooperative membership list are eligible to purchase under these contracts. This list may change during the contract period

11. Massachusetts, The Education Cooperative

This Commonwealth Terms and Conditions form is jointly issued by the Executive Office for Administration and Finance (ANF), the Office of the Comptroller (CTR) and the Operational Services Division (OSD) for use by all Commonwealth of Massachusetts ("State") Departments and Contractors. ***Any changes or electronic alterations by either the Department or the Contractor to the official version of this form, as jointly published by ANF, CTR and OSD, shall be void.*** Upon execution of these Commonwealth Terms and Conditions by the Contractor and filing as prescribed by the Office of the Comptroller, these Commonwealth Terms and Conditions will be incorporated by reference into any Contract for Commodities and Services executed by the Contractor and any State Department, in the absence of a superseding law or regulation requiring a different Contract form. Performance shall include services rendered, obligations due, costs incurred, commodities and deliverables provided and accepted by the Department, programs provided or other commitments authorized under a Contract. A deliverable shall include any tangible product to be delivered as an element of performance under a Contract. The Commonwealth is entitled to ownership and possession of all deliverables purchased or developed with State funds. Contract shall mean the Standard Contract Form issued jointly by ANF, CTR and OSD.

1. Contract Effective Start Date. Notwithstanding verbal or other representations by the parties, or an earlier start date indicated in a Contract, the effective start date of performance under a Contract shall be the date a Contract has been executed by an authorized signatory of the Contractor, the Department, a later date specified in the Contract or the date of any approvals required by law or regulation, whichever is later.

2. Payments And Compensation. The Contractor shall only be compensated for performance delivered and accepted by the Department in accordance with the specific terms and conditions of a Contract. All Contract payments are subject to appropriation pursuant to M.G.L. C. 29, §26, or the availability of sufficient non-appropriated funds for the purposes of a Contract, and shall be subject to intercept pursuant to M.G.L. C. 7A, §3 and 815 CMR 9.00. Overpayments shall be reimbursed by the Contractor or may be offset by the Department from future payments in accordance with state finance law. Acceptance by the Contractor of any payment or partial payment, without any written objection by the Contractor, shall in each instance operate as a release and discharge of the State from all claims, liabilities or other obligations relating to the performance of a Contract.

3. Contractor Payment Mechanism. All Contractors will be paid using the Payment Voucher System unless a different payment mechanism is required. The Contractor shall timely submit invoices (Payment Vouchers - Form PV) and supporting documentation as prescribed in a Contract. The Department shall review and return rejected invoices within fifteen (15) days of receipt with a written explanation for rejection. Payments shall be made in accordance with the bill paying policy issued by the Office of the Comptroller and 815 CMR 4.00, provided that payment periods listed in a Contract of less than forty-five (45) days from the date of receipt of an invoice shall be effective only to enable a Department to take advantage of early payment incentives and shall not subject any payment made within the forty-five (45) day period to a penalty. The Contractor Payroll System shall be used only for "Individual Contractors" who have been determined to be "Contract Employees" as a result of the Department's completion of an Internal Revenue Service SS-8 form in accordance with the Omnibus Budget Reconciliation Act (OBRA) 1990, and shall automatically process all state and federal mandated payroll, tax and retirement deductions.

4. Contract Termination Or Suspension. A Contract shall terminate on the date specified in a Contract, unless this date is properly amended in accordance with all applicable laws and regulations prior to this date, or unless terminated or suspended under this Section upon prior written notice to the Contractor. The Department may terminate a Contract without cause and without penalty, or may terminate or suspend a Contract if the Contractor breaches any material term or condition or fails to perform or fulfill any material obligation required by a Contract, or in the event of an elimination of an appropriation or availability of sufficient funds for the purposes of a Contract, or in the event of an unforeseen public emergency mandating immediate Department action. Upon immediate notification to the other party, neither the Department nor the Contractor shall be deemed to be in breach for failure or delay in performance due to Acts of God or other causes factually beyond their control and without their fault or negligence. Subcontractor failure to perform or price increases due to market fluctuations or product availability will not be deemed factually beyond the Contractor's control.

5. Written Notice. Any notice shall be deemed delivered and received when submitted in writing in person or when delivered by any other appropriate method evidencing actual receipt by the Department or the Contractor. Any written notice of termination or suspension delivered to the Contractor shall state the effective date and period of the notice, the reasons for the termination or suspension, if applicable, any alleged breach or failure to perform, a reasonable period to cure any alleged breach or failure to perform, if applicable, and any instructions or restrictions concerning allowable activities, costs or expenditures by the Contractor during the notice period.

6. Confidentiality. The Contractor shall comply with M.G.L. C. 66A if the Contractor becomes a "holder" of "personal data". The Contractor shall also protect the physical security and restrict any access to personal or other Department data in the Contractor's possession, or used by the Contractor in the performance of a Contract, which shall include, but is not limited to the Department's public records, documents, files, software, equipment or systems.

7. Record-keeping And Retention, Inspection Of Records. The Contractor shall maintain records, books, files and other data as specified in a Contract and in such detail as shall properly substantiate claims for payment under a Contract, for a minimum retention period of seven (7) years beginning on the first day after the final payment under a Contract, or such longer period as is necessary for the resolution of any litigation, claim, negotiation, audit or other inquiry involving a Contract. The

Department shall have access, as well as any parties identified under Executive Order 195, during the Contractor's regular business hours and upon reasonable prior notice, to such records, including on-site reviews and reproduction of such records at a reasonable expense.

8. Assignment. The Contractor may not assign or delegate, in whole or in part, or otherwise transfer any liability, responsibility, obligation, duty or interest under a Contract, with the exception that the Contractor shall be authorized to assign present and prospective claims for money due to the Contractor pursuant to a Contract in accordance with M.G.L. C. 106, §9-318. The Contractor must provide sufficient notice of assignment and supporting documentation to enable the Department to verify and implement the assignment. Payments to third party assignees will be processed as if such payments were being made directly to the Contractor and these payments will be subject to intercept, offset, counter claims or any other Department rights which are available to the Department or the State against the Contractor.

9. Subcontracting By Contractor. Any subcontract entered into by the Contractor for the purposes of fulfilling the obligations under a Contract must be in writing, authorized in advance by the Department and shall be consistent with and subject to the provisions of these Commonwealth Terms and Conditions and a Contract. Subcontracts will not relieve or discharge the Contractor from any duty, obligation, responsibility or liability arising under a Contract. The Department is entitled to copies of all subcontracts and shall not be bound by any provisions contained in a subcontract to which it is not a party.

10. Affirmative Action, Non-Discrimination In Hiring And Employment. The Contractor shall comply with all federal and state laws, rules and regulations promoting fair employment practices or prohibiting employment discrimination and unfair labor practices and shall not discriminate in the hiring of any applicant for employment nor shall any qualified employee be demoted, discharged or otherwise subject to discrimination in the tenure, position, promotional opportunities, wages, benefits or terms and conditions of their employment because of race, color, national origin, ancestry, age, sex, religion, disability, handicap, sexual orientation or for exercising any rights afforded by law. The Contractor commits to purchasing supplies and services from certified minority or women-owned businesses, small businesses or businesses owned by socially or economically disadvantaged persons or persons with disabilities.

11. Indemnification. Unless otherwise exempted by law, the Contractor shall indemnify and hold harmless the State, including the Department, its agents, officers and employees against any and all claims, liabilities and costs for any personal injury or property damages, patent or copyright infringement or other damages that the State may sustain which arise out of or in connection with the Contractor's performance of a Contract, including but not limited to the negligence, reckless or intentional conduct of the Contractor, its agents, officers, employees or subcontractors. The Contractor shall at no time be considered an agent or representative of the Department or the State. After prompt notification of a claim by the State, the Contractor shall have an opportunity to participate in the defense of such claim and any negotiated settlement agreement or judgment. The State shall not be liable for any costs incurred by the Contractor arising under this paragraph. Any indemnification of the Contractor shall be subject to appropriation and applicable law.

12. Waivers. Forbearance or indulgence in any form or manner by a party shall not be construed as a waiver, nor in any way limit the legal or equitable remedies available to that party. No waiver by either party of any default or breach shall constitute a waiver of any subsequent default or breach.

13. Risk Of Loss. The Contractor shall bear the risk of loss for any Contractor materials used for a Contract and for all deliverables, Department personal or other data which is in the possession of the Contractor or used by the Contractor in the performance of a Contract until possession, ownership and full legal title to the deliverables are transferred to and accepted by the Department.

14. Forum, Choice of Law And Mediation. Any actions arising out of a Contract shall be governed by the laws of Massachusetts, and shall be brought and maintained in a State or federal court in Massachusetts which shall have exclusive jurisdiction thereof. The Department, with the approval of the Attorney General's Office, and the Contractor may agree to voluntary mediation through the Massachusetts Office of Dispute Resolution (MODR) of any Contract dispute and will share the costs of such mediation. No legal or equitable rights of the parties shall be limited by this Section.

15. Contract Boilerplate Interpretation, Severability, Conflicts With Law, Integration. Any amendment or attachment to any Contract which contains conflicting language or has the affect of a deleting, replacing or modifying any printed language of these Commonwealth Terms and Conditions, as officially published by ANF, CTR and OSD, shall be interpreted as superseded by the official printed language. If any provision of a Contract is found to be superseded by state or federal law or regulation, in whole or in part, then both parties shall be relieved of all obligations under that provision only to the extent necessary to comply with the superseding law, provided however, that the remaining provisions of the Contract, or portions thereof, shall be enforced to the fullest extent permitted by law. All amendments must be executed by the parties in accordance with Section 1. of these Commonwealth Terms and Conditions and filed with the original record copy of a Contract as prescribed by CTR. The printed language of the Standard Contract Form, as officially published by ANF, CTR and OSD, which incorporates by reference these Commonwealth Terms and Conditions, shall supersede any conflicting verbal or written agreements relating to the performance of a Contract, or attached thereto, including contract forms, purchase orders or invoices of the Contractor. The order of priority of documents to interpret a Contract shall be as follows: the printed language of the Commonwealth Terms and Conditions, the Standard Contract Form, the Department's Request for Response (RFR) solicitation document and the Contractor's Response to the RFR solicitation, excluding any language stricken by a Department as unacceptable and including any negotiated terms and conditions allowable pursuant to law or regulation.

Prior to award, the Contractor must **certify under the pains and penalties of perjury that it shall comply with these Commonwealth Terms and Conditions for any applicable Contract executed with the Commonwealth as certified by their authorized signatory.**

INSTRUCTIONS FOR FILING THE COMMONWEALTH TERMS AND CONDITIONS

A "Request for Verification of Taxation Reporting Information" form (Massachusetts Substitute W-9 Format), that contains the Contractor's correct TIN, name and legal address information, must be on file with the Office of the Comptroller. If the Contractor has not previously filed this form with the Comptroller, or if the information contained on a previously filed form has changed, please fill out a W-9 form and return it attached to the executed COMMONWEALTH TERMS AND CONDITIONS.

If the Contractor is responding to a Request for Response (RFR), the COMMONWEALTH TERMS AND CONDITIONS must be submitted with the Response to RFR or as specified in the RFR. Otherwise, Departments or Contractors must timely submit the completed and properly executed COMMONWEALTH TERMS AND CONDITIONS (and the W-9 form if applicable) to the:

Payee and Payments Unit, Office of the Comptroller, 9th Floor, One Ashburton Place, Boston, MA 02108 in order to record the filing of this form on the MMARS Vendor File. Contractors are required to execute and file this form only once. in order to record the filing of this form on the MMARS Vendor File. Contractors are required to execute and file this form only once.

12. *Michigan, Oakland Schools, (OS)*

A. **Additional Member Agency General Terms and Conditions that apply for all categories:**

1. Conflict of Interest

Contractor shall disclose in writing to Buyer any conflicts of interest with Board members, administrators, and or employees of any Participating Entity (as defined below). A conflict of interest may include, but is not limited to, a financial ownership interest in, or employment with Contractor or Subcontractor by a Participating Entity' Board member, administrator, or employee or their family member. A "family member" means a person's spouse or spouse's sibling or child; a person's sibling or sibling's spouse or child; a person's child or child's spouse; or a person's parent or parent's spouse, and includes these relationships as created by adoption or marriage. Determination of the existence of a conflict of interest does not prohibit the Participating Entity from entering into a contract with the Contractor (MCL 380.634; MCL 15.322 et seq).

2. Iran Economic Sanctions Act

Public Act 517 of 2012, commonly known as the "Iran Economic Sanctions Act" (the "Act"). The Act provides that beginning April 1, 2013, an "Iran Linked Business" is not eligible to submit a bid on a request for proposal with a "public entity" (OS). The Act also requires that a person that submits a proposal in response to an OS request for proposal must certify to the public entity that it is not an Iran Linked Business. This requirement applies to all requests for proposals issued by OS, and not just to construction projects.

The Act defines an Iran Linked Business as:

- a. A person engaging in investment activities in the energy sector of Iran, including a person that provides oil or liquefied natural gas tankers or products used to construct or maintain pipelines used to transport oil or liquefied natural gas for the energy sector of Iran;
- b. A financial institution that extends credit to another person, if that person will use the credit to engage in investment activities in the energy sector of Iran.

If the OS determines, using credible information available to the public, that a person or entity has submitted a false certification, OS must provide written notice to the person or entity of its determination and of its intent not to enter into or renew the contract. The notice must include information on how to contest the determination. The notice must also specify that the individual or entity may become eligible for future contracts with the public entity if the activities that caused it to be an Iran Linked Business are ceased.

3. Hazardous Materials

If any hazardous chemicals are supplied under a contract/purchase order arising out of this solicitation, a Material Safety Data Sheet (MSDS) shall accompany the delivery of any hazardous chemicals supplied by the Contractor. All MSDS sheets shall be sent to the attention of the Participating Entity. Ref: State of Michigan Act 154, Section 14, P.A. 1974 as amended. Copies of MSDS for all purchased hazardous materials must be provided prior to delivery of any items by the Contractor. Additionally, the MSDS needs to be attached to the invoice and all products delivered must be labeled according to Section 14 of Act 154, of the public Acts of 1974, as amended. Any appropriate products not labeled will be refused and the Contractor will be responsible for additional freight charges. Payment may be withheld until the Participating Entity receives the MSDS.

4. Modifications to Contracts

No modifications to a contract/purchase order with a Participating Entity shall be binding upon such Participating Entity unless agreed to in writing signed by an authorized representative of the Participating Entity.

5. Governing Law

Any contract arising out of this solicitation shall be governed by and construed under the laws of the State of Michigan. In the event of any legal action to enforce or interpret any contract arising out of this solicitation, the sole and exclusive venue shall be the state or federal court of the local jurisdiction where the Participating Entities located.

B. **Additional Member Agency Terms and Conditions for:**

1. Non-Construction Products and Services:

All supplies, materials, and equipment sold or leased to Michigan intermediate school districts or K-12 public school districts must be in accordance with MCL 380.623a and 380.1274, respectively. The procurement of supplies, materials and/or equipment in a single transaction costing more than the State of Michigan Competitive Bidding threshold set forth in MCL 380.623a and 380.1274 by an intermediate school districts or K-12 public school districts requires the district to obtain competitive bids and the purchase must be approved by the district's Board of Education.

2. Construction Products and Services:

All Contractors understand and agree that the use of AEPA contracts is not intended for use by Michigan intermediate school districts or public K-12 school districts for construction, renovation or remodeling projects under MCL 380.1267 and agree to

comply with all applicable standards and statutes for said construction projects. Based on MCL 380.1267, labor must be bid. However, intermediate school districts or public K-12 school districts can choose to buy material only from a cooperative purchasing contract. The AEPA cooperative contract has been bid in accordance with Michigan statute. It was advertised as required in the state and a material price book meeting the requirement of providing a discount for the opportunity of responding to a multi-state bid for goods and services with a national scope was submitted at the time of bidding by the vendor and awarded to the lowest responding vendor. To be able to purchase material only for a project, the board of a school district or board of directors of a public-school academy needs to adopt a written policy governing the procurement of supplies, materials, and equipment. Material only fits into the classification of MCL 380.1267 of a cooperative bulk purchasing program.

MCL 380.11a(4) allows for intermediate school districts or public K-12 school districts to enter into agreements or cooperative arrangements with other entities, public or private, or join organizations as part of performing the functions of the school district which allows the Intermediate school districts or public K-12 school districts to utilize the Oakland Schools awarded contract. In addition, under MCL 380.1274 (4), a school district or public school academy is not required to obtain competitive bids for items purchased through the cooperative bulk purchasing program.

A material only purchase is a direct purchase to the manufacturer for materials. This will require the intermediate school districts or public K-12 school districts to issue two purchases orders—one for the labor which will be awarded through a traditional competitive bid process and one for the material.

All other governmental agencies can utilize the Oakland Schools awarded contract for material and labor solutions pursuant to 18.1261.

C. Procedure for Processing Orders:

Once the award is made to a Contractor, OS will inform the Participating Entities and Other Agencies of the award by announcing the award through its general and usual methods of disseminating information.

1. OS follows the AEPA Standard Ordering Process (see Part A, General Terms and Conditions for All Agencies, “Ordering Procedures”).
2. Contractors shall be required to pay a two percent (2%) administrative fee (the “Fee”) based on the total cost of goods or services purchased, including installation and freight, if applicable. In the event of a lease arrangement, the total Fee for the value of goods leased shall be paid to OS by the Contractor at the front end of the lease. Contractor or its designated authorized reseller(s) shall not include any additional amount corresponding to the Fee in the bid responses or awarded prices.

D. Agencies Allowed to Purchase under the Member Agency:

OS serves all local school districts located in Oakland County, Michigan. In addition to, and in accordance with the terms and conditions set forth in this solicitation, all **public school districts, private schools, public school academies, intermediate school districts colleges, universities, counties, cities, townships, villages, and non-profit organization** in the State of Michigan shall be permitted to use AEPA solicitations approved by OS.

It should be clearly understood that OS is assisting these Participating Entities as a service to procure selected supplies, materials and equipment and services desired by the Participating Entity. Both the Contractor and any Participating Entity using this solicitation agree that the OS makes no representation that use of this solicitation by any Participating Entity is, in fact, in compliance with rules, regulations, policy or procedures of the Participating Entity. In this regard, the OS strongly suggests that, at a minimum, the Contractor and any Participating Entity considering such use consult with their own legal counsels before doing so. All Participating Entities using AEPA solicitations shall be responsible for adhering to their own applicable rules, regulations, policies, procedures and state statutes, etc., which may govern the use of cooperative purchasing contracts within their respective jurisdictions.

13. Minnesota, Cooperative Purchasing Connection (CPC)

1. General Terms and Conditions (All Categories)

- a. **Governing Law:** The laws of the State of Minnesota govern all contracts resulting from this solicitation. Each provision of law and clause required by law to be included in a contract shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either party the Contract shall be physically amended to make such inclusion or correction.
- b. **Governing Venue:** The resulting contract award shall be deemed to have been made and performed in Otter Tail County, Minnesota. For venue, all legal arbitration or causes for action arising out of the resulting agreement shall be brought to the courts of Otter Tail County, Minnesota.
- c. **Hazardous Substances:** All hazardous products purchased by participating agencies shall include a Safety Data Sheet (SDS) with the delivery.
- d. **Lease and Rental Agreements:** The Vendor may allow participating agencies to enter into a rental, lease, or lease-purchase agreements, providing such agreements comply with Minnesota Statutes and guidelines. CPC will not collect lease payments or be involved in the terms and conditions of the lease. All lease arrangements are between the Vendor and the participating agency. The Vendor agrees that leases will comply with the Uniform Commercial Code. The applicable administrative fee must be included in the lease cost based on the total value of the goods and applicable services purchased. This fee is referred to under the Technical Specifications. The Vendor should attempt to work with CPC's current leasing vendor. Should the Vendor be required to utilize their own financial leasing company, this should be noted/requested as an exception. In the event of a lease, the total administrative fee for the value of goods shall be paid to CPC by the vendor at the front end of the lease. CPC reserves the right to review all purchase orders, lease documents and invoices to ensure contract compliance.
- e. **Non-Discrimination:** Any resulting contract for on or behalf of participating agencies, said Vendor agrees to:
 - i. That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, because of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates;
 - ii. That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color;
 - iii. That a violation of this section is a misdemeanor; and
 - iv. That this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, shall be forfeited for a second or any subsequent violation of the terms or conditions of this contract.
- f. **Participating Agency:** A participating agency shall be defined under Minnesota Statutes M.S. §471.59, and M.S. §123A.21, Sub. 11 and South Dakota Statutes §5-18A-37. An eligible agency includes any school, higher education, city, county, other governmental agency, nonprofit organization, or other entity contracted to conduct business on behalf of a participating agency provided that they are required to follow state and local procurement regulations.
- g. **Prompt Payment:** Participating Agencies will follow M.S. §471.425 regarding prompt payment of local government bills.
- h. **Substance Use and Conduct:** All Vendor partners and subcontractors must adhere to local substance (alcohol, drug, smoking, etc.) and conduct (dress code, language, parking, etc.) policies while on a participating agencies' premises.
- i. **Vendor Orientation (CPC 101):** The Vendor and their participating resellers/sub-contractors will be required to participate in an online training session that is designed to educate the Vendor and resellers/sub-contractors on the purpose and nature of CPC. The Vendor will not be marketed to participating agencies until they have completed the vendor orientation session.

2. Additional Participating Agency Terms and Conditions for Non-Construction Products and Services

If requested by CPC, the contracted vendor will work with CPC to develop an order form, or order forms, containing the most purchased items, that CPC can utilize to market the contracted vendor to its participating agencies.

3. Additional Participating Agency Terms and Conditions for Construction Related Products and Services

Upon acceptance and approval of the Vendor's offer by AEPA, CPC will independently consider the offer and consult with the Vendor to determine if the Vendor can meet the requirements for construction-related products and services and to enter and execute a contract in the state of Minnesota. The contracted vendor will be required to work with CPC's participating agencies and require that an architect's signature or certification is noted on the specifications as required by Minnesota Statute §326.12 subd. 3. With certain exceptions, Minnesota Rules part 1800.5200, subpart 1, requires a licensed architect or

engineer to prepare and certify specifications for building alterations or renovations. Once CPC and the Vendor can confirm that business can be conducted in Minnesota, CPC will make a final decision to complete the contract execution process.

For all quotes provided to participating agencies, for construction-related projects, products, and services, the contracted vendor must also send a duplicate quote to CPC. The quote provided to CPC must include the contact information of the participating agency.

Performance Bond (for construction and/or installation related projects): As defined by state statute, performance bonds will be required on all projects valued great than:

1. One hundred seventy-five thousand dollars (\$175,000) or more in Minnesota;
2. One hundred thousand dollars (\$100,000) or more for public improvement in South Dakota; or
3. Otherwise requested by the participating agency.

All performance bonds will be issued by a corporate surety authorized to do business in the state in which the work will be conducted and by a surety listed in the US Treasury Circular 570. Performance bonds will be posted by the Vendor and submitted to the specific participating agency for the assigned project. Should the contract be the result of a piggyback agreement, performance bonds will reflect each state's bonding requirements.

The Vendor will execute a performance bond in an amount equal to one hundred percent (100%) of the value specified in the contract between the participating agency and the Vendor unless the participating agency requires less to be posted. This bond will protect all persons supplying labor and material to the Vendor for the performance of the work provided in the contract. Subcontractors who may work on the contract may have to provide the Vendor with a performance bond. If the contract price increases after the bond is provided, the participating agency may consider obtaining additional bonds from the Vendor.

The Vendor will deliver the performance bond to the eligible participating agency at the time the contract is executed between the agency and the Vendor. Work will not commence between the Vendor and the eligible participating agency until the performance bond is received by the participating agency and a copy has been sent to CPC via email (info@purchasingconnection.org). The Vendor will be responsible for providing CPC with a copy of all contracts and bonds in accordance with CPC purchasing procedures. Should the Vendor fail to satisfactorily perform the contract, the bonding company that provided the performance bond will be required to pay the dollar amount of the bond to the participating agency.

It is the Vendor's responsibility to ensure that they can obtain the required bonding for all construction products based on an awarded contract arising from this solicitation. Payment will not be issued for any project for which the required bonds have not been received.

With said construction-based project, the participating agency may enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in this solicitation and resulting Master Contract Agreement (i.e. project timeline, completion dates, progress payments, delivery requirements, invoice requirements, etc.). Any supplemental agreement developed because of the Master Agreement is exclusively between the Vendor and the participating agency. CPC, its agents, members, and employees shall not be a party to any claim for breach of such agreement.

4. Insurance:

The Vendor shall purchase, maintain, and provide certification from the insurer for minimal coverage during the life of an awarded contract, to include, but not limited to, comprehensive public and/or commercial liability, errors and omissions, workman's compensation, unemployment, and other insurance coverage required by and applicable to each of CPC's individual state's statutes and federal laws which proposed products and services will be offered and provided. The Vendor shall provide a Certificate of Insurance (COI) from the issuing company or their authorized agent, identifying the coverage required below and identifying CPC as a "Certificate Holder". Any required insurance that is canceled before the expiration date of the contract agreement, the issuing company will send immediate notice to CPC. Respondents shall provide a statement of insurance from the issuing company or their authorized agent with their proposal. The Vendor shall meet the following requirements:

- a. Commercial General Liability: \$1,000,000 each occurrence, \$500,000 annual aggregate
- b. Automobile Liability: \$1,000,000 each occurrence
- c. Workers Compensation: \$100,000

CPC reserves the right to consider and accept alternate forms and plans of insurance or to require additional or more extensive coverage for any individual requirement. The Vendor must provide the COI upon receipt of a signed contract.

5. Procedure for Contract Award, Notification and Processing Orders

Once the award is recommended by the AEPA Review Committee, CPC considers the recommendation based on the value of the potential contract for its participating agencies. In the event of an award by the CPC Board of Directors, CPC will inform its participating agencies of the award.

- a. The contract will be listed on the CPC website (www.purchasingconnection.org).
- b. Announcement of the contract award.
- c. Upon award and completion of the vendor orientation, CPC will promote the contract opportunity to its membership in one or more of the following ways: websites; agency newsletters; hard copy marketing flier; Email announcements; contract catalog; and trade shows.
- d. CPC will require a marketing flyer, brochure, or other similar marketing pieces, in an editable, electronic format, from each vendor promoting the available contract with the vendor, and/or a web page or link. CPC may assist in the development of the marketing flier and material (if requested by the vendor), but in all cases shall have the authority to review and approve any marketing materials. If a web site is used, the link will be made available from the CPC web page. Any web page or link, or other marketing tools shall be dedicated to CPC and/or AEPA information only.
- e. When a participating agency identifies a desired product or service, the agency and the Vendor may negotiate with each other to establish a description of items and/or services. The Vendor shall quote a price to the member, using AEPA established discounts including the two percent (2%) administrative fee in the quoted price not as a separate line item. The administrative fee shall be based upon the total cost of goods and/or services including installation costs.
- f. Ordering Methods.
 - i. All orders will be executed by participating agencies, directly, with the Vendor. The Vendor may offer a variety of options for agencies to place orders. The Vendor will make all deliveries and installation of products and services. CPC will not warehouse items or provide services.
 - ii. Participating agencies may use two (2) different methods of placing orders from the resulting contract: Purchase Orders (PO's) and procurement cards. The method of payment is at the discretion of the participating agency. Additional surcharges for the use of a procurement card must be clearly outlined (see Vendor Questionnaire).
 - iii. A PO may be issued to the Vendor on behalf of the participating agency ordering the services covered under the resulting contract. An issued PO will become part of the resulting contract. The PO indicated that sufficient funds have been obligated toward the purchase.
 - iv. Regardless of the method of ordering used, solely the contract and any modification determine performance time and dates.
 - v. Performance under this contract is not to begin until receipt of a PO, procurement card order, or other notification to proceed by the participating agencies to proceed.
- g. CPC requires that all participating vendors offer the contract opportunity to all CPC participating agencies.

6. Administrative Fees & Reporting

The administrative fee is to be paid by the Vendor to CPC, quarterly, within 20 working days after the end of each fiscal quarter. The AEPA vendor shall also submit to CPC a sales report, in Excel format, listing the following information:

- a. Name of purchasing agency
- b. Address of purchasing agency (city, state, zip code)
- c. Date of purchase
- d. Invoice number
- e. Amount of purchase
- f. Administrative fee generated by sale
- g. Savings generated by sale

This report shall include all sales made and payments received by the vendor in said quarter. The sales report shall be emailed to Melissa Mattson at mmattson@lscs.org and copied to Lori Mittelstadt at lmittelstadt@lscs.org. Payments must be received either via check or authorized ACH. An ACH enrollment/authorization form must be provided to CPC for completion. ACH remittance notification must be sent to the individual indicated on the ACH enrollment/authorization form prior to ACH payment. If mailing a check, the payment shall be delivered to Melissa Mattson, CPC, 1001 East Mt. Faith, Fergus Falls, MN 56537. The check shall be made out to Lakes Country Service Cooperative.

7. Express Online Marketplace

CPC provides participating agencies with an online purchasing platform called Express. Through Express, agencies can search for and purchase items. Essentially, Express is a one-stop-shop for many of CPC's commodity-based contracts. The Vendor does not have to have an e-commerce site to be included in Express. Express offers integration into two (2) of the main K-12 school financial systems in Minnesota. CPC expects growth in the number of agencies utilizing the marketplace and the volume of sales to grow significantly. CPC will work with the Vendor to determine if the contract agreement is suitable for the online platform. If deemed suitable, CPC will require integration into Express promptly as outlined in the solicitation.

14. **Missouri, EducationPlus (EDPLUS) [Formerly Cooperating School Districts of the Greater St. Louis Area (CSD)]**

A. Additional Agency Terms and Conditions

Lease and Rentals: Vendor may allow EDPLUS customers to enter into rental, lease, or lease purchase agreements, providing such agreements are in compliance with Missouri statutes and Missouri Department of Elementary and Secondary Education policies, rules and regulations. EDPLUS must receive a copy of the executed leasing documents prior to processing a purchase order. EDPLUS will not collect lease payments. Bidder agrees that leases will be in compliance with the Uniform Commercial Code. All terms of leasing must be included in the proposal, with interest rates described as related to a government standard. Bidder must indicate in its response to this solicitation if the shipping costs for the return of leased or rented equipment are the responsibility of the EDPLUS customer, and what that cost will be. No sale of a contract to a third party will be made without first informing EDPLUS and the EDPLUS customer of the sale. If Bidder sells a lease contract to a third party, the cost of return must not be greater than the cost of return to the original vendor. A 2% administrative fee must be included in the lease cost based on the total value of the goods purchased. This fee is referred to under ordering process.

B. Procedure for Processing Orders

(1.) Once the award is made to the vendor, EDPLUS will inform its members and other potential customers of the contract by announcing the award on its website by including the award in presentation comments and in other communications.

(2.) EDPLUS may require marketing materials from each vendor promoting the contract and AEPA relationship. EDPLUS will assist in the development of the marketing materials, if requested. Materials will be for distribution as well as posting on the EDPLUS website and disseminated to potential customers. Note: EDPLUS requires the awarded vendor to take ownership and actively promote the contract in cooperation with EDPLUS to all qualified customers.

(3.) When the customer identifies a desired product or service as available through the AEPA contract and makes a purchase on the EDPLUS online Marketplace or agrees on price as presented to the customer by the awarded AEPA vendor, the member then issues to the vendor a purchase order for that item or service.

(4.) The purchase order must include an additional two percent (2%) administrative fee in the total cost, based on the total cost of goods and service including installation and freight if applicable. This fee is to be forwarded by the vendor to EDPLUS after the sale and payment is made to vendor. Payment shall be made to EDPLUS on a quarterly basis along with complete sales history during that period.

(5.) Vendor makes all deliveries and installations of products and services. EDPLUS does not warehouse items nor provide services.

(6.) All participating vendors agree to and are subject to audit proceedings of AEPA member sales.

C. Customers Purchasing Under the Agency

We take great pride in the fact that EDPLUS is providing a complete line of purchasing services to our 50+ member school districts and hundreds of additional school districts, educational institutions, and nonprofit organizations. EDPLUS was created in 1928 with its primary focus aimed at improving educational opportunities for all students. Our goal is to promote efficient use of educational dollars, and simultaneously provide an ongoing market for those vendors doing business with EDPLUS. EDPLUS

D. Governing Law

MO. REV. STAT. §70.220. 1. Any municipality or political subdivision of this state, as herein defined, may contract and cooperate with any other municipality or political subdivision, or with an elective or appointive official thereof, or with a duly authorized agency of the United States, or of this state, or with other states or their municipalities or political subdivisions, or with any private person, firm, association or corporation, for the planning, development, construction, acquisition or operation of any public improvement or facility, or for a common service; provided, that the subject and purposes of any such contract or cooperative action made and entered into by such municipality or political subdivision shall be within the scope of the powers of such municipality or political subdivision.

E. Prohibition Against Boycotting Israel

Vendors signing a contract with EDPLUS will be required to sign a certification stating that the company is not currently engaged in and shall not, for the duration of the contract, engage in a boycott of goods or services from the State of Israel; companies doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel; or persons or entities doing business in the State of Israel, pursuant to Revised Statutes of Missouri (RSMo) 34.600, known as the "Anti-Discrimination Against Israel Act."

15. Montana, Montana Cooperative Services (MCS)

1. General Standards: Purchases by public entities in excess of \$80,000 are subject to public bid; purchases under this amount are subject to requirements of public contracts. See Sections 7-5-230 I and 7- 5-2304, Montana Code Annotated (Counties); Sections 7-5-4302 and 7-5-4303, Montana Code Annotated (Municipalities).

Note: purchases of less than \$80,000 are not subject to public bid requirements, which provides local government entities with considerable flexibility to make purchases. Public bidding requirements do not appear to prohibit local government entities who are members of AEPA or MCS from soliciting bids from approved vendors for purchases in excess of \$80,000.

2. Local Government Cooperative Purchasing Authority: Local governments may also elect to purchase cooperatively through the Montana Department of Administration in lieu of soliciting their own bids. 51 A.G. Op. 15 (2006). Procurement by government entities generally falls within the Montana Procurement Act, Section 18-4-101, MCA, et seq.

A. Local Governments are authorized to adopt and implement the rules and standards of the Act:

18-4-124. Local government adoption of procurement provisions -- alternative project delivery contracts. (1) A political subdivision or school district may adopt any or all parts of this chapter and the accompanying rules promulgated by the department.

B. Local governmental entities and school districts are specifically authorized to purchase cooperatively in the public interest:

18-4-401. Definitions. As used in this part, the following definitions apply:

(1) "Cooperative purchasing" means procurement conducted by or on behalf of more than one public procurement unit.

(2) "Local public procurement unit" means a county, city, town, or other subdivision of the state or a public agency of any such subdivision; public authority; educational, health, or other institution; to the extent provided by law, any other entity that expends public funds for the procurement of supplies and services; and any nonprofit corporation operating a charitable hospital.

(3) "Public procurement unit" means a local or state public procurement unit of this or any other state, including an agency of the United States, or a tribal procurement unit.

(4) "State public procurement unit" means a state department, agency, or official that expends public funds for the procurement of supplies and services.

(5) "Tribal procurement unit" means a tribal government, tribal entity, or official of a tribal government located in Montana that expends tribal funds or funds administered by a tribe for the procurement of supplies and services to the extent provided by tribal or federal law.

18-4-402. Cooperative purchasing authorized. The department may participate in, sponsor, conduct, or administer a cooperative purchasing agreement for the procurement of any supplies or services with one or more public procurement units in accordance with an agreement entered into between the participants independent of the requirements of part 3. Cooperative purchasing may include purchasing through federal supply schedules of the United States general services administration, joint or multiparty contracts between public procurement units, open-ended state public procurement unit contracts that are made available to local public procurement units, and competitive contracts established by for-profit, not-for-profit, or nonprofit cooperative entities. (emphasis added).

Note: Cooperative purchasing by local governmental entities may require reentering into an agreement with the Montana Department of Administration. This requirement does not appear to preclude local entities from participating as members of purchasing groups.

C. Local governmental entities are authorized to enter agreements with each other in order to purchase cooperatively. 7-11-104. Authorization to create interlocal agreements -- issuance of bonds for joint construction -- hiring of

teacher, specialist, or superintendent. One or more public agencies may contract with any one or more other public agencies to perform any administrative service, activity, or undertaking or to participate in the provision or maintenance of any public infrastructure facility, project, or service, including the issuance of bonds for the joint construction of a facility under 20-9-404, the hiring of a teacher or specialist under 20-4-201 or a superintendent under 20-4-401, or the hiring of or contracting with any other professional person licensed under Title 37, that any of the public agencies entering into the contract is authorized by law to perform. The contract must be authorized and approved by the governing body of each party to the contract. The contract must outline fully the purposes, powers, rights, obligations, and responsibilities of the contracting parties. (emphasis added).

3. School and school district cooperative purchasing authority: Schools and school districts are specifically authorized to purchase cooperatively utilizing qualifying purchasing entities:

"A [school] district may enter into a cooperative purchasing contract for the procurement of supplies or services with one or more districts. A district participating in a cooperative purchasing group may purchase supplies and services through the group without complying with the provisions of [soliciting public bids and awarding a contract] if the cooperative purchasing group has a publicly available master list of items available with pricing included and provides an opportunity at least twice yearly for any vendor, including a Montana vendor, to compete, based on a lowest responsible bidder standard, for inclusion of the vendor's supplies and services on the cooperative purchasing group's master list." Section 20-9-204(4), Montana Code Annotated (emphasis added).

Note: Montana's AEPA member, Montana Cooperative Services, meets all of the statutory requirements of Section 20-9-204(4), MCA, with respect to cooperative purchasing groups.

Cooperative purchasing is another tool in the bag for local governmental entities, including school districts, to acquire services and supplies at better prices than may otherwise be available. Membership in MCS provides access to AEPA-approved vendors as well as in-state suppliers who have been carefully vetted for reliability and quality.

Disclaimer: The above discussion is for informational purposes only and does not constitute legal advice.

16. Nebraska, Educational Service Unit Coordinating Council (ESUCC)

A. Additional Agency Terms and Conditions

1) Bid Award Determination: The bidder hereby agrees to these bidding conditions by virtue of submitting this signed document on or before the Bid Opening date as specified below.

2) Natural Gas Contractors: Any bids relating to natural gas shall be based upon an awareness of NEB. REV. STAT. § 75-501, adopted in conformity with Rules, Regulations, and Interpretations of Federal Agencies with authority to regulate pipeline common carriers and interstate commerce.

3) Performance and Payment Bonds: Upon execution of a contract between an ESUCC member and the prime contractor for construction or public improvement, performance and payment bonds described above in the AEPA General Terms and Condition shall be provided to the member. Performance and payment bonds between the member and the prime contractor shall be on standard forms. The prime contractor shall deliver copies of both the performance and payment bonds to ESUCC at the time the contract between the member and the prime contractor is executed. All suits for nonpayment or nonperformance shall be filed as allowed under Nebraska law.

4) Insurance: Contractors shall secure and keep in force during the term of any awarded agreement the following insurance coverages from insurance companies authorized to do business in Nebraska:

- Commercial general liability, including premises or operations, contractual, and products or completed operations coverages (if applicable), with minimum liability limits of \$1,000,000 per person for any number of claims arising out of a single occurrence and \$5,000,000 for all claims arising out of a single occurrence.
- Automobile liability, including Owned (if any), Hired, and Non-Owned automobiles, with minimum liability limits of \$1,000,000 per person for any number of claims arising out of a single occurrence and \$5,000,000 for all claims arising out of a single occurrence.
- Workers compensation coverage meeting all Nebraska statutory requirements.

5) Debarment and Suspension: Contractors shall comply with Executive Orders 12549 and 12689 as applicable. Contractors may be debarred for a period of two (2) years, unless earlier modified by the Special Awards Committee of ESUCC for any of the following conduct: (a.) Repeatedly not following the bid process. (b.) Repeatedly submitting non-responsive bids. (c.) Any behavior, which has as its effect injuring the integrity of the bid process. (d.) Failure to deliver goods pursuant to a successful bid. (e.) Repeated lack of acceptable handling and delivery of goods pursuant to a successful bid. (f.) Repeatedly not meeting delivery deadlines. (g.) Repeated failure to timely rectify damages of goods, or shortages of goods when it is the responsibility of the contractor to take such action. (h.) Conviction of a crime of dishonesty. (i.) Debarment or suspension by any agency or Federal Agency by the contractor or any of its key employees. (j.) Other conducts which materially and adversely affects the services of ESUCC Cooperative Purchasing program.

6) Statement Filed: A bidder who is awarded a contract for any goods or services for public works pursuant to this IFB shall file with ESUCC a statement as required by NEB. REV. STAT. § 73-102.

7) Nondiscrimination: The Contractor and all subcontractors, if any, shall not discriminate against any employee or applicant who is to be employed for performance of any awarded bid or agreement with respect to his or her hire, tenure, terms, conditions, or privileges of employment, because of his race, color, religion, sex, disability, national origin, or other protected status.

8) Employment Eligibility Verification: Consistent with NEB. REV. STAT. § 4-108, the Contractor shall use a federal immigration verification system to determine the work eligibility status of employees hired on or after October 1, 2009 and who are physically performing services within the State of Nebraska. If the Contractor employs or contracts with any subcontractor in connection with any awarded bid or agreement, the Contractor shall include a provision in the contract requiring the subcontractor to use a federal immigration verification system to determine the work eligibility status of new employees physically performing services within the State of Nebraska.

9) Federal Funding: It is understood that purchases may be funded in whole or in part with funds allocated by the Federal government, including the U.S. Department of Education and/or the Office of Elementary and Secondary Education and is therefore subject to those regulations, restrictions, and conditions normally associated with federally funded programs and any other requirements that the state or federal government may prescribe including, but not necessarily limited to, the following:

- **Equal Employment Opportunity:** (All Contracts) The parties shall comply with the Equal Employment Opportunity Clause required under Executive Order 11246 of September 24, 1965, entitled "Equal Employment Opportunity," as amended by Executive Order 11375 of October 13, 1967, and as supplemented in Department of Labor regulations (41 CFR chapter 60).
- **Copeland "Anti-Kickback" Act:** The parties shall comply with the Copeland "Anti-Kick Back" Act (40 U.S.C. 3145), as supplemented in Department of Labor regulations (29 CFR 3).
- **Davis-Bacon Act:** (Contracts that exceed \$2,000) The parties shall comply with 40 U.S.C. 3141-3148, the Davis-Bacon Act, as supplemented by Department of Labor Regulations 29 CFR 5. This Act provides that contractors and their subcontractors are to pay workers (laborers and mechanics) employed directly upon the site of the work no less than the locally prevailing wages and fringe benefits paid on projects of a similar character as determined by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week.

- **Contract Work Hours and Safety Standards Act:** (Contracts that exceed \$100,000) The parties agree to comply with the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-330) as supplemented by Department of Labor regulations (29 CFR part 5).
- **Reporting Notice:** The USDOE's and any other federal agency's requirements and regulations pertaining to reporting include, but are not necessarily limited to, 34 CFR Part 80.
- **Patent Rights:** The USDOE's and any other federal agency's requirements and regulations pertaining to patent rights with respect to any discovery or invention which arises or is developed in the course or under this Agreement include, but are not necessarily limited to, 34 CFR Part 80.
- **Copyrights and Right in Data:** The USDOE's and any other federal agency's requirements and regulations pertaining to copyrights and rights in data include, but are not necessarily limited to, 34 CFR Part 80.
- **Access to Documents:** The Owner and its grantees and subgrantees, the USDOE and/or other federal grantor agency, the Comptroller General of the United States, or any of their duly authorized representatives shall have access to any books, documents, papers, and records of the contractor which are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts, and transcriptions.
- **Record Retention:** The parties shall retain all required records for at least 3 years after the Owner makes final payments and all other pending matters are closed.
- **Clean Air and Federal Water Pollution Control Acts:** (Contracts that exceed \$150,000) The parties shall comply with all applicable standards, orders, or regulations issued under the Clean Air Act (42 U.S.C. 7401-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251-1387).
- **Energy Policy and Conservation Act:** The parties shall comply with the 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 (42 U.S.C. 6201).
- **Work Hours:** The parties agree to comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5) which requires each contractor to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week.
- **Debarment and Suspension:** (All Contracts) The parties agree and understand that under Executive Orders 12549 and 12689 that a contract award (see 2 CFR 180.220) must not be made to any party listed on the government-wide Excluded Parties List System in the System for Award Management (SAM).
- **Lobbying:** The parties agree and understand that under the Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) that contractors that apply or bid for an award of \$100,000 or more must file the required certification. 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.
- **Termination for Cause and Convenience:** (Contracts that exceed \$10,000) Termination for cause and convenience are governed by the Agreement. To the extent not addressed by the Agreement, the Agreement may not be terminated for convenience and may be terminated for any cause allowed by law.
- **Solid Waste Disposal Act:** The parties agree to comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- **Remedies:** Contracts for more than the simplified acquisition threshold (currently set at \$150,000 but is subject to inflation adjustment) must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate.
- **Energy Policy and Conservation Act:** (All Contracts) 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 (42 U.S.C. 6201).
- **Domestic Preference for Procurements.** As appropriate and to the extent consistent with law, Owner should, to the greatest extent practicable under a Federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products).

11) Governing Law and Venue: All bids and contracts shall be governed by and construed in accordance with the laws of the State of Nebraska. The venue for any litigation arising out of or related to a bid or contract will be in any eligible state or federal

court of Nebraska.

12) Public Records: The Contractor acknowledges that the ESUCC and its affiliated schools and members must comply with NEB. REV. STAT. § 84-712 through § 84-713 and release public records as defined law upon request, which may include any bid documents or contracts and all records created and maintained in relation to them. The ESUCC does not and will not agree that any bidder or contractor will be notified of any public record request submitted to the ESUCC or its Members.

13) Conflict of Interest: By submitting a proposal, Contractor certifies that there does not now exist any relationship between the Contractor and any person or entity which is or gives the appearance of a conflict of interest related to this Request for Proposal. The Bidder certifies that it shall not take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its services hereunder or which creates an actual or appearance of conflict of interest. The Bidder certifies that it will not employ any individual known by Bidder to have a conflict of interest.

The Contractor shall not, at any time, recruit or employ any employee or agent who has worked on the Request for Proposal or project, or who had any influence on decisions affecting the Request for Proposal or project.

The submission of the offer did not involve collusion or other anti-competitive practices. Neither signatory nor any person on his behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the matter of the bidding or award of a contract under this solicitation.

The Contractor, by submitting a bid, certifies that it has not had a contract with education organizations in State of Nebraska terminated early. If Contractor has had a contract terminated early within the State of Nebraska, Contractor must provide the contract number, along with an explanation of why the contract was terminated early.

Contractor 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.

Contractor certifies that Contractor and Contractor's employees, officers, and associates directly involved in obtaining contracts with the State of Nebraska, ESUCC, or any subdivision of the state have not been convicted of false pretenses, attempted false pretenses, or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985

ESUCC may cancel any contract if it is found that gratuities in the form of entertainment, gifts or otherwise, were offered or given by Contractor or any agent or representative of Contractor, to any employee of ESUCC with a view toward securing a contract or with respect to the performance of this contract. Paying the expenses of normal business meals, which are generally made available to all eligible school and government employees, shall not be prohibited by this paragraph. Samples of software, equipment or hardware provided to ESUCC for demonstration or evaluation are not considered gratuities.

14) Exclusion of Persons with Criminal Record. ESUCC requires and Contractor agrees not to assign any individual or agent to perform any work under this contract on ESUCC property, any ESUCC Member's property, or a Nebraska school district's property with a criminal conviction of a serious nature as determined by ESUCC, including but not limited to any of the following convictions: (a) a felony; (b) rape, including statutory rape, or any other sexual assault; (c) sexual conduct with a minor of any kind; (d) abuse of a minor or child of any kind; (e) endangerment of a child or debauching a minor; (f) public indecency; (g) prostitution, pandering, or keeping a place of prostitution; (h) assault or battery (i) kidnapping, false imprisonment or abduction; (j) child pornography; or (k) any offense in which a minor was a victim or a witness. Contractor authorizes and gives consent, and agrees to cooperate in obtaining any additional authorization or consent necessary to assure compliance with this requirement; to actively continue and implement this policy throughout the contract period and to require implementation of this policy by any subcontractors and/or agents involved by contractor in the performance of the contract

B. Procedure for Processing Orders

ESUCC affiliated schools or members send their purchase orders both directly and electronically to the vendor, the vendor ships directly to the school/member, and direct bills the schools/members the cost of merchandise plus the ESUCC 2% administrative fee. Vendors must provide a quarterly report to ESUCC Cooperative Purchasing. The report will include: Date of sales, school name, ESU affiliation, selling price, list price and savings. The ESUCC Cooperative Purchasing administrative Fee of 2% will accompany each quarterly report.

C. Members Purchasing Under the Agency

ESUCC represents 17 Educational Service Units statewide who in turn service Nebraska school districts with over 300,000 students. ESUCC is authorized to coordinate purchases for public school districts, nonpublic school systems, other ESUs, and other public agencies, including any county, city, village, school district, or agency of the state government, any drainage district, sanitary and improvement district, or other Municipal Corporation or political subdivision of the State of Nebraska.

D. Procedure for Processing Orders

All purchase orders will be submitted directly from the purchasing entity to the vendor. ESUCC will not facilitate the processing of purchase orders unless the offering is service related. If it is a service related purchase then the purchase order shall be submitted by ESUCC.

E. Agencies Allowed to Purchase under the Member Agency

Purchases through ESUCC contracts are to be primarily for K-12. However other state entities may use the ESUCC contracts. All inquiries to purchase on the behalf of a non-profit group not in state statute or receiving state funding must be approved by ESUCC.

17. New Jersey, Educational Services Commission of New Jersey (ESCNJ)

Applicability of Contract Provisions to New Jersey Participants

ESCNJ is the AEPA Member Agency. Any entity that uses the contract awarded by ESCNJ under this document is referred to as a "New Jersey Participant." To be a New Jersey Participant the entity must be a member of the ESCNJ Cooperative Pricing System. The bidder that is awarded the contract by ESCNJ is referred to as the "Contractor."

Once a contract is awarded by ESCNJ, a New Jersey Participant may enter into a purchase order agreement directly with the Contractor. To the extent not otherwise described below or in this document, once a purchase order is issued by a New Jersey Participant to a Contractor, all of the provisions of the contract shall benefit and be enforceable by such New Jersey Participant, unless specifically identified as applying to ESCNJ only.

1. The Bidder by submitting its bid hereby declares that this Bid is made without any connection with any other person or person making any proposal for the same items, that it is in all respects fair and without collusion or fraud and that no person acting for or employed by ESCNJ or a New Jersey Participant is directly or indirectly interested in the proposal or in the goods or services to which it relates, or in any portion of the profits there from.

2. Event of default and termination of Contract:

ESCNJ shall have the right to cancel the contract based upon a default by Contractor. A New Jersey Participant shall have the right to cancel its purchase arrangement based on a default by the Contractor with regard to such purchase arrangement. In addition, ESCNJ and each New Jersey Participant reserves the right to withhold payments for goods and services that are not in compliance with the terms of the contract or if the Contractor is in default. Any of the following shall be a default under the contract:

1) The Contractor fails to adequately perform the services set forth in the contract; 2) Contractor fails to deliver all or any part of the goods, or delivers defective goods; 3) The Contractor fails to make progress in the performance of the contract and/or does not deliver within the agreed-upon schedules; 4) The Contractor fails to observe any of the terms and conditions of the contract, including, without limitation, assigning the contract and/or failing to deliver required insurance or performance bonds; 5) The Contractor fails to follow the established procedure for purchase orders, invoices and receipt of funds as stipulated by the New Jersey Participant; or 6) the Contractor has become insolvent, makes an assignment for the benefit of creditors, files a voluntary petition in bankruptcy or is subject to an involuntary petition in bankruptcy not discharged within thirty (30) days. ESCNJ and each New Jersey Participant shall follow the following procedure if the contract or purchase order is to be terminated:

Step 1 - Issue a warning letter of concern outlining the violations and length of time to correct the problem(s). The length of time to correct the problem shall be determined by ESCNJ or the New Jersey Participant, as applicable, in its sole discretion, based on the problem.

Step 2 - Issue a letter of intent to cancel the contract or purchase order, if the problem(s) is not resolved by the given date.

Step 3 - Issue the letter to cancel contract or purchase order.

Upon receipt of the written notice of concern, the Contractor shall have ten (10) business days to provide a satisfactory response to ESCNJ and the New Jersey Participant that provided the notices. Failure on the part of the Contractor to address adequately all issues or concerns may result in contract cancellation.

The remedy to terminate and withhold payments is in addition to any other remedies ESCNJ and the New Jersey Participants may have. In the event of Contract termination by a New Jersey Participant, such New Jersey Participant's payment obligation shall cease as of the final date on which services in accordance with this Contract are last performed by the Contractor. Upon termination of this Contract under this section, the Contractor (and its surety) will be responsible for all of such New Jersey Participant's expenses, losses and damages incurred in replacing Contractor for the remainder of the term of the Contract.

3. Assignment:

Contractor shall not subcontract, assign, transfer, convey, sublet or otherwise dispose of its/his/her contractual duties to any other person, firm, or corporation, without the previous written consent of ESCNJ and any New Jersey Participant that has an outstanding open purchase order or financing arrangement. If the Contractor wants to assign its/his/her right to payment of the Contract, Contractor shall notify ESCNJ and any New Jersey Participant that has an outstanding open purchase order or financing arrangement immediately, in writing, of such assignment of right to payment. In no case shall such assignment of Contract relieve the Contractor from its/his/her obligations or change the terms of the Contract.

4. Indemnification:

Contractor shall indemnify, defend, keep and save harmless ESCNJ, each New Jersey Participant and its respective agents, officials, employees and volunteers (each an "Indemnified Party") against claims of injuries, death, damage to property, patent claims, suits, liabilities, judgments, cost and expenses (including attorneys' fees) which result from, arise out of, or in connection with the performance, or breach of performance, under the Contract of Contractor and any of its/his/her employees, agents or personnel. The Contractor shall, at its/his/her own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising there from or incurred in connection therewith; and if any judgment shall be rendered against the Indemnified Party in any such action, the Contractor shall, at its/his/her own expense, satisfy and discharge the same. Contractor expressly understands and agrees that any performance bond or insurance protection required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the Indemnified Party as herein provided.

5. New Jersey Participant Policies:

The Contractor must be familiar with a New Jersey Participant's policies or regulations which affect the services provided under

this Contract and that have been or will be distributed during the term of this Contract. Policies and regulations include, but are not limited to, New Jersey Public Contracts Law, school district policies, municipality policies, charters school policies, and county ordinances.

As each board of education, municipality governmental agency, educational institution in the State of New Jersey may have or may be required to have individual policies and procedures for the procurement of goods and services; and as one of the aforementioned institutions/agencies may be dependent upon the policies/procedures of another institution or agency, it is required for the Contractor to be familiar with the policies of the New Jersey Participant that impact the purchase. In limited situations, there may be State statutes which govern the allowability of purchases to be reimbursed by State funding. The New Jersey Participant should obtain its own legal advice on these statutes prior to purchasing under a contract.

The following documentation will be required prior to the award of any contract for New Jersey Participants:

1. New Jersey Business Registration Certificate - Before award in NJ not at time of bid
 2. New Jersey Contractors Registration Certificate (All time and material bids.) Before award in NJ not at time of bid
 3. New Jersey Pay-to-Play Documentation (Political Contribution Disclosure)
 4. Statement of Ownership (Ownership Declaration Certification)
 5. New Jersey Mandatory Equal Employment Opportunity Language (Exhibit A)
 6. New Jersey Mandatory Equal Employment Opportunity Language Construction Contracts (Exhibit B)- (All time and material bids.)
 7. New Jersey Certificate of Authority (All time and material bids.)
 8. Certification of Non-Debarment for Federal Government Contracts (All time and material bids.)
 9. Equipment Certification Form (All time and material bids.)
 10. Acknowledgement of the Contractor's/Vendor's responsibility to pay prevailing wage.
http://lwd.dol.state.nj.us/labor/wagehour/wagerate/prevailing_wage_determinations.html
(Time and material bids.)
 11. New Jersey Affirmative Action Questionnaire/Documentation (Certificate of Employee Information Report)
 12. Prohibited Russia-Belarus Activities & Iran Investment Activities Form - Before award in NJ not at time of bid
 13. Years of experience is not a criterion for the evaluation of bids to be awarded for the State of New Jersey. For additional information visit www.nj.gov/dca/divisions/dlgs
 14. W9
 15. Certificate of Insurance with the ESCNJ named as insured and the bid title/# listed - Before award in NJ, not at time of bid
 16. DPMC Notice of Classification- (All time and material bids.)
 17. Total Amount of Uncompleted Contracts (All time and material bids.)
 18. Americans with Disabilities Act of 1990
 19. Statement of Suspension or Debarment Form
 20. Sworn Contractor Certification; Qualifications Credentials (All time and material bids.)
 21. Subcontractor Disclosure Statement (All time and material bids.)
 22. Prevailing Wages Certification—Submission with Bid (All time and material bids.)
 23. Pre-Qualification Affidavit/No Material Adverse Change (All time and material bids.)
 24. Certificate of Authority (All time and material bids.)
 25. Assurance of Compliance
 26. Contractors licenses (All time and material bids.)
 27. New Jersey School Development Authority (All time and material bids.)
6. **Performance Bonds:**
- Each New Jersey Participant may require a performance bond in the case of services to be performed under the Contract if required. The Contractor shall furnish to the New Jersey Participant a Surety Performance Bond ("Performance Bond") with an option to renew each succeeding year of the Contract in a form satisfactory to the New Jersey Participant assuring the faithful performance of the Contract. The Bond shall be equal to one hundred percent (100%) of each year's estimated Contract price as reviewed and agreed upon by the New Jersey Participant and shall be continued for the life of the Contract in amounts equal to one hundred percent (100%) of each year's estimated Contract price as reviewed and agreed upon by the New Jersey Participant. The Contractor must send such Performance Bond to the New Jersey Participant prior to the commencement of any services under the Contract. Each such Performance Bond shall be furnished by a surety company acceptable to the New Jersey Participant and licensed or authorized to do business in New Jersey. Failure to deliver the bond shall be considered a default under the Contract, at the discretion of and upon notice by the New Jersey Participant.
7. **Governing Law:**
- This Contract shall be governed by, and construed and enforced in accordance with, the laws of the State of New Jersey without

regard to its conflicts of laws principles.

8. Financing Arrangements:

Any financing arrangements (including lease purchasing arrangements) may be made directly between the Contractor and a New Jersey Participant or with the free ESCNJ Leasing Program. Financing arrangements may be subject to additional laws, rules and regulations, terms and conditions not described in this document and are subject to separate negotiation with each New Jersey Participant that is interested in such an arrangement. Each New Jersey Participant should seek its own legal advice prior to entering into a financing arrangement. ESCNJ must receive a report annually summarizing the executed lease purchases along with the summary of the customer purchases. ESCNJ will not collect lease payments or be involved in the terms and conditions of the Contractor lease. All lease arrangements are between the Contractor and the New Jersey Participant only.

9. Affirmative Action:

The Contractor/Vendor must have an employment policy that there shall be no discrimination against anyone on the grounds of race, color, religious creed, age, marital status, national origin, ancestry, sex, mental retardation, physical disability or sexual orientation in the hiring, upgrading, demotions, recruitment, termination and selections for training, in any manner prohibited by the laws of the United States or of the State of New Jersey. The Contractor/Vendor further agrees to be an "affirmative action-equal opportunity employer." The Contractor/Vendor must provide one of the following: "Letter of Federal Affirmative Action Plan Approval", "Certificate of Employee Information Report" or a completed "Employee Information Report Form AA302" prior to award of bid.

10. Independent Contractor:

The Contractor shall not be held or deemed in any way to be the agent or employee of ESCNJ and/or a New Jersey Participant. It is the intention of the parties that the Contractor shall be and is to be considered an independent contractor.

11. Incorporation of Bid Documents:

The bid documents, including all appendices executed by Contractor that have been accepted by ESCNJ (the "Bid") are specifically incorporated into this Contract.

12. New Jersey Public Records Act:

The Contractor acknowledges that ESCNJ and New Jersey Participants are subject to the New Jersey Public Records Act, New Jersey Public Contracts Law and information submitted to ESCNJ and/or such New Jersey Participants may be made available to the public under the provisions of this Act.

Marketing and Advertising under this Contract - applicable to Member Agency (ESCNJ) contract only:

1. Contractor agrees to provide ESCNJ with a copy or proof sheet of all advertisements, customer communications or promotional material for approval. Contractor will provide ESCNJ with date of release and name of publication, journal, etc. if applicable.
2. Contractor will include the approved ESCNJ logo, web address, bid #, bid title, bid term, NJ State Approved Co-op #65MCESCCPS and contact information in all print, electronic mail and other advertising and promotion intended for release in New Jersey.
3. The ESCNJ logo and information shall be of a clearly readable size and in appropriate proportion to other elements in the print material.
4. Contractor agrees to make available ESCNJ supplied brochures or other promotional materials on booths, tables, etc. of any or all exhibits for which the Contractor displays/participates at tradeshow, conventions and the like. Contractor will supply scheduled exhibit dates in advance.
5. Contractor agrees to insert the approved ESCNJ logo, web address, NJ State Approved Co-op #65MCESCCPS bid #, bid term and contact information on the Contractor's website promoting and providing a link to the ESCNJ website. Contractor will also provide ESCNJ with text, links and logos to be posted on the ESCNJ website.

B. Procedures for Processing Orders

1. Once the award is made to the Contractor, ESCNJ will inform the potential New Jersey Participants of the Contract, including a webpage dedicated to the contract on the ESCNJ website. At this point, the Contractor may directly contact any potential New Jersey Participant and any potential New Jersey Participant may directly contact the Contractor.
2. Purchase orders will not be accepted or processed by ESCNJ. All business will be contracted directly with the New Jersey Participant, which will issue a purchase order and provide payment for the applicable good or service directly to the Contractor.
3. The total cost of ESCNJ's program is funded through a 2.0% participation fee paid to ESCNJ quarterly by the participating Contractors. The administrative fee percentage is based upon the total sale or lease of goods and services, including installation, if included. This fee shall be included in all price quotations to New Jersey Participants and shall not be printed as a line item on the quotation.
4. Along with the participation fee, the Contractor will produce and provide to ESCNJ quarterly reports ending March 31, June 30, September 30 and December 31 throughout the contract period. The reports shall be in Microsoft Excel and be available in electronic form, shall identify the Contractor and the quarter being reported, shall be delivered to ESCNJ on the 15th of the month, shall include a minimum of the fields listed below and shall allow for sorting on any of these fields:
 1. Date of order.
 2. The name of the New Jersey Participant.
 3. ESCNJ Bid Number

4. ESCNJ Co-op Number (New Jersey State Approved Cooperative Pricing System #65MCESCCPS)
 5. List (or academic) price sales totals.
 6. New Jersey Participant price sales totals.
 7. New Jersey Participant savings totals to be sent to the ESCNJ in summary and to each individual New Jersey Participant.
5. Quarterly reports and administrative fee payments are to be made payable to ESCNJ and sent to ESCNJ, 1660 Stelton Road, Piscataway, NJ 08854, Attn: Bookkeeper, or such other address that ESCNJ will provide from time to time.
 6. If no purchases are made in any given quarter, the Contractor shall remit a "No Activities" statement to ESCNJ for that quarter. The Contractor will also produce and provide to ESCNJ an annual summary report for all purchases made under each contract awarded by ESCNJ pursuant to this document for a period beginning with the award of the contract and ending December 31 and all consecutive annual periods, if the contract is extended.
 7. New Jersey School Districts and other eligible New Jersey Participants are normally exempt from sales tax. The Contractor/Vendor should confirm this exemption and collect a tax-exempt letter from each New Jersey Participant.

C. Members Purchasing Under the Agency

There are 686 operating school districts in New Jersey and all are eligible for membership. No district is obligated to use these services. Additional New Jersey Participants may include other public educational institutions, public colleges or universities, community colleges, vocational or technical schools, municipal governments, and other governmental, quasi-governmental, or non-profit organizations. The ESCNJ Cooperative Pricing System currently has 1,400+ New Jersey Participants located in all 21 Counties of the State of New Jersey.

CONFLICT OF INTEREST

An ESCNJ employee (including independent contractors for purposes of this definition) placing an order or recommending a vendor must disclose any relationship with that vendor which would not be considered an "arms-length" or independent transaction. This disclosure must be made in writing to the Business Administrator and/or Chief Financial Officer for an evaluation. The Business Administrator and/or the Chief Financial Officer will respond to this disclosure in writing.

For a transaction to be considered "arms-length" or "independent", an ESCNJ employee should not be influenced, dependent upon, guided or controlled by a vendor into choosing that vendor, or item to purchase; nor should it appear to a third party that an ESCNJ employee made a purchasing decision which appears to be based upon a personal relationship between the ESCNJ employee and vendor.

The following are examples when a transaction is NOT considered arms-length or independent: (1) when there exists a personal relationship between an ESCNJ employee and a vendor, (2) when there exists the potential for a personal benefit to an ESCNJ employee, or (3) the parties to a business deal are dependent upon one another for "something" other than the purchase itself.

The Contractor shall disclose any relationship with an ESCNJ employee that would not be considered an "arms-length" or independent transaction, as described above. This disclosure must be made in writing to the Business Administrator and/or the Chief Financial Officer for an evaluation. The Business Administrator and/or the Chief Financial Officer will respond to this disclosure in writing.

In addition, the Contractor shall, if given a copy of the potential New Jersey Participant's conflict of interest policy, follow the process in that policy, or otherwise disclose to a potential New Jersey Participant any relationship that would not be considered an "arms-length" or independent transaction with that New Jersey Participant, as described above. This disclosure must be made in writing to the chief official (for example, the Superintendent at a board of education) at the potential New Jersey Participant.

Determination of the existence of a conflict of interest does not prohibit ESCNJ and/or a New Jersey Participant from entering into the contract and purchase order, respectively.

American Goods - American Goods Clause—N.J.S.A. 18A:18A-20 - American goods and products to be used where possible

All contracts for work for which it will pay any part of the cost or work which by contract it will ultimately own and maintain, that only manufactured and farm products of the United States, wherever available, to be used in such work.

Anti-discrimination - All parties to any contract with the ESCNJ agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq. and N.J.S.A. 10:5-31 through 10:5-38, and all rules and regulations issued thereunder are hereby incorporated by reference.

Debarment/Suspension - N.J.A.C. 17:19-1.1 et seq. The ESCNJ will not enter into a contract for work with any person, company or firm that is on the State Department of Labor and Workforce Development; Prevailing Wage Debarment List, or the State of New Jersey Consolidated Debarment Report (www.state.nj.us/treasury/debarred) or the Federal System for Award—SAM (www.state.nj.us/treasury/debarred) or the Federal System for Award—SAM

For Time and Material bids - DPMC - There is a non-refundable fee of \$100.00 which must be submitted to the State with your application. All payments must be made on company checks (no-cash) made payable to "Treasurer, State of New Jersey". No application will be processed without the fee. If you have any questions, please contact the Contractor Classification unit by accessing the DPMC web site at www.state.nj.us/treasury/dpmc/ NOTE: It is suggested that a photocopy of this completed form be retained for your records. Please submit the completed application and all required documentation to the Treasurer, State of New Jersey. Upon

review and approval of this application, your firm will be notified by mail of the effective and expiration dates, type of work, and rating assigned to your firm. Please submit your certificate with your bid package.

Any contractor who submits a bid for a public works contract the amount which exceeds **\$20,000**, pursuant to N.J.S.A. 18A:18A- 26, 27 et seq., shall be classified by the Department of Treasury, Division of Property Management (DPMC) as to the type of work and trades (character) and the aggregate rating (amount) of public work they are qualified to submit bids.

The ESCNJ may only accept bids from contractors that are qualified.

Notice of Classification—DPMC-27

The Notice of Classification is a document issued by the DPMC that provides the following information about the qualified contractor:

- Trade(s) classification held by the contractor

The contractor is classified by the trade and trade number as found in Form DPMC-27. For example

Trade Number	Trade
C030	Plumbing
C032	HVACR

The contractor is therefore qualified to submit bids (exceeding \$20,000) to the board of education that pertain to plumbing and heating, ventilation, air conditioning and refrigeration.

For Time and Material Bids Equipment Certification 18A:18A-23. A certificate showing that the bidder owns, leases, or controls all the necessary equipment required by the plans, specifications and advertisements under which bids are asked for and if the bidder is not the actual owner or lessee of any such equipment, his certificate shall state the source from which the equipment will be obtained, and shall be accompanied by a certificate from the owner or person in control of the equipment definitely granting to the bidder the control of the equipment required during such time as may be necessary for the completion of that portion of the contract for which it is necessary.

For Time and Material bids - Total Amount of Uncompleted Contracts - DPMC 701

This document is completed by the contractor submitting a bid, on the form provided by the DPMC. The document lists the amount of uncompleted contracts held by the contractor and a certification that the amount of uncompleted contracts, added to the bid amount for the ESCNJ Participant project, does not exceed the Aggregate Amount rating as assigned by the DPMC.

For Time and Material bids - Pre-Qualification Affidavit/No Material Adverse Change

Pursuant to N.J.S.A. 18A:18A-32, no bidder is qualified to bid on any public work contract unless they provide an affidavit that there has been no material adverse change in his qualification information pursuant to N.J.S.A. 18A:18A-28.

For Time and Material bids - Prevailing Wages Certification; Alterations and repairs - The State of New Jersey Prevailing Wage Act, Chapter 150 Laws of 1963 with applicable statewide wage rates and for the wage rates for the county of the location of the New Jersey Participant, as published by the Department of Labor and Workforce Development in conformance with N.J.S.A. 34:11-56-25 et seq. Copies of these wage rates may be obtained from the State Department of Labor and Workforce Development, and/or viewed at <http://lwd.dol.state.nj.us/> the Prevailing Wages Determination Section.

For Time and Material bids - Compliance with New Jersey Prevailing Wage Act

Every contractor and subcontractor performing services in connection with this project, shall pay all workers a wage rate not less than the published prevailing wage rates, for the locality the work is being performed, as designated by the New Jersey Department of Labor and Workforce Development.

For Time and Material bids - Certified Payrolls

Every contractor agrees to submit to the New Jersey Participant a certified payroll for each payroll period within ten (10) days of the payment of wages. The contractor further agrees that no payments will be made to the Contractor by the New Jersey Participant, if certified payrolls are not received by the New Jersey Participant. It is the Contractor's responsibility to insure timely receipt by the district of certified payrolls.

For Time and Material bids - Submission of Affidavit

Before final payment, the contractor shall furnish the New Jersey Participant with an affidavit stating that all workers have been paid the prevailing rate of wages in accordance with State of New Jersey requirements. The contractor shall keep an accurate record showing the name, craft, or trade and actual hourly rate of wages paid to each workman employed by him in connection with this work. Upon request, the Contractor(s) and each Subcontractor shall file written statements certifying to the amounts then due and owing to any and all workmen for wages due on account of the work. The statements shall be verified by the oaths of the Contractor or Subcontractor, as the case may be.

For Time and Material bids – Certificate of Authority

All bidders are to submit their Sworn Contractor Certification, a current valid “Certificate of Authority” as issued by the New Jersey Department of Treasury. Reference—N.J.S.A. 18A:7G-37.

Sample Certificate of Authority



For Time and Material bids – Contractor Trade Licenses

All bidders are to submit with their proposal all current, valid contractor or trade licenses as issued by the New Jersey Division of Consumer Affairs, for any trade or specialty area the contractor seeks to perform work for this particular proposal.

Sample Contractor Trade License



For Time and Material bids – Contractor’s Registration evidence “Public Works Contractor Registration Act”

A. Valid Certificate – Receipt of Bid

All Contractors must adhere to the provisions of the Public Works Contractor Registration Act - N.J.S.A. 34:11-56.48 et. seq. The PWCRA requires that *“No contractor shall bid on any contract for public work as defined in N.J.S.A.34:11-56.26 unless the contractor is registered pursuant to this act.”* The law requires that all contractors and sub-contractors named in the proposal possess a valid certificate at the time the proposal is received by the contracting unit, in this case the ESCNJ.

B. Submission of Certificate – Receipt of Bid; Prior to Award--Mandatory

All bidders are requested to submit with the bid package or prior to the award of contract, a current Public Works Contractor Registration Certificate that was issued prior to the receipt of the bid.

The vendor(s) who is deemed to receive the contract award must submit a copy of the current New Jersey Department of Labor and Workforce Development Public Works Contractor Registration Certificate, and if applicable, copies of certifications of all listed subcontractors, prior to the award of contract. **If the successful vendor fails to provide copies of certificates prior to the award of contract, the bid shall be rejected as non-responsive.**

For more information contact:

Contractor Registration Unit
Division of Wage and Hour Compliance
New Jersey Department of Labor & Workforce Development
PO Box 389
Trenton, New Jersey 08625-0389
Tel: 609-292-9464
Fax: 609-633-8591
E-mail: wage.hour@dol.nj.gov
Web site: lwd.dol.state.nj.us/labor/wagehour/content/contact_us.html

For Time and Material bids – NJSDA Prequalification---Pursuant to N.J.S.A. 18A:7G-33, all contractors bidding on any contract for a School Facilities Project as defined in N.J.A.C. 6A:26-1.2, shall be prequalified with the New Jersey School Development Authority in the major construction trades listed in N.J.S.A. 18A:7G-33. Bidders will have to submit a Sworn Contractor Certification attesting to the NJSDA prequalification. Named subcontractors shall also be pre-qualified with the NJSDA—N.J.A.C. 6A:26-4.7 (b) (3).

Maintenance Projects—Contractors are reminded that maintenance projects solely to achieve the design life of a school facility and routine maintenance do not constitute a school facility project and therefor NJSDA prequalification is not a requirement. Reference N.J.A.C. 6A:26-1.2002E

For Time and Material bids – Sworn Contractor’s Certification - (Bidder’s Certification)

Pursuant to N.J.S.A. 18A:7G-37, a pre-qualified contractor seeking to bid school facilities projects, and any subcontractors, that are required to be named under N.J.S.A. 18A:7G-1 et seq. shall, as a condition of bidding, submit this Sworn Contractor Certification regarding qualifications and credentials. **Failure to complete, sign and submit the certification shall lead to the bid being rejected.**

Term of Contract and Extensions: Multiyear contracts – 18A:18A-42

All contracts for the provision of goods or services shall be awarded for a period not to exceed 24 consecutive months, except that contracts for professional services pursuant to paragraph (1) of subsection a. of N.J.S.18A:18A-5 shall be awarded for a period not to exceed 12 consecutive months. Any Board of Education may award a contract for longer periods of time for the listed goods/services as stated in 18A:18A-5. Any contract for services other than professional services, the statutory length of which contract is for three years or less, may include provisions for no more than one two-year, or two one-year extensions, subject to the following limitations: a. the contract shall be awarded by resolution by the ESCNJ Board Members upon a finding by the ESCNJ that the services are being performed in an effective and efficient manner; b. no such contract shall be extended so that it runs for more than a total of five consecutive years; c. any price included as part of an extension shall be based upon the price of the original contract as cumulatively adjusted pursuant to any previous adjustment or extension and shall not exceed the change in the index rate for the 12 months preceding the most recent quarterly calculation available at the time the contract is renewed; and d. the terms and conditions of the contract remain substantially the same. All multiyear leases and contracts entered into pursuant to this section, including any two-year or one-year extensions, except contracts for insurance coverages, insurance consultant or administrative services, participation or membership in a joint self-insurance fund, risk management programs or related services of a school board insurance group, participation in an insurance fund established by a county pursuant to N.J.S.40A:10-6 or contracts for thermal energy authorized pursuant to subsection a. above and contracts for the provision of performance of goods and services to promote energy conservation through the production of renewable energy, authorized pursuant to subsection o. of this section, shall contain a clause making them subject to the availability and appropriation annually of sufficient funds as may be required to meet the extended obligation, or contain an annual cancellation clause. All contracts shall cease to have effect at the end of the contracted period and shall not be extended by any mechanism or provision, unless in conformance with the “Public School Contracts Law” N.J.S.18A:18A-1et seq., except that a contract may be extended by mutual agreement of the parties to the contract when a board of education has commenced rebidding prior to the time the contract expires or when the awarding of a contract is pending at the time the contract expires.

18. New Mexico, Cooperative Educational Services (CES)

The following are terms and conditions that apply to CES Members' and Participating Entities' use of products, services and/or construction services procured by this Request for Proposal (RFP) or Request for Bid (RFB). By making use of any products, services and/or construction services procured by this RFP or RFB, the Member or Participating Entity agrees to the following conditions.

Use Conditions

1. The contract terms to be followed by the Contract Holder are those contained in the above referenced RFP or RFB, and Contract Holder will agree to furnish all Products, Services and/or Construction Services in compliance with all terms, conditions, specifications of and amendments to this RFP or RFB. Contract Holder will agree that his obligations under this RFP or RFB contract extend to CES Members and Participating Entities who are third party beneficiaries of this RFP or RFB procurement process. The Members or Participating Entities may negotiate with Contract Holder certain additional terms and conditions relating to the scope of services and other performance details. However, the terms and conditions of the RFP or RFB may not be altered or amended except with the approval of CES and in accordance with the State Procurement Code.

2. CES Member or Participating Entity acknowledges and agrees that CES' purpose and function is to act as a cooperative procurement agent on behalf of its Members and Participating Entities so that they may take advantage of these procurement efforts. CES does not have any subsequent responsibility relating to the quality and fitness of any Products, or the performance of any Services and Construction Services by Contract Holder. A CES Member or Participating Entity may place purchase orders for Products, Services and/or Construction Services und with the contract holder or in the case of construction CES which, in turn, shall place the purchase order with the Contract Holder. However, any resulting contract between the Contract Holder and a CES Member or Participating Entity does not create any additional obligations on the part of CES.

3. For transactions which involve CES transmitting purchase orders from a Member or Participating Entity to Contract Holder, CES volunteers to act as a payment facilitator to make payments to Contract Holder with funds transferred to CES by the Member or Participating Entity in accordance with CES Member or Participating Entity's written instructions and to provide an accounting of all monies paid or received by CES. For purchase orders sent directly to the contract holder or purchase orders sent by CES to the contract holder, CES also volunteers to provide informal mediation services between Contract Holder and CES Member or Participating Entity in the event any dispute arises between them.

4. For purchase order sent to contract holder by CES, upon CES' receipt of funds from the CES Member or Participating Entity, CES has shall apply those funds only as instructed by CES Member or Participating Entity. CES shall incur no liability to CES Member or Participating Entity except for liability arising from CES' own gross negligence or willful misconduct, to the extent allowed by New Mexico law. CES has no obligation or right to involve itself with the manner or method by which Contract Holder provides these Products, Services or Construction Services. Performance is the sole responsibility of Contract Holder.

5. CES Member or Participating Entity agrees that it will not assert any claim against CES in the event a dispute arises regarding the alleged failure of Contract Holder or a CES Member or Participating Entity to perform as provided for any purchase order or other contract between Contract Holder and a CES Member or Participating Entity. This does not include claims against CES based upon the alleged gross negligence or intentional acts of CES.

6. Any liability alleged to lie with CES shall be subject to the immunities and limitations of the New Mexico Tort Claims Act, §§ 41-4-1 et seq, NMSA 1978, as amended.

For the purposes of this solicitation the following terminology shall be defined as indicated below:

1. The terminology: "Agency", "CES Eligible Agency" and "Eligible Agency" are defined as a CES Member, Participating Entity and other entities that may utilize any contract created through this solicitation. Therefore, Agency, CES Eligible Agency, Eligible Agency, Member and Participating Entity are interchangeable.
2. The terminology: "AEPA" is defined as Association of Educational Purchasing Agencies as the agency that conducts and performs procurement activities on behalf of CES and CES Agencies in accordance with a CES Joint Power Agreement, and/or a Cooperative Purchasing Agreement and CES policies and procedures.
3. The terminology: "Offeror" is defined as contractor, contract holder, vendor, or supplier and can be used interchangeable.
4. The terminology: Cooperative Educational Services is defined as "CES", "CES Members and Participating Entities". Therefore, CES, Members and Participating Entity are interchangeable.
5. **"Buyer"**: as used in this solicitation (RFP) is defined as "CES" as the agency that conducts and performs procurement activities on behalf of CES Agencies in accordance with a CES Joint Power Agreement, and/or a Cooperative Purchasing Agreement and CES policies and procedures.
6. **CES Members**: Are the parties to the CES Joint Powers Agreement (JPA) and consist of public educational institutions within the State of New Mexico and include public school districts as defined in NMSA 1978, § 22-1- 2, State Institutions as defined in NMSA 1978, § 22-1-2, State Educational Institutions defined under Article XII, Section 11 of the New Mexico Constitution, most of the community colleges defined by the "Community College Act" as defined in NMSA 1978, § 21-13-1 et seq., their branch community colleges as defined in NMSA 1978, § 21- 14-1 et seq.,

technical and vocational institutes defined in NMSA 1978, § 21-16-1, area vocational schools defined in NMSA 1978, § 21-17-4, off campus community colleges or instructional facilities as defined in NMSA 1978, § 21- 14A-1, charter schools as defined in NMSA 1978, § 22-8A-1, Regional Center Cooperatives as set forth in Section 22-2B-1 et seq., and 638 schools and grant schools. Each public educational institution is authorized by its governing body and the Procurement Code NMSA 1978, § 13-1-135 to enter into cooperative purchasing agreements, pursuant to NMSA 1978, § 11-1-1 and Sec. 108 of Ch. 65 of the Laws of 1984 (The Procurement Code).

7. **CES Participating Entities:** Are defined as public agencies and/or organizations classified as follows that may participate in and purchase tangible personal property, professional, non-professional and construction services through their cooperative purchasing agreement with CES.
 - a) Federal Agency [25 USC 3001 (4)] is defined as any department, agency, or instrument of the United States, any executive department, military department, government corporation, government-controlled corporation, or other establishment in the executive branch of government, including the Executive Office of the President or any independent regulatory agency established through legislative and/or administrative action.
 - b) State Agency NMSA 1978, § 13-1-190 is defined as any department, commission, council, board, committee, institution, legislative body, agency, government corporation, educational institution, or office of the executive, legislative, or judicial branch of the government of this State. "State agency" includes the purchasing division of the General Services Department (GSD) and the state purchasing agent but does not include local public bodies.
 - c) Local Public Body [NMSA 1978, § 13-1-67] is defined as a political subdivision of the State and the agencies, instruments, and institutions thereof, including: two-year post-secondary educational institutions, school districts and local school boards and municipalities, except as exempted pursuant to the Procurement Code [NMSA 1978, § 13-1-28].
 - d) Non-Profit, Non-Public Educational Institutions and other Non-Profit Organizations (Section 501(c)(3) of the Internal Revenue Code, Federal Tax Code) is defined as charitable, religious, educational, public service, support and scientific organizations, entities, corporations that qualify as exempt organizations under Section 501(c)(3) of the Internal Revenue Code, or corresponding section of the Federal Tax Code.
8. **CES Regions:** New Mexico is a large state geographically. For this solicitation (RFP), CES is dividing the State into eight (8) service regions. Offerors will be required to indicate within their response to which of these service regions of the State they wish to provide services, and prioritize the areas, in order, that their firm intends to concentrate its efforts, if given an award. The first eight (8) service regions are listed below with the Public-School Districts located in each. Any public educational institution, i.e., BIA schools, charter schools, colleges, universities, community colleges or participating entities physically located within these regions are considered as part of that region.
 1. **Region One (1)** – Aztec, Bloomfield, Central, Dulce, Farmington, Gallup-McKinley, and Zuni School Districts; Navajo Preparatory School, Pine Hill Schools, San Juan College, Shiprock Associated Schools, and University of New Mexico - Gallup Branch
 2. **Region Two (2)** – Chama Valley, Cuba, Española, Jemez Mountain School, Los Alamos, Mesa Vista, Pecos, Peñasco, Pojoaque Valley, Questa, Santa Fe and Taos School Districts; New Mexico School for the Deaf, Northern New Mexico College, Santa Fe Community College, Santa Fe Indian School, University of New Mexico- Los Alamos Branch, and University of New Mexico – Taos Branch
 3. **Region Three (3)** – Cimarron, Clayton, Des Moines, Las Vegas City, Maxwell, Mora, Mosquero, Raton, Roy, Santa Rosa, Springer, Wagon Mound and West Las Vegas School Districts; Luna Community College and New Mexico Highlands University
 4. **Region Four (4)** – Albuquerque, Belen, Bernalillo, Estancia, Grants-Cibola, Jemez Valley, Los Lunas, Magdalena, Moriarty-Edgewood, Mountainair, Quemado, Rio Rancho, Socorro, and Vaughn School Districts; Alamo Navajo School, New Mexico CFYD, New Mexico Institute of Mining and Technology, New Mexico State University at Grants, University of New Mexico and University of New Mexico - Valencia Campus
 5. **Region Five (5)** – Clovis, Dora, Elida, Floyd, Fort Sumner, Grady, House, Logan, Melrose, Portales, San Jon, Texico, and Tucumcari School Districts; Clovis Community College, Eastern New Mexico University and Mesalands Community College
 6. **Region Six (6)** – Artesia, Carlsbad, Dexter, Eunice, Hagerman, Hobbs, Jal, Lake Arthur, Loving, Lovington, Roswell, and Tatum School Districts; Eastern New Mexico University-Roswell, New Mexico Junior College, New Mexico Military Institute and New Mexico State University at Carlsbad
 7. **Region Seven (7)** – Alamogordo, Capitan, Carrizozo, Cloudcroft, Corona, Hondo Valley, Ruidoso, and Tularosa School Districts; Mescalero Apache School, New Mexico School for the Blind and Visually Impaired, New Mexico State University at Alamogordo
 8. **Region Eight (8)** – Animas, Cobre, Deming, Gadsden, Hatch Valley, Las Cruces, Lordsburg, Reserve, Silver and Truth or Consequences School Districts; New Mexico State University and Western New Mexico University
9. **Cooperative Procurement:** Is authorized under NMSA 1978 § 13-1-135 and this contract is based on the need for CES

to provide the economic benefits of volume purchasing and reduction in administrative costs through cooperative purchasing for Public Educational Institutions, Participating Entities, Local Public Bodies, and other external procurement units.

10. **Cooperative Procurement Agreement:** Is an agreement between CES and a Participating Entity for establishing the procurement method by which Participating Entities may join in cooperative multi-jurisdictional contract to ensure the commitment of each Participating Entity. Further, the Agreement provides an understanding of the contracting process and the organization and operation of this purchasing cooperative(CES).
11. **Prime Contractor:** Any Contractor paid directly by CES or its Member and Participating Entity is a prime contractor; a subcontractor is paid by the prime contractor. Prime contractors using subcontractors are responsible for all actions of their subcontractors.
12. **Procurement Code:** NMSA 1978, §§ 13-1-21 through 13-1-199 may be cited as the "Procurement Code".

Acceptance of Delivered Services: The CES Member or Participating Entity will be the determining judge of whether materials and services delivered under the contract satisfy the requirements as identified in the contract order. If there is a dispute between the Offeror and the CES Member or Participating Entity, CES will make the final determination.

Accounts Payable: This is the amount owed to an Offeror by CES or the CES Member/Participating Entity due to an accepted delivery of products or services by a CES Member/Participating Entity pursuant to a contract executed as a result of this solicitation.

Administrative Fee: CES' two percent (2%) administrative fee must be included in the Offeror's net price for all services and deliverables (material, labor rates, reimbursable, New Mexico Gross Receipts Tax (NMGR), and other fees/charges) that are invoiced to CES' member. The CES administrative fee will be paid by the Offeror to CES once payment is received from the CES or CES Member or Participating Entity according to the payment schedule established by CES.

Applicable Law: Any contract executed as a result of this solicitation will be governed by the laws of the State of New Mexico, both as to interpretation and performance. Suits pertaining to this contract can be brought only in courts in the State of New Mexico. Offerors doing business with CES must be in compliance with the Federal Civil Rights Acts of 1964 and Title VII of that Act, Rev. 1979. All work under any contract entered into as a result of this solicitation will be done in strict accordance with the most recent edition of any relevant regulation, standard, document or code that relates to these laws. Where conflict among the requirements or with these specifications exists, the most stringent requirement will be used.

Arbitration: Any contract executed as a result of this solicitation which requires arbitration, is subject to the extent required by the New Mexico Uniform Arbitration Act, Sections 44-7A-1 to 44-7A-32 NMSA 1978.

Assignment: No right or interest in any contract executed as a result of this solicitation will be assigned or transferred by the Offeror without notification and approval to AEPA and CES, and no delegation of any duty of the Offeror will be made without notification to AEPA and CES.

Assignees, Mergers, Dissolution and Successors: The Offeror agrees that during the term of the contract, it will adhere to the terms and provisions of said contract. The parties will be bound by and inure to the benefits of the successors and the respective parties involved. The surviving, resulting, or transferred business structure shall:

- A. Qualify to do business in the State of New Mexico and holds the appropriate licenses, registrations, etc.;
- B. Agree in writing to perform all of the existing and future obligations of the original Offeror's CES Contract.
- C. Provide CES with all of the documents required for said assignment, merger or dissolution for the CES procurement file.

Assignment of CES Payments: If the Offeror requests that its payment from CES, its Members or Participating Entities be issued to a third party or that a joint check be issued to the Offeror and a third party, this request must be submitted and approved by CES prior to the Offeror accepting a purchase order. CES reserves the right to assess a special handling charge of Thirty-Five Dollars (\$35) per check. The special handling charge will be deducted from the amount of the invoice being paid.

Audit Rights: In accordance with applicable State of New Mexico and federal law, the Offeror's books and records related to any process and/or activity that occurs as a result of a contract executed as a result of this solicitation may be inspected by CES and/or the New Mexico State Auditor. Offeror must retain payment records received from CES for a period of (3) years from the date of final payment.

Authority: Any executed contractual agreement, is issued under the New Mexico Procurement Code, CES Board Policies, and CES Procurement Guidelines.

Billing: Upon acceptance of the delivery of goods and/or services, the Offeror will invoice, either CES or the CES Member/Participating Entity, referencing the purchase order number issued. If CES issues the purchase order, the CES Member's/Participating Entity's name must be on the invoice. The Offeror will only issue invoices to CES, CES Member or Participating Entity from which the purchase order was issued. The Offeror will only accept a purchase order from a Member or Participating Entity in accordance with the CES Direct Purchase process. Goods and services will be invoiced at the current contract pricing on file with CES. At a minimum, the invoice must include: the CES contract number, the hourly rate or the catalog/list unit price, the CES discount and the final CES price. All pricing must include the CES two percent (2%) administrative fee embedded into the final CES price. Except for adding shipping or freight costs, the invoice amount cannot exceed the amount of the CES or CES Member/Participating Entity purchase order total. New Mexico Gross Receipts Tax (if applicable) must be shown as a separate line.

Bonds: Bid, Performance and or Payment Bonds, if required, are to be issued by a corporate surety authorized to do business in New Mexico in accordance with the New Mexico Insurance Code and be a surety listed in the US Treasury Circular 570.

Bribes, Gratuities and Kickbacks: The Procurement Code, NMSA 1978 §§ 13-1-28 through 13-1-199, imposes civil and criminal penalties for violation of the statute. In addition, the New Mexico criminal statutes impose felony penalties for illegal acts, including bribes, gratuities, and kickbacks.

Campaign Contribution Disclosure Form: Documents used to disclose whether they, a family member, or a representative of the prospective Offeror has made a campaign contribution to an applicable public official of the State or a local public body during the two years prior to the date on which the Offeror submits a proposal (NMSA 1978, § 13-1-191.1). Prior to the Offeror entering into a contract with an individual CES Agency, the Offeror must provide the CES Member or Participating Entity with a Campaign Contribution Disclosure Form.

CES eProcurement System: CES has online procurement and contract management system called CES eProcurement System. This system allows CES to manage Bid and RFP submission, contract holder's business and contract information, all into one web-based application. If recommended for a contract award, the bidder or offeror will need to create a user profile for their company in the CES eProcurement System. This allows CES to maximize the efficiencies of the contract and solicitation process through a web-based solution.

Confidential Information and Disclosure of Proposal Contents: For the purposes of this procurement, the provisions of the "New Mexico Inspection of Public Records Act NMSA 1978, Chapter 14, Article 2, will be in effect. Pursuant to this Act, all proceedings, records, contracts, and other public documents relating to this procurement shall be open to public inspection. Proposers are reminded, that while trade secrets and other proprietary information they submit in conjunction with this procurement may not be subject to public disclosure, protections must be claimed by the proposer at the time of submission of its Technical Proposal. Proposers should refer to the New Mexico Inspection of Public Records Act for further clarification.

The designation of certain information as trade secrets and/or privileged or confidential proprietary information shall only apply to the technical portion of your proposal. Your cost proposal will not be considered confidential under any circumstance. Any proposal copyrighted or marked as confidential or proprietary in its entirety may be rejected without further consideration or recourse. The Offeror must clearly designate the part of the proposal that contains a trade secret and/or privileged or confidential proprietary information as "CONFIDENTIAL" in order to claim protection, if any, from disclosure. Further, to protect such data, each page containing such data shall be specifically identified and marked "CONFIDENTIAL" within the required electronic submission.

The CES Procurement Manager will review the statement and will determine in writing whether the information will be withheld. If the Procurement Manager determines that the information should be disclosed, the Offeror will be informed in writing of such determination and, should the Offeror object in writing within five (5) days after notification thereof, no disclosure will be made, and the bid or RFP may be rejected.

Confidential Information Disclosure: Any confidential information provided to the Offeror by CES, its Members or Participating Entities or developed by the Offeror based on information provided by CES, its Members or Participating Entities in the performance of this Agreement shall be kept confidential and shall not be made available to any individual or organization by the Offeror without the prior written approval of CES, its Members or Participating Entities. Upon termination of this Agreement, Offeror shall deliver all confidential material in its possession to CES, its Members, or Participating Entities within thirty (30) business days of such termination. Offeror acknowledges that failure to deliver such confidential information to CES, its Members, or Participating Entities will result in direct, special, and incidental damages.

Conflict of Interest: Any contract executed related to this solicitation is subject to cancellation by CES if any person

significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of a CES Member or Participating Entity is, at any time while the contract is in effect, an employee of any other party to the contract in any capacity or as a consultant to any other party of the contract with respect to the subject matter of the contract.

Conflict of Interest - Disclosure of Employment: Offerors submitting proposals will disclose any and all owners, contractors, or employees who are active employees of CES or are immediate relatives of an employee of CES.

Contract: Any agreement for the procurement of items of tangible personal property, construction, professional services and other services.

Contract Non-Exclusive: Any contract resulting from this solicitation with the understanding and agreement that it is for the sole convenience of CES, its Members or Participating Entities in New Mexico. CES reserves the right to obtain like goods and services from another source when necessary.

Contract Term and Extension: The contract term shall be for up to four (4) calendar years and shall continue until terminated, canceled, or extended by either CES or Association of Educational Purchasing Agencies (AEPA). CES reserves the right to renew the Agreement through a written amendment signed by all required signatories but, in any case shall not exceed the total number of years allowed pursuant to NMSA 1978, § 13-1-150. "Perpetual" Software Licensing Service Agreements executed under any contract awarded as a result of this solicitation are subject to the provisions of NMSA 1978, § 13-1-150.

Contract Month-to-Month Extensions: CES reserves the right to offer month-to-month extensions if that is determined to be in the best interest of CES, its Members, and Participating Entities but, in any case shall not exceed the total number of years allowed pursuant to NMSA 1978, § 13-1-150 and the Association of Educational Purchasing Agencies (AEPA).

Contract Type: Subject to the limitations of Sections 123 through 127 [13-1-150 to 13-1-154 NMSA 1978] of the Procurement Code, any type of contract, including but not limited to definite quantity contracts, indefinite quantity contracts and price agreements, which will promote the best interests of CES, CES Members and Participating Entities may be used; provided that the use of a cost-plus-a-percentage-of-cost contract is prohibited except for the purchase of insurance. A cost-reimbursement contract may be used when such contract is likely to be less costly or it is impracticable to otherwise obtain the services, construction or items of tangible personal property required. NMSA 1978 § 13-1-149.

Default in One Installment to Constitute Total Breach: Offeror will deliver conforming materials in each installment, or lot of any contract; and may not substitute nonconforming materials. CES reserves the right to declare a breach of contract if the Offeror delivers nonconforming materials to any CES Member or Participating Entity under this contract.

Debarment Disclosure: If the Offeror has been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity, including being disapproved as a subcontractor with any federal, state or local government or agency, or if any such preclusion from participation from any public procurement activity is currently pending, the Offeror shall include a letter with its response identifying the name and address of the governmental unit, the effective date of the suspension or debarment, the duration of the suspension or debarment, and the relevant circumstances relating to the suspension or debarment. If suspension or debarment is currently pending, a detailed description of all relevant circumstances must be provided by the Offeror, including the details enumerated above. A response from an Offeror who is currently debarred, suspended, or otherwise lawfully prohibited from any public procurement activity may be rejected. Failure of an Offeror to disclose a debarment or suspension in accordance with this section may result in their response being disqualified for award of the solicitation.

Defective Goods: Every tender of materials must fully comply with all provisions of this solicitation and resulting contract. If tender is made which does not fully conform, this will constitute a breach, and Offeror will not have the right to substitute a conforming tender without written consent of all parties involved. Offeror agrees to pay for return shipment on goods that arrive in a defective or non-operable condition as determined by the CES Member or Participating Entity. Offeror agrees to arrange for return shipment of damaged goods at no cost to the CES Member or Participating Entity.

Delivery of Goods and Services: Offeror agrees to supply and deliver the Goods or Services to CES, its Members or Participating Entities and to perform the Services, as applicable per the scope of work. Offeror shall, at its own expense, pack, load, and deliver Goods or Services to the Delivery Point and in accordance with the delivery terms, shipping, packing, and other instructions printed on the CES or CES Member or Participating Entity purchase order or otherwise provided to the Offeror by CES, its Members or Participating Entities in writing. No charges will be allowed for freight, transportation, insurance, shipping, storage, handling, demurrage, cartage, packaging or similar charges unless provided for in the purchase order or otherwise agreed to in writing by CES, its Member or Participating Entity.

Offeror must immediately notify CES, its Members or Participating Entities if Offeror is unable to meet a Delivery Date. At any time prior to the Delivery Date, CES, its Members or Participating Entities may, upon notice to Offeror, cancel or change a Purchase Order, or any portion thereof, for any reason, including, without limitation, for the convenience of CES, its Members or Participating Entities or due to failure of Offeror to comply with this Agreement, unless otherwise noted.

Title and risk of loss or damage shall pass to CES, its Members or Participating Entities upon receipt of Goods at the Delivery Point, unless otherwise agreed to by the CES, its Members or Participating Entities in writing. CES, its Members or Participating Entities has no obligation to obtain insurance while Goods are in transit from Offeror to the Delivery Point.

Descriptive Literature and Brand Names: Contractor, as required by CES, its Members or Participation Entities include a complete set of the manufacturer's descriptive literature regarding the equipment and software offered. Brand names, trade names and/or catalog numbers are intended to describe and identify equipment and software.

Electronic Data: The product and service provider must be willing and capable of providing to the CES and its Member or Participating Entity, upon request, documents i.e., proposals, communications, test results, reports, design/as-built drawings, presentations, specifications, etc. in an acceptable electronic format as approved by CES or CES Member or Participating Entity.

Force Majeure: Except for payments 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 either party affected and occurs without fault or negligence, including, but not limited to, the following: acts of nature; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; earthquakes; famine; volcanic eruptions; meteor strikes; pandemics; lockouts; injunctions-interventions-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. The force majeure shall be deemed to commence when the party declaring force majeure notifies the other party of the existence of the force majeure and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with this agreement. Force majeure shall not include late deliveries of software or materials caused by congestion at a manufacturer's plant or elsewhere, an over-sold condition of the market, inefficiencies and poor management practices, or similar occurrences. If either party is delayed at any time by force majeure, then the delayed party shall notify the other party in writing of such delay within 48 hours.

Indemnification: To the fullest extent permitted by law, Offeror shall, defend, indemnify and hold harmless CES, its Members, its Participating Entities, its officers and employees, against any and all liability, claims, demands, actions, damages, losses, judgments, settlements, personal injury (including sickness, disease, death, and bodily harm), property damage (including loss of use), infringement, government action and all expenses, including attorneys' fees and litigation expenses, demands or expenses asserted by a third-party, caused by, or resulting from, Offeror's and/or its employees, act(s) or omissions(s) while Offeror, and/or its employees, perform(s) or fails to perform its obligations and duties under any agreement entered into as a result of this solicitation or acts or omissions occurring outside of said agreement. Any equipment or facilities damaged by Offerors' operation shall be repaired and/or restored to their original condition at Offerors' expense. Offeror shall at all times during the life of the contract entered into as a result of this solicitation keep in force the minimum liability insurance limits as outlined in this solicitation. Failure to maintain current coverage in the amounts stated may result in termination of any agreement entered into as a result of this solicitation CES shall be named as a co-insured on the insurance policy and the policy shall provide that the policy cannot be modified or cancelled without the approval of CES. "This provision shall survive any termination of any Agreement entered into as a result of this solicitation Offeror will promptly advise CES in writing of any action, administrative or legal proceedings or investigation as to which defense and indemnification shall apply."

Indemnification Intellectual Property: The Offeror shall defend, at its own expense, CES, its Members and Participating Entities against any claim that any product or service provided under this Agreement infringes any patent, copyright, or trademark, and shall pay all costs, damages and attorney's fees that may be awarded as a result of such claim. In addition, if any third party obtains a judgment against CES, its Members and Participating Entities based upon Offeror's trade secret infringement relating to any product or services provided under this Agreement, the Offeror agrees to reimburse CES, its Members and Participating Entities for all costs, attorneys' fees, and the amount of the judgment. To qualify for such defense and/or payment, CES, its Members and Participating Entities shall:

- 1) Give the Offeror written notice, within forty-eight (48) hours of its notification of any claim;
- 2) Allow the Offeror to manage the defense and settlement of the claim as permitted by law; and
- 3) Cooperate with the Offeror, in a reasonable manner, to facilitate the defense or settlement of the claim. CES, its Members, and Participating Entities Rights: If any product or service becomes, or in the Offeror's opinion is likely to become, the subject of a claim of infringement, the Offeror shall, at its sole expense:
 - a) Provide CES, its Members and Participating Entities the right to continue using the product or service and fully

indemnify CES, its Members and Participating Entities against all claims that may arise out of CES, its Members and Participating Entities use of the product or service;

- b) Replace or modify the product or service so that it becomes non-infringing; or
- c) Accept the return of the product or service and refund an amount equal to the value of the returned product or service, less the unpaid portion of the purchase price and any other amounts, which are due to the Offeror. The Offeror's obligation will be void as to any product or service modified by CES, its Members and Participating Entities to the extent such modification is the cause of the claim.

Intellectual Property Ownership: All Intellectual Property (IP) that Offeror or any of the Offeror's Parties make, conceive, discover, develop or create, either solely or jointly with any other person or persons including CES or a CES Member/Participating Entity, specifically for or at the request of CES or a CES Member/Participating Entity in connection with an Agreement (Contract IP) will be owned by CES or the CES Member/Participating Entity. Intellectual Property means all CES or CES Member/Participating Entity Data, any and all inventions, designs, original works of authorship, formulas, processes, compositions, programs, databases, data technologies, discoveries, ideas, writings, improvements, procedures, techniques, know-how and all patent, trademark, service mark, trade secret, copyright and other intellectual property rights (and goodwill) relating to the foregoing. Offeror will make full and prompt disclosure of the Contract IP to CES or the CES Member/Participating Entity. Offeror will, and will cause the Offeror's Parties to as, and when requested by CES or the CES Member/Participating Entity, do such acts, and sign such instruments to vest in CES or the CES Member/Participating Entity the entire right, title and interest to the Contract IP, and to enable CES or the CES Member/Participating Entity to prepare, file and prosecute applications for, and to obtain patents and/or copyrights on, the Contract IP, and at CES or the CES Member/Participating Entity's expense, to cooperate with CES or the CES Member/Participating Entity in the protection and/or defense of the Contract IP.

Intellectual Property Offeror: Offeror will retain ownership of its pre-existing Intellectual Property (IP), including any that may be incorporated into the Contract IP, provided that Offeror informs CES or the CES Member/Participating Entity in writing before incorporating any pre-existing Intellectual Property into any Contract IP. Offeror hereby grants to CES or the CES Member/Participating Entity a perpetual, irrevocable, royalty-free worldwide right and license (with the right to sublicense), to freely use, make, have made, reproduce, disseminate, display, perform, create derivative works based on such pre-existing Intellectual Property as may be incorporated into the Contract IP or otherwise provided to CES or the CES Member/Participating Entity in the course of performing under any contract resulting from this solicitation.

Data Use, Ownership of Materials, and Privacy: The terms of this section apply if Offeror receives, has access to or analyzes CES or CES Member/Participating Entity's data. As between the parties, CES or the CES Member/Participating Entity will own, or retain all of its rights in, all data and information provided by CES or the CES Member/Participating Entity to the Offeror, as well as all data and information managed by Offeror on behalf of CES or the CES Member/Participating Entity, including all output, reports, analyses, and other materials relating to, derived from, or generated pursuant to any agreement generated through this solicitation, even if generated by the Offeror, as well as all data obtained or extracted through CES or the CES Member/Participating Entity or Offeror's use of such data or information. CES or the CES Member/Participating Entity's data includes all data and information provided directly to the Offeror.

All CES or CES Member/Participating Entity data will be CES's or the CES Member/Participating Entity's Intellectual Property (IP) and Offeror will treat it as "Confidential Information". Offeror will not use, access, disclose, or license, or provide to third parties, any CES or CES Member/Participating Entity data, except to fulfill the obligations of the Contract IP. Without limitation, the Offeror will not use any CES or CES Member/Participating Entity data whether or not aggregated or de-identified, for product development, marketing, profiling, benchmarking, or product demonstration, without in each case, CES or the CES Member/Participating Entity's prior written consent. Offeror will not, directly or indirectly attempt to re-identify or de-aggregate, de-identified or aggregated information; or transfer de-identified and aggregated information to any third party.

Information Security: All systems, software, services, and devices that store, transmit, or otherwise process CES or a CES Member/Participating Entity's data must be designed, managed and operated in accordance with the information security best practices and in compliance with all applicable laws, rules and regulations.

Installation: Equipment or products that require professional installation will be installed in coordination with the CES Member or Participating Entity. If delayed, the Offeror will notify in writing both CES and the CES Member or Participating Entity of the revised installation date.

Insurance: Upon contract award, the contractor will, at its own expense, purchase and maintain insurance that will protect it from claims that may arise out of or as a result from its activities under the prospective contract, where those activities are performed by it, by any subcontractor, by anyone directly or indirectly employed by the contractor or by anyone for whose acts

the contractor may be liable during the entire performance period of the prospective contract. The contractor must furnish an ACORD Certificate of Insurance to the CES. If policy changes occur during the life of the contract, it is the Offeror's responsibility to provide updated proof of coverage to the CES procurement officer.

1. Offerors will submit proof of coverage under the Workman's Compensation Insurance, as required by the Labor Laws and New Mexico Statutes.
2. Offerors will submit a certificate of comprehensive general liability (including endorsements providing broad form property damage, personal injury coverage and contractual assumption of liability for all liability. Limits shall not be less than the following:
 - a. Bodily injury: \$1,000,000 per person /\$1,000,000 per occurrence.
 - b. Property damage or combined single limit coverage: \$1,000,000.
 - c. Automobile liability (including non-owned automobile coverage): \$1,000,000.
3. Umbrella: \$1,000,000. The Offeror will name CES and the CES Member or Participating Entity as co-insured up to the limits required by New Mexico Statutes. Additional punitive damages liability to \$500,000 will be provided naming CES as co-insured.
4. Comprehensive Vehicle Liability Insurance, for both owned and non-owned vehicles, shall be one million dollars (\$1,000,000) per occurrence combined single limit for both personal injury and property damage.
5. In addition, Offeror must provide, upon request, identical certification of insurance to any CES Member or Participating Entity using this contract. Prior to commencing any work, any subcontractor must procure and maintain at its own expense until final acceptance of the work, insurance coverage in a form and from insurers acceptable to the prime contractor. All subcontractors will provide workers' compensation insurance, which waives all subrogation rights against the prime contractor and CES Member or Participating Entity.

Leasing: Contractor may offer CES Members the option to enter into a lease or lease purchase agreements, providing such agreements are in compliance with New Mexico statutes. CES must receive a copy of the executed leasing documents between the leasing agency and the CES Member or Participating Entity. The contractor providing the equipment(s) to the CES Member or Participating Entity that is funded thru a lease option shall pay CES the two percent (2%) administrative fee on the total cost of the equipment(s), maintenance agreement, extended warranties and any products and services included in the lease agreement. The CES administrative fee is non-refundable should the lease terminate early. CES will not collect lease payments, the CES Member or Participating Entity will make lease payments directly to the leasing agency. All terms of the leasing agreement must be included in the proposal including interest rates as related to a government standard. Contractor must indicate if the shipping costs for the return of leased equipment are the responsibility of the CES Member or Participating Entity and what that cost will be. No sale of a contract to a third party will be made without informing CES and CES Member or Participating Entity of the transfer. If Offeror sells a lease contract to a third party, the cost of return must not be greater than the cost of return to the original Offeror.

A purchase option must be available with each scheduled payment. At lease end, an option to purchase the equipment at fair market value must exist or the CES Member or Participating Entity must return the equipment to the Leasing Agency. As required by New Mexico law, the lease agreement with the CES Member or Participating Entity must contain a termination provision for "Non-Appropriation of Funds." In the event no funds or insufficient funds are appropriated and budgeted by the CES Member or Participating Entity (Lessee) or are otherwise unavailable in any fiscal year for the payment of lease and other amounts due under the lease, the lease shall terminate on the last day of the fiscal period for which appropriations were received under the lease without penalty or expense to Lessee. The CES Member or Participating Entity shall make the determination if sufficient funds have been appropriated. The CES Member or Participating Entity shall give Lessor or its assignee written notice at least thirty (30) days prior to termination of lease due to Non-Appropriation of Funds.

Legal Remedies: All claims and controversies are subject to the New Mexico Procurement Code, NMSA 1978, §§ 13-1-28 through 13-1-199.

Licenses: The contractor will maintain in current status all applicable federal, state, and local licenses, bonds, and permits as required for the performance of any contract awarded. Copies of licenses will be submitted by the contractor as required by CES, its Member or Participating Entity.

Liens: All materials and services will be free of all liens.

Limitation of Liability: The Offeror's liability to CES or any CES Member or Participating Entity, for any cause whatsoever shall be for the total amount of damages resulting from the Offeror, sub-contractors and/or employees acts that may result in personal injury, property damage or any other damages as identified by CES or its Member Agency caused by the Offeror's negligence. The liability of CES or any CES Member Agency will be subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, § 41-4-1, as amended.

Limitation of Liability: The contractor's liability to CES or any CES Member or Participating Entity, for any cause whatsoever shall be for the total amount of damages resulting from the Offeror, sub-contractors and/or employees acts that may result in personal injury, property damage or any other damages as identified by CES or its CES Member or Participating Entity caused by the contractor's negligence. The liability of CES or any CES Member or Participating Entity will be subject in all cases to the immunities and limitations of the New Mexico Tort Claims Act, NMSA 1978, § 41-4-1, as amended.

Money: All transactions are payable in U.S. currency only.

Ordering Process: CES currently offers (4) four procurement/purchasing options: the "Traditional Method", the "Online Ordering Method" through Contractor's website and the "Direct Purchase Method" through the CES Blue Book and Leasing.

1. **Traditional method,** CES Members/ Participating Entities will submit signed purchase orders to CES at PO@CES.ORG. CES will then issue a purchase order to the Offeror. The Offeror must agree to never accept a purchase order directly from the CES Member/Participating Entity based on this procurement method. The purchase order you receive must be issued by CES.
2. **Online ordering through Offeror's website,** which allows the CES Members/Participating Entities to go online and create an order through the Offeror's system; the Offeror delivers the product/services; invoices the CES Member/Participating Entity; the CES Member/Participating Entity pays the Offeror; and the Offeror rebates the CES administrative fee to CES, unless an agreement to deviate from this process has been approved in writing by both parties.
3. **Direct Purchase:** For CES Direct Purchase the CES Member/Participating Entity makes their purchase order (PO) out to the Offeror and sends it to CES for contract compliance. CES will stamp the PO "Approved" and will forward the PO to the Offeror and Member. This will serve as the "authorization" for the Offeror to proceed with the purchase. Offeror will invoice the CES Member/Participating Entity directly and collect payment. CES will invoice Offeror the CES 1.25% administrative fee.
4. **Leasing:** The Offeror will rebate the CES administrative fee based on the full amount, of the lease upon payment to the Offeror by the leasing company. CES must be provided a copy of the lease agreement for compliance.

Patent and Copyright Infringement: Offeror will, at their expense, defend CES and its Members and Participating Entities against any claim that any equipment or software supplied hereunder infringe a patent or copyright in the United States, or a U.S. Territory, and will pay all costs, damages and attorney's fees that a court finally awards as a result of such a claim. To qualify for such a defense and payment, CES will:

1. Give Offeror prompt written notice of any such claim after becoming aware of such claim.
2. Allow Offeror to control and fully cooperate with Offeror in the defense and all related settlement negotiations.

CES will be reimbursed for all expenses incurred by CES in fully cooperating with Offeror as specifically requested by contract. CES is not required to incur any expenses specified in this paragraph, which are not reimbursable, by the Offeror. If any CES Member and Participating Entity is involved by any party in a Patent and Copyright Infringement dispute, the same provisions that apply to CES in this paragraph will apply to the CES Member or Participating Entity. Offeror's obligation under this section is conditioned on CES' agreement that if the subject of such a claim, CES will permit the Offeror, at its expense and option, either to procure the right for CES and its Members or Participating Entity to continue using the equipment and/or software, or to replace equipment or software which are functionally equivalent so that they become non-infringing. If neither of the foregoing alternatives is available on terms which are reasonable in Offeror's judgment and satisfactory to CES, CES will request its Members or Participating Entity to return the equipment or software upon written request by Offeror at Offeror's expense.

Offeror agrees to refund CES and/or its CES Member/Participating Entity for returned equipment as depreciated to current market value unless otherwise mutually agreeable in writing. The depreciation will be an equal amount per year over the life of the equipment in accordance to GAAP/GASB guidelines. In the event that an Offeror's written request for return of equipment is made after full depreciation, the Offeror will pay CES, or its CES Member/Participating Entity who purchased the equipment, an amount equivalent to the fair market value of the returned equipment. If CES, or any of its CES Member/Participating Entity, fails to return the equipment, the Offeror is not obligated to that Member under this clause.

Offeror will have no obligation with respect to any such claim based upon a Member's or Participating Entity's modification of the equipment or software or combination, operation or use with apparatus, data or programs not furnished by Offeror. However, one Member's or Participating Entity's action will not preclude Offeror's obligation to other Members/Participating Entities not having modified their equipment or software.

Payments by CES Member or Participating Entities: For the purchase by a CES Member or Participating Entity directly from

the Offeror for goods and services that have been received and accepted. Payment from the Member or Participating Entity to the Offeror will be made within forty-five (45) days after the receipt of a correct invoice, unless a good faith dispute exists as to any obligation to pay all or a portion of the account. If a dispute arises or an agency's account becomes delinquent, the Offeror is encouraged to contact and request assistance from CES. *Any offer that requires payment in less than forty-five (45) days may not be considered.*

Payment of Administrative Fee: When a CES Member or Participating Entity issues payment directly to the Offeror for goods and services received and accepted, the Offeror will upon receipt of payment from a CES Member or Participating Entity, issue payment to CES for the CES administrative fee as invoiced by CES.

Price List/Pricing: The Offeror will furnish CES with electronic copies of or provide electronic access to the approved current price list for products and services offered under this solicitation. The Offeror must keep current all pricing for any contract issued as a result of this solicitation. Should the Offeror fail to update pricing with AEPA and approved by CES, the Offeror shall honor their pricing on file with CES at the time of their quote submittal to the CES, CES Member or Participating Entity. All pricing must include the CES two percent (2%) administration fee.

Price Quote/Proposal: When preparing a quote/proposal, the Offeror must clearly identify and break out quantities, descriptions, supplies, materials, equipment, and services into individual line items as they appear on the Offeror's awarded price schedule or pricing methodology. At a minimum, all quotes or proposals shall include the following: description, "hourly labor rate or the list/catalog unit price", "the per cent discount offered" and the final "CES price". All stated prices must include the CES two percent (2%) administrative fee. Shipping/Freight costs and the New Mexico Gross Receipts Tax as applicable must be stated in separate lines.

Price Reduction, Promotional and Special Pricing: A price reduction can be offered at any time and will become effective upon approval by AEPA and CES.

Progress Payments: Under this solicitation (RFP), CES, its Members, and Participating Entities may allow progress payments to be made on goods and/or services received and accepted under the following conditions:

1. The Member or Participating Entity and the Offeror agree to the terms and milestones of the project for progress payments in writing prior to issuing a purchase order to the Offeror.
2. The quote or proposal in which the purchase order is based must clearly identify and describe the amount(s) to be paid and the date(s) payment(s) are to be made for the service or goods delivered.
3. The Offeror must obtain from the CES Member or Participating Entity written documentation identifying the work completed and goods received to be submitted with progress payment request.
4. Payments will be made only after actual goods and/or services are verified, received, and accepted by the CES Member or Participating Entity.
5. Payments will be made in full compliance with the CES Member or Participating Entity local administrative procedures, policies and any/all other applicable state rules, regulations, and statutes.
6. If the estimate of work and/or goods received are not approved and certified by the Member or Participating Entity, CES, Member or Participating Entity can withhold an amount from the progress payment that reasonably represents the deficiency identified in the Offeror's payment request. In such cases, the Offeror agrees to hold CES harmless for any deficiency of payment.
7. Acceptance of final payment is a waiver of all claims, except unsettled claims previously made in writing.

Provisions Required by Law: Each and every provision of law and any clause required by law to be in the contract executed as a result of this solicitation will be read and enforced as though it were included herein, and, if through mistake or otherwise any such provision is not inserted, or is not correctly inserted, then upon application of either party, the contract will forthwith be physically amended to make such insertion or correction.

Public Record: All proposals submitted in response to this solicitation will become the property of CES and be a matter of public record available for review, under the supervision of CES staff from 9:00 a.m. to 4:00 p.m., Monday through Friday, at 10601 Research Rd. NE., Albuquerque, NM 87123.

Quality: Unless otherwise noted in this solicitation, Offeror warrants that for one (1) year after acceptance of the equipment or materials or work performed for the CES Member or Participating Entity, they shall be:

1. Of a quality to pass without objection in the industry or trade normally associated with them;
2. Fit for the intended purpose(s) for which they are used;
3. Of even kind, quantity and quality within each unit and among all units, within the variations permitted by the contract;
4. Adequately contained, packaged, and marked as the contract may require; and

5. Conform to the written promises or affirmations of fact made by Offeror.

Safety Measures: Offerors will take all necessary precautions for the safety of CES, CES Member and Participating Entity Staff and the public in general when installing, delivering goods, or services to CES, CES Members or Participating Entities physical location

Safety Standards: All items supplied to CES Member or Participating Entity will comply with all current and applicable US Federal and State of NM Safety Standards, Statutes, Rules, and Regulations.

Sample: Samples may be required prior to awarding a contract and/or prior to entering into an individual project contract. Upon request of CES Member or Participating Entity, the Offeror will provide adequate samples and detailed specifications for any item offered. Samples must be submitted within ten (10) days of request from CES Member or Participating Entity. Samples will be free of charge and submitted and removed at Offeror's expense. Samples will be compared to proposal specifications and evaluated as to materials used in construction, quality and workmanship, durability, adaptability to the use for which the items were intended and overall appearance. Samples received may be held for comparison with deliveries. CES and its Member or Participating Entity will not be held responsible for samples damaged or destroyed in examination or testing. Samples not removed within thirty (30) days after notice to Offeror will be considered abandoned and the CES Member or Participating Entity will have the right to dispose of them.

Serial Numbers: Equipment offered/proposed in this solicitation must have the original manufacturer's serial number.

Severability: The provisions of any contract executed as a result of this solicitation are severable to the extent that any provision or application held to be invalid will not affect any other provision or application of the contract, which may remain in effect without the invalid provision or application

Shipping Errors: Offeror agrees that shipping errors will be at the expense of the contractor. For example; if the contractor ships a product that was not ordered by the CES Member or Participating Entity, it is the responsibility of the contractor to pay for shipping charges back to the manufacturer or distributor, etc., at the convenience of the CES Member or Participating Entity.

Shipping Terms: FOB Destination, "pre-pay and add "unless otherwise indicated by the CES Member or Participating Entity. The receiving agency will notify CES, the Offeror and/or Freight Company promptly of any damaged goods and will assist the Freight Company/Offeror in arranging for inspection.

Smoking: All contract holders and subcontractors must adhere to CES Member or Participating Entity smoking policies.

Stored Materials: Upon prior written agreement between the Contract holder and CES Member or Participating Entity, payment may be made for materials not incorporated in the work but delivered and suitably stored at the site or some other location, for installation at a later date. An inventory of the stored materials must be provided to CES Member or Participating Entity prior to payment. Such materials must be stored and protected in a secure location and be insured for their full value by the Contract holder against loss and damage. Offeror agrees to provide proof of insurance coverage and addition of CES Member or Participating Entity as an additional insured upon agency's request. Additionally, if stored offsite, the materials must also be clearly identified as property of a buying CES Member or Participating Entity and be separated from other materials. The buying agency must be allowed reasonable opportunity to inspect and take inventory of stored materials, on or offsite, as necessary. Until final acceptance by the CES Member or Participating Entity, it shall be the Contract holder responsibility to protect all materials and equipment. The Contract holder warrants and guarantees that title for all work, materials and equipment shall pass to CES Member or Participating Entity upon final acceptance. Payment for stored materials shall not constitute final acceptance of such materials.

Taxes: Prices offered will not include applicable State of New Mexico Gross Receipts Tax (NMGR) and local taxes. All applicable taxes must be listed as a separate item on all invoices and will be paid by the CES Member or Participating Entity issuing the purchase order to CES or Offeror. No NMGR can be collected on delivery charges to the agency's location.

Taxes - Indian Reservation or Tribal Tax: If goods or services are subject to Indian reservation or tribal tax, Contract holder shall include such taxes as a separate item on the original invoice to CES.

Termination for Material Breach: Either Party may terminate any Agreement by notice to the other Party, for any material breach of said Agreement by the other Party, if such breach is not cured within ten (10) business days after the breaching Party receives notice of such breach from the non-breaching Party; provided, however, if such breach is not capable of being cured within the ten (10) business day period, the cure period shall be extended for an amount of time that the Parties agree to in writing and is reasonably necessary to cure such breach, so long as the breaching Party is using diligent efforts to do so. In case

of Default and/or Breach by the Offeror, for any reason whatsoever, CES or the CES Member or Participating Entity may procure the goods or services from another source and hold the ~~Offeror~~ Contract holder responsible for any resulting excess costs and/or damages, including but not limited to, direct damages, indirect damages, consequential damages, special damages and CES or the CES Member or Participating Entity may also seek all other remedies under the terms of said Agreement and under law or equity.

Termination for Convenience: CES can, by written notice stating the effective date, may terminate any Agreement for convenience in whole or in part, at any time. CES, its Member or Participating Entity shall pay for acceptable work performed prior to the Contract holder receipt or issuance of a notice of termination. The Contract holder shall submit an invoice for such work within thirty (30) days of receiving or sending the notice of termination.

Termination for Default: CES reserves the right to terminate in whole or any part of any contract executed as a result of this solicitation due to the failure by the ~~Offeror~~ Contract holder to carry out any obligation, term or condition of the said contract. CES may issue written notice to the ~~Offeror~~ f Contract holder or acting or failing to act under but not limited to the following conditions.

1. The Contract holder provides material that does not meet the specifications of the contract.
2. The Contract holder fails to complete the services set forth in the specifications of the contract.
3. The Contract holder fails to complete the work required or to furnish the materials required within the specified time.
4. The contract holder fails to make progress in the performance of the contract and/or gives CES cause to believe that the Contract holder will not or cannot perform the requirements of the contract.
5. The Contract holder fails to observe any or all of the terms and conditions.
6. The contract holder accepts purchase orders, based on this contract, directly from a CES Member and then invoices them directly.
7. Any other conditions that, in the opinion of CES, warrants such action.

Upon receipt of a written notice, the Offeror will have ten (10) business days to provide a satisfactory response in writing to CES. Failure on the part of the Offeror to satisfactorily respond shall result in CES terminating the contract.

Termination for Gratuity: CES shall, by written notice to Contract holder terminate the contract if the Contract holder is found in violation of any of the following: NMSA 1978, § 13-1-191, NMSA 1978, § 30-24-1, NMSA 1978, § 30-24-2, NMSA 1978, § 30-41-1 to NMSA 1978, § 30-41-3.

Termination for Non-Appropriation: Any individual Member's or Participating Entities' project covered by this solicitation and executed through the AEPA/CES procurement process may be terminated for insufficient appropriations or authorizations. If sufficient appropriations and authorization are not made by the Legislature of New Mexico, or the CES Member or Participating Entity's Governing Body, any Agreement executed as a result of this solicitation shall terminate immediately upon written notice being given by CES, or the CES Member or Participating Entity to the Contract holder. CES, its Members or Participating Entity's Governing Body decision as to whether sufficient appropriations and authorizations are available shall be accepted by the Contract holder and shall be final.

Title and Risk of Loss: The title and risk of loss of material or service will not pass to CES Members or Participating Entities until it receives the material or service at the point of delivery, unless otherwise specified within this document.

Trade-In Equipment: Equipment for trade-in shall follow the requirements of NMSA 1978, § 13-1-156 and shall be dismantled and removed at the Contract holder expense.

Warranty: The Contract holder agrees that the tangible personal property or services furnished shall be covered by the most favorable commercial warranties the Contract holder gives to any customer for such tangible personal property or services, and that the rights and remedies provided herein shall extend to CES and/or the CES Member or Participating Entity and are in addition to and do not limit any rights afforded to CES and/or the CES Member or Participating Entity by any other Clause of this Agreement or order. Contract holder agrees not to disclaim warranties of fitness for a particular purpose or merchantability.

Warranty – Value Added Reseller: If Contract holder is a value added reseller (VAR) for products solicited as part this (RFP) and not the Original Equipment Manufacturer (OEM) or licensor, the Contract holder shall forward all warranties to CES or the CES Member or Participating Entity which are provided to the Contract holder from the OEM, and to the extent granted by the OEM, CES or the CES Member or Participating Entity shall be the beneficiary of the OEM's warranties with respect to the products. Contract holder shall not be a party to any such warranties between CES or the CES Member or Participating Entity and the OEM.

Year-End Procurement: Purchase orders (PO) issued to an Offeror for goods must be delivered and services must be

completed five (5) days prior to the CES Member or Participating Entity fiscal year end (June 30th), unless agreed upon in writing by both the CES Member or Participating Entity and the Offeror. CES must receive all invoices dated for the prior fiscal year by the 10th business day in July. The CES Member or Participating Entity may cancel purchase orders not completed by June 25th. The CES Member or Participating Entity may issue new or revised purchase orders dated after July 1st for any goods not delivered or services not completed by June 25th.

CES SUPPLEMENTAL TERMS AND CONDITIONS FOR CONSTRUCTION

The Contract shall be governed by the laws of the State of New Mexico and parties agree that the State of New Mexico District Court of the County where the Project is located shall have jurisdiction to resolve all claims, issues and disputes not otherwise resolved in accordance with contract documents. Each and every provision of law and clause required by law to be inserted in this Contract shall be read and enforced as though it were included herein; and if through error or otherwise any such provision is not inserted, or is not correctly inserted, then upon the written application of either party the Contract shall be amended without cost to make such insertion or correction and that the remainder of this Contract shall remain in effect and not be affected thereby.

Americans with Disabilities Act: For any project contracted under this RFP, the Proposer must comply with the Americans with Disabilities Act (ADA) (42 USC Section 12101 et seq.) and the Americans with Disabilities Act Architectural Guidelines (ADAAG), as well as the implementing requirements, 28 CFR Part 36, Federal Register, Vol. 56, No. 144, July 26, 1991, as amended. The Construction Industries Division does not review plans and specifications for compliance with the ADA or ADAAG. The issuance of a building permit and compliance with the minimum codes do not ensure compliance with ADA or ADAAG. It is the Offeror's responsibility for compliance to ADA and ADAAG requirements for Lots under this Category.

Assignment of Antitrust Claims

The Contractor agrees that any and all claims that the Contractor may have or that may inure to the Contractor for overcharges resulting from antitrust violations as to goods, services, and materials purchased in connection with this project are hereby assigned to CES and the Owner but only to the extent that such overcharges are passed on to the Owner.

Bonds: All bid, performance, and payment bonds, if required, are to be issued by a corporate surety company authorized to do business in New Mexico as approved in federal circular 570 published by the United States Treasury Department.

1. Upon RFP submittal, CES requires that the Offeror provide a bid bond or other acceptable bid security in the amount of Twenty-Five Thousand Dollars (\$25,000) in response to this RFP. Acceptable forms are AIA Document A310-2010 Bid Bond or NASBP that includes the same language as the AIA Document A310-2010.
2. Upon execution of a contract the prime Contractor for a project with a value Twenty-Five Thousand Dollars (\$25,000) or more, shall provide AIA Document 312-2010 Performance and Payment bonds in an amount equal to one hundred percent (100%) of the Job Order Amount to CES Member or Participating Entity. These bonds will protect all persons supplying labor and materials and the performance of the prime Contractor for the work provided per the contract. The prime Contractor will deliver AIA Document 312-2010 performance and payment bonds in the name of the CES Member or Participating Entity at contract execution. Copies of the bonds must be provided to CES within five business days of the Contractor's receipt of the CES purchase order.
3. Prime Contract must identify its bonding capacity in the solicitation. Contractor will have the right to refuse work once its bonding capacity has been reached.

Change Orders:

1. A mutually agreed upon system for establishing changes orders must be identified, including changes in scope and changes in compensation for the prime Contractor. All change orders will be agreed to in writing by the Contractor and the CES Member or Participating Entity. No change order or Supplemental Job Order that increases the cost of the project will be permitted without a purchase order to CES from the Member ordering the change.
2. A copy of the approved change order must accompany a revised purchase order to CES. Minor changes mutually agreed upon between the CES Member or Participating Entity and the Contractor that do not involve compensation may be made without informing CES.

Claims and Disputes

A Claim is a demand or assertion by one of the parties seeking as a matter of right, adjustment or interpretation of Contract terms, payment of money, extension of time or other relief with respect to the terms of the Contract. The term "Claim" also includes other disputes and matters in question between the Owner and Contractor arising out of or relating to the Contract. Claims must be initiated by written notice. The responsibility to substantiate Claims shall rest with the party making the Claim.

1. Time Limits on Claims. Claims by either party must be initiated within thirty (30) days after occurrence of the event giving rise to such Claim or within ten (10) days after the claimant first recognizes the condition giving rise to the Claim, whichever is later. Claims must be initiated by written notice to the Owner or if applicable, the Design Professional and the other party.

2. Continuing Contract Performance. Pending final resolution of a Claim except as otherwise agreed in writing by the Owner and the Contractor, the Contractor shall proceed diligently with performance of the Contract and the Owner shall continue to make payments in accordance with the Contract Documents.

Commencement Date/Substantial Completion Date:

CES's purchase order establishes the Notice to Proceed. The Substantial Completion Date refers to a stage of a construction or building project or a designated portion of the project that is sufficiently complete, in accordance with the construction contract documents, so that the owner may use or occupy the building project or designated portion thereof for the intended purpose. The allowed duration for each project will be determined by the Contract Documents between the CES Agency and the Contractor.

1. Upon substantial completion of the project and as part of the project close-out phase, the Contractor will deliver to the CES Member or Participating Entity all associated paperwork to include but not limited to as built drawings, executed warranties, and guarantees applicable to the goods and services provided and any owners and operating manuals.

Construction: As defined in the New Mexico Procurement Code Regulations under 13-1-40 NMSA 1978. Definition: "construction" means building, altering, repairing, installing or demolishing in the ordinary course of business any road, highway, bridge, parking area or related project; building, stadium or other structure; airport, subway or similar facility; park, trail, athletic field, golf course or similar facility; dam, reservoir, canal, ditch or similar facility; sewage or water treatment facility, power generating plant, pump station, natural gas compressing station or similar facility; sewage, water, gas or other pipeline; transmission line; radio, television or other tower; water, oil or other storage tank; shaft, tunnel or other mining appurtenance; electrical wiring, plumbing or plumbing fixture, gas piping, gas appliances or water conditioners; air conditioning conduit, heating or other similar mechanical work; or similar work, structures or installations. Construction shall also include: leveling or clearing land; excavating earth; drilling wells of any type, including seismographic shot holes or core drilling; and similar work, structures, or installations.

Contract between Owner, Buyer and Contractor: The Owner, Contractor, and CES shall execute a CES Three- Party Agreement for any project that requires a Davis Bacon or NM wage decision. This Three- Party Agreement must be signed by all parties prior to the Contractor starting any work. In reference to this document, the Owner is a CES Eligible Agency; the Buyer is CES, which is acting as a conduit through which title to tangible goods may be vested in Owner. CES warrants and assures the Owner that it has complied with the State of New Mexico Procurement Code, Public Works Minimum Wage Act, the Public Works Contract Act, and the Subcontractor Fair Practices Act. The parties may agree to use as a guide the following; American Institute of Architects (AIA) General Conditions of Contract for Construction Form A201, PSFA General Terms and Conditions, or Engineers Joint Contract Documents Committee (EJCDC®).

When using this agreement, the Contractor is responsible for providing CES with the information required to complete the Three-Party Agreement and must be executed prior to the first payment request is submitted to CES by the Contractor. It is at the discretion of the Owner and the Contractor to determine if an additional industry standard contract is to be executed in addition to this contract, including but not limited to, American Institute of Architects (AIA), The Engineers Joint Contract Documents Committee (EJCDC®) or Public School Facilities Authority (PSFA).

Contractor: As defined in Construction Industries Licensing Act, 60-13-1 NMSA 1978: "contractor" means any person who undertakes, offers to undertake by bid or other means, or purports to have the capacity to undertake, by himself or through others, contracting. Contracting includes constructing, altering, repairing, installing or demolishing any: road, highway, bridge, parking area or related project; building, stadium or other structure; airport, subway or similar facility; park, trail, bridle path, athletic field, golf course or similar facility; dam, reservoir, canal, ditch or similar facility; sewerage or water treatment facility, power generating plant, pump station, natural gas compressing station or similar facility; sewerage, water, gas or other pipeline; transmission line; radio, television or other tower; water, oil or other storage tank; shaft, tunnel or mining appurtenance; leveling or clearing land; excavating earth; air conditioning, conduit, heating or other similar mechanical works; electrical wiring, plumbing or plumbing fixture, consumers' gas piping, gas appliances or water conditioners; or similar work, structures or installations which are covered by applicable codes adopted under the provisions of the Construction Industries Licensing Act.

The Act includes subcontractor and specialty contractor; and includes a construction manager who coordinates and manages the building process; who is a member of the construction team with the owner, architect, engineer, and other consultants required for the building project; and who utilizes their skill and knowledge of general contracting to develop schedules, prepare project construction estimates, study labor conditions, and advise concerning construction.

Contractor License: As defined in Construction Industries Licensing Act 60-13-12 NMSA 1978. A Contractor's license is required for this contract. Exceptions per the NM Regulations and Licensing Department trades that have been de-classified are as follows:

GS-3 Tile

GS-10 Fencing
GS-11 Fixtures, Cabinets, Millwork
GS-12 Flooring
GS-17 Ornamental Iron and Welding
GS-18 Painting GS-22 Sandblasting
GS-26 Vaults and Depositories
GS-28 Guniting
GS-6 Doors are incorporated into GS-14 Windows and Skylights

1. No person shall act as a Contractor without a license issued by the division classified to cover the type of work to be undertaken.
2. No bid on a contract shall be submitted unless the Contractor has a valid license issued by the division to bid and perform the type of work to be undertaken; provided this subsection shall not prohibit a licensed Contractor from bidding or contracting work involving the use of two or more trades, crafts or classifications if the performance of the work in the trades, crafts or classifications other than the one in which he is licensed is incidental or supplemental to the performance of the work in the trades, crafts or classifications for which he is licensed; and further provided that work coming under the jurisdiction of the mechanical bureau or the electrical bureau of the division must be performed by a Contractor licensed to perform that work.

Contractor's Price List:

Prices offered through the entire term of any contract awarded as a result of this RFP shall be current and will include the CES one point two five (1.25%) administrative fee. Should the contractor fail to update pricing with CES, the contractor shall honor their pricing on file with CES at the time of their quote submittal to the CES Agency. Price list(s) on file must clearly state and identify any/all products/services offered with their associated costs. When contractor offers a discount off a retail price, Manufacturer's Suggested Retail Price (MSRP), Gordian, JOC Core/RMeans, or line-item pricing if applicable, they must include a complete copy of the document and/or the document must be available to the general public by electronic media or by the internet.

Construction Materials: The prime Contractor will deliver materials to the worksite in new, dry, unopened, and well-marked containers showing product and prime Contractor's name. Damaged or unlabeled materials will not be accepted. The prime Contractor will deliver materials in sufficient quantity to allow for continuity of work. Delivery will be coordinated with the Agency's contact person.

No products that contain asbestos fibers shall be used. Removal of any vinyl-asbestos tile or other flooring with asbestos fibers will be accomplished following all local, state, and federal laws for the handling and disposal of asbestos.

Cost of the Work: If material costs covered by this solicitation should substantially increase or decrease beyond the prices established at time of solicitation's due date due to conditions beyond the control of the Contractor, a temporary price increase or decrease may be approved by CES, upon written request, prior to the development and submitting of a cost proposal to a CES Eligible Agency for their approval on an individual project. Upon receipt of such a request, CES will verify and issue a written determination accepting or rejecting the Contractor's request.

Insurance: The Contractor shall ensure that liability insurance is maintained in accordance with the laws of NM (See General Terms and Conditions) and may, at Contractor's option, either insure the activities of Subcontractors or require them to maintain insurance to cover all claims that may occur. If the Owner is damaged by the failure or neglect of the Contractor to maintain insurance as described above, then the Contractor shall be liable for all costs and damages properly attributable thereto.

1. The insurance required shall be written for not less than limits of liability required by law. Coverage shall be written on an occurrence basis and shall be maintained without interruption from the date of commencement of the Work until date of Final Payment and termination of any coverage required to be maintained after final payment.
2. Certificates of Insurance shall be filed with the Owner prior to commencement of the Work. These certificates and the insurance policies shall contain a provision that coverages afforded under the policies will not be canceled or allowed to expire until at least **forty-five (45) days** prior written notice has been given to the Owner. If any of the foregoing insurance coverages are requested to remain in force after final payment and are reasonably available, an additional certificate evidencing continuation of such coverage shall be submitted with the final Application for Payment. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both shall be furnished by the Contractor with reasonable promptness.
3. The Certificates of Insurance shall clearly state the coverages, limits of liability, covered operations, effective dates, and dates of expiration of policies of Insurance. The Contractor will promptly notify and furnish to the Owner copies of any endorsements that are subsequently issued amending coverage or limits. The Certificates of Insurance shall be in the appropriate Cordiform.

4. Worker's Compensation Insurance shall be provided as required by applicable State law for all employees engaged at the site of the Project under this Contract, including Subcontractor employees. In case any class of employee engaged in work on the Project under this Contract is not protected under the Worker's Compensation Statute, the Contractor shall provide, and cause each Subcontractor to provide Employer's Liability Insurance in an amount not less than five hundred thousand (\$500,000). Failure to comply with the conditions of this Subparagraph 11.1.5.1 will subject this Contract to termination.
5. Public Liability Insurance shall not be less than the liability amounts set forth in the New Mexico Tort Claims Act, §41-4-1 et seq. NMSA 1978, as it now exists or may be amended.
6. Comprehensive Vehicle Liability Insurance, for both owned and non-owned vehicles, shall be one million dollars (\$1,000,000) per occurrence combined single limit for both personal injury and property damage.

Insurance – Property:

Unless otherwise stated, Builder's Risk coverage may be furnished by the Owner. The Contractor shall provide insurance which will protect the interests of the Contractor and Subcontractors in the Work. Such property insurance shall be maintained, unless otherwise provided in the Contract Documents or otherwise agreed in writing by all persons and entities who are beneficiaries of such insurance, until Final Payment has been made.

Licenses: The Contractor will maintain and inform CES of current status of all federal, state, and local licenses, registrations, certifications, bonds, and permits required for the performance and delivery of any and all construction and non-construction products and services. Any Contractor using subcontractors must hold a current and appropriate Contractor's license, as defined in Construction Industries Licensing Act, 60-13-1 NMSA 1978 to enter into such contracts. It is the responsibility of the Contractor to ensure that any subcontractors performing under this RFP hold and maintain the appropriate Contractor's licenses as defined in Construction Industries Licensing Act, 60-13-1 NMSA 1978. The Contractor is responsible to ensure that all Sub-Contractors maintain current all federal, state, and local licenses, registrations, certifications, bonds, and permits required for the performance and delivery of any and all construction and non-construction products and services.

Liquidated Damages: The CES Member or Participating Entity has the right to assess liquidated damages to the Contractor (and its Surety); and the Contractor shall be liable for the amount of liquidated damages as determined in the contract documents. Such liquidated damages are intended to represent estimated actual damages and are not intended as a penalty, and Contractor shall pay them to Owner without limiting Owner's right to terminate this agreement for default as provided elsewhere herein. The liquidated damages are assessed per calendar day of delay until the work is determined by CES and its Member or Participating Entity to be substantially complete. Liquidated damages will comply with the requirements of 55-2-718 NMSA 1978.

Liquidated damages and early completion incentives will be between the CES Eligible Agency and the Contractor and must be agreed upon in writing. If the CES Eligible Agency declines a liquidated damages or early incentive agreement, the Contractor will ensure such agreement is reflected and included in the project's contract documents.

Lumber Species: Per the laws of New Mexico, In the construction, erection or repair of all buildings and structures under this contract, the Contractor is hereby required to use, whenever the species of lumber necessary for such construction or repair work is available in this state, such species of lumber produced from timber grown in the State of New Mexico.

Maintenance of Building Systems: The Offeror of the various facility components or systems electrical/ mechanical/ structural must have or have access to and offer comprehensive maintenance support services to CES Members and Participating Entities. If a third party is used to provide maintenance or warranty work, Offerors must include with the proposal details of any such arrangement. Factory certified, and trained technicians will be available to cover all parts of the state. Maintenance service in metropolitan areas of New Mexico should be available within 12 business hours of receiving a call and service in rural areas within 24 business hours of receiving a call. Any maintenance facility must have sufficient parts inventory to provide quality service on units sold to CES Members or Participating Entities. On small pieces of equipment, out-of-state manufacturers may offer mail-in service, if normal turn-around time is 48 hours.

New Mexico Building Codes and Regulations

The Contractor shall perform in compliance with all applicable national and state building codes.

- NMAC 6.27.30 - Statewide Adequacy Standards
- NMAC 14.5.1 - General Provisions: "This rule applies to all the administration, interpretation, and enforcement of contracting work performed in New Mexico subject to the jurisdiction of Construction Industries Licensing Act (CILA) and LP GAS Act."
- NMAC 14.5.2 – Permits: "This rule applies to all permitted work performed in New Mexico on or after November 15, 2017, that is subject to the jurisdiction of CID."
- NMAC 14.5.3 – Inspections: "This rule applies to all contracting work performed in New Mexico on or after November 15, 2016, that is subject to the jurisdiction of CID..."

- NMAC 14.5.8 - Investigations and Enforcement
- NMAC 14.5.9 - Code Bond Determinations
- NMAC 14.6.3 - Contractor's License Requirements
- NMAC 14.6.6 - Classifications and Scopes: This rule applies to any person who engages in contracting, as that term is defined in Construction Industries Licensing Act (CILA) Section 60-13-3 NMSA 1978.
- NMAC 14.6.7 - Modular Building Structures
- NMAC 14.7.2 - 2015 New Mexico Commercial Building Code
- NMAC 14.7.6 - 2018 New Mexico Energy Conservation Code
- NMAC 14.7.7 - 2015 New Mexico Existing Building Code
- NMAC 14.7.8 - 2015 New Mexico Historic Earthen Buildings
- NMAC 14.7.9 - 2018 New Mexico Commercial Energy Conservation Code
- NMAC 14.8.2 - 2015 New Mexico Plumbing Code
- NMAC 14.8.3 - 2012 New Mexico Swimming Pool, Spa and Hot Tub Code
- NMAC 14.9.2 - 2015 New Mexico Mechanical Code
- NMAC 14.9.3 - 1997 Uniform Mechanical Code
- NMAC 14.9.4 - Boilers
- NMAC 14.9.6 - 2012 New Mexico Solar Energy Code
- NMAC 14.10.4 - 2017 New Mexico Electrical Code
- NMAC 14.10.5 - 2012 New Mexico Electrical Safety Code
- NMAC 14.11.3 - 1997 Uniform Plumbing Code
- NMAC 19.15.40 - New Mexico Liquefied Petroleum Gas Standards
- NFPA 54 - 2018 National Fuel Gas Code
- NFPA 58 - 2017 Liquefied Petroleum Gas Code.
- Construction Industries Licensing Act, Sections 60-13-1 through 60-13-59 NMSA 1978.
- LP Gas Act, Sections 70-5-1 through 70-5-23 NMSA 1978.
- Procurement Code, Sections 13-1-28 through 13-1-199 NMSA 1978
- Public Works Contracts, Sections of 13-4-1 to 13-4-43 NMSA 1978
- Public Works Minimum Wage Act, Sections 13-4-10 through 13-4-17 NMSA 1978
- Subcontractors Fair Practices Act, Sections 13-4-31 to 13-4-42 NMSA 1978
- Prompt Payment Act, Sections 57-28-1 to 57-28-11 NMSA 1978 New Mexico Public School Facility Authority Adequacy and Construction Standards for K-12 Educational Facilities only.

NMCID: New Mexico Construction Industries Division, a state agency who is responsible for overseeing, administering, issuing, and ensuring that construction projects, Contractors and owners follow and comply with New Mexico laws, rules, regulations, policies, and procedures.

NMDWS: New Mexico Department of Workforce Solutions, a state agency responsible for the administering and ensuring that all Contractors, and subcontractors follow and comply with New Mexico and Federal labor laws and applicable policies and procedures governing employment and the general workforce.

NMDWS Contractor Public Works Registration Requirement: As defined in Public Works Minimum Wage Act 13-4-13.1 NMSA 1978. In order to respond to a request for proposals or to be considered for award of any portion of a public works project greater than Sixty Thousand Dollars (\$60,000) for a public works project that is subject to the Public Works Minimum Wage Act [13-4-10 to 13-4-17, NMSA 1978], the Contractor, serving as a prime Contractor or not, shall be registered with the New Mexico Department of Workforce Solutions. The State, or any political subdivision of the State, shall not accept a bid on a public works project subject to the Public Works Minimum Wage Act from a prime Contractor that does not provide proof of required registration for itself. Contractors and subcontractors may register with the New Mexico Department of Workforce Solutions on a form provided by the division and in accordance with the Department of Workforce Solutions department rules.

Because this solicitation is for an indefinite quantity and the amount of work to be performed on individual projects is not known, CES is requiring that all Offerors be registered on or before the date of the proposal opening and keep their registration current during the term of the contract and all contract extensions.

New Mexico State Wage Rate Documentation:

1. The New Mexico Department of Workforce Solutions (NMDWS) requires that certain forms be completed for every project in excess of \$60,000. CES will submit for the wage decision and, upon receipt of the decision, will provide it to the prime Contractor. The Contractor is responsible for completing and submitting the required forms to the NMDWS and must provide CES with a copy of the following required forms: Notification of Award, Statement of Intent to Pay Prevailing Wages,

and Affidavit of Wages Paid.

2. The prime Contractor must submit the Statement of Intent to Pay Prevailing Wages and the Notification of Award to NMDWS with a copy being mailed, faxed, or e-mailed to CES, prior to the start of the project. The Affidavit of Wages Paid must be submitted to NMDWS with a copy being mailed, faxed, or e-mailed to CES at the conclusion of your work on the project. The prime Contractor is responsible for insuring that its subcontractor(s) also submit the Statement of Intent to Pay Prevailing Wages and the Affidavit of Wages Paid to NMDWS, with a copy being mailed, faxed or e- mailed to CES.
3. CES will not make any payments until copies of the Notification of Award, Statement of Intent to Pay Prevailing Wages and for projects \$25,000 or greater until the Payment and Performance Bonds are received by CES. Final payment will not be released until CES receives a copy of the Affidavit of Wages Paid.

Payment Retention, Progress Payments:

1. In order to comply with 57-28-1 to 57-28-11 NMSA 1978, CES will not retain any funds on progress payments during any construction projects. The prime Contractor agrees to only request payment for stored materials and work completed and accepted by the CES Eligible Agency.
2. Final payment of a contract, will not be made until the project is totally completed and accepted by Owner, including punch list items and close out documents delivered, and the final application for payment is signed by the CES Eligible Agency, received, and audited by CES.

Permits, Fees and Notices:

Building Permits are required subject to New Mexico State Statutes, Section 60-13-45 NMSA 1978, and the provisions of the CID rules, no building or structure shall be erected, constructed, enlarged, altered, repaired, moved, improved, removed, converted or demolished, and no electrical wiring, plumbing or mechanical work as defined and described in the applicable New Mexico construction codes for those trades, may be installed, repaired or maintained in or on such building or structure, unless the applicable permit has first been obtained from the division. It is the Offeror's responsibility to secure all required building permits for the construction services offered under this Category and Lots.

Progress Payments for Construction:

All progress payments must be invoiced through CES. It is the responsibility of the CES Agency and/or its designee to review and approve any estimates of work completed. Per 57-28-5 NMSA 1978 A "If an owner receives an improperly completed invoice, the owner shall notify the sender of the invoice within seven days of receipt in what way the invoice is improperly completed, and the owner has no further duty to pay on the improperly completed invoice until it is resubmitted as complete..." In such cases, the contractor agrees to hold CES harmless for any deficiency of payment.

Project Records: The Contractor shall be required to provide accurate record documents for each portion of the work as part of its bid for that portion of the work, without additional cost to CES or its Eligible Agencies.

1. For audit purposes, a copy of any contract(s) and agreement(s) between the CES Eligible Agency and the prime Contractor must be kept on file in the CES office. It is the responsibility of the prime Contractor to supply a signed copy of any contract(s) and agreement(s) to CES.
2. Upon substantial completion of the project and as part of the project close-out phase, the prime Contractor will deliver to the CES Eligible Agency all associated paperwork (as built drawings, executed warranties/ guarantees applicable to the goods and services provided and any owners/operating manuals).
3. The prime Contractor must agree that the CES Eligible Agency reserves the right to release information about the project, and that any advertising of the project by the prime Contractor must be approved by an authorized official of the Agency.

Project Schedule: The CES Eligible Agency retains the right to extend the schedule of work or to suspend the work and to direct the prime Contractor to resume work, when appropriate. The agreement must describe an equitable adjustment for added costs caused by any suspension. Any increases will be invoiced through CES as allowed in the agreement.

New Mexico Public School Facilities Authority (NMPSFA) - Special Conditions

When a New Mexico public school district builds a project utilizing a CES Contract with funds that have been appropriated by the Public School Capital Outlay Council (PSCOC), the NMPSFA and the school district become co-owners of the project until the work is completed and accepted. Therefore, NMPSFA must be involved in project discussions and their representative must approve and submit the documents before payment can be issued.

Upon obtainment of substantial competition, the Contractor, Eligible Agency's, and NMPSFA's representative will develop a punch list of items that need to be completed or resolved. The Contractor will complete the punch list and provide required close-out documents and applicable certificates of code compliance from the various state and local governing authorities prior to requesting final payment.

Quality Control:

1. During the course of the contract, the CES Member or Participating Entity contact person may secure samples according to Construction Industries Division guidelines or industry standards of materials being used from containers at the job site and submit them to an independent laboratory for comparison to specified material.
2. Should test results prove that a material is not functionally equal to or better than specified; the prime Contractor will pay for all testing and any cost incurred to have materials installed to replace those found not to comply with the specifications and remove and dispose of the materials not complying.
3. Should test results prove that materials tested were functionally equal to specified material; the prime Contractor will be notified of the results.
4. During the execution of the project and/or during the project close-out process, the CES Member or Participating Entity and the Contractor encounters a situation and/or condition that they cannot agree on or resolve, CES has consultants under contract that either of the parties can engage to review, investigate, evaluate, and issue a written report on their findings and propose recommendations/solutions for addressing the concerns and issues.

Safety: All work shall comply with OSHA safety requirements and any additional applicable federal, state, or local fire and safety requirements. When specifications or scope of work will result in a violation of a code or result in an unsafe condition, the Contractor must inform the Eligible Agency of the situation.

1. The Contractor will not construct any sub-assembly, structure, or device or produce any condition that intentionally violates a fire, health, safety or UBC code or safety standard.
2. Contractor must advise Agency's contact person whenever work is expected to be hazardous to students, Agency's employees, or operators. Failure of the work to comply with currently adopted codes and requirements when a project is inspected, and a certificate of occupancy is required will be corrected by the Contractor at no additional cost of the owner.
3. Material Safety Data Sheets for any material supplied will be provided to the owner as part of the Project Close Documents or as request of CES Member or Participating Entity.
4. When working, loading, unloading, repairing, or operating equipment near an owner-used area, the prime Contractor will maintain a crewman in the area as a guard to keep students and adults from wandering in, if the area is not protected.
5. Fire extinguishers will be maintained within easy reach whenever power tools and torches are being used. The Contractor will advise the CES Member or Participating Entity contact person when volatile materials are to be used near air ventilation intakes, so that they can be shut down or blocked as directed.
6. All of the work and items supplied on this contract will comply with all current and applicable US Federal and State of NM Safety Standards, Statutes, Rules, and Regulations.

MSDS – Material Safety Data Sheets

The Contractor will furnish the CES Eligible Agency's representative(s) copies of MSDS' for all products used prior to use at any of the agency's facility. The Contractor must update copies of the MSDS on an annual basis and when any new products are introduced into any agency's facility or added to the contract prior to the product being used. The Material Safety Data Sheets shall comply with OSHA Regulation 1910.1200, Paragraph G.

Site Access: Access to the construction space will be limited to the way agreed upon by the parties. The Contractor shall hold CES and its Eligible Agencies harmless from damage from trespassing on property of others.

Site Cleanup: Contractor will clean up and remove all debris resulting from its work as required by the Member/ Participating Entity. The Contractor shall comply with all laws and regulations governing disposal of construction and hazardous materials. There shall be no dumping of construction debris or other material on the Agency's property. Any material that requires special handling as dictated by federal or state law shall be removed in compliance with the requirements of those laws. All such materials shall be removed from the site and properly disposed of by the Contractor.

Site Examination: Contractor shall familiarize itself with the site, in order to anticipate unseen problems that may develop as the work progresses. Failure to have visited the site before submitting a job order proposal shall in no way relieve the Contractor from furnishing any materials or performing any work required to complete the project in accordance with the contract documents, without additional cost to the CES Eligible Agency. If there is no written agreement signed by all parties, by the Contractor taking possession of the project site and commencing work, the Contractor acknowledges that the site's condition meets their expectations and requirements for completing the project.

If construction space is directly under, above, in or near the CES Eligible Agency's used space, the prime Contractor must agree to receive written approval from the contact person prior to interrupting any activities or programs.

Site Preparation: Prior to a purchase order being issued by a CES Eligible Agency, the size, location, and site conditions that exist at the time the Contractor takes possession and/or control must be clearly identified and stated in writing. The Contractor will not begin a project for which the site is not prepared or in the condition agreed upon in writing by the Member/Participating Entity, unless Contractor decides to accept the site as is and is willing to perform the preparation work necessary at no cost, or

until the Member/Participating Entity has included the cost of site preparation in a purchase order to CES. Site preparation may include, but is not limited to, moving furniture, clearing the site, securing the site, installing wiring for networks or power and similar pre- installation requirements.

Site Supervision: During all phases of a project, the Contractor will have a qualified and experienced foreman in the area of construction being performed; the individual must be qualified and knowledgeable of all specifications and requirements of the project and provide continuous supervision and coordination of activities to assure that project outcomes are met.

1. When working or operating equipment near an owner-used area, the prime Contractor will maintain a crewman in any unprotected area to keep students and adults from wandering into the area.
2. All equipment, tools and machines used in the performance of this work by either the prime Contractor or subcontractors will be maintained in satisfactory working conditions and meet or exceed industry standards at all times.
3. When fixtures, such as air conditioning and other equipment are moved to perform work, they will be placed in a protected area so as not to damage any part or component. Appropriate measures will be taken to prevent rust, vapors, gases, or odors from entering the owner-occupied areas used during the construction or repair services. Appropriately licensed tradesmen will perform all required disconnections and reconnections. Any damage caused by the disconnection, storage, or reconnection of equipment will be repaired at no additional cost to the CES Eligible Agency.

State Wage Rates: It is the contractor's responsibility to be acquainted with the New Mexico Department of Workforce Solutions rules, regulations, procedures, and requirements relating to state wage rates, and to comply with state and federal regulations regarding payment of wages on public projects. The construction contractor will pay New Mexico prevailing wage rates for every job performed under this contract with a total project cost of Sixty Thousand Dollars (\$60,000) or more on an individual basis. The contractor under the Public Works Minimum Wage Act as cited under 13-4-10 through 13-4-17 NMSA 1978, will pay all mechanics and laborers employed on the site of the project by the contractor, unconditionally and not less often than once a week, and without subsequent unlawful deduction or rebate on any account, the full amounts accrued at time of payment, computed at wage rates not less than those stated in the advertised specifications.

Subcontractors: If it is necessary for the Offeror to contract with third party firms to provide various goods and services, the following will apply:

1. In accordance with the "Subcontractor Fair Practices Act", 13-4-31 to 13-4-42, NMSA 1978, the following information is required to be submitted with any job order project:
 - A. The name of each subcontractor who will be performing work or rendering service on the public works project and whose total contract will be the greater of:
 - 1) Five Thousand Dollars (\$5,000); or
 - 2) One half of one percent (.005%) of the total project (to be estimated by the architect and/or engineer of record).
 - B. Address of the place of business
 - C. Subcontractor license number
 - D. Type of work or services to be performed by the subcontractor.
 - E. Pursuant to Section 13-4-38 NMSA 1978, if an Offeror fails to list a subcontractor in excess of the listing threshold on any job order contract, and they do not state that the provider is a sole source or that they will put all work that exceeds the threshold to individual bid each time, they are stipulating that they are fully qualified to perform the proposed products and services themselves and that they will perform all work themselves. After the specific job order contract award, any change in subcontractors must be approved by CES and the CES Eligible Agency, otherwise, the Offeror will be guilty of violation of the Subcontractors Fair Practices Act and subject to the penalties provided therein.
2. Subcontractor must be registered with New Mexico Department of Workforce Solutions, Public Works section.
3. CES and its Eligible Agencies reserves the right to approve, reject and replace any subcontractor proposed by the Offeror pursuant to 13-4-36 NMSA1978.
4. Subcontractors shall provide performance and payment bonds to prime Contractor if the sub-contract is greater than \$125,000 pursuant to 13-1-148.1.
5. Any agreements with subcontractors shall incorporate, by reference, the terms and conditions of this solicitation and each individual project contract.
6. No subcontract requiring licensure will be entered into with any unlicensed party. Contractor must use subcontractors openly, include such arrangements in the proposal and certify upon request that such use complies with the rules of the NMCID, New Mexico Public Works Act and New Mexico Procurement Code.
7. Subcontractor Payment: Contractor agrees to pay subcontractors in a timely manner and in accordance with the New Mexico Prompt Payment Act pursuant to 57-28-5 NMSA 1978. If Contractor receives a progress payment from CES, the Contractor will pay subcontractor(s), "...within seven days after receipt of payment from the owner, contractor or subcontractor..." pursuant to 57-28-5 C. NMSA 1978. CES will contract to provide release of liens from subcontractors within fifteen (15) days of date of payment. Failure to pay subcontractors, pursuant to 57-28-5 C. NMSA 1978, for work faithfully performed and properly invoiced can result in the suspension or cancellation of this contract.
8. Subcontractor's labor used must be of a standing or affiliation that will permit the work to be carried on harmoniously,

- without delay and will not cause any disturbance, interference, or delay to the progress of the project. Subcontractor and lower-tier subcontractors will not employ anyone whose employment might be objected to by prime Contractor or Member.
9. It is the responsibility of the Contractor to inform all suppliers and subcontractors that this contract is a cooperative purchasing contract and that the CES Eligible Agency must make payments to CES before CES can issue progress payments to the Contractor. The Contractor must provide CES with all subcontractors and suppliers information utilized for any individual project performed.
 10. Contractor and Subcontractor are responsible for complying with the provisions of §22-10.3.3.B NMSA 1978, regarding employees' having unsupervised access to students. The Contractor and Subcontractor may be required to obtain background checks for any employee working on a CES project per the CES Member's or Participating Entity's background check policy prior to accessing the project site.

Subcontractor Insurance: In addition to the Insurance requirements specified in the CES General Terms and Conditions the Contractor shall ensure that prior to commencing any work, any subcontractor shall procure and maintain at its own expense until final acceptance of the work, insurance coverage in a form (Acord 25) and from insurers acceptable to the prime contractor. All subcontractors will provide worker's compensation insurance, which waives all subrogation rights against the prime contractor, CES, its Members and Participating Entities.

Substantial Completion and Project Acceptance:

When the Contractor considers that the Work, or a portion thereof which the Owner agrees to accept separately, is substantially complete, the Contractor shall promptly prepare and submit a punch List that includes incomplete and non-compliant Work to be completed or corrected prior to final payment. Failure to include any item on a punch list does not alter the responsibility of the Contractor complete the work in accordance with the agreement between the Owner and the Contractor. Owner and Contractor shall agree on a close-out schedule to include equipment maintenance manuals, instructions, heating or cooling, utilities, insurance, etc. and establish the date of completion for Certificate of Substantial Completion.

Tests and Inspections:

Tests, inspections, and approvals of portions of the Work required by the Contract Documents or by laws, ordinances, rules, regulations, or orders of public authorities having jurisdiction shall be made at an appropriate time. Contractor shall schedule tests, inspections and approvals with an independent testing laboratory or entity acceptable to the Owner, provided by the Owner, or with the appropriate public authority, and shall bear all related costs of tests, inspections and approvals unless otherwise provided in the Contract Documents. The Contractor shall give the Owner and if applicable, the Design Professional, timely notice of when and where tests and inspections and approvals are to be made so that the Design Professional may be present for such procedures. The Owner shall bear costs of tests, inspections or approvals which do not become requirements until after bids are received or negotiations concluded.

Temporary Utilities: Cost for temporary utility services that are part utilized during the construction process will be identified and agreed upon in writing by the CES Eligible Agency. Utility services utilized by the Contractor to maintain a project office trailer, maintenance shop, storage facilities, security lighting, etc., will be the responsibility of the Contractor and can only be transferred to the Agency on written agreement specifically stating what Contractor's utilities it will be responsible for.

Warranty after Substantial Completion:

The Contractor shall, within 11 months after the date of Substantial Completion, correct all the Work that is found to be non-compliant. If after one year from the date of Substantial Completion any of the work is found to be deficient the Contractor shall correct it promptly after receipt of written notice from the Owner to do so, unless, the Owner has previously given the Contractor a written acceptance of such condition. During the eleven-month period for correction of the Work, if the Owner fails to notify the Contractor and gives the Contractor an opportunity to make the correction, the Owner waives the rights to require the correction by Contractor and to make a claim for breach of warranty.

WARRANTY – Construction:

Construction warranty refers to a **warranty** for **construction** that is given by the contractor for the project. Such **warranty** states that the substantially completed project is free of structural, electrical, plumbing, and other defects, and is fit for the intended purpose.

The prime Contractor will deliver materials to the worksite in new, dry, unopened, and well-marked containers showing product and prime Contractor's name. Damaged or un-labeled materials will not be accepted. The prime Contractor will deliver materials in sufficient quantity to allow for continuity of work. Delivery will be coordinated with the CES Member or Participating Entity contact person.

Contractor warrants that all construction and related services provided shall be performed in a good workmanlike manner, by workers who are appropriately trained and experienced in the work being performed, in accordance with all requirements of

the contract documents, industry standards for projects of similar type and quality, and all applicable laws, codes, regulations, and other requirements including safety requirements.

Contractor further warrants that all equipment, software, construction products and services delivered under this contract will conform to the specifications of this contract. Offeror must agree to assist the purchaser in reaching a solution regarding a dispute with the manufacturer over a warranty's terms and comply with the following:

1. Contractor warrants that any construction products and services, equipment or material supplied to CES, or its Members or Participating Entities will conform to all requirements of the contract and all representations of Contractor and will be fit for all purposes and uses as required and defined for each individual project. All work performed, equipment and materials must carry a minimum 12- month warranty that includes parts, labor, and reimbursable expenses.
2. Contractor warrants that for one (1) year after acceptance of the individual project, the work performed, equipment and/or materials provided to the CES Member or Participating Entity will be:
 - a. Of a quality to pass without objection in the industry or trade normally associated with them;
 - b. Fit for the intended purpose(s) for which they are being purchased and/or being used;
 - c. Of even kind, quantity, and quality within each unit and among all units, in the variations permitted by the contract;
 - d. Adequately contained, packaged, and marked as the contract may require; and
 - e. Conform to the written promises or affirmations of fact made by Contractor. Any extended manufacturer's warranty that is obtained to meet the 12-month requirement will be passed to the CES Member or Participating Entity without exception. CES reserves the right to cancel the contract if Contractor charges the agency for any product and/or service received at no cost under a warranty.
3. The Contractor will be responsible for ensuring that all warranty work is completed either by performing the work itself or by working with the Agency to have it completed by a third party or subcontractor. The Contractor will remain available to the Agency should added services be required after warranty obligations are met. Even if final payment is made, if the Agency discovers an unfinished or missing job component or improperly installed material or equipment during the first year after acceptance which should have been completed as part of the original project scope of work, the Contractor will complete the work in a timely fashion at no additional cost.
4. The Contractor may offer extended warranties and maintenance agreements for additional cost to the CES Eligible Agencies as a separate line item. Upon request, no-cost training must be offered by the prime Contractor for the maintenance staff of the Agency and will be arranged after the installation and as part of the purchase contract.

19. North Dakota, North Dakota Educators Service Cooperative (NDESC)

General Terms and Conditions (All Categories)

- a. **Governing Law:** The laws of the State of North Dakota govern all contracts resulting from this solicitation. Each provision of law and clause required by law to be included in a contract shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either party the Contract shall be physically amended to make such inclusion or correction.
- b. **Governing Venue:** The resulting contract award shall be deemed to have been made and performed in Cass County, North Dakota. For venue, all legal arbitration or causes for action arising out of the resulting agreement shall be brought to the courts of Cass County, North Dakota.
- c. **Hazardous Substances:** All hazardous products purchased by participating agencies shall include a Safety Data Sheet (SDS) with the delivery.
- d. **Lease and Rental Agreements:** The Vendor may allow participating agencies to enter into a rental, lease, or lease-purchase agreements, providing such agreements comply with North Dakota Statutes and guidelines. NDESC will not collect lease payments or be involved in the terms and conditions of the lease. All lease arrangements are between the Vendor and the participating agency. The Vendor agrees that leases will comply with the Uniform Commercial Code. The applicable administrative fee must be included in the lease cost based on the total value of the goods and applicable services purchased. This fee is referred to under the Technical Specifications. The Vendor should attempt to work with NDESC's current leasing vendor. Should the Vendor be required to utilize their own financial leasing company, this should be noted/requested as an exception. In the event of a lease, the total administrative fee for the value of goods shall be paid to NDESC by the vendor at the front end of the lease. NDESC reserves the right to review all purchase orders, lease documents and invoices to ensure contract compliance.
- e. **Non-Discrimination:** Any resulting contract for on or behalf of participating agencies, said Vendor agrees to:
 - i. That, in the hiring of common or skilled labor for the performance of any work under any contract, or any subcontract, no contractor, material supplier, or vendor, shall, because of race, creed, or color, discriminate against the person or persons who are citizens of the United States or resident aliens who are qualified and available to perform the work to which the employment relates;
 - ii. That no contractor, material supplier, or vendor, shall, in any manner, discriminate against, or intimidate, or prevent the employment of any person or persons identified in clause (1) of this section, or on being hired, prevent, or conspire to prevent, the person or persons from the performance of work under any contract on account of race, creed, or color;
 - iii. That a violation of this section is a misdemeanor; and
 - iv. That this contract may be canceled or terminated by the state, county, city, town, school board, or any other person authorized to grant the contracts for employment, and all money due, or to become due under the contract, shall be forfeited for a second or any subsequent violation of the terms or conditions of this contract.
- f. **Participating Agency:** A participating agency shall be defined under Chapter 54-40.3 of the North Dakota Century Code, as amended. An eligible agency includes any school, higher education, city, county, other governmental agency, nonprofit organization, or other entity contracted to conduct business on behalf of a participating agency provided that they are required to follow state and local procurement regulations.
- g. **Substance Use and Conduct:** All Vendor partners and subcontractors must adhere to local substance (alcohol, drug, smoking, etc.) and conduct (dress code, language, parking, etc.) policies while on a participating agencies' premises.
- h. **Vendor Orientation:** The Vendor and their participating resellers/sub-contractors will be required to participate in an online training session that is designed to educate the Vendor and resellers/sub-contractors on the purpose and nature of NDESC. The Vendor will not be marketed to participating agencies until they have completed the vendor orientation session.

8. Additional Participating Agency Terms and Conditions for Non-Construction Products and Services

If requested by NDESC, the contracted vendor will work with NDESC to develop an order form, or order forms, containing the most commonly purchased items, that NDESC can utilize to market the contracted vendor to its participating agencies.

9. Additional Participating Agency Terms and Conditions for Construction Related Products and Services

Upon acceptance and approval of the Vendor's offer by AEPA, NDESC will independently consider the offer and consult with the Vendor determine if the Vendor can meet the requirements for construction- related products and services, according to [Chapter 48-01.2 of the North Dakota Century Code](#), and to enter and execute a contract in the state of North Dakota. Once NDESC and the Vendor can confirm that business can be conducted in North Dakota, NDESC will make a final decision to complete the contract execution process.

For all quotes provided to participating agencies, for construction-related projects, products and services, the contracted vendor must also send a duplicate quote to NDESC. The quote provided to NDESC must include the contact information of the participating agency.

Performance Bond (for construction and/or installation related projects): As defined by state statute, performance bonds will be required on all projects valued great than:

1. Fifty thousand dollars (\$50,000) or more for educational agencies and two hundred thousand (\$200,000) or more for municipalities in North Dakota; or
2. Otherwise requested by the participating agency.

All performance bonds will be issued by a corporate surety authorized to do business in the state in which the work will be conducted and by a surety listed in the US Treasury Circular 570. Performance bonds will be posted by the Vendor and submitted to the specific participating agency for the assigned project. Should the contract be the result of a piggyback agreement, performance bonds will reflect each state's bonding requirements.

The Vendor will execute a performance bond in an amount equal to one hundred percent (100%) of the value specified in the contract between the participating agency and the Vendor unless the participating agency requires less to be posted. This bond will protect all persons supplying labor and material to the Vendor for the performance of the work provided in the contract. Subcontractors who may work on the contract may have to provide the Vendor with a performance bond. If the contract price increases after the bond is provided, the participating agency may consider obtaining additional bonds from the Vendor.

The Vendor will deliver the performance bond to the eligible participating agency at the time the contract is executed between the agency and the Vendor. Work will not commence between the Vendor and the eligible participating agency until the performance bond is received by the participating agency and a copy has been sent to CPC via email (info@purchasingconnection.org). The Vendor will be responsible for providing CPC with a copy of all contracts and bonds in accordance with CPC purchasing procedures. Should the Vendor fail to satisfactorily perform the contract, the bonding company that provided the performance bond will be required to pay the dollar amount of the bond to the participating agency.

It is the Vendor's responsibility to ensure that they can obtain the required bonding for all construction products based on an awarded contract arising from this solicitation. Payment will not be issued for any project for which the required bonds have not been received.

With said construction-based project, the participating agency may enter into a separate supplemental agreement to further define the level of service requirements over and above the minimum defined in this solicitation and resulting Master Contract Agreement (i.e. project timeline, completion dates, progress payments, delivery requirements, invoice requirements, etc.). Any supplemental agreement developed because of the Master Agreement is exclusively between the Vendor and the participating agency. CPC, its agents, members, and employees shall not be a party to any claim for breach of such agreement.

10. Insurance

The Vendor shall purchase, maintain and provide certification from the insurer for minimal coverage during the life of an awarded contract, to include, but not limited to, comprehensive public and/or commercial liability, errors and omissions, workman's compensation, unemployment, and other insurance coverage required by and applicable to each of NDESCs individual state's statutes and federal laws which proposed products and services will be offered and provided. The Vendor shall provide a Certificate of Insurance (COI) from the issuing company or their authorized agent, identifying the coverage required below and identifying NDESC as a "Certificate Holder". Any required insurance that is canceled before the expiration date of the contract agreement, the issuing company will send immediate notice to NDESC. COIs must be updated and sent to NDESC upon insurance coverage renewal. Respondents shall provide a statement of insurance from the issuing company or their authorized agent with their proposal. The Vendor shall meet the following requirements:

- a. Commercial General Liability: \$1,000,000 each occurrence, \$500,000 annual aggregate
- b. Automobile Liability: \$1,000,000 each occurrence
- c. Workers Compensation: \$100,000

NDESC reserves the right to consider and accept alternate forms and plans of insurance or to require additional or more extensive coverage for any individual requirement. The Vendor must provide the COI upon receipt of a signed contract.

11. Procedure for Contract Award, Notification and Processing Orders

Once the award is recommended by the AEPA Review Committee, NDESC considers the recommendation based on the value of the potential contract for its participating agencies. In the event of an award by the NDESC Board of Directors, NDESC

will inform its participating agencies of the award.

- a. The contract will be listed and promoted on the NDESC website (www.ndesc.org).
- b. Announcement of the contract award.
- c. Upon award and completion of the vendor orientation, NDESC will promote the contract opportunity to its membership in one or more of the following ways: websites; agency newsletters; hard copy marketing flier; Email announcements; contract catalog; and trade shows.
- d. NDESC will require a marketing flyer, brochure, or other similar marketing pieces, in an editable, electronic format, from each vendor promoting the available contract with the vendor, and/or a web page or link. NDESC may assist in the development of the marketing flier and material (if requested by the vendor), but in all cases shall have the authority to review and approve any marketing materials. If a web site is used, the link will be made available from the NDESC web page. Any web page or link, or other marketing tools shall be dedicated to NDESC and/or AEPA information only.
- e. When a participating agency identifies a desired product or service, the agency and the Vendor may negotiate with each other to establish a description of items and/or services. The Vendor shall quote a price to the member, using AEPA established discounts, including the two percent (2%) administrative fee in the quoted price not as a separate line item. The administrative fee shall be based upon the total cost of goods and/or services including installation costs.
- f. Ordering Methods
 - i. Participating agencies may use two (2) different methods of placing orders from the resulting contract: Purchase Orders (PO's) and procurement cards. The method of payment is at the discretion of the participating agency. Additional surcharges for the use of a procurement card must be clearly outlined.
 - ii. A PO may be issued to the Vendor on behalf of the participating agency ordering the services covered under the resulting contract. An issued PO will become part of the resulting contract. The PO indicated that sufficient funds have been obligated toward the purchase.
 - iii. Regardless of the method of ordering used, solely the contract and any modification determine performance time and dates.
 - iv. Performance under this contract is not to begin until receipt of a PO, procurement card order, or other notification to proceed by the participating agencies to proceed.
- g. NDESC requires that all participating vendors offer the contract opportunity to all NDESC participating agencies.

12. Administrative Fees and Reporting

The administrative fee is to be paid by the Vendor to NDESC, quarterly, within 20 working days after the end of each fiscal quarter. The AEPA vendor shall also submit to NDESC a sales report, in Excel format, listing the following information:

- a. Name of purchasing agency
- b. Address of purchasing agency (city, state, zip code)
- c. Date of purchase
- d. Invoice number
- e. Amount of purchase
- f. Administrative fee generated by sale
- g. Savings generated by sale

This report shall include all sales made and payments received by the Vendor in said quarter. The sales report shall be emailed to Jane Eastes at jeastes@lcsc.org and copied to Lori Mittelstadt at lmittelstadt@lcsc.org. Payments must be received either via check or authorized ACH. An ACH enrollment/authorization form must be provided to NDESC for completion. ACH remittance notification must be sent to the individual indicated on the ACH enrollment/authorization form prior to ACH payment. If mailing a check, the payment shall be delivered to Jane Eastes, NDESC, 1001 East Mt. Faith, Fergus Falls, MN 56537. The check shall be made out to Lakes Country Service Cooperative.

13. Express Online Marketplace

NDESC provides participating agencies with an online purchasing platform called Express, powered by EqualLevel. Through Express, agencies can search for and purchase items. Essentially, Express is a one-stop-shop for many of NDESC's commodity-based contracts. A Vendor does not have to have an e-commerce site to be included in Express. NDESC expects growth in the number of agencies utilizing the marketplace and the volume of sales to grow significantly. NDESC will work with the Vendor to determine if the contract agreement is suitable for the online platform. If deemed suitable, NDESC will require integration into Express promptly.

20. OHIO COUNCIL OF EDUCATIONAL PURCHASING CONSORTIA (OCEPC)

A. General Terms and Conditions that apply for all Categories:

1. Compliance with Laws/Forum Designation

Contractor shall comply with Federal, State, and Local Laws, Codes and Regulations while fulfilling the contract. It is the Contractor's responsibility to be aware of and comply with all state and local laws governing this procurement. Applicable laws, codes, and regulations (etc.) must be followed even if not specifically identified herein. Contractor shall verify to the Ohio Council of Educational Purchasing Consortia (OCEPC), its Member Agencies and other qualifying purchasers that the Contractor is complying with all Federal, State and Local Laws, Codes and Regulations while fulfilling the contract. Moreover, this contract shall be governed by and construed in accordance with the laws of the State of Ohio without giving effect to its principles of conflict of law. Legal proceedings arising under this contract shall be brought in an Ohio Court of Common Pleas of the County where the Member Agency's main office is located.

2. Delinquent Tax Affidavit

Contractor shall provide an affidavit relating to delinquent taxes as may be required by Ohio Revised Code Section 5719.042.

3. Secretary of State Registration

Contractor shall meet and maintain all registration requirements as necessary to conduct business in the State of Ohio, including but not limited to registration with the Ohio Secretary of State.

4. Findings for Recovery

Contractor warrants and represents that it is not subject to a finding for recovery under Ohio Revised Code Section 9.24, or that Contractor has taken the appropriate remedial steps required under Ohio Revised Code Section 9.24, or otherwise qualifies under Ohio Revised Code Section 9.24.

5. Ohio Workers Compensation Insurance

Contractor, and any subcontractors hired by Contractor shall, at their own expense, maintain in force for the duration of the project workers' compensation and employer's liability insurance as required by the laws of the State of Ohio.

6. Project Personnel, Student Safety and Background Checks

Member Agency shall have the right to reject the participation of any personnel of Contractor in the performance of the services if, in relation to the work assigned to them, the Member Agency deems such personnel to lack the skill, experience and expertise required to perform the services or if Member Agency considers their performance to be substandard or otherwise detrimental to the proper completion of the services. Contractor will advise Member Agency promptly of any change in the project manager or other key personnel assigned to the performance of the services.

Contractor acknowledges that the safety of the Member Agency's students, employees, officials and guests is of the utmost importance. Contractor will endeavor to ensure that its officers, employees, agents, representatives, and consultants will take no action that would jeopardize the safety of the Member Agency's students, employees, officials, or guests. The Member Agency reserves the right to require Contractor's officers, employees, agents, representatives and consultants to wear identification and stay in designated work areas at all times while on the Member Agency's property. The Member Agency shall have the right to effect the immediate removal of any person associated in any way with Contractor from Member Agency property for failure to wear identification, for being outside a designated work area, for fraternizing with or engaging in any improper behavior directed toward or in the vicinity of students, employees, officials, or guests of the Member Agency or for any other good cause.

Contractor shall perform or cause to be performed an Ohio Bureau of Criminal Investigation and Identification and Federal Bureau of Investigation criminal background check of any personnel that will be performing the services within the proximity of minors. Contractor shall notify the Member Agency of any proposed employee who has been convicted, pled guilty or pled "no contest" to a criminal offense, and the Member Agency reserves the right to reject the proposed employee with a criminal background. No person shall be employed by Contractor who has been found guilty of any of the criminal offenses enumerated in Ohio Revised Code Section 3319.39 without prior approval of the Member Agency.

7. Independent Contractor

Contractor shall be an independent contractor and neither Contractor nor any of its subcontractors, nor the employees of any thereof, shall be deemed to be the servants, employees, or agents of Member Agency. Contractor shall be responsible for paying all costs related to its employees and managers performing the services. Contractor shall remain liable and responsible to Member Agency for all of its obligations under this contract, regardless of whether the services are performed by the Contractor or a subcontractor of any tier.

8. Ownership of Instruments of Service

Drawings, data and other documents prepared by, or with the cooperation of, the Contractor pursuant to this contract shall become, upon payment of all undisputed compensation due the Contractor from the Member Agency, the property of the Member Agency. Such drawings, data or other documents may be used by the Member Agency or others employed by the Member Agency without compensation to the Contractor.

9. Audit

Member Agency may audit and inspect Contractor's records and accounts at any time during the Contractor's performance of the services and for a period of two (2) years following the completion or termination of the services for the purpose of verifying any invoice and underlying documentation presented by Contractor, it being understood that Contractor agrees to preserve all such documents through such two- (2) year period.

10. Notices

Unless otherwise expressly provided in this contract, all notices and other communications given under the contract shall be in writing and shall be deemed effective upon receipt by the addressee at its address as set forth in the contract or at such other address as such party shall have notified the other in writing.

11. Non-Appropriation

If the Member Agency fails to appropriate sufficient monies in any fiscal year for payments due under the contract and other funds are not available for such payments, then a "Non-Appropriation" shall be deemed to have occurred. If a Non-Appropriation occurs, then Member Agency will give Contractor prompt notice of such Non-Appropriation. This contract shall thereupon terminate without penalty or expense to the Member Agency.

12. No Personal Liability

It is understood and agreed that under no circumstances will the Member Agency's board members, officers, employees, or agents be personally liable for any obligations or claims arising out of or related to the contract.

13. Miscellaneous

Headings and titles of articles, paragraphs and other subparts of this contract are for convenience of reference only and shall not be considered in interpreting the text of this contract.

14. Successor and Assigns

OCEPC and the Vendor each binds himself and his partners, successors, executors, administrators, and assigns to the other party of this Agreement and to the partners, successors, executors, administrators, and assigns of such other party, in respect to all covenants of this Agreement; except as above, neither OCEPC nor the Vendor shall assign, sublet, or transfer his interest in this Agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officers of OCEPC, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the parties to this Agreement.

This contract and any appendices constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings with respect thereto.

No contract amendments can be made without the approval of the AEPA membership.

B. Non-Construction Products and Services:

1. Bus Purchases

For the purchase of school buses, the successful Contractor shall provide bonds required by Ohio Revised Code Sections 153.54 and 153.571.

C. Construction Products and Services:

For construction improvements, the following shall apply:

- 1.** The successful Contractor shall provide such bonds required by Ohio Revised Code Sections 153.54 and 153.571.
- 2.** Progress payments and retainage shall be in accordance with the provisions of the Ohio Revised Code including Ohio Revised Code Sections 153.12 and 153.14.
- 3.** In the event that the agreement is subject to the prevailing wage requirements of either Ohio Revised Code Chapter 4115 or the Davis-Bacon Act, then the contract between the Member Agency and the

Contractor shall contain the applicable rates and such terms and provisions as may be required by law.

4. Contractor shall comply with all applicable licensing requirements, including those of the Ohio Construction Industry Licensing Board.

D. Procedures for Processing Orders:

The OCEPC will keep informed its Member Agencies and other qualified purchasers of contract information via web site and through other marketing strategies. A list of OCEPC Member Agencies along with addresses, phones, contacts, etc. will be made available to successful Contractors. After contracts are awarded, Contractors may contact the OCEPC Member Agencies and other qualifying purchasers concerning their products and services.

Participating Member Agencies and other qualified purchasers will submit all purchase orders directly to the Contractor.

The Contractor price shall include a two percent (2%) administrative fee that the Contractor will collect from the Member Agency or other qualified purchaser. Administrative fees are to be remitted to the OCEPC on April 15, July 15, October 15 and January 15 of every calendar year with checks payable to the Southwestern Ohio Educational Purchasing Council, 303 Corporate Center Dr. Suite 208, Vandalia, OH 45377.

The Contractor will compile a quarterly report showing all purchases made by the OCEPC Member Agencies and other qualified purchasers under this contract at the conclusion of each calendar quarter. These reports shall be attached to the administrative fee remittance.

E. Agencies Allowed to Purchase under Member Agency:

All member cooperatives of the OCEPC and their individual Member Agencies are eligible to participate and purchase from the awarded AEPA contracts. All Ohio K-12 school districts, including Boards of Developmental Disabilities, Educational Service Centers, and Instructional Technology Centers, are eligible to participate and purchase from the awarded AEPA contracts. In addition, all colleges and universities, state, cities, counties, townships and other governmental agencies are eligible to participate if the AEPA contracts satisfy their individual procurement requirements.

Revised: December 2, 2009

Approved: December 14, 2009

Reviewed: May 12, 2010

Revised: May 27, 2011

Reviewed and Approved: September 14, 2011

Reviewed and Approved: May 14, 2014

Revised and Approval: May 20, 2015

Reviewed and Approved: May 18, 2016

Revised and Approved May 17, 2017

Reviewed and Approved May 15, 2019

Review and Approved January 6, 2021

21. Oregon, Intermountain Educational Service District (IMESD)

A. Additional Agency Terms and Conditions – all categories

Intermountain Education Service District (“IMESD”) is an educational service district organized under the laws of the STATE OF OREGON. Pursuant to Oregon Law ORS 279A and IMESD is authorized to cooperate with other entities and in such regard is authorized to cooperate with them in the purchasing of goods and services pursuant to these contract documents. As other entities cooperate with IMESD to take advantage of the goods and services made available pursuant to these contract documents, the terms and conditions of any such sales shall be in accordance with the contract documents.

Additionally Senate Bill 3184 enables Oregon's Education Service Districts to offer the services they provide to component school districts to other organizations. For the past 10 years, the InterMountain ESD (formerly Umatilla-Morrow ESD) has been a leader in expanding revenue available for schools and IMESD programs by providing these services outside of 19 local school districts. (Reference: [ORS 334.185](#))

Under Oregon public contracting rules, each individual public agency will have its own local rules it must adhere to, in addition to statewide public contracting laws. InterMountain Education Service District does not presume that its cooperative purchasing program will necessarily comply with every agency's internal public contracting rules. We always advise potential customers to review the bid solicitation carefully and recommend review by their legal department and/or procurement personnel to assure that contracting laws are complied with.

ADVERTISING AND MARKETING: Bidders must demonstrate they possess the necessary resources and have a proven track record to market, offer, obtain, deliver, install and provide the sales and technical support services to IMESD and its participating agencies within the state of Oregon in a timely and cost effective manner.

APPLICABLE LAW AND VENUE: Any dispute arising out of any of the contract documents, or out of their performance, shall be decided by litigation in the Circuit Court of the State of Oregon in the county of Owner's residence, the parties consenting to jurisdiction in said court and permanently waiving jurisdiction in any other court, state or federal. In the event of litigation the prevailing party shall be entitled to an award of reasonable attorney's fees and costs at trial and upon any appeal thereof. In the event that the successful bidder breaches a term of condition of a contract awarded, the IMESD may terminate the contract. In addition to the right to terminate due to the successful bidder's breach, and all other rights and remedies contained in other provisions, the IMESD reserves all its rights and remedies at law and in equity available due to the breach.

HAZARDOUS CHEMICALS: The Successful bidder shall supply current MSDS for all products as required below even if these sheets have been supplied in previous years.

The agencies participating on IMESD agreement will need MSDS and labels for certain products defined as hazardous chemicals by the State of Oregon in accordance with ORS 654.025(2) and 656.726(3). The successful bidder has the responsibility to determine such products and to provide MSDS and labels for such products. The MSDS shall be received by the IMESD by or at the time of the initial shipment of such products.

These requirements have been determined by the State of Oregon Workers Compensation Department, and published as Oregon Administrative Rules 437, Division 2 Hazard Communication. This document is available from Hazard Communication Coordinator, Accident Prevention Division, State of Oregon, Labor and Industries Building, 350 Winter St. NE, Salem, OR 97310, phone: (503) 378-3272 or (800) 922-2689 any local Accident Prevention Division Office.

HOLD HARMLESS: Bidders shall indemnify, hold harmless, and defend the IMESD from any and all liabilities, settlements, losses, penalties, costs, expenses, attorney fees (including attorney fees on appeal) in collection with any action, suit or claim based upon or allegedly based upon, resulting from or allegedly resulting from the successful bidder's negligence, omission, activities or services provided pursuant to a contract awarded to such bidder.

LAW OF THE STATE OF OREGON: Any contract between the IMESD and a bidder shall be entered into within the State of Oregon, and the laws of said state, whether substantive or procedural, shall apply to the contract.

In addition to any requirements listed, vendor shall comply with all, current, applicable state, federal and local laws, regulations and ordinances. If through mistake or otherwise any such provision is omitted then submission by either IMESD or the vendor-partner the contract shall be amended to make such inclusion or correction. IMESD Also reserves the right to amend the contract resulting from state law changes. Vendor-partners will be sent written notification of such changes.

SEVERABILITY: The parties agree that if any term or provision of a resultant contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular term or provision held to be invalid.

TAXES: Taxes, whether State or Federal, shall not be included in bid prices. Our Employer Identification No: 93-6000924 indicated our tax exemption status as a political subdivision. Contractor must certify compliance with the Oregon tax laws in accordance with ORS 305.385 when applicable.

B. Additional Agency Terms and Conditions – Non-construction Products and Services

None

C. Additional Agency Terms and Conditions – Construction Products and Services

1. Prevailing wage rates/Davis-Bacon.

As set forth in the conditions below, if this is a public works project (as defined below) Oregon State prevailing wage rates will apply unless exempted. If federal funds are being used, Bidders must take into account the need to comply with the Davis-Bacon Act. If both the federal and state prevailing wages are required the Contractor is required by law to pay the greater of the applicable prevailing wage. Pursuant to ORS 279C.365 no bid will be considered unless the bid contains a statement by the Bidder as a part of its bid that the provision of ORS 279C.840 will be complied with.

(a) If contract is \$50,000.00 or under and there are no federal funds involved the contract is exempted from prevailing wages pursuant to ORS 279C.810(2) (a).

(b) If contract exceeds \$50,000.00 and there are no federal funds involved, existing prevailing wage rate of the State of Oregon will apply. No worker may be paid by any Contractor or Subcontractor a wage less than the wage required by ORS 279C.840. Every subcontract shall include the requirements of this section. Prevailing wages, state and federal, can be seen at the websites referred to in Section 6(a), Additional Requirements of Oregon Law for Public Contracts, Public Works, and Improvements and Miscellaneous Provisions.

(c) If contract exceeds \$50,000.00 and/or federal funds are involved, unless otherwise exempted by law, Contractor shall comply with ORS 279C.800 to 279C.870 relating to the payment of prevailing wages; Contractor shall also comply with the federal Davis-Bacon Act to the extent applicable. No worker may be paid by any Contractor or Subcontractor a wage less than the wage required by ORS 279C.840 and if the state and federal prevailing wage laws both apply, Contractor shall pay as wages the great of the applicable prevailing wage. Every Subcontractor shall include the requirements of this section. Additional Requirements of Oregon Law for Public Contracts,

2. Residence status of Bidder

Each Bidder must identify in its bid whether the Bidder is a resident Bidder, as defined in ORS 279A.120.

3. Licensure

If the contract involves asbestos or asbestos abatement, the contractor or subcontractor must be licensed under ORS 468A.720.

4. Bonding

If this contract is a public improvement contract in excess of \$100,000.00, at the time of the execution of the contract, the successful Bidder shall also deliver to the Owner good and sufficient bonds endorsed on forms supplied by Owner, in sums equal to the contract price, for the faithful performance of the contract, and for the payment of all claims for labor, materials, equipment, and rental equipment that may result from work performed pursuant to the contract documents. The successful Bidder shall not be allowed to execute the contract without the concurrent delivery to the Owner of the bonds required by this paragraph on the required forms. At owner's sole discretion, Contractor shall be subject to disqualification and forfeiture of bid security for breach of this section. If Bidder is disqualified, Owner may award the contract to another Bidder.

5. Subcontractor Disclosure

Unless exempted by ORS 279C.370(1)(c) for public improvement contracts, all Bidders shall within two hours of the date and time of the deadline when bids are due submit information about certain first-tier Subcontractor when the contract value for public improvements is greater than \$100,000 (see ORS 279C.370). Specifically, when the contract amount of a first-tier Subcontractor furnishing labor or labor and materials would be greater than or equal to:

- (i) 5% of the project bid, or \$15,000, or
- (ii) \$350,000 regardless of the percentage, Bidders must disclose the following information about that Subcontractor:

- (a) the Subcontractor's name, and
- (b) the category of the work that the Subcontractor would be performing, and
- (c) the dollar amount of the subcontract

If Contractor will not be using any Subcontractors that are subject to the above disclosure requirements, Contractor is required to indicate "NONE" on the reply form.

THE OWNER MUST REJECT A BID IF THE BIDDER FAILS TO SUBMIT THE DISCLOSURE FORM WITH THIS INFORMATION BY THE STATED DEADLINE.

FIRST TIER SUBCONTRACTOR DISCLOSURE FORM

Project name:

Bid #:

Bid Opening Date:

Name of Bidding Contractor:

Required Disclosure Deadline:

Bids which are submitted by Bid Closing, but for which a required disclosure submittal has not been made by the specified Disclosure Deadline, are not responsive and shall not be considered for Contract award.

See the certification above the signature line on the second page of this form regarding the Subcontractors that must be disclosed.

The Owner will insert "NA" above if the contract value is not anticipated to exceed \$100,000. Otherwise this form must be submitted either with the bid or within two (2) working hours after the advertised bid closing date and time; but no later than the DISCLOSURE DEADLINE stated above.

This form may not be submitted by facsimile. It is the responsibility of Bidders to submit this disclosure form and any additional sheets, completely filled out and signed, by the specified disclosure deadline.

List below the name of each Subcontractor that will be furnishing labor or will be furnishing labor and materials and that is required to be disclosed, the category of work that the Subcontractor will be performing and the dollar value of the subcontract. Enter "None" if there are no Subcontractors that need to be disclosed. (Attach additional sheets if needed.)

NAME OF CATEGORY OF DOLLAR VALUE
SUBCONTRACTOR WORK

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

Failure to submit this form by the disclosure deadline will result in a nonresponsive bid. A nonresponsive bid will not be considered for award.

CERTIFICATION

It is certified that the above listed first-tier Subcontractor(s) are providing labor, or labor and material, with a dollar value equal to or greater than:

(a) 5% of the total Contract Price, but at least \$15,000 [if the dollar value is less than \$15,000 do not list the Subcontractor above], or

(b) \$350,000 regardless of the percentage of the total Contract Price.

Form submitted by (insert Bidder name):

Contact name:

Telephone number:

Additional Requirements of Oregon Law for Public Contracts, Public Works, and Improvements; Miscellaneous Provisions

"Owner" means the public entity executing the Contract of which these provisions are a part.

"Public improvement" means projects for construction, reconstruction or major renovation on real property by or for a public agency. "Public Works" shall mean roads, highways, buildings, structures and improvement of all types, the construction, reconstruction, major renovation or painting of which is carried on or contracted for by any public agency to serve the public interest by does not include the reconstruction or renovation of privately owned property which is leased by a public agency.

(1) In reference to ORS 279B.220 and 279C.505. Contractor shall:

- (a) Make payment promptly, as due, to all persons supplying to Contractor labor or material for the performance of the work provided for in the contract.
- (b) Pay all contributions or amounts due the Industrial Accident Fund from the Contractor or Subcontractor incurred in the performance of the contract.
- (c) Not permit any lien or claim to be filed or prosecuted against the Owner on account of any labor or material furnished.
- (d) If the contract is for a public improvement, demonstrate to Owner that Contractor has an employee drug testing program in place.
- (e) Pay to the Department of Revenue all sums withheld from employees pursuant to ORS 316.167.

(2) In reference to ORS 279C.515 regarding contracts for public improvements:

- (a) If the Contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to Contractor or a Subcontractor by any person in connection with the contract as such claim becomes due, the Owner may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the Contractor by reason of such contract.
- (b) If the contract is for a public improvement and if the Contractor or a first-tier Subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the contract within thirty days after receipt of payment from the Owner or a Contractor, the Contractor or first-tier Subcontractor shall owe the person the amount due plus interest charges commencing at the end of the ten day period that payment is due under ORS 279C.580(4) and ending upon final payment, unless payment is subject to a good faith dispute as defined in ORS 279C.580. The rate of interest charged to the Contractor or first-tier Subcontractor on the amount due shall equal three times the discount rate on ninety-day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date that is thirty days after the date when payment was received from the Owner or from the Contractor, but the rate of interest shall not exceed 30 percent. The amount of interest may not be waived.
- (c) If the contract is for a public improvement, or is related to a contract for a public improvement, and if the Contractor or a Subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the contract, that person may file a complaint with the Construction Contractor's Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580.

(d) The payment of a claim in the manner authorized in this section of this contract shall not relieve the Contractor or the Contractor's surety from any obligation with respect to any unpaid claims.

(3) Relating to ORS 279B.020 and ORS 279C.520. Contractor shall comply with ORS 279B.020 and ORS 279C.520 in their entirety (when applicable), and in this regard:

- (a) No person shall be employed for more than ten hours in any one day, or forty hours in any one week except in cases of necessity, emergency, or where the Owner absolutely requires it, and in such cases, the employee shall be paid at least time and half pay:
 - (i) For all overtime in excess of eight hours a day or forty hours in any one week when the work week is five consecutive days, Monday through Friday; or
 - (ii) For all overtime in excess of ten hours a day or forty hours in any one week when the work week is four consecutive days, Monday through Friday; and
 - (iii) For all work performed on Saturday, Sunday, and on any legal holiday specified in ORS 279B.020 and 279C.540.
 - (iv) Contractor shall comply with the notice and posting requirements of ORS 279B.020 and 279C.520(2). Contractor shall pay employees for overtime work performed under this Contract in accordance with ORS 653.010 to 653.261 and the Fair Labor Standards Act of 1938 (29 USC 201, et seq.).

(4) If the contract is for a public improvement, Contractor shall at its sole expense comply with any and all applicable statutes or ordinances, and all regulations of any agencies, whether federal, state, local or tribal, dealing with the prevention of environmental pollution and the preservation of natural resources including without limitation water that affect the performance of this contract.

The following agencies, as well as others, may have pertinent regulations:

Federal: Army Corps of Engineers, Federal Energy Regulatory Commission, Environmental Protection Agency, Dept. of Human and Health Services, Dept. of Interior including but not limited to the US Fish and Wildlife Service, Department of Labor, and Water Resources Council.

State: Columbia River Gorge Commission, Department of Energy, Department of Environmental Quality, Department of Fish and Wildlife, Department of Human Resources, Soil and Water Conservation Commission, and Oregon Water Resources Department.

Local: City and County wherein the project is to be undertaken.

Tribal: Confederated Tribes of the Umatilla Indian Reservation.

(5) In relation to ORS 279B.230 and 279C.530, Contractor shall comply in their entirety, and in this regard:

(a) Contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation, furnishing medical, surgical and hospital care or other needed care and attention, incident to sickness or injury, to the employees of Contractor, of all sums which the Contractor agrees to pay for such services and all monies and sums which the Contractor collected or deducted from the wages of employees pursuant to any law, contract or agreement for the purpose of providing or paying for such service.

(b) All employers, including Contractor, that employ subject workers who work under this contract in the State of Oregon shall comply with ORS 656.017 and provide the required workers compensation coverage, unless such employers are exempt under ORS 656.126. Contractor shall ensure that each of its Subcontractors complies with these requirements.

(6)

(a) If the contract is for public works and is over \$50,000, Contractor, unless otherwise exempted by law, shall comply with ORS 279C.800 to 279C.870 relating to the payment of prevailing wages; Contractor shall also comply with the federal Davis-Bacon Act to the extent applicable. The prevailing rates of wage, state and federal, made available on the internet are hereby incorporated by reference; they may be seen at various sites including at www.boli.state.or.us/BOLI/WHDPWR and www.access.gpo.gov/davisbacon/or.html. If the state and federal prevailing wage laws both apply, Contractor shall pay as wages the greater of the applicable prevailing wage. Contractor shall comply with all wage reporting and certification requirements of the prevailing wage laws and/or the Davis-Bacon Act, as applicable.

(b) Before starting Work the Contractor shall file with the Construction Contractors Board, and maintain in full force and effect, the separate public works bond required by Oregon Laws 2005, Chapter 360, and OAR 839-025-0015, unless otherwise exempt under those provisions. The Contractor shall also include in every subcontract a provision requiring the Subcontractor to have a public works bond filed with the Construction Contractors Board before starting Work, unless otherwise exempt, and shall verify that the Subcontractor has filed a public works bond

(7) The following apply to contracts for public improvements:

(a) Contractor shall comply with ORS 279C.580, dealing with Contractor's relations with Subcontractors. Without limiting the generality of the foregoing, in this regard Contractor shall include a clause in each subcontract for property or services entered into by the Contractor and a first-tier Subcontractor, including a material supplier, for the purposes of performing the contract:

(i) that obligates the Contractor to pay the first-tier Subcontractor for satisfactory performance under its subcontract within ten days out of such amounts as are paid to the Contractor by the Owner; and

(ii) that obligates the Contractor, if payment is not made within thirty days after receipt of payment from the Owner, to pay to the first-tier Subcontractor an interest penalty on amounts due in the case of each payment not made in accordance with the payment clause required by the preceding paragraph. The interest penalty shall be for the period beginning on the day after the required payment date and ending on the date on which payment of the amount due is made, and shall be computed at the rate specified in ORS 279C.515(2).

(b) Contractor shall include in each of its subcontracts, for the purpose of performance of work in relation to project, a provision requiring the first-tier Subcontractor to include a before clause and an interest penalty clause conforming to the foregoing standards in each of its contracts and to require each of its Subcontractors to include such clauses in their

subcontracts with each lower-tier Subcontractor or supplier.

(c) Nothing stated herein shall be construed to preclude the negotiations allowed pursuant to ORS 279C.580(5).

(8) If any work supplied pursuant to the contract requires licensing with the Construction Contractors Board or the State Landscape Contractors Board, Contractor must be so licensed in order to submit a bid for the contract, and Contractor and all relevant Subcontractors must remain licensed during the period required for performance. Contractor certifies that all Subcontractors and workers will be properly licensed to perform the work required by this Contract before their commencement of work.

(9) If this contract is for public improvements, then retainage in the amount of 5% of the amount due shall be withheld in accordance with Oregon laws, including ORS 279C.550 et seq.

(10) If this contract is for a public improvement, and unless exempted by resolution of the Owner, Contractor shall comply with ORS 279C.380 and execute and deliver to Owner a good and sufficient performance bond and payment bond to be approved by Owner in a sum equal to the contract price.

By way of supplement to, and equally binding as, all of the foregoing:

(10.1) Contractor shall comply with all federal, state and local laws, codes, regulations and ordinances applicable to the Work and the Contract. Failure to comply with such requirements shall constitute a breach of Contract and shall be grounds for Contract termination. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following as applicable: I) Title VI and VII of Civil Rights Act of 1964, as amended; (ii) Section 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Health Insurance Portability and Accountability Act of 1996; (iv) the Americans with Disabilities Act of 1990, as amended; (v) ORS Chapter 659A; as amended (vi) all regulations and administrative rules established pursuant to the foregoing laws; and (vii) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. Owner's performance under the Contract is conditioned upon Contractor's compliance with the provisions of ORS 279C.505, 279C.510, 279C.515, 279C.520, and 279C.530, which are incorporated by reference herein.

(10.2) Contractor shall comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations; and

(a) Contractor shall not discriminate against Disadvantaged, Minority, Women or Emerging Small Business enterprises, as those terms are defined in ORS 200.005, in the awarding of subcontracts (ORS 279A.110).

(b) Contractor shall maintain, in current and valid form, all licenses and certificates required by law, regulation, or this Contract when performing the Work.

(10.3) Unless contrary to federal law, Contractor shall certify that it shall not accept a bid from Subcontractors to perform Work as described in ORS 701.005 under this Contract unless such Subcontractors are registered with the Construction Contractors Board in accordance with ORS 701.035 to 701.055 at the time they submit their bids to the Contractor.

(10.4) Unless contrary to federal law, Contractor shall certify that each landscape Contractor, as defined in ORS 671.520(2), performing Work under this Contract holds a valid landscape Contractor's license issued pursuant to ORS 671.560.

(10.5) The following notice is applicable to Contractors who perform excavation Work. ATTENTION: Oregon law requires you to follow rules adopted by the Oregon Utility Notification Center. Those rules are set forth in OAR952-001-0010 through OAR 952-001-0090. You may obtain copies of the rules by calling the center at (503)232-1987.

(11) Contractor must certify compliance with the Oregon tax laws in accordance with ORS 305.385 when applicable.

(12) Upon receipt by Contractor of any notice or claim, pursuant to ORS 279C.600 et seq (concerning action against bonds) Contractor shall immediately notify Owner in writing.

(13) Unless agreed to by Owner in writing, Contractor may not assign, transfer, dispose of, or delegate its duties under the contract.

(14) Contractor shall be responsible for compliance with all local, state, tribal, and federal laws, applicable to any aspect of the work to be performed. It shall be Contractor's responsibility to determine the applicability and requirements of any such laws and to abide by them. Contractor shall indemnify, defend, and hold harmless Owner for any default or breach of Contractor in

this regard.

(15) The submission of a bid for this contract is certification by Contractor that Contractor has not discriminated and will not discriminate in violation of ORS 279A.110 against any minority, women, or emerging small business enterprises in obtaining any required subcontracts.

(16) If this contract is a public improvement contract for demolition, Contractor shall salvage or recycle constructions and demolition debris if feasible and cost-effective.

(17) If this contract is a public improvement contract for lawn and landscape maintenance, Contractor shall compost or mulch yard waste material at an approved site, if feasible and cost-effective.

(18) Any dispute arising out of any of the contract documents, or out of their performance, shall be decided by litigation in the Circuit Court of the State of Oregon in the county of Owner's residence, the parties consenting to jurisdiction in said court and permanently waiving jurisdiction in any other court, state or federal. In the event of litigation the prevailing party shall be entitled to an award of reasonable attorney's fees and costs at trial and upon any appeal thereof.

D. Procedure for Agencies Processing Orders under IMESD in Oregon

Once the award is made to the vendor, IMESD will market these contracts by: 1) including the contract on the IMESD website, 2) announcing the award in flyers, and 3) attending vendor events throughout school year. A list of schools, contact names, addresses and phone number can be accessed through the Oregon Department of Education website. At this point the vendor contacts schools and schools may contact the vendor. When the school/agency identifies a product or services and agrees on price it issues to Vendor a purchase order for that item or service, referencing the AEPA Bid number. The purchase order must include an additional one percent (2%) administrative fee in the total to be forwarded by the vendor to IMESD after the sale. All participating vendors agree to and are subject to audit proceedings of IMESD member sales.

Upon receipt of the purchase order, the vendor provides the goods or service listed on the purchase order. It is important to remember the vendor makes delivery to the member unless other arrangements are made in cooperation with IMESD. When all items and services on the purchase order have been delivered to the member in a complete and satisfactory manner, vendor then invoices the member for the goods and service. This invoice includes the additional one percent (2%) administrative fee to the total amount invoiced of the goods or service provided by the vendor. This percent is based on the total sales of goods or services. The member then pays the vendor including the one percent (2%) administrative fee. IMESD then invoices the Vendor for the 2% administrative fee based on the sale of goods and services collected by the vendor.

E. Agencies Allowed to Purchase under IMESD in Oregon

The InterMountain Education Service District (IMESD) participates in a national non-profit organization, the Association of Educational Purchasing Agencies (AEPA), which is a procurement vehicle. The mission of IMESD's involvement with AEPA is to cooperatively serve Oregon state agencies members through a continuous effort to explore and solve present and future purchasing needs. AEPA goals include working to secure multi-state volume purchasing contracts with benefits that are measurable, cost-effective and continuously exceed our state member's expectations. InterMountain Education Service District is the member agency representing Oregon in AEPA through an IMESD board approved Memorandum of Understanding between all participating states that are all political subdivisions related to K-12 education. All AEPA bids have been advertised by IMESD in Oregon.

Pursuant to Oregon Law, ORS 279A, InterMountain Education Service District is authorized to offer these contracts to other government entities including school districts, state universities, community colleges, special districts, local and state government.

There is no fee or annual dues to become an IMESD agency member to purchase. InterMountain Education Service District's contract management efforts are funded by a nominal administrative fee paid by the vendor based on sales volume.

22. Pennsylvania, Central Susquehanna Intermediate Unit d/b/a Keystone Purchasing Network

A. Additional Member Agency General Terms and Conditions that apply to all categories

The Keystone Purchasing Network (KPN) is a cooperative purchasing program operated by the Central Susquehanna Intermediate Unit under various state inter-governmental cooperation laws and includes members in several east coast states that currently includes Pennsylvania, Maryland, District of Columbia, New York and Delaware. All applicable Local, State and Federal laws and regulations will apply to any purchases of equipment, services or construction in any of these states and to other states that may be added under the KPN membership throughout the term of these contracts.

Marketing and Advertising under this Agreement: Vendor will actively promote the resulting contract in Pennsylvania, Maryland, District of Columbia, Delaware and New York States. Vendor will comply with the AEPA Marketing program along with the requirement listed below.

1. Vendor will include the approved KPN logo, web address, contract number and toll free number in all print electronic mail and other advertising and promotion intended for release to PA, MD, DC, DE and NY excluding national marketing releases.
2. The KPN logo and associated KPN information shall be of a clearly readable size and in appropriate proportion to other elements in the printed material.
3. Vendor agrees to provide KPN with a copy or proof sheet of the advertisement or promotion material. Vendor will provide KPN with date of release and name of publication, journal, etc.
4. Vendor shall place a supplied KPN vendor sign on booths, tables, etc. of any or all exhibits for which the vendor displays/participates at tradeshow, conventions and the like. Vendor will supply in advance scheduled exhibit dates. Vendor agrees to make available at the exhibit KPN supplied brochures or other promotion materials.
- e. Vendor agrees to insert the approved KPN logo, web address, contract number and toll free number on the vendor's web site promoting or a specific KPN landing page and providing a link to the KPN website.
- f. Vendor will supply product catalog information, product description, pricing, etc., in a spreadsheet format as specified by KPN for inclusion on the KPN website.
- g. Vendor agrees to cooperate in developing appropriate website content to promote its products, services and their advantages to KPN members.
- h. Requested materials will be submitted to KPN within 30 days.

Pricing and Ordering: Vendor will provide all pricing information in an electronic format and/or setup an electronic ordering system that would show the current contract prices along with the KPN administrative fee of 2% or as adjusted by the KPN. In the case of electronic ordering, the KPN would have administrative reporting capabilities with an online ordering system. The KPN administrative fee will apply to all purchases, installation, total lease, total rental prices and all construction and installation and annual maintenance fees and will be included in the net price offered to the purchasing agency.

Compliance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

When a KPN member seeks to procure goods and services through a KPN contract using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the following procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (sometimes referred to as the "Uniform Guidance" or new "EDGAR"):

a) Contractor Violation or Breach of Contract Terms:

Contracts for more than the simplified acquisition threshold currently set at \$250,000, which is the inflation adjusted amount determined by the Civilian Agency Acquisition Council and the Defense Acquisition Regulations Council (Councils) as authorized by 41 USC 1908, must address administrative, contractual, or legal remedies in instances where contractors violate or breach contract terms, and provide for such sanctions and penalties as appropriate. Provisions regarding Contractor default and legal remedies are included in Sections I.K.18 and I.K.19 above. Any Contract award will be subject to such provisions. The remedies under the Contract are in addition to any other remedies that may be available under law or in equity.

b) Termination for Cause or Convenience:

For any purchase or contract in excess of \$10,000 made using federal funds, the contractor agrees that the following term and condition shall apply:

The KPN member may terminate or cancel any purchase order under this a contract at any time, with or without cause, by providing seven (7) business days' advance written notice to contractor. If an agreement is terminated in accordance with this Paragraph, the KPN member shall only be required to pay contractor for goods or services delivered to the KPN Member prior to the termination and not otherwise returned in accordance with Contractor's return policy. If the KPN member has paid the contractor for goods or services not yet provided as of the date of termination, the contractor shall immediately refund such payment(s).

c) Equal Employment Opportunity:

Except as otherwise provided under 41 CFR Part 60, all KPN member purchases or contracts that meet the definition of "federally assisted construction contract" in 41 CFR Part 60-1.3 shall be deemed to include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, "Equal Employment Opportunity" (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, "Amending Executive

Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR Part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.” The equal opportunity clause provided under 41 CFR 60-1.4(b) is hereby incorporated by reference. The Contractor agrees that such provision applies to any KPN member purchase or contract that meets the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 and the Contractor agrees that it shall comply with such provision.

d) Davis-Bacon Act:

When required by Federal program legislation, the Contractor agrees that, for all KPN member prime construction contracts/purchases in excess of \$2,000, the Contractor shall comply with the Davis-Bacon Act (40 USC 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, the Contractor is required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determinate made by the Secretary of Labor. In addition, the Contractor shall pay wages not less than once a week.

Current prevailing wage determinations issued by the Department of Labor are available at www.wdol.gov.

The contractor agrees that, for any purchase to which this requirement applies, the award of the purchase to the contractor is conditioned upon the contractor’s acceptance of the wage determination. The contractor further agrees that it shall also comply with the Copeland “Anti-Kickback” Act (40 USC 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, “Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States”). The Act provides that each contractor or subrecipient must be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he or she is otherwise entitled.

e) Contract Work Hours and Safety Standards Act:

Where applicable, for all KPN member contracts or purchases in excess of \$100,000 that involve the employment of mechanics or laborers, the contractor agrees to comply with 40 USC 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 USC 3702 of the Act, the Contractor is required to compute the wages of every mechanic and laborer on the basis of a standard work week of 40 hours. Work in excess of the standard work week is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the work week. The requirements of 40 USC 3704 are applicable to construction work and provide that no laborer or mechanic must be required to work in surroundings or under working conditions which are unsanitary, hazardous or dangerous. These requirements do not apply to the purchases of supplies or materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

f) Right to Inventions Made Under a Contract or Agreement:

If the KPN member’s Federal award meets the definition of “funding agreement” under 37 CFR 401.2(a) and the recipient or subrecipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance or experimental, developmental, or research work under that “funding agreement,” the recipient or subrecipient must comply with the requirements of 37 CFR Part 401, “Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements,” and any implementing regulations issued by the awarding agency. The Contractor agrees to comply with the above requirements when applicable.

g) Clean Air Act and Federal Water Pollution Control Act:

Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act (33 USC 1251-1387), as amended – Contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 USC 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 USC 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). When required, the Contractor agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

h) Debarment and Suspension:

Debarment and Suspension (Executive Orders 12549 and 12689) – A contract award (see 2 CFR 180.220) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with the OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1966 Comp. p. 189) and 12689 (3 CFR Part 1989 Comp. p. 235), “Debarment and Suspension.” SAM Exclusions contains the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. The Contractor certifies that The Contractor is not currently listed on the government-wide exclusions in SAM, is not debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549. The Contractor further agrees to immediately notify the KPN member with pending purchases or seeking to purchase from the contractor if the contractor is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under statutory or regulatory authority other than Executive Order 12549.

- i) Byrd Anti-Lobbying Amendment:**
Byrd Anti-Lobbying Amendment (31 USC 1352) – Bidders who bid for an award exceeding \$100,000 must file the required certification. 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 USC 1352. Each tier must also disclose any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award. As applicable, Bidders agrees to file all certifications and disclosures required by, and otherwise comply with, the Byrd Anti-Lobbying Amendment (31 USC 1352).
- j) Procurement of Recovered Materials:**
For KPN member's purchases utilizing Federal funds, the contractor agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act where applicable and provide such information and certifications as the District may require to confirm estimates and otherwise comply. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery, and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.
- k) Profit as a Separate Element of Price:**
For purchases using federal funds in excess of the simplified acquisition threshold currently set at \$250,000, the KPN member may be required to negotiate profit as a separate element of the price. See, 2 CFR 200.324(b). When required by the KPN member, the contractor agrees to provide information and negotiate with the KPN member regarding profit as a separate element of the price for a particular purchase. However, the contractor agrees that the total price, including profit, charged by the contractor to the KPN member shall not exceed the awarded pricing.
- l) Bonding Requirements:**
Pursuant to 2 C.F.R. § 200.326, for construction or facility improvement contracts or subcontracts exceeding the simplified acquisition threshold currently set at \$250,000, the Federal awarding agency or pass-through entity may accept the bonding policy and requirements of the KPN member, provided that the Federal awarding agency or pass-through entity has made a determination that the Federal interest is adequately protected. If such a determination has not been made, the minimum requirements must be as follows:
- i.** A bid guarantee from each Bidder equivalent to five percent (5%) of the bid price. The "bid guarantee" must consist of a firm commitment such as a bid bond, certified check, or other negotiable instrument accompanying a bid as assurance that the Bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.
 - ii.** A performance bond on the part of the contractor for one hundred percent (100%) of the contract price. A "performance bond" is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.
 - iii.** A payment bond on the part of the contractor for one hundred percent (100%) of the contract price. A "payment bond" is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract. The bonding requirements set forth above are in addition to and not in limitation of any bonding requirements under applicable state law.
- m) Not-To-Exceed Price:**
If requested by the KPN Member, on any contract based on time and materials, the Contractor shall set a ceiling price that Contractor exceeds at its own risk pursuant to 2 C.F.R. § 200.318(j).
- n) Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms:**
Contractor shall take all necessary affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps include:
- i.** Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - ii.** Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - iii.** Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
 - iv.** Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - v.** Using the services and assistance, as appropriate, of such organizations as the Small Business

Administration and the Minority Business Development Agency of the Department of Commerce; and

- vi. Requiring any subcontractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

o) Equivalent Products:

- i. Comparable (Alternate) Products: Where the specification states a named product followed by “or equal,” an alternate or comparable product may be bid; however, the burden is on the bidder to provide evidence that a proposed alternate meets or exceeds the KPN specified named product and its attributes and that it provides an equal or better warranty. If comparable product(s) are proposed in the bid, the bidder must provide a detailed comparison for each to include a list of all the significant qualities of the product named in the Specification and those of the proposed alternate product(s). Significant qualities include attributes such as performance, weight, size, durability, visual effect and specific features and requirements indicated. KPN reserves the right to reject proposed alternate products if it does not consider them equal to or better than the named product in the specification.
- ii. Substitutions for Cause: A contractor (awarded bidder) may only propose substitutions pursuant to a purchase order submitted by a purchasing KPN member in the event of unavailability of product, regulatory changes or unavailability of required warranty terms. The contractor must notify both KPN and the purchasing member of all substitutions for cause with full documentation at least thirty (30) working days in advance of the commencement of work. All documentation must demonstrate that the proposed substitution is equal to or better than the specified product on all physical and in-service attributes and warranty provisions and can be implemented by subcontractors as necessary without disruption to the project. The purchasing member must approve all substitutions. The KPN members reserves the right to reject proposed alternate products if it does not consider them equal to or better than the named product in the specification.
- iii. Substitutions for Convenience: Bidders may not propose substitutions for convenience.

p) Preference for American Made Materials:

Contractor should, as appropriate and to the extent consistent with law, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States, when possible in connection with any services provided to the Eligible Entity.

General Compliance and Cooperation with KPN member:

In addition to the foregoing specific requirements, the contractor agrees, in accepting any purchase order or contract from the KPN member, it shall make a good faith effort to work with the KPN member to provide such information and to satisfy such requirements as may apply to the KPN member's purchase or purchases including, but not limited to, applicable recordkeeping and record retention requirements, and contract cost and price analyses required under the Uniform Guidance.

B. Additional Member Agency General Terms and Conditions for Non-Construction Products and Services

None

C. Additional Member Agency General Terms and Conditions for Construction Products and Services

The following items refer to all projects involving construction or construction related services:

Vendor and/or Contractor agrees that, in performance of the services required under this Agreement, Vendor and/or Contractor shall abide by all Federal, State, Local, and Pennsylvania Department of Education laws, and regulations that may apply to renovation under this bid, including, but not limited to, those listed below. Vendor and/or Contractor shall also abide by the state and local laws and regulations of other states where a member is located. It is the responsibility of the Vendor or Contractor to determine applicability and requirements of any such laws and to abide by them. Additionally, Contractor has the sole responsibility for compliance with all other matters in conjunction with the services to be performed hereunder and in the Invitation for Bid.

PERFORMANCE AND LABOR AND MATERIAL PAYMENT BONDS: The Contractor shall provide a performance bond and a labor and material payment bond, each in the amount of 100% of the contract price, before the award of the contract. (Sections 756 and 757 of the Public School Code of 1949, as amended, and the Public Works Contractors Bond Law of 1967.)

DISCRIMINATION PROHIBITED: According to 62 Pa.C.S.A. 3701, the Contractor agrees that:

(1.) In the hiring of employees for the performance of work under the contract or any subcontract, no Contractor, Subcontractor or any person acting on behalf of the Contractor or Subcontractor shall by reason of gender, race, creed or color discriminate against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.

(2.) No Contractor or Subcontractor or any person on their behalf shall in any manner discriminate against or intimidate any employee hired for the performance of work under the contract on account of gender, race, creed or color.

(3.) The contract may be canceled or terminated by the government agency and all money due or to become due under the contract may be forfeited for a violation of the terms or conditions of that portion of the contract.

HUMAN RELATIONS ACT: The provisions of the Pennsylvania Human Relations Act, Act 222 of October 27, 1955 (P. L. 744) (43 P.S. Section 951, ET. Seq.) of the Commonwealth of Pennsylvania prohibit discrimination because of race, color, religious

creed, ancestry, age, sex, national origin, handicap or disability, by employers, employment agencies, labor organizations, Contractors and others. The Contractor shall agree to comply with the provisions of this Act as amended that are made part of this specification. Your attention is directed to the language of the Commonwealth's non-discrimination clause in 16 Pa. Code 49.101.

COMPETENT WORKMEN: Projects where the total estimated cost is \$25,000 or less, Section 7-752 of the Public School Code of 1949, no person shall be employed to do work under such contract except competent and first class workmen and mechanics. No workmen shall be regarded as competent first class, within the meaning of this Act, except those who are duly skilled in their respective branches of labor, and who shall be paid not less than such rates of wages and for such hours work as shall be established and current rates of wages paid for such hours by employers of organized labor in doing of similar work in the district where work is being done.

PENNSYLVANIA PREVAILING WAGE RATES: Projects where the total estimated cost is greater than \$25,000, paid for in whole or in part out of funds of a public body, except for maintenance work or work performed under a rehabilitation program or manpower training program must specify "Prevailing Wages." Further information on implementation of the act, definition of maintenance work and prevailing wage rates may be requested from the Pennsylvania Department of Labor and Industry (800-932-0665 or 717-787-4763). When applicable, use Davis-Bacon wage rates for federally assisted projects. This regulation and the general Pennsylvania prevailing minimum wage rates, (Act 442 of 1961, P.L. 987, amended), as determined by the Secretary of Labor and Industry, which shall be paid for each craft or classification of all workers needed to perform the contract during the anticipated term therefore in the locality in which public work is performed, are made part of this specification.

(1.) The general prevailing minimum wage rates including contributions for employee benefits as shall have been determined by the Secretary of Labor and Industry (hereinafter "Secretary"), which must be paid to the workmen, employed in the performance of the Contract.

(2.) The Contractor shall pay no less than the wage rates as determined in the decision of the Secretary and shall comply with the conditions of the Pennsylvania Prevailing Wage Act approved August 15, 1961 (Act No. 442), as amended August 9, 1963 (Act No. 342), and the Regulations issued pursuant thereto, to assure the full and proper payment of said rates.

(3.) These Contract provisions shall apply to all work performed on the Contract by the Contractor and to all work performed on the contract by all Subcontractors.

(4.) The Contractor shall insert in each of his subcontracts all of the stipulations contained in these required provisions.

(5.) No workmen may be employed on the Work except in accordance with the classifications set forth in the decision of the Secretary. In the event that additional or different classifications are necessary the procedure set forth in the Regulations shall be followed.

(6.) All workmen employed or working on the Work shall be paid unconditionally, regardless of whether any contractual relationship exists or the contractual relationship which may be alleged to exist between any Contractor, Subcontractor and workmen, not less than once a week without deductions or rebate, on any account, either directly or indirectly, except authorized deductions, the full amount due at the time of payment, computed at the rates applicable to the time worked in the appropriate classification. Nothing in this Contract, the Act or the Regulations shall prohibit the payment of more than the general prevailing minimum wage rates as determined by the Secretary to the workmen on the Work.

(7.) The Contractor and each Subcontractor shall post for the entire period of construction the wage determination decisions of the Secretary, including the effective date of any changes thereof, in a prominent and easily accessible place or places at the site of the work and at such place or places used by them to pay workmen their wages. The posted notice of wage rates must contain the following information:

a. Name of project.

b. Name of public body of which it is constructed.

c. The crafts and classifications of workmen listed in the Secretary's general prevailing minimum wage rate determination for the particular project.

d. The general prevailing minimum wage rates determined for each craft and classification and the effective date of any changes.

e. A statement advising workmen that if they have been paid less than the general prevailing minimum wage rate for their job classification or that the Contractor and/or Subcontractor are not complying with the Act or the Regulations in any manner whatsoever, they may file a protest with the Secretary within three (3) months of the date of the occurrence, objecting to the payment to the Contractor to the extent of the amount or amounts due or to become due to them as wages for work performed on the Project. Any workmen paid less than the rate specified in the Contract shall have a civil right of action for the difference between the wage paid and wages stipulated in the Contract, which right of action must be exercised within six (6) months from the occurrence of the event creating such right.

(8.) The Contractor and all Subcontractors, shall keep an accurate record showing the name, craft and/or classification, number of hours worked per day, and the actual hourly rate of wage paid (including employee benefits) to each workman employed by him in connection with the Work and such record must include any deductions from each workman. The record shall be preserved for two (2) years from the date of payment and shall open at all reasonable hours to the inspection of the Owner and to the Secretary or his duly authorized representative.

(9.) Apprentices shall be limited to such numbers as shall be in accordance with a bona fide apprenticeship program registered

with and approved by the Pennsylvania Apprenticeship and Training Council and only apprentices whose training and employment are in full compliance with the provisions of the Apprenticeship and Training Act approved July 14, 1961 (Act No. 304) and the Rules and Regulation issued pursuant thereto shall be employed on the Work. Any workmen using the tools of a craft that does not qualify as an apprentice within the provisions of this submission shall be paid the rate predetermined for journeyman in that particular craft and/or classification.

(10.) Wages shall be paid without any deductions except authorized deductions. Employers not party to a contract requiring contributions for employee benefits which the Secretary has determined to be included in the general prevailing minimum wage rate shall pay the monetary equivalent thereof directly to the workman.

(11.) Payment of compensation to workmen for work performed on public work on a lump sum basis, or a piece work system, or a price certain for the completion of a certain amount of work, or the production of a certain result shall be deemed a violation of the Act and the Regulations, regardless of the average hourly earnings resulting there from.

(12.) Each Contractor and each Subcontractor shall file a statement each week and a final statement at the conclusion of the Work on the Contract with Owner, under oath, and in form satisfactory to the Secretary, certifying that all workmen have been paid wages in strict conformity with the provisions of the Contract as prescribed by the Regulations, or if any wages remain unpaid, to the amount of wages due and owing to each workman respectively.

(13.) The provision of the Act and the Regulations are incorporated by reference in the Contract.

(14.) The current prevailing wage threshold for Pennsylvania is \$25,000. However the threshold may be increased during the term on the contract by legislated action. Vendor will then be required to adjust labor rate for job under the new threshold.

(15.) The following applies to all prevailing wage projects:

E-Verify. The successful Bidder and its subcontractors (as such term is defined in the act) are required to comply with the Public Works Employment Verification Act, Act No. 127, July 5, 2012 (formerly Senate Bill 637). All Bidders shall submit with their Bid a Public Works Employment Verification Form (the "Verification Form") to CSIU - KPN in the form published by the Commonwealth of Pennsylvania, Department of General Services. Per the act, the Verification Form is to be obtained from the Secretary of the Pennsylvania Department of General Services. The Verification Form is presently available on the Department of General Services website. Per the act, the Verification Form shall include a certification that the information in the statement is true and correct and that the individual signing the statement understands that the submission of false or misleading information in connection with the verification shall subject the individual and the public works contractor or subcontractor, as the case may be, to sanctions provided by law; and the verification form shall be signed by a representative of the public works contractor or subcontractor, as applicable, who has sufficient knowledge and authority to make the representations and certifications contained in the statement. Prior to award of a contract or purchase order by a Member Agency to the successful Bidder for a particular project, the successful Bidder shall submit to the Member Agency a Verification Form. Per the act, the successful Bidder's subcontractors shall provide to the Member Agency, and successful Bidder shall cause its subcontractors to provide to the Member Agency, their Verification Forms prior to commencing work on the Member Agency's project.

STANDARD OF QUALITY: The various materials and products specified in the specifications by name or description are given to establish a standard of quality and of cost for bid purposes. It is not the intent to limit the Bidder, the bid or the evaluation of the bid to any one material or product specified but rather to describe the minimum standard. When proprietary names are used, they shall be followed by the words "or alternatives of the quality necessary to meet the specifications". A bid containing an alternative, which does not meet the specifications, may be declared non-responsive. A bid containing an alternative may be accepted but if an award is made to that Bidder the Bidder will be required to replace any alternatives, which do not meet the specifications.

PROVISIONS FOR THE USE OF STEEL AND STEEL PRODUCTS MADE IN THE U.S.: In accordance with Act 3 of the 1978 General Assembly of the Commonwealth of Pennsylvania, if any steel or steel products are to be used or supplied in the performance of the contract, only those produced in the United States as defined therein shall be used or supplied in the performance of the contract or any subcontracts thereunder in accordance with Act 161 of 1982, cast iron products shall also be included and produced in the United States. Act 141 of 1984 further defines "steel products" to include machinery and equipment. The act also provides clarifications and penalties.

PROHIBITION ON CASH ALLOWANCES: Cash allowances are prohibited.

TIME(S) OF COMPLETION OF THE PROJECT: Contractor/Vendor shall complete all work within 180 days after entry into a contract with the individual Member. Member and Contractor/Vendor may agree in writing on a lesser number of workdays depending on the scope of the project.

Owner's Compliance in Retaining Payments: Unless a member stipulates otherwise, Payment Retentions and Progress Payments shall be as follows: Ten percent (10%) of all contract payments shall be retained by the member as insurance of proper performance of the prime Contractor. Prime Contractor agrees to identify the amount of the invoices sent to the member school districts, then send copies of the invoices to the KPN. When fifty percent (50%) of the work is completed, as determined by the school district, one-half (1/2) of the amount retained shall be paid to the prime Contractor, if the prime Contractor requests payment, provided that the prime Contractor is making satisfactory progress and there is no specific cause for greater withholding. After the work is fifty percent (50%) completed, no more than five percent (5%) of the amount of any subsequent progress payments shall be retained, unless the governing board of the member determines that satisfactory progress is not being made, at which point ten percent retention shall be reinstated. If the member and the prime Contractor agree to a substitute security, the agreement must be in full compliance with Pennsylvania law. If the substitute security is

agreed to, the prime Contractor must provide KPN and the member with assigned and acknowledged waiver of any right or power of the obligor to set off any claim against KPN, the member, or the prime Contractor, in relationship to the security assigned. The prime Contractor, as authorized above, will pay any interest due a Subcontractor or material supplier. A Subcontractor to the prime Contractor may request, in writing, that the Subcontractor be notified by KPN within five (5) days of payment of each progress payment made to the prime Contractor. It is the responsibility of the prime Contractor to inform all suppliers and Subcontractors that this contract is a cooperative purchasing contract. Once all bonds are in place, the prime Contractor and the authorized agent of the member will agree in writing upon a schedule of payments based on identifiable milestones. Retaining of payments must be done in accord with 62 Pa.C.S.A. § 3921.

A contract containing a provision for retainage as provided in section 3921 (relating to retainage) shall contain a provision requiring the architect or engineer to make final inspection within 30 days of receipt of the request of the Contractor for final inspection and application for final payment. If the work is substantially completed, the architect or engineer shall issue a certificate of completion and a final certificate for payment, and the government agency shall make payment in full within 45 days except as provided in section 3921, less only one and one-half times the amount required to complete any then-remaining uncompleted minor items, which amount shall be certified by the architect or engineer and, upon receipt by the government agency of any guarantee bonds which may be required, in accordance with the contract, to insure proper workmanship for a designated period of time. The certificate given by the architect or engineer shall list in detail each uncompleted item and a reasonable cost of completion. Final payment of any amount withheld for the completion of the minor items shall be paid upon completion of the items in the certificate of the engineer or architect.

WORKERS' COMPENSATION ACT: The Contractor shall accept, insofar as the work covered by their contract is concerned, the provisions of the Workers' Compensation Act 44 of 1993, and any supplements of amendments thereof, including any which may hereafter be passed, and shall insure the Contractor's full liability there under for all parts of their contract being performed by the Contractor, the Contractor's partners, associates, employees or those of any the Contractor may employ herein, or file with the Entity a certificate of exemption from insurance from the Bureau of Workers' Compensation of the Department of Labor and Industry.

The Contractor shall, at all times, indemnify and save harmless the school entities of and from all claims for Workers' Compensation which may be made by any of the employees of the Contractor or by any of the employees to whom the Contractor may have let the performance of any part of the work embraced by their contract and the Contractor shall appear for and defend the school entities against any and all such claims. The Contractor shall be covered by Employers' Liability Insurance with a minimum limit of \$250,000 for each employee, \$2,000,000 policy limit and \$250,000 for each accident.

ACT 34 CRIMINAL BACKGROUND CHECKS: Independent Contractors and their employees who provide services to a Pennsylvania school entity are required to obtain a report of "Criminal History Record Information" from the Pennsylvania State Police. In the case of non-Pennsylvania residents, a report of "Federal Criminal Record Information" from the FBI is required in addition to the Pennsylvania State Police Report.

Contractors shall be required to do the following:

(1.) Present the original document/s Report of Criminal History Records information from the Pennsylvania State Police, report of Federal Criminal History Record Information from the Federal Bureau of Investigation to the Superintendent or the Superintendent's designee prior to the beginning of work for the school entity. The school entity shall retain a copy of the background check information and shall note on that copy the date on which the original document was inspected and the name of the administrator who viewed the original. This copy shall be retained in the school entity records with the original being returned to the Contractor.

(2.) If any new employees are added to the workforce during the course of the work, such employee(s) must follow the same procedure described above prior to any work for the school entity.

(3.) All costs for the Criminal History Information check(s) shall be borne by the perspective Contractor.

(4.) The school entity shall notify the Contractor in writing if the decision not to employ the Contractor or the Contractor's employees is based in whole or in part on criminal history records information.

(5.) The school entity shall follow the regulations promulgated by the State Board of Education concerning the confidentiality of the Criminal History Report Information obtained pursuant to the Act.

Upon written notice from the school entity, Contractors shall have all such persons removed from the project. School entity's right to declare such persons unfit shall not be limited to the required exclusion of persons from school property as set forth in Section 1-111 of the Pennsylvania School Code and/or Act 151 of 1994.

CHILD PROTECTIVE SERVICES BACKGROUND CHECKS: Prior to commencing work under the contract, the Contractor shall submit for any employee or independent Contractor who would be working on a school entity's site pursuant to work contemplated in the contract, an official clearance statement obtain from the Pennsylvania Department of Welfare pursuant to Act 151 of December 16, 1994 (P.L. 1292) subchapter C2 of the Child Protective Services Act. Contractor shall not allow any prospective employee or independent Contractor on the job site prior to providing the school entity with the above-referred clearance statement for prospective employees or independent Contractors.

ANTIBID-RIGGING ACT (NON-COLLUSION): In accordance with the Commonwealth of Pennsylvania's Antbid-Rigging Act, 62 Pa. C.S.A. § 4501 et seq., the Contractor shall execute and submit with the bid a Non-Collusion Affidavit required by the Agency. Each party to the joint venture must be identified in the bid documents, and an Affidavit must be submitted separately on behalf of each party.

PREVENTION OF ENVIRONMENTAL POLLUTION: Section 3301 of the Pennsylvania Commonwealth Procurement Code requires that all Invitations for Bids and requests for proposals for construction projects issued by any governmental agencies shall set forth any provision of Federal and State statutes, rules, and regulations dealing with prevention of environmental pollution and the preservation of public natural resources that affect the Project. A Notice of said provisions prepared by the Pennsylvania Department of Environmental Resources under Act 247 of 1972, 52 P.S. § 1612 (repealed) is available from Mark C. Carollo, Associate Director of Cooperative Purchasing at the Keystone Purchasing Network, 90 Lawton Lane, Milton, PA 17847. His telephone number is 570-246-5936, and his e-mail address is mcarollo@csiu.org. Said Notice is hereby incorporated by reference. Contractor is hereby notified and agrees to comply with the terms of all statutes, rules and regulations enumerated in the Notice.

ARCHITECTURAL SERVICES: For those Members who are Pennsylvania Public School Districts, and whose projects require architectural or engineering services, your attention is directed to Section 7-751.1 of the Pennsylvania Public School Code (24 P.S. § 7-751.1), which requires a public school district to engage an architect/engineer that is independent from the Vendor/Contractor's architect/engineer.

MULTIPLE PRIME CONTRACTORS: For those Members who are Pennsylvania Public School Districts, your attention is directed to Section 7-751 of the Pennsylvania Public School Code (24 P.S. § 7-751), which requires a public school district to use separate prime Contractors for plumbing, heating and ventilating, and electrical work. To the extent a school district's project extends beyond general construction services, the school district will need to separately bid plumbing, heating and ventilating, and electrical work, and should consult with its individual solicitor for compliance with Section 7-751. For other Members who are subject to multiple prime requirements under applicable bidding laws, such Members should consult with their individual solicitors for compliance with said requirements.

D. Procedure for Processing Orders

Once the award is made to the Contractor/vendor, KPN will inform its members of the contract by: (1) including the contract in the agency database that is available on the KPN website, (2) announcing the award in its periodic newsletter, and (3) publishing the contract information in a catalog disseminated to all members. A list of members, institution names, contact names, addresses and phone number will be made available to the vendor in an electronic format. At this point the Contractor/vendor contacts the members and members may contact the Contractor/vendor. When the member identifies a product or service it issues a purchase order for that item to the vendor. The vendor's price to its members will include the following administrative fees: currently 2% (two percent) on all supplies, equipment and construction, rental or lease, annual subscription fee, etc.; and others administrative fees as approved by KPN and will be collected from the member or other qualifying purchaser. KPN reserves the right to adjust the administrative fee at any time during the duration of the contract and any renewal period or to modify the administrative fee based on volume of purchase. If the administrative fee is reduced due to the size of the project the vendor will show the adjustment on the quote. The vendor will also compile a quarterly report showing all purchases made by KPN members under this contract. The vendor will also produce an annual report for all purchases made under this contract for a period beginning with the award of the contract through December 31st and all consecutive 12-month periods if contract is extended. The vendor will make all administrative fee payments to KPN by the 20th of the succeeding month of each 3-month calendar quarter after they have received payment from the member agency and all checks are to be made payable to the Central Susquehanna Intermediate Unit (CSIU) and sent to Keystone Purchasing Network, 90 Lawton Lane, Milton, PA 17847, and Attention: Mark C. Carollo. All reporting of purchases will be made using the provide Excel spreadsheet and will be broken down by entity by state and will show Order Date, Agency Name, Street Address, City, State, Zip, PO #, and Total Price. Optionally, Item #, Item Description, Manufacturer #, Qty, Extended Advertised Price can be included.

E. Agencies Allowed to Purchase under the Member Agency

The Keystone Purchasing Network (KPN) is a cooperative purchasing program operated by the Central Susquehanna Intermediate Unit under various state inter-governmental cooperation laws. Every public school district in the state is eligible to become a member and must complete a membership application with the KPN. No member is obligated to use these services, but they find the benefits of low price and not needing to go through the bidding process most advantageous. Only those members listed on an approved KPN membership list are eligible to purchase under these contracts. This list may change during the contract period and currently includes members from Pennsylvania, Maryland, New York, Delaware, District of Columbia and other Northeast & Mid-Atlantic states. Vendors may choose to offer KPN in other non-AEPA member states where cooperative purchasing laws allow.

Additional members may include other public educational institutions in the state, college, university, community colleges, vocational schools, charter schools, municipal and county governments and other non-profit organizations from Pennsylvania or any other state where a member is located. Membership from other entities is permitted by various intergovernmental cooperative purchasing laws or regulation from their home state.

As member agencies from other states are added to the membership of the KPN the awarded vendor(s) agrees to abide by all state and local laws and/or regulations that may apply to any purchase of products, services or construction by these agencies. KPN reserves the right to market any AEPA contract under any cooperative program name that it may choose in the future on a national basis in any non-AEPA member state.

23. South Carolina, Carolinas Alliance 4 Innovation

1. General Overview

- a. Carolinas Alliance 4 Innovation (CA4I) is now the AEPA representative for the state of South Carolina.
- b. CA4I is a non-profit public benefit corporation whose mission is to promote innovative solutions in transportation, infrastructure, engineering and education for the purpose of economic development.

2. Eligible Entities

- a. CA4I is able to serve City, County, and State Government; K-12 Public and Private Schools; Colleges and Universities; Public Libraries; and Non-Profit Organizations.

3. General Terms and Conditions that apply for all categories

- a. **Governing Law:** The laws of the State of South Carolina govern all contracts resulting from this solicitation. Each provision of law and clause required by law to be included in a contract shall be deemed to be inserted herein and the contract shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either party the Contract shall be physically amended to make such inclusion or correction.
- b. **Governing Venue:** The resulting contract award shall be deemed to have been made and performed in Greenville County, South Carolina. For venue, all legal arbitration or causes for action arising out of the resulting agreement shall be brought to the courts of Greenville County, South Carolina.
- c. **Hazardous Substances:** All hazardous products purchased by members shall include a Safety Data Sheet (SDS) with the delivery.
- d. **Award:** Upon acceptance and approval of the Vendor's offer by AEPA, CA4I will independently consider the recommendation based on the value of the potential contract for its participating agencies. In the event of an award, CA4I will inform its members of the award and contract by the following methods along with contract instructions and ordering process.
- e. **Processing Orders:** When the member identifies a desired product or service, the member and the vendor may negotiate with each other to establish a description of items and/or services. The vendor shall quote a price to the member, in writing, using AEPA established discounts and including the two percent (2%) administrative fee in the quoted price. The administrative fee shall be based upon the total cost of goods and/or services including installation costs. The administrative fee shall not be listed as a separate line item on the quote. When a member decides to purchase through the CA4I-AEPA contract, the member issues the purchase order directly to the vendor. The purchase order must include the total invoiced cost, based on
 - i. The total cost of goods, service, and installation, including the 2% administrative fee.
 - ii. Notification will be made to the vendor in the event the purchase order is not in compliance with the contract and adjustments will be made at that time. CA4I and the Vendor will mutually resolve any issues concerning past purchases. The purchase orders are to continue to be processed and viewed as approved unless notified by CA4I otherwise. All sales and transactions may continue without delay or in anticipation of the CPC purchase order verification.
 - iii. Once all the items and services on the purchase order have been delivered to the member completely and satisfactorily, the Vendor then files a copy of the final invoice, which is available to CA4I by request in support of the quarterly sales summary.
 - iv. The Vendor makes all deliveries and installations of products and services. CA4I does not warehouse items or provide installation services.
 - v. This administrative fee is to be paid by the vendor to CA4I, quarterly, within 20 working days after the end of each fiscal quarter. The AEPA vendor shall also submit to CA4I a sales report, in Excel format, listing the following information:
 1. Name of purchasing agency
 2. Address of purchasing agency (city, state, zip code)
 3. Date of purchase
 4. Invoice number
 5. Amount of purchase
 6. Administrative fee generated by sale
 7. Savings generated by sale

This report shall include all sales made and payments received by the vendor in the said quarter. The sales report shall be emailed to Fred Payne, fred.payne@ca4i.org

24. TexBuy, a Cooperative Purchasing Shared Services Cooperative Sponsored by the Region 16 Education Service Center

A. Additional Terms and Conditions

- (1) **TexBuy funding:** The total cost of the TexBuy program is funded through a participation fee up to two percent (2%) paid to TexBuy by the Vendors. This fee shall be included in all pricing to TexBuy and its participating agencies. The fee is based on actual Vendor sales. TexBuy does not charge any fees to participating government agencies.
- (2) **Tax exempt status:** All government agencies participating in TexBuy are exempt from payment of taxes under Texas Tax Code §151.309 for the purchase of tangible personal property.
- (3) **Minority and Women Business Enterprise (MWBE) participation:** It is the policy of some TexBuy participants to involve MWBE Vendors in the purchase of goods and services. Vendors shall indicate on the proposal form whether or not they are an MWBE.
- (4) **School District awards** shall not consider whether a Vendor is a member of or has another relationship with any organization and bid specifications (and subsequent contracts) shall not deny or diminish the right of a person to work because of the person's membership or other relationship status with respect to any organization in accordance with Texas Education Code §44.043.
- (5) **Felony Conviction Notice** (TexBuy Vendors will be required to sign a standard form required by the State of Texas): Texas Education Code, Section 44.034, Notification of Criminal History, Subsection (a), states "a person or business entity that enters into a contract with a school district must give advance notice to the district if the person or an owner or operator of the business entity has been convicted of a felony. The notice must include a general description of the conduct resulting in the conviction of a felony." Subsection (b) states "a school district may terminate a contract with a person or business entity if the district determines that the person or business entity failed to give notice as required by Subsection (a) or misrepresented the conduct resulting in the conviction. The district must compensate the person or business entity for services performed before the termination of the contract." This notice is not required of a publicly held corporation.
- (6) **Criminal History and Background Checks**, in accordance with Texas Education Code Chapter 22, Subchapter C, shall be required should any employee or agent of an awarded Vendor a bid have "continuing duties related to the contracted services" with a school district and that employee or agent will have "direct contact with students" (as those terms are defined in 19 Texas Administrative Code §153.1101). Vendor shall provide all necessary information to the school district in order for the school district to perform a criminal history and background check, when applicable. For additional information regarding the process, see <https://tea.texas.gov/texas-educators/investigations/fingerprinting/requirements-for-school-district-contractors>.
- (7) **Debarment and Suspension:** Under Executive Order 12549 in the Federal Register and Rules and Regulations, TexBuy and TexBuy participants shall not do business with a Vendor that has been debarred, suspended, or is otherwise ineligible for participation in federal assistance programs.
- (8) **Conflict of Interest:** In accordance with Texas Local Government Code Chapter 176, vendors/Vendors who have a business relationship as defined by Section 176.001(1-a) with a local government entity and meet the requirements under section 176.006(a) must file a Conflict of Interest Questionnaire (Form CIQ) with the local government entity when:
 - (a.) The Vendor has entered into a contract with the local government entity or the local government entity is considering entering into a contract with the Vendor.
 - (b.) AND the Vendor provides certain income or gifts to a Local Government Officer (LGO) or first-degree family members as defined in the Texas Government Code
 - (c.) OR a family relationship exists between the LGO and the Vendor's employees or agents as defined in the Texas Government Code, chapter 176. A sample Form CIQ is available here <https://www.ethics.state.tx.us/forms/conflict/>.
- (9) **EDGAR Certification Form (Education Department General Administrative Regulations):** In accordance with Federal Regulations under 2 CFR § 200.318(c)(1) – When a Cooperative member seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200 (also known as the "Uniform Guidance" or "EDGAR"). All Vendors submitting proposals must complete this EDGAR Certification Form regarding the Vendor's willingness and ability to comply with certain requirements which may be applicable to specific TexBuy member purchases using federal funds. This completed form will be made available to TexBuy members for their use while considering their purchasing options when using federal funds. Members may also require Vendors to enter into ancillary agreements, in addition to the TexBuy's general terms and conditions, to address the member's specific contractual needs, including contract requirements for a procurement using federal grants or contracts.

- (10) **Antitrust Certification:** In accordance with Texas Government Code 2155.005, the state or a state agency shall not enter into contract with a Vendor that has violated any provision of the Texas Antitrust laws referenced in Texas Business & Commerce Code Chapter 15 or any federal antitrust laws.
- (11) **Commitment of Current Revenues Only:** any contract resulting from an award shall be a commitment of current revenue only and shall allow the participating governmental agency the continuing right to terminate at the expiration of each budget period during the term of the contract, shall be conditioned on a best efforts attempt by the agency's governing body to obtain and appropriate funds for payment of the contract, or shall contain both the continuing right to terminate and the best efforts conditions. Texas Local Government Code 271.903.
- (12) **Pursuant to Texas Government Code Chapter 2271**, as amended, if any proposed contract is valued at \$100,000 or more and if the Vendor has at least ten (10) full time employees, then Vendor, by its submission of a proposal represents and warrants that Vendor does not boycott Israel and will not boycott Israel during the term of any applicable agreement. This section does not apply to a sole proprietorship.
- (13) **Pursuant to Texas Government Code Chapters 2274 and 809**, if any proposed contract is valued at \$100,000 or more and if Vendor has at least ten (10) full-time employees, then Vendor, by its submission of a proposal represents and warrants that Vendor does not boycott energy companies and will not boycott energy companies during the term of any applicable agreement. This provision does not apply to sole proprietorships.
- (14) **Pursuant to Texas Government Code Chapter 2274**, if any proposed contract is valued at \$100,000 or more and if Vendor has at least ten (10) full-time employees, then Vendor, by its submission of a proposal represents and warrants that Vendor does not discriminate against firearm entities or firearm trade associations and will not discriminate against firearm entities or firearm trade associations during the term of any applicable agreement. This provision does not apply to sole proprietorships.
- (15) Vendor verifies and affirms that it is not a foreign terrorist organization as identified on the list prepared and maintained by the Texas Comptroller of Public Accounts. If vendor has misrepresented its inclusion on the Comptroller's list such omission or misrepresentation will void any resulting agreement.
- (16) The requirements of Subchapter J, Chapter 552, Government Code, may apply to a resulting contract and the Vendor agrees that the contract can be terminated if the Vendor knowingly or intentionally fails to comply with a requirement of that subchapter. Therefore, if the value of the contract is One Million Dollars (\$1,000,000.00) or more, the Vendor agrees to : (1) preserve all contracting information related to the contract as provided by the records retention requirements applicable to the participating agency for the duration of the contract; (2) promptly provide to the governmental body any contracting information related to the contract that is in the custody or possession of the entity on request of the governmental body; and (3) on completion of the contract, either: (a) provide at no cost to the governmental body all contracting information related to the contract that is in the custody or possession of the Vendor; or (b) preserve the contracting information related to the contract as provided by the records retention requirements applicable to the governmental body.
- (17) **Certificate of Interested Parties:** Pursuant to [Section 2252.908 of the Government Code](#), a governmental entity or state agency may not enter into certain contracts with a business entity unless the business entity submits a disclosure of interested parties to the governmental entity or state agency at the time the business entity submits the signed contract to the governmental entity or state agency. The law applies only to a contract of a governmental entity or state agency that either (1) requires an action or vote by the governing body of the entity or agency before the contract may be signed or (2) has a value of at least \$1 million, or (3) is for services that would require a person to register as a lobbyist under Chapter 305 of the Government Code. Information regarding the Certificate and online filing process is available at <https://www.ethics.state.tx.us/filinginfo/1295/>.
- (18) **State of Texas Franchise Tax:** By signing the proposal, the Vendor certifies that the Vendor is not currently delinquent in the payment of any franchise taxes owed the State of Texas under Chapter 171, Texas Tax Code.
- (19) **Agricultural products**, including textiles and other similar products, are not to be made available to Texas school districts through the agreement, unless such products produced, processed, or grown in the state of Texas are given a preference in accordance with Texas Education Code §44.042.
- (20) **Recycled Materials:** a participating governmental entity shall give preference in purchasing to products made of recycled materials if the products meet applicable specifications as to quantity and quality and the average price of the product is not more than ten percent greater than the price of comparable nonrecycled products. Preferences will be applied in accordance with state procurement statutes and rules. 30 Texas Administrative Code 328.203
- (1)

B. Additional Agency Terms and Conditions for Construction Products and Services as required by law in the State of Texas:

- (1) **Certification of Residency (TexBuy Contractors will be required to sign a standard form it required by the State of Texas):** Texas Government Code Chapter 2252, Subchapter A requires TexBuy to determine the residency of its contractors. In part, this law reads as follows:
 - (a.) **Section: 2252.001**
 "Non-resident bidder" refers to a person who is not a resident. "Resident bidder" refers to a person whose

principal place of business is in this state, including a contractor whose ultimate parent company or majority owner has its principal place of business in this state.”

(b.) **Section: 2252.002**

”A governmental entity may not award a governmental contract to a non-resident bidder unless the nonresident underbids the lowest bid submitted by a responsible resident bidder by an amount that is not less than the amount by which a resident bidder would be required to underbid the nonresident bidder to obtain a comparable contract in the state in which the nonresident’s principal place of business is located.”

(2) **Miscellaneous**

- (a.) **Performance Bonds** when required by Texas , Government Code Chapter 2253, shall be furnished by the successful contractor in an amount equal to one hundred percent (100%) of the total amount of the contract , underwritten by such surety company as the participating agency may approve, conditioned upon the faithful performance of the work in accordance with the plans, specifications, and contract documents. Said bond shall be solely for the protection of the participating agency.
- (b.) **Payment Bonds** when required by Texas Government Code Chapter 2253, shall be furnished by the successful contractor, in the amount of the contract, solely for the protection of all claimants supplying labor and material as r defined, in the prosecution of the work provided in said contract, for the use of each claimant.
- (c.) **No less than the Prevailing Wage** rates must be paid to any contractors or subcontractors or their employees or agents in performing any work under the awarded contract. Texas Government Code Chapter 2258. The prevailing wage rates are determined by the participating agency. If federal funds are used, the prevailing wage rate will be as determined by the U.S. Department of Labor in accordance with the Davis-Bacon Act (40 U.S.C. Section 276a et seq.), and its subsequent amendments.
- (d.) **Criminal History Background Checks** in accordance with Texas Education Code §22.0834 and 22.08341 shall be required should any employee or agent of a contractor awarded a bid have “continuing duties related to the contracted services” with a school district and that employee or agent will have “direct contact with students” (as those terms are defined in 19 Texas Administrative Code 153.1101). Contractor shall provide all necessary information to the school district in order for the school district to perform a criminal history and background check, when applicable. For additional information regarding the process, see <https://tea.texas.gov/texas-educators/investigations/fingerprinting/requirements-for-school-district-contractors>.
- (e.) **Architect/Engineers:** No architectural or engineering services shall be procured by TexBuy on behalf of any Texas governmental entities, see Texas Government Code 791.011(h). A Texas school district may not enter into a contract to purchase construction-related goods or services through TexBuy in an amount greater than \$50,000 unless a person designated by the school district certifies in writing that: 1. The project for which the construction-related goods or services are being procured does not require the preparation of plans and specifications under Texas Occupation Code Chapter 1001 or 1051; or 2. The plans and specifications required under Texas Occupation Code Chapters 1001 and 1051 have been prepared.
- (f.) By submitting a proposal, the Vendor certifies as follows: under Section 231.006 of the Texas Family Code, the Contractor certifies that the individual or business entity named in the Contract is not ineligible to receive the specified payments and acknowledges that this Contract may be terminated and payment withheld in this certification is inaccurate.

- (3) **Insurance:** The contractor shall file with the Participating Agency’s designee, Insurance Certificates, as described herein, evidencing the minimum coverage required below or the minimum coverage required by the Participating Agency, and shall be supplied within ten (10) calendar days after receipt of the written “Notice of Award”. In no instance shall the contractor begin work prior to the filing of the insurance requirements. Failure to do so shall be grounds to void the contract. The Participating Agency’s designee shall be given ten (10) days notice prior to the cancellation or change of any of the required insurance coverage. The Participating Agency shall be named as Certificate Holder.

- (a.) **Contractor’s Liability Insurance:** Produce and maintain in force the following kinds of insurance by companies licensed to do business in Texas and acceptable to the Participating Agency. Minimum Limits of Liability are stated.

Contractor’s Liability Insurance:

Employer’s Insurance Workers’ Compensation—Statutory Employer’s Liability
Bodily Injury by Accident Each Occurrence—\$100,000.00
Bodily Injury by Disease Each Employee—\$100,000.00
Policy Limit—\$500,000.00

Commercial General Liability -Combined Limits of Bodily and Personal Injury and Property Damage:

Each Occurrence—\$500,000.00
General Aggregate—\$500,000.00

Automobile Liability - Including non-ownership, hired and owned vehicle coverage:

Bodily Damage Each Person—\$250,000.00

Each Occurrence—\$500,000.00

Property Damage Each Occurrence—\$250,000.00

All Risk Builders Risk against the perils of fire, lightening, windstorm, hurricane, hail, explosion, riot, civil commotion, smoke, aircraft, land vehicles, vandalism, malicious mischief, and all other perils in the amount one hundred percent (100%) of the value of the improvements including transit and materials stored off site.

(b.) Umbrella or Excess Liability: excess over the above liability policies in the amount of \$2,000,000.00 each occurrence/aggregate. (Combined Limit)

(c.) Workers' Compensation Insurance Coverage.

.1 Definitions:

1.1 Certificate of coverage ("Certificate"). A copy of a certificate of insurance, a certificate of authority to self-insure issued by the division, or a coverage agreement (DWC Form-81, DWC Form-82, DWC Form-83, or DWC Form-84), showing statutory workers' compensation insurance coverage for the person's or entity's employees providing services on the Project, for the duration of the Project.

1.2 Duration of the Project. Includes the time from the beginning of the work on the Project until the Contractor's work on the Project has been completed and accepted by the Owner.

1.3 Persons providing services on the Project ("subcontractor" in Texas Labor Code §406.096). Includes all persons or entities performing all or part of the services the Contractor has undertaken to perform on the Project, regardless of whether that person contracts directly with the Contractor and regardless of whether that person has employees. This includes, without limitation, independent contractors, subcontractors, leasing companies, motor carriers, owner-operators, employees of any such entity, or employees of any entity which furnishes persons to provide services on the Project. "Services" include, without limitation, providing, hauling, or delivering equipment or materials, or providing labor, transportation, or other service related to a Project. "Services" does not include activities unrelated to the Project, such as food/beverage vendors, office supply deliveries, and delivery of portable toilets.

.2 The Contractor shall provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all employees of the Contractor providing services on the Project, for the duration of the Project.

.3 The Contractor must provide a certificate of coverage to the Owner prior to being awarded the contract.

.4 If the coverage period shown on the Contractor's current certificate of coverage ends during the duration of the Project, the Contractor must, prior to the end of the coverage period, file a new certificate of coverage with the Owner showing that coverage has been extended.

.5 The Contractor shall obtain from each person providing Services on a Project, and provide to the Owner:

5.1 a certificate of coverage, prior to that person beginning work on the Project, so the Owner will have on file certificates of coverage showing coverage for all persons providing services on the Project; and

5.2 no later than seven (7) days after receipt by the Contractor, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the Project.

.6 The Contractor shall retain all required certificates of coverage for the duration of the Project and for one (1) year thereafter.

.7 The Contractor shall notify the Owner in writing by certified mail or personal delivery, within ten (10) days after the Contractor knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project.

.8 The Contractor shall post on each Project site a notice, in the text, form and manner prescribed by the Texas Department of Insurance, Division of Workers' Compensation, informing all persons providing services on the Project that they are required to be covered, and stating how a person may verify coverage and report lack of coverage.

.9 The Contractor shall contractually require each person with whom it contracts to provide services on a Project, to:

9.1 provide coverage, based on proper reporting of classification codes and payroll amounts and filing of any coverage agreements, which meets the statutory requirements of Texas Labor Code, Section 401.011(44) for all of its employees providing services on the Project, for the duration of the Project;

9.2 provide to the Contractor, prior to that person beginning work on the Project, a certificate of coverage showing that coverage is being provided for all employees of the person providing services on the Project,

for the duration of the Project;

9.3 provide the Contractor, prior to the end of the coverage period, a new certificate of coverage showing extension of coverage, if the coverage period shown on the current certificate of coverage ends during the duration of the Project;

9.4 obtain from each other person with whom it contracts, and provide to the Contractor:

(a) a certificate of coverage, prior to the other person beginning work on the Project; and

(b) a new certificate of coverage showing extension of coverage, prior to the end of the coverage period, if the coverage period shown on the current certificate of coverage ends during the duration of the Project;

9.5 retain all required certificates of coverage on file for the duration of the Project and for one (1) year thereafter;

9.6 notify the Owner in writing by certified mail or personal delivery, within ten (10) days after the person knew or should have known, of any change that materially affects the provision of coverage of any person providing services on the Project; and

9.7 contractually require each person with whom it contracts, to perform as required by Subparagraphs

.9.1 - .9.7 with the certificates of coverage to be provided to the person for whom they are providing services.

.10 By signing this contract or providing or causing to be provided a certificate of coverage, the Contractor is representing to the Owner that all employees of the Contractor who will provide services on the Project will be covered by workers' compensation coverage for the duration of the Project, that the coverage will be based on proper reporting of classification codes and payroll amounts, and that all coverage agreements will be filed with the appropriate insurance carrier or, in the case of a self-insured, with the Texas Department of Insurance, Division of Self-Insurance Regulation. Providing false or misleading information may subject the Contractor to administrative penalties, criminal penalties, civil penalties, or other civil actions.

.11 The Contractor's failure to comply with any of these provisions is a breach of contract by the Contractor which entitles the Owner to declare the contract void if the Contractor does not remedy the breach within ten (10) days after receipt of notice of breach from the Owner. [28 Texas Administrative Code §110.110(c)(7)]

C. Procedure for Processing Orders

- (1) Purchase orders are issued by participating agencies to the Contractor.
- (2) "Automated contracts" may be negotiated with TexBuy that provide for purchase orders to be sent directly to the Contractor with reports of usage submitted periodically to TexBuy.
- (3) Contractors deliver goods/services directly to the participating agency and then invoice the participating agency. The Contractor receives payment directly from the participating agency.
- (4) TexBuy shall receive quarterly reports from the Contractor reflecting total sales made through the TexBuy contract with the Contractor. The Contractor shall remit payment of their participation fee up to two percent (2%) to TexBuy at net thirty-day (30) terms.

D. Members Purchasing Under the Agency

TexBuy is operated by Region 16 Education Service Center, located in Amarillo, Texas and is available for use by all public and private schools, colleges, universities, cities, counties and other government agencies in the State of Texas.

25. Virginia, Fairfax County Public Schools

Additional Agency Terms and Conditions that apply to all categories

AUTHORITY-The Purchasing Agent has the sole responsibility and authority for negotiating, placing and when necessary modifying every solicitation, contract and purchase order (except for capital construction projects) issued by the County of Fairfax. In the discharge of these responsibilities, the Purchasing Agent may be assisted by assigned Buyers. Unless specifically delegated by the County Purchasing Agent, no other County officer or employee is authorized to order supplies or services, enter into purchase negotiations or contracts, or in any way obligate the government of the County of Fairfax for indebtedness. Any purchase ordered or contract made which is contrary to these provisions and authorities shall be of no effect and void and the County shall not be bound thereby.

NOTE: Fairfax County does not discriminate against faith-based organizations, in accordance with the *Code of Virginia*, § 2.2-4343.1, or against a Bidder or Bidder because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment in the performance of its procurement activity.

GENERAL

1. DEFINITIONS-

AGENCY: Any Department, Agency, Authority, Commission, Board or other unit in the Administrative Service of the County.

BIDDER/BIDDER: Any individual, company, firm, corporation, partnership or other organization bidding on solicitations issued by the Purchasing Agent and offering to enter into contracts with the County. The term "Bidder" will be used throughout this document and shall be construed to mean "Bidder" where appropriate.

CONTRACTOR: Any individual, company, firm, corporation, partnership or other organization to whom an award is made by the County.

COUNTY: County of Fairfax.

GOODS: All material, equipment, supplies, printing, and automated data processing/information technology hardware and software.

PURCHASING AGENT: The Purchasing Agent employed by the Board of Supervisors of Fairfax County, Virginia.

SERVICES: Any work performed by an independent Contractor wherein the service rendered does not consist primarily of acquisition of equipment or materials, or the rental of equipment, materials and supplies.

STATE: Commonwealth of Virginia.

2. FUNDING-A contract shall be deemed binding only to the extent of appropriations available to each Agency for the purchase of goods and services.

3. CONTRACT ALTERATIONS-No alterations in the terms of a contract shall be valid or binding upon the County unless made in writing and signed by the Purchasing Agent or his or her authorized agent.

4. SUBLETTING OF CONTRACT OR ASSIGNMENT OF CONTRACT FUNDS-It is mutually understood and agreed that the Contractor shall not assign, transfer, convey, sublet or otherwise dispose of his or her contractual duties to any other person, firm or corporation, without the previous written consent of the Purchasing Agent. If the Contractor desires to assign his or her right to payment of the contract, Contractor shall notify the Purchasing Agent immediately, in writing, of such assignment of right to payment. In no case shall such assignment of contract relieve the Contractor from his or her obligations or change the terms of the contract.

5. NEW GOODS, FRESH STOCK-All Contractors, unless otherwise specifically stated, shall provide new commodities, fresh stock, latest model, design or pack.

6. INSPECTION-ACCEPTANCE-For determining acceptance of supplies in accordance with the provisions of the prompt payment discount paragraph, inspection and acceptance shall be accomplished only after examination (including testing) of supplies and services to determine whether the supplies and services conform to the contract requirements. Acceptance shall occur only after receipt and inspection provided such inspection, as appropriate, is accomplished within a reasonable time.

DELIVERY/SERVICE FAILURES-Failure of a Contractor to deliver goods or services within the time specified, or within reasonable time as interpreted by the Purchasing Agent, or failure to make replacements/corrections of rejected articles/services when so requested, immediately or as directed by the Purchasing Agent, shall constitute authority for the Purchasing Agent to purchase in the open market articles/services of comparable grade/quality to replace the services, articles rejected, and/or not delivered. On all such purchases, the Contractor shall reimburse the County, within a reasonable time specified by the Purchasing Agent, for any expense incurred in excess of contract prices. Such purchases shall be deducted from the contract quantities if applicable. Should public necessity demand it, the County reserves the right to use or consume articles delivered or services performed which are substandard in quality, subject to an adjustment in price to be determined by the Purchasing Agent.

7. GUARANTEES & WARRANTIES-All guarantees and warranties required shall be furnished by the Contractor and shall be delivered to the Purchasing Agent before final payment on the contract is made. Unless otherwise stated, manufacturer's standard warranty applies.

8. INSPECTIONS-Inspection and acceptance of materials or supplies will be made after delivery at destinations herein specified unless otherwise stated. If inspection is made after delivery at destination herein specified, the County will bear

the expense of inspection except for the value of samples used in case of rejection. Final inspection shall be conclusive except in regard to latent defects, fraud or such gross mistakes as to amount to fraud. Final inspection and acceptance or rejection of the materials or supplies will be made as promptly as practicable, but failure to inspect and accept or reject materials or supplies shall not impose liability on the County for such materials or supplies as are not in accordance with the specifications.

9. **POINT OF DESTINATION**-All materials shipped to the County must be shipped F.O.B. DESTINATION unless otherwise stated in the contract or purchase order. The materials must be delivered to the "Ship to" address indicated on the purchase order.
10. **ADDITIONAL CHARGES**-Unless bought F.O.B. "shipping point" and Contractor prepays transportation, no delivery charges shall be added to invoices except when express delivery is authorized and substituted on orders for the method specified in the contract. In such cases, difference between freight or mail and express charges may be added to invoice.
11. **TERMINATION OF CONTRACTS**-Contracts will remain in force for full periods specified and/or until all articles ordered before date of termination shall have been satisfactorily delivered and accepted and thereafter until all requirements and conditions shall have been met, unless:
 - a. Terminated prior to expiration date by satisfactory deliveries of entire contract requirements, or upon termination by the County for Convenience or Cause.
 - b. Extended upon written authorization of the Purchasing Agent and accepted by Contractor, to permit ordering of unordered balances or additional quantities at contract prices and in accordance with contract terms.
12. **TERMINATION FOR CONVENIENCE**-A contract may be terminated in whole or in part by the County in accordance with this clause whenever the County Purchasing Agent shall determine that such a termination is in the best interest of the County. Any such termination shall be effected by delivery to the Contractor at least five (5) working days prior to the termination date of a Notice of Termination specifying the extent to which performance shall be terminated and the date upon which termination becomes effective. An equitable adjustment in the contract price shall be made for completed service, but no amount shall be allowed for anticipated profit on unperformed services.
13. **TERMINATION OF CONTRACT FOR CAUSE**-
 - a. If, through any cause, the Contractor shall fail to fulfill in a timely and proper manner his or her obligations under this contract, or if the Contractor shall violate any of the covenants, agreements, or stipulations of this contract, the County shall thereupon have the right to terminate, specifying the effective date thereof, at least five (5) days before the effective date of such termination. In such event all finished or unfinished documents, data, studies, surveys, drawings, maps, models, and reports prepared by the Contractor under the contract shall, at the option of the County, become its property and the Contractor shall be entitled to receive just and equitable compensation for any satisfactory work completed on such documents.
14. Notwithstanding the above, the Contractor shall not be relieved of liability to the County for damages sustained by the County by virtue of any breach of contract by the Contractor for the purpose of set off until such time as the exact amount of damages due to the County from the Contractor is determined.
15. **CHANGES**-Should it become proper or necessary in the execution of this contract to make any change in design, or to make any alterations which will increase the expense, the Purchasing Agent shall determine an equitable adjustment. No payment shall be made to the Contractor for any extra material or services, or of any greater amount of money than stipulated to be paid in the contract, unless some changes in or additions to the contract requiring additional outlay by the Contractor shall first have been expressly authorized and ordered in writing by contract amendment or otherwise furnished by the Purchasing Agent.
16. **GENERAL GUARANTY**-Contractor agrees to:
 - a. Save the County, its agents and employees harmless from liability of any nature or kind for the use of any copyrighted or uncopyrighted composition; secret process, patented or unpatented; invention; article or appliance furnished or used in the performance of a contract for which the Contractor is not the patentee, assignee, licensee or owner.
 - b. Protect the County against latent defective material or workmanship and to repair or replace any damages or marring occasioned in transit or delivery.
 - c. Furnish adequate protection against damage to all work and to repair damages of any kind to the building or equipment, to his or her own work or to the work of other Contractors, for which his or her workers are responsible.
 - d. Pay for all permits, licenses and fees and give all notices and comply with all laws, ordinances, rules and regulations of the County.
 - e. Protect the County from loss or damage to County owned property while it is in the custody of the Contractor.
17. **SERVICE CONTRACT GUARANTY**-Contractor agrees to:
 - a. Furnish services described in the solicitation and resultant contract at the times and places and in the manner and subject to conditions therein set forth provided that the County may reduce the said services at any time.
 - b. Enter upon the performance of services with all due diligence and dispatch, assiduously press to its complete performance, and exercise therein the highest degree of skill and competence.
 - c. All work and services rendered in strict conformance to all laws, statutes, and ordinances and the applicable rules,

regulations, methods and procedures of all government boards, bureaus, offices and other agents.

- d. Allow services to be inspected or reviewed by an employee of the County at any reasonable time and place selected by the County. Fairfax County shall be under no obligation to compensate Contractor for any services not rendered in strict conformity with the contract.

Stipulate that the presence of a County Inspector shall not lessen the obligation of the Contractor for performance in accordance with the contract requirements, or be deemed a defense on the part of the Contractor for infraction thereof. The Inspector is not authorized to revoke, alter, enlarge, relax, or release any of the requirements of the contract documents. Any omission or failure on the part of the Inspector to disapprove or reject any work or material shall not be construed to be an acceptance of any such defective work or material. Notification of an omission or failure will be documented by the Purchasing Agent.

- 18. INDEMNIFICATION**-Contractor shall indemnify, keep and save harmless the County, its agents, officials, employees and volunteers against claims of injuries, death, damage to property, patent claims, suits, liabilities, judgments, cost and expenses which may otherwise accrue against the County in consequence of the granting of a contract or which may otherwise result therefrom, if it shall be determined that the act was caused through negligence or error, or omission of the Contractor or his or her employees, or that of the Subcontractor or his or her employees, if any; and the Contractor shall, at his or her own expense, appear, defend and pay all charges of attorneys and all costs and other expenses arising therefrom or incurred in connection therewith; and if any judgment shall be rendered against the County in any such action, the Contractor shall, at his or her own expense, satisfy and discharge the same. Contractor expressly understands and agrees that any performance bond or insurance protection required by this contract, or otherwise provided by the Contractor, shall in no way limit the responsibility to indemnify, keep and save harmless and defend the County as herein provided.

- 19. NON-DISCRIMINATION**-During the performance of this contract, the Contractor agrees as follows:

- a. The Contractor will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, age, disability, or other basis prohibited by state law relating to discrimination in employment, except where there is a bona fide occupational qualification reasonably necessary to the normal operation of the Contractor. The Contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices setting forth the provisions of this non-discrimination clause.
- b. The Contractor, in all solicitations or advertisements for employees placed by or on behalf of the Contractor, will state that such Contractor is an equal opportunity employer.
- c. Notices, advertisements and solicitations placed in accordance with federal law, rule or regulation shall be deemed sufficient for the purpose of meeting the requirements of this section.
- d. The Contractor will include the provisions of the foregoing paragraphs a, b, and c above in every subcontract or purchase order of over \$10,000 so that the provisions will be binding upon each Subcontractor or vendor.
- e. Contractor and Subcontractor hereunder shall, throughout the term of this contract, comply with the Human Rights Ordinance, Chapter 11 of the Code of the County of Fairfax, Virginia, as reenacted or amended.

- 20. DRUG FREE WORKPLACE**-During the performance of a contract, the Contractor agrees to (i) provide a drug-free workplace for the Contractor's employees; (ii) post in conspicuous places, available to employees and applicants for employment, a statement notifying employees that the unlawful manufacture, sale, distribution, dispensation, possession, or use of a controlled substance or marijuana is prohibited in the Contractor's workplace and specifying the actions that will be taken against employees for violations of such prohibition; (iii) state in all solicitations or advertisements for employees placed by or on behalf of the Contractor that the Contractor maintains a drug-free workplace; and (iv) include the provisions of the foregoing clauses in every subcontract of over \$10,000, so that the provisions will be binding upon each Subcontractor or vendor. For the purposes of this section, "drug-free workplace" means a site for the performance of work done in conjunction with a specific contract awarded to a Contractor in accordance with this section, the employees of whom are prohibited from engaging in the unlawful manufacture, sale, distribution, dispensation, possession or use of any controlled substance or marijuana during the performance of the contract.

- 21. OFFICIALS NOT TO BENEFIT**-

- a. Each Bidder or Bidder shall certify, upon signing a bid or proposal, that to the best of his or her knowledge no Fairfax County official or employee having official responsibility for the procurement transaction, or member of his or her immediate family, has received or will receive any financial benefit of more than nominal or minimal value relating to the award of this contract. If such a benefit has been received or will be received, this fact shall be disclosed with the bid or proposal or as soon thereafter as it appears that such a benefit will be received. Failure to disclose the information prescribed above may result in suspension or debarment, or rescission of the contract made, or could affect payment pursuant to the terms of the contract.
- b. Whenever there is reason to believe that a financial benefit of the sort described in paragraph "a" has been or will be received in connection with a bid, proposal or contract, and that the Contractor has failed to disclose such benefit or has inadequately disclosed it, the County Executive, as a prerequisite to payment pursuant to the contract, or at any other time, may require the Contractor to furnish, under oath, answers to any interrogatories related to such possible

benefit.

- c. In the event the Bidder or Bidder has knowledge of benefits as outlined above, this information should be submitted with the bid or proposal. If the above does not apply at time of award of contract and becomes known after inception of a contract, the Bidder or Bidder shall address the disclosure of such facts to the Fairfax County Purchasing Agent, 12000 Government Center Parkway, Suite 427, Fairfax, Virginia 22035-0013. Relevant Invitation/Request for Proposal Number (see cover sheet) should be referenced in the disclosure.

LICENSE REQUIREMENT-All firms doing business in Fairfax County, shall obtain a license as required by Chapter 4, Article 7, of The Code of the County of Fairfax, Virginia, as amended, entitled "Business, Professional and Occupational Licensing (BPOL) Tax." Questions concerning the BPOL Tax should be directed to the Department of Tax Administration, telephone (703) 222-8234 or visit: http://www.fairfaxcounty.gov/dta/business_tax.htm. The BPOL Tax number must be indicated in the space provided on the Cover Sheet, "Fairfax License Tax No." when appropriate.

- 22. REGISTERING OF CORPORATIONS**-Any foreign corporation transacting business in Virginia shall secure a certificate of authority as required by Section 13.1-757 of the Code of Virginia, from the State Corporation Commission, Post Office Box 1197, Richmond, Virginia 23209. The Commission may be reached at (804) 371-9733. The consequences of failing to secure a certificate of authority are set forth in Virginia Code Section 13.1-758.

- 23. COVENANT AGAINST CONTINGENT FEES**-The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure this contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except bona fide employees or bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For violation of this warranty, the County shall have the right to terminate or suspend this contract without liability to the County or in its discretion to deduct from the contract price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage, or contingent fee.

24. OFFICE OF SMALL BUSINESS-

- a. It is the policy of the County of Fairfax as declared by the Fairfax County Board of Supervisors' adoption of a Small and Minority Business Enterprise Program, April 6, 1981, that Fairfax County and its employees undertake every effort to increase opportunity for utilization of small or minority businesses in all aspects of procurement to the maximum extent feasible.
- b. In connection with the performance of this contract, the Contractor agrees to use his or her best effort to carry out this policy and to insure that small and minority businesses shall have the maximum practicable opportunity to compete for subcontract work under this contract consistent with the efficient performance of this contract.
- c. As used in this contract the term "small business" means a corporation, partnership, or sole proprietorship, or other legal entity formed for the purpose of making a profit, which is independently owned and operated, has either fewer than 100 employees, or less than \$1,000,000 in annual receipts.
- d. As used in this contract, the term "minority business" means a business enterprise that is at least 51 percent owned and controlled by a minority person or persons. Such persons include African Americans, Hispanic Americans, Asian Americans, American Indians, Eskimos and Aleuts; women regardless of race or ethnicity; and persons with a physical impairment that substantially limits one or more of the major life activities of such individuals, a record of such impairment, or who are regarded as having such an impairment.
- e. Contractors may rely on oral or written representations by Subcontractors regarding their status as small and/or minority business enterprises in lieu of independent investigation.
- f. Where Federal grants or monies are involved it is the policy of Fairfax County, through its agents and employees, to comply with the requirements set forth in the U.S. Office of Management and Budget Circular No. A-102, uniform administrative requirements for Grants and Cooperative Agreements with State and Local Governments, as they pertain to small and minority business utilization.

PAYMENTS

- 25. TAX EXEMPTION**-The County is exempt from the payment of any federal excise or any Virginia sales tax. The price bid must be net, exclusive of taxes. However, when under established trade practice any federal excise tax is included in the list price, a Bidder may quote the list price and shall show separately the amount of federal tax, either as a flat sum or as a percentage of the list price, which shall be deducted by the County. Fairfax County's Federal Excise Tax Exemption Number is 54-74-0127K. Contractors located outside the Commonwealth of Virginia are advised that when materials are picked up by the County at their place of business, they may charge and collect their own local/state sales tax. Materials used in the performance of construction contracts are subject to Virginia Sales/Use Tax as described in Section 630-10-27J of the Virginia Retail Sales and Use Tax Regulations.

- 26. PAYMENT**-Payment shall be made after satisfactory performance of the contract, in accordance with all of the provisions thereof, and upon receipt of a properly completed invoice. Fairfax County reserves the right to withhold any or all payments or portions thereof for Contractor's failure to perform in accordance with the provision of the contract or any modifications thereto.

- 27. PARTIAL PAYMENTS**-Unless otherwise specified, partial payments will be made upon acceptance of materials or services so invoiced if in accordance with completion date. However, up to 5 percent (5%) of the value of the entire order may be retained until completion of contract.
- 28. PAYMENT FOR EQUIPMENT, INSTALLATION, AND TESTING**-When equipment requires installation (which shall also be interpreted to mean erection and/or setting up or placing in position, service, or use) and test, and where such installation or testing is delayed, payment may be made on the basis of 50% of the contract price when such equipment is delivered on the site. A further allowance of 25% may be made when the equipment is installed and ready for test. The balance shall be paid after the equipment is tested and found to be satisfactory. If the equipment must be tested, but installation is not required to be made by the Contractor or if the equipment must be installed but testing is not required, payment may be made on the basis of 75% at the time of delivery and the balance shall be paid after satisfactory test or installation is completed.

REMEDIES

29. INELIGIBILITY-

- a. Any person or firm suspended or debarred from participation in County procurement shall be notified in writing by the County Purchasing Agent.
 1. The Notice of Suspension shall state the reasons for the actions taken and such decision shall be final unless the person or firm appeals within thirty (30) days of receipt of the Notice by instituting legal action as provided in the Code of Virginia.
 2. The Notice of Debarment shall state the reasons for the actions taken and the decision shall be final unless the person or firm appeals within thirty (30) days of receipt of the notice by instituting legal action as provided in the Code of Virginia.
- b. The County Purchasing Agent shall have the authority to suspend or debar a person or firm from bidding on any contract for the causes stated below:
 1. Conviction for commission of a criminal offense as an incident to obtaining or attempting to obtain a public or private contract or subcontract, or in the performance of such contract or subcontract;
 2. Conviction under state or federal statutes of embezzlement, theft, forgery, bribery, falsification or destruction of records, receiving stolen property, or any other offense indicating a lack of business integrity or business honesty which currently, seriously, and directly affects responsibility as a County Contractor;
 3. Conviction under the state or federal antitrust statutes arising out of the submission of bids or proposals;
 4. Violation of contract provisions, as set forth below, of a character which is regarded by the County Purchasing Agent to be so serious as to justify suspension or debarment action:
 - (a) failure without good cause to perform in accordance with the specifications or within the time limit provided in the contract; or
 - (b) a recent record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts; provided, that failure to perform or unsatisfactory performance caused by acts beyond the control of the Contractor shall not be considered to be a basis for suspension or debarment;
 5. Any other cause the County Purchasing Agent determines to be so serious and compelling as to affect responsibility as a Contractor, such as debarment by another governmental entity for any cause listed herein, or because of prior reprimands;
 6. The Contractor has abandoned performance or been terminated for default on any other Fairfax County project;
 7. The Contractor is in default on any surety bond or written guarantee on which Fairfax County is an obligee.
- c. If, upon appeal, it is determined that the action taken by the County Purchasing Agent was arbitrary or capricious, or not in accordance with the Constitution of Virginia, statutes or regulations, the sole relief available to the person or firm shall be restoration of eligibility. The person or firm may not institute legal action until all statutory requirements have been met.

30. CONTRACTUAL DISPUTES-

- a. Any dispute concerning a question of fact as a result of a contract with the County which is not disposed of by agreement shall be decided by the County Purchasing Agent, who shall reduce his decision to writing and mail or otherwise forward a copy thereof to the Contractor within thirty (30) days. The decision of the County Purchasing Agent shall be final and conclusive unless the Contractor appeals within six (6) months of the date of the final written decision by instituting legal action as provided in the Code of Virginia. A Contractor may not institute legal action, prior to receipt of the public body's decision on the claim, unless the public body fails to render such decision within the time specified.
- b. Contractual claims, whether for money or other relief, shall be submitted in writing no later than sixty days after final payment; however, written notice of the Contractor's intention to file such claim shall have been given at the time

of the occurrence or beginning of the work upon which the claim is based. Nothing herein shall preclude a contract from requiring submission of an invoice for final payment within a certain time after completion and acceptance of the work or acceptance of the goods. Pendency of claims shall not delay payment of amounts agreed due in the final payment.

31. LEGAL ACTION-No Bidder, Bidder, potential Bidder or Bidder, or Contractor shall institute any legal action until all statutory requirements have been met.

C – Member Purchasing

32. COOPERATIVE PURCHASING-The County may participate in, sponsor, conduct or administer a cooperative procurement agreement on behalf of or in conjunction with one or more other public bodies, or public agencies or institutions or localities of the several states, of the United States or its territories, or the District of Columbia, for the purpose of combining requirements to increase efficiency or reduce administrative expenses in any acquisition of goods and services. Except for contracts for architectural and engineering services, a public body may purchase from another public body's contract even if it did not participate in the request for proposal (RFP) or invitation for bid (IFB), if the RFP or IFB specified that the procurement was being conducted on behalf of other public bodies. Nothing herein shall prohibit the assessment or payment by direct or indirect means of any administrative fee that will allow for participation in any such arrangement. As authorized by the United States Congress and consistent with applicable federal regulations, and provided the terms of the contract permit such purchases, any county, city, town, or school board may purchase goods and nonprofessional services from a U.S. General Services Administration contract or a contract awarded by any other agency of the U.S. government. Bidders are advised that the *resultant* contract(s) may be extended, with the authorization of the Bidder, to other public bodies, or public agencies or institutions of the United States to permit their use of the contract at the same prices and/or discounts and terms of the resulting contract. If any other public body decides to use the final contract, the Contractor(s) must deal directly with that public body concerning the placement of orders, issuance of purchase orders, contractual disputes, invoicing and payment. The County of Fairfax acts only as the "Contracting Agent" for these public bodies. It is the Contractors responsibility to notify the public body(s) of the availability of the contract(s). Other public bodies desiring to use this contract will need to make their own legal determinations as to whether the use of this contract is consistent with their laws, regulations, and other policies. Each public body has the option of executing a separate contract with the Contractor(s). Public bodies may add terms and conditions required by statute, ordinances, and regulations, to the extent that they do not conflict with the contracts terms and conditions. If, when preparing such a contract, the general terms and conditions of a public body are unacceptable to the Contractor, the Contractor may withdraw its extension of the award to that public body.

26. Washington, King County Directors' Association (KCDA)

A. KCDA Additional General Terms and Conditions

General Intent: KCDA may participate in all or any part of the goods and services listed in this IFB, upon completion of contracts currently in effect, whichever is deemed in the best interest of KCDA members. KCDA cannot be restricted by the successful bidder from choosing which parts of these contracts to use.

Both the Contractor and KCDA member using this Contract agree that it is the member's responsibility to perform due diligence as to the legality of their usage of this contract. In this regard, KCDA suggests that, at a minimum, Contractor and member considering such usage consult with their legal counsel before doing so.

Advertising/Marketing:

KCDA requires all vendors to develop a marketing program to include printed, web-based, e-mail, telemarketing and other methods approved by KCDA.

All promotional marketing materials must have the prior approval of KCDA before distribution and must include the KCDA logo and other contract information.

KCDA staff will work jointly with all vendors and their representatives to market the AEPA contracts to KCDA members and prospective members. Vendors may be requested to make joint presentations to KCDA or its members in either a one to one or a group setting. Some group presentations may be done in conjunction with other vendors.

Displaying exhibits at various statewide conferences are encouraged. Contractor agrees to make available KCDA supplied brochures or other promotional materials at these events. Contractor will provide KCDA with scheduled exhibit dates in advance.

Contractor agrees to insert the approved KCDA logo, web address and contact information on the Contractor's website promoting and providing a link to the KCDA website. Contractor will also provide KCDA with text, links and logos to be posted on the KCDA website.

Assignment:

Contractor shall not subcontract, assign, transfer, convey, sublet or otherwise dispose of contractual duties to any other person, firm or corporation without the previous written consent of KCDA and any member that has an outstanding open purchase order or financing arrangement. In no case shall such assignment of Contract relieve the Contractor from obligations or change the terms of the Contract.

Cancellation/Default/Termination:

KCDA reserves the right to cancel the whole or any part of this contract due to the failure by the Contractor to carry out any obligation, term or condition of the contract. KCDA will issue written notice to the contractor for acting or failing to act in any of the following:

- The Contractor fails to adequately perform the services set forth in the contract
- The Contractor fails to make progress in the performance of the contract and/or gives KCDA reason to believe the Contractor will not or cannot perform to the requirements of the contract
- The Contractor fails to observe any of the terms and conditions of the contract
- The Contractor fails to pay any applicable administrative fees.
- The Contractor fails to follow the established procedure for purchase orders, invoices and receipt of funds as stipulated by KCDA.

If the contract is to be terminated, KCDA shall do the following:

- Step 1 – Issue a warning Letter of Concern outlining the violations and length of time to correct the problem(s). Upon receipt of the letter, the Contractor shall have ten (10) business days to provide a satisfactory response to KCDA. Failure on the part of the Contractor to address adequately all issues of concern may result in contract cancellation.
- Step 2 – Issue a letter of intent to cancel the contract if the problems(s) are not resolved by the date specified.
- Step 3 – Issue a letter to terminate the contract.

Compliance with Laws

In addition to any requirements set forth herein, vendor shall comply with all applicable state, federal and local laws, rules, regulations and ordinances.

Contract Amendments:

KCDA reserves the right to amend the contract resulting from state law changes or internal boilerplate changes due to state law changes. Contractors/Vendors will be sent written notification of the changes.

Employees who have been Convicted of Crimes against Children:

The Contractor, or any subcontractors, shall not utilize any employee at a school site or allow any contact between school children and any employee when an employee has plead guilty to or been convicted of any felony crime involving the physical neglect of a child under Chapter 9A.42RCW, the physical injury or death of a child under Chapter 9A.32 or 9A.36RCW (except motor vehicle violations under Chapter 46.61 RCW), sexual exploitation of a child under Chapter 9A.444 RCW where a minor is the victim, promoting prostitution of a minor under Chapter 9A.88 RCW, the sale or purchase of a minor child under 9A.88 RCW, or violation of similar laws of another jurisdiction.

Contractors/Vendors who have regularly scheduled unsupervised access to children, and/or who hire employees who will have regularly scheduled unsupervised access to children, shall perform a record check through the Washington State Patrol criminal identification system under RCW 43.43.830-43.43.834, 10.97.0303 and 10.97.050, and through the Federal Bureau of Investigation before hiring the employee. The record check shall include a fingerprint check using a complete Washington State criminal identification fingerprint card. The Contractor shall provide a copy of the record to the person applying for employment to the school location. If the Contractor or applicant has had a record check within the previous two years, the Contractor may waive the requirement. The Contractor shall determine whether the applicant or the Contractor shall pay costs associated with the record check.

In addition, pursuant to RCW 9.96A.020 and 1993 Chapter Law 71, a person is disqualified from employment by school districts, and their Contractor from hiring employees who will have regularly scheduled unsupervised access to children because of a prior guilty plea or conviction of a felony crime specified under RCW 28A.400.322, or a violation of similar laws of another jurisdiction, even if the time elapsed since the guilty plea or conviction is ten years or more.

Governing Law and Venue/Legal Litigation:

All applicable local, state and federal laws and regulations will apply to any purchases of equipment, service or public works in any of the states KCDA currently services, as well as any other non-AEPA states where members may be added to KCDA membership throughout the term of these contracts. The laws of the State of Washington govern the Contract. Each and every provision of law and clause required by law to be included in the Contract shall be deemed to be inserted herein and the Contract shall be read and enforced as though it were included. If through mistake or otherwise any such provision is not included, or is not currently included, then upon application of either party the Contract shall be physically amended to make such inclusion or correction. Venue for any litigation arising out of or related to the Contract shall take place in the State of Washington.

Hazardous Materials:

If any hazardous chemicals/materials are supplied under a contract/purchase order arising out of this solicitation, a Safety Data Sheet (SDS) shall accompany the delivery of any hazardous chemicals/materials supplied by the vendor. All SDA sheets shall be sent to KCDA and the KCDA member. Any products not appropriately labeled will be refused and the vendor will be responsible for additional freight charges.

Indemnification/Hold Harmless:

The Contractor agrees to defend, indemnify and hold harmless KCDA and the member agency, and their respective officers, officials, employees and volunteers from any and all claims, injuries, damages, losses or suits including attorney fees arising out of or resulting from the acts, errors or omissions in performance of this Agreement, except for injuries and damages caused by the sole negligence of KCDA or the member agency. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Contractor, KCDA or the member agency and their respective officers, officials, employees, and volunteers, the Contractor's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Contractor's negligence. It is further specifically and expressly understood that the indemnification provided herein constitutes the Contractor's waiver of immunity under Industrial Insurance, Title 51 RCW, solely for the purpose of this indemnification. Use of this contract certifies that the waiver of immunity specified by this provision was mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of the Agreement.

Independent Contractor:

The Contractor shall not be held or deemed in any way to be the agent or employee of KCDA and /or a KCDA member. It is the intention of the parties that the Contractor shall be and is to be considered an independent Contractor.

Minority and Women Owned Businesses:

KCDA encourages all minority and women owned businesses to participate in the bid process. Washington State law does not allow KCDA to provide any financial advantage for minority and women owned businesses who participate, however, KCDA believes that a diverse range of suppliers benefits all.

Quality of Goods:

Bidder shall bid and provide new (not used or refurbished) items only. Seller warrants all supplies, materials and equipment and services covered by a contract/purchase order with KCDA or with a KCDA member will:

- (a) conform to the specifications, drawings, written instructions, samples, or descriptions;
- (b) be of good quality and workmanship;
- (c) be free of defects in design, materials and workmanship;
- (d) be merchantable;
- (e) be fit for particular purposes applicable to the design, function or use of the supplies, materials and equipment.

Taxes:

The KCDA Members and Associate Members are to be taxed.

Term of Contract:

The term of the agreement shall commence on the date of the award and continue as stipulated in the General Terms and Conditions, unless terminated, canceled or extended.

Use of Tobacco on School Districts/Public Agency Premises:

RCW 28A.210.310 prohibits the use of tobacco in any form on school district property. Smoking or other use of tobacco will not be permitted at the job site.

B. Order Procedure

After entering into an agreement with KCDA, KCDA will confirm the directions for placement of orders with the Contractor, and will post directions on the KCDA website for both Contractor and members. These directions will also be posted on each awarded Contractors/Vendors website.

- Once the award is made to the Contractor, KCDA will inform members of the contract.
- At this point the Contractor may directly contact members or the member may contact the Contractor.
- A list of members, addresses and phone numbers is available to the Contractor upon request.
- Before a Contractor may enter into business with a KCDA member, they need to verify membership through the KCDA website, which can be viewed under Membership.

Invoicing/Reporting

- KCDA will contact Contractors/Vendors about invoicing procedures.
- KCDA is funded through a service fee paid to KCDA by the participating Contractors/Vendors. The service fee percentage is based upon the total sale of goods and services, including installation, if applicable. This fee shall be reflected in all price quotations under the KCDA agreement. The service fee will be **2%**. Do not print the service fee as a separate line item on the quotation.
- The Contractor will compile an electronic quarterly report listing each purchase made by participating members. Within 30 days after each quarterly period the report will be sent to the e-mail address of the KCDA Purchasing Director, Thomas Kim at tkim@kcda.org and CFO, Yohan Lee at ylee@kcda.org
- These reports shall be in Microsoft Excel format and shall have file names that identify the Contractor and the quarterly period being reported. They shall include the following fields and allow for sorting on any of the fields: Date of order, name of member, item purchased, quantity, unit price, extended price, member PO #, Contractor order number.
- KCDA reserves the right to change the contact name of existing KCDA personnel administering the contract. If there are personnel changes, reports and payments will be sent to the new contact(s) specified.

C. Agencies Allowed to Purchase under KCDA

King County Director's Association (KCDA) is a member owned purchasing cooperative representing 295 Washington State school districts. In addition, KCDA provides purchasing and procurement services for more than 1,200 public agencies and political subdivisions in Washington and other states, including but not limited to Alaska, Idaho, and Montana. KCDA also provides purchasing services for accredited private K-12 schools in Washington State.

A listing of all KCDA members is available on the KCDA website, www.kcda.org.

D. KCDA Additional Terms & Conditions for Construction Products and Services

Contractor agrees that, in performance of the services required under this agreement, Contractor shall abide by all federal, state, local and Washington law and regulations that may apply to construction and public works. It is the responsibility of the Contractor to determine applicability and requirements of any such laws and to abide by them.

a) Public Works:

State of Washington statute requires workers be paid **prevailing wages** when employed on **public works** projects and on public building service maintenance contracts. (RCW 39.04.010, RCW 39.12.010 and 020) It is the contractor's responsibility to be acquainted with and comply with State regulations regarding payment of prevailing wages on public works projects. Prevailing Wages are established by the Washington State Department of Labor and Industries and can be obtained on the web at <http://www.lni.wa.gov/TradesLicensing/PrevWage/WageRates/default.asp> or by contacting Labor and Industries at 360-902-5335. A copy may also be requested from KCDA. KCDA serves all counties in Washington State. The County in which the project is located will be identified once a member initiates a request for the service, and the effective wage rate to be applied to a specific project is to be based on the date of this bid during the original contract term, and if contract extensions are granted, the prevailing wage rate in affect at the time of the latest extension.

Application: The Public Works Act regulates wages paid to workers, laborers and mechanics performing public work. It does not apply to work that is clerical, executive administrative or professional in nature. It does not apply to work of a secretary, engineer or administrator, unless they are performing construction work, alteration work, repair work, etc. Prevailing wage application depends on the work that is performed, regardless of the worker's job title. (RCW 39.12.020 and WAC 296-128-510 through 530)

Definition:

Public Works is all work, construction, alteration, repair or improvement that is executed at the cost of the state or any other local public agency. This includes, but is not limited to, demolition, remodeling, renovation, road construction, building construction, ferry construction and utilities construction. (RCW 39.04.010)

Public Building Service Maintenance Contracts: Prevailing wages are also required on all public building service maintenance (janitorial) contracts. (RCW 39.12.020)

Contractors bidding a Public Works project exceeding \$1,000,000.00 must declare who their HVAC, Mechanical and Electrical subcontractors will be within one hour of bid submission and the listing of structural installation and rebar installation subcontractors within 48 hours of bid submission, and submit this information with bid documents in order for the bid to be responsive. (RCW 39.30.060).

Apprentice Utilization Requirements (AURs)

Public works projects should conduct a 15% apprentice utilization requirement if the project belongs to any of below,

- State public works estimated to cost \$1 million dollars or more;
- Department of Transportation projects estimated to cost \$2 million or more;
- All school district public works projects estimated to cost \$1 million or more; and
- All public works by a state four-year institution of higher learning estimated to cost \$1 million or more.

And one of three requirements should happen on a project:

- The project meets the 15% AUR;
- The project does not meet the 15% AUR, however the awarding agency approves a good faith effort; or
- The monetary penalty written in the contract is assessed.

Good faith efforts are for the entirety of a project, not a single occupation unless there happens to be only one apprenticeable occupation on the project. Therefore, the prime contractor cannot only consider their occupation(s) when requesting a good faith effort and leave out the occupations and workforce used by subcontractors.

Within existing resources, awarding agencies are responsible for monitoring apprenticeship utilization hours by

contractor. There must be a specific line item in the contract specifying that apprenticeship utilization goals should be met, monetary incentives for meeting the goals, monetary penalties for not meeting the goals, and an expected cost value to be included in the bid associated with meeting the goals. The awarding agency must report the apprenticeship utilization by contractor and subcontractor to the supervisor of apprenticeship at the department of labor and industries by final project acceptance. The electronic reporting system that is being developed by the department of labor and industries may be used for either or both monitoring and reporting apprenticeship utilization hours.

Refer to RCW 39.04.320, which covers apprentice utilization on public works projects for detailed information.

Reciprocity: In accordance with RCW 39.04.380 any bidding process for public works in which a bid is received from a nonresident contractor from a state that provides a percentage bidding preference, a comparable percentage disadvantage must be applied to the bid of that nonresident contractor. This does not apply to public works procured pursuant to RCW 39.04.155, 39.04.280 or other procurement exempt from competitive bidding.

b) Prevailing Wage:

Definition: Prevailing Wage is the hourly wage, usual benefits and overtime, paid in the largest city in each county, to the majority of workers, laborers and mechanics. The rate is established by the Department of Labor and Industries for each trade and occupation employed in the performance of public work. If Federal funds are used, bidders must comply with provisions of Davis-Bacon Act.

Basic procedures: A Statement of Intent to Pay Prevailing Wages and Affidavit of Wages Paid must be filed and approved for the contractor and all subcontractors. No payments can be made until all contractors/subs have submitted an approved intent form. KCDA cannot release retainage until all Contractors have an approved Affidavit of Wages Paid form certified by the Industrial Statistician. (RCW 39.12.030, 040, 042) Once the work is successfully completed, KCDA will release 95% of the project cost and withhold 5% retainage for 45 days as dictated by law. The final 5% will be paid when the following is completed: Receipt of approved Affidavit of Wages Paid Forms, Releases from Washington State Department of Labor & Industries, Employment Security Department and the Department of Revenue, and acceptance of project completion to the satisfaction of the KCDA ordering member. **The cost of filing required Intents and Affidavits is the responsibility of the Contractor, and may not be added as a line item charged to the member agency. All Intents and Affidavits must name the agency for whom work is being performed as the contract award agency, not KCDA.**

Federally Funded Projects: In addition to the Federal Requirements of Section III, Housing and Urban Development (HUD) Terms and Conditions, **Davis-Bacon** prevailing wage requirements apply to public works construction contracts of \$2,000 or more when a project includes any federal funding of any amount. When there is a difference between applicable state and federal prevailing wages for a particular classification of labor, contractors and subcontractors are required to pay the higher of the two prevailing wages. Applicable federal prevailing wage determinations can be found at <https://sam.gov/content/wage-determinations>. Contractors/Subcontractors must be knowledgeable and adhere to all federal prevailing wage requirements, including but not limited to paying workers weekly and providing certified weekly payrolls for the contractor and subcontractors of any tier as required in the Davis-Bacon Act and applicable U.S. Department of Labor regulations. Falsification of any prevailing wage payroll records may subject the contractor or subcontractor to civil or criminal prosecution under section 1001 of Title 18 and section 231 of Title 31 of the United States Code. Contractor shall inform all subcontractors of the Davis-Bacon requirements and the prime contractor shall be responsible for the compliance by any subcontractor or lower tier subcontractor with all the contract clauses. Contractor must coordinate all requirements related to federal funded projects with the KCDA member Agency.

c) Responsible Bidder:

Before award, the bidder must meet the following state responsibility criteria and, if applicable, supplemental responsibility criteria to be considered a responsible bidder. The bidder is required to submit documentation

demonstrating compliance with the criteria.

Low Responsible Bidder

State Responsibility Criteria. The Bidder must meet the following state responsibility criteria:

1. At the time of bid submittal, have a current certification of registration in compliance with chapter 18.27 RCW.
2. Have a current Washington State Unified Business Identifier (UBI) number.
3. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3).
4. If applicable:
 - a. Have Industrial Insurance (workers' compensation) coverage for the Bidder's employees working in Washington State, as required in Title 51 RCW;
 - b. Have a Washington State Employment Security Department number, as required in Title 50 RCW; and
 - c. Have a Washington State Department of Revenue state excise tax registration number, as required in Title 82 RCW.
5. New bidder requirement. Certify that within the three-year period immediately preceding the bid solicitation date:
 - a. The bidder is not a "willfull" violator, as defined in RCW 49.48.082, or any provision of chapter 49-46, 49.48 or 49.52 RCW.
 - b. As determined by a final and binding citation and notice of assessment issued by the department of labor and industries or through a civil judgement entered by a court of limited or general jurisdiction.
 - c. As of July 1, 2019, WA Labor and Industries has required all businesses to have public works training before bidding and/or performing work on public works projects. This training requirement has been added to the responsible bidder criteria in [RCW 39.04.350](#) and [RCW 39.06.020](#). Awarding agencies are required to verify all contractors submitting bids meet this requirement before awarding the contract.
6. At the time of bid submittal, provide signed sworn statement in accordance with RCW 9A.72.085 verifying under penalty or perjury that the bidder is in compliance with the new responsible bidder criteria requirement.
7. Supplemental Bidder Responsibility Criteria. If supplemental criteria apply to this project, the criteria are included as "Exhibit A." The Bidder may make a written request to modify any or all of the supplemental criteria. Modification of supplemental criteria shall be at KCDA's discretion. Any modifications to the supplemental criteria shall be made by addenda prior to bid opening.

Subcontractor Responsibility

The contractor shall include the language of this section in each of its first tier subcontracts, and shall require each of its subcontractors to include the same language of this section in each of their subcontracts, adjusting only as necessary the terms used for the contracting parties. The requirements of this section apply to all subcontractors regardless of tier. At the time of subcontract execution, the Contractor shall verify that each of its first tier subcontractors meets the following bidder responsibility criteria:

1. At the time of bid submittal, have a current certification of registration in compliance with chapter 18.27 RCW.
2. Have a current Washington State Unified Business Identifier (UBI) number.
3. Not be disqualified from bidding on any public works contract under RCW 39.06.010 or 39.12.065(3).
4. If applicable:
 - a. Have Industrial Insurance (workers' compensation) coverage for the Bidder's employees working in Washington State, as required in Title 51 RCW;
 - b. Have a Washington State Employment Security Department number, as required in Title 50 RCW; and
 - c. Have a Washington State Department of Revenue state excise tax registration number, as required in Title 82 RCW
5. Have an electrical contractor license, if required by Chapter 19.28 RCW;
6. Have an elevator contractor license, if required by Chapter 70.87 RCW;

Payment & Performance Bond:

The prime Contractor shall provide a Performance and Payment Bond at 100% of the contract price to the KCDA member with a copy to KCDA before work begins. The only exception is for contracts of one hundred fifty thousand

(\$150,000) dollars or less. In this instance, at the option of the Contractor, the member may in lieu of the bond retain ten percent of the contract amount for a period of thirty days after date of final acceptance, or until receipt of all necessary releases from the Department of Revenue, Employment Security Department, and the Department of Labor and Industries and settlement of any liens filed under Chapter 60.28 RCW, whichever is later. The bond shall be issued by a surety company authorized to do business in the State of Washington and shall be on standard forms used for public projects (RCW 39.08.010) and as directed by the KCDA member.

Performance and Payment bonds for KCDA members outside Washington must be provided by companies licensed to provide bonds for public entities in the member's state.

Licenses

The prime contractor shall possess and maintain in current status all federal, state, and local licenses, bonds, and permits required for the performance and delivery of any and all products and services offered in its response to the bid solicitation. Before submitting a bid, Bidders must hold a current, valid contractor's license as required in Washington. The contractor's license must be in the name of the legal entity submitting and signing the bid. A Bidder may not substitute a contractor's license held by a subcontractor or joint venture. Bidders submitting bids in Washington State without a valid contractor's license in the name of the Bidder are in violation of RCW 18.27.020.

It is the responsibility of the prime contractor to ensure any subcontractors performing under this contract hold and maintain appropriate licenses.

KCDA reserves the right to request copies of licenses at any time during the contract. Copies of licenses, upon request, must be submitted to the member prior to performing the work. The Contractor agrees to keep and ensure subcontractors keep any required license, permit or bond current and in compliance with Washington rules, regulations and statutes, as well as in states outside Washington in which contractor performs work under this contract. For work performed for any Washington State school district, public agency or municipality, the Contractor must comply with the bidder responsibility requirements of RCW 39.04.350 prior to the KCDA member awarding a contract. The contractor must verify the responsibility of all subcontractors used in accordance with RCW 39.06.020.

d) Permits:

Obtaining permits is the responsibility of the Member. Awarded Contractor may provide guidance and/or assistance in obtaining necessary permits. If Contractor does obtain permits on behalf of member, all fees are viewed as a "pass through" with no upcharge to the member.

e) Certificate of Insurance:

A certificate of insurance demonstrating current coverage of the types and amounts of insurance required by KCDA and the KCDA member must be provided to the KCDA member prior to performance of any work. In addition, the Commercial General Liability policies must be endorsed to name KCDA and the KCDA member as additional insureds. Such policies must be further endorsed to provide that the insurance is primary as respects KCDA and the KCDA member, and that any other insurance maintained by KCDA and the KCDA member shall be excess and not contributing insurance with the Contractor's insurance. These endorsements must be provided along with the certificate of insurance. The KCDA member must approve the certificate of insurance and endorsements.

f) Acceptable Pricing Method:

KCDA is unable to accept Alternative Costing Method quotations except in certain limited instances, (i.e. sole source) in which KCDA and Vendor may mutually determine the Alternative Costing Method is acceptable. This will be the exception rather than the rule. RS Means or line item bid pricing is acceptable.

g) Progress Payments:

The Contractor shall be paid, upon submission of a proper Payment Request, the prices stipulated herein for work performed (less deductions, if any), in accordance with all payment and retainage instructions herein. Submitted Payment Requests must contain the following minimum information:

- a. Contract Number
- b. Bid item ID, bid quantity, unit, unit price and description as appropriate
- c. Sales Tax as applicable

The Payment Request will be reviewed by the Member before payment is made. If the Member is in disagreement with the Payment Request, KCDA will issue a notice requesting a revised Payment Request.

KCDA, at its discretion, reserves the right to withhold payment on a given project, pending receipt of payment from the customer.

In accordance with RCW 51.12.050, KCDA reserves the right to deduct from the payment any outstanding industrial insurance premiums owed by the Contractor or Subcontractors.

h) Payment Retainage:

In accordance with RCW 60.28 contract retainage [*not to exceed five percent of the moneys earned by the contractor toward completion of a public improvement contract*] shall be withheld and reserved in one of two ways:

- a. As a trust fund for the protection and payment of 1) the claims of any person arising under the contract, and 2) the state with respect to taxes imposed pursuant to Titles 50, 51 and 82 RCW which may be due from such contractor. Upon completion of a contract, the member agency shall notify the Department of Revenue, the Employment Security Department, and the Department of Labor and Industries of the completion of contracts over thirty-five thousand dollars. KCDA will issue payment on the retainage amount forty-five days after notice from the KCDA Member Agency that the contract has been accepted as complete or upon receipt of all necessary releases, whichever is later.
- b. Option of providing retainage bond for the full amount of the retainage (5% of the contract amount with a performance bond). This bond is separate from the performance bond under RCW 39.08.10. Providing a retainage bond means no retainage is withheld. If you choose to provide a retainage bond a copy of the bond must be submitted.

i) Force Majeure:

Except for payments of sums due, neither party shall be liable to the other, nor be 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 or responsibility of the party affected and occurs without its fault or negligence, including, but not limited to the following: acts of God; acts of the public enemy; war; riots; strikes; industry-wide labor disputes; civil disorders; fire; flood; snow; earthquakes; tornadoes or violent winds; hail storms; lockouts; injunctions-intervention-acts, or failures or refusals to act by government authority; and other similar occurrences beyond the control or responsibility of the party declaring force majeure, which such party is unable to prevent by exercising reasonable diligence. The force majeure shall be deemed to commence when the party declaring it notifies the other party of the existence of the force majeure, and shall be deemed to continue as long as the results or effects of the force majeure prevent the party from resuming performance in accordance with the contract. The party receiving the notice of force majeure may contest the declaration of a force majeure. Force majeure shall not include late deliveries of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, an oversold condition of the market, inefficiencies, internal labor disputes, or similar occurrences. If either party is delayed at any time by force majeure, the delayed party shall notify the other party in writing of such delay within forty-eight (48) hours.

27. West Virginia, West Virginia Cooperative Purchasing

A. General Terms and Conditions that apply for all Categories:

1. **Compliance with Laws/Forum Designation**

Contractor shall comply with Federal, State, and Local Laws, Codes and Regulations while fulfilling the contract. It is the Contractor's responsibility to be aware of and comply with all state and local laws governing this procurement. Applicable laws, codes, and regulations (etc.) must be followed even if not specifically identified herein. The terms of the Agreement Addendum which is attached hereto and incorporated herein shall govern and supersede any contract terms to the contrary with respect to each procurement. Contractor shall verify to Mountain State ESC, its Member Agencies and other qualifying purchasers that the Contractor is complying with all Federal, State and Local Laws, Codes and Regulations while fulfilling the contract, and shall provide a copy of this contract and any addenda to each Member Agency when providing a price quotation. Moreover, this contract shall be governed by and construed in accordance with the laws of the State of West Virginia without giving effect to its principles of conflict of law. Legal proceedings arising under this contract shall be brought in a West Virginia Court of the County where the Member Agency's main office is located.

2. Delinquent Tax Affidavit

Contractor shall provide an affidavit relating to delinquent taxes as may be required by West Virginia State Code §11-12-10.

3. Secretary of State Registration

Contractor shall meet and maintain all registration requirements as necessary to conduct business in the State of West Virginia, including but not limited to registration with the West Virginia Secretary of State.

4. West Virginia Workers Compensation Insurance

Contractor, and any subcontractors hired by Contractor shall, at their own expense, maintain in force for the duration of the project workers' compensation and employer's liability insurance as required by the laws of the State of West Virginia.

5. Project Personnel, Student Safety and Background Checks

Member Agency shall have the right to reject the participation of any personnel of Contractor in the performance of the services if, in relation to the work assigned to them, the Member Agency deems such personnel to lack the skill, experience and expertise required to perform the services or if Member Agency considers their performance to be substandard or otherwise detrimental to the proper completion of the services. Contractor will advise Member Agency promptly of any change in the project manager or other key personnel assigned to the performance of the services.

Contractor acknowledges that the safety of the Member Agency's students, employees, officials and guests is of the utmost importance. Contractor will endeavor to ensure that its officers, employees, agents, representatives, and consultants will take no action that would jeopardize the safety of the Member Agency's students, employees, officials, or guests. The Member Agency reserves the right to require Contractor's officers, employees, agents, representatives and consultants to wear identification and stay in designated work areas at all times while on the Member Agency's property. The Member Agency shall have the right to effect the immediate removal of any person associated in any way with Contractor from Member Agency property for failure to wear identification, for being outside a designated work Contractor shall perform or cause to be performed by the West Virginia State Police and Federal Bureau of Investigation criminal background check of any personnel that will be performing the services within the proximity of minors. Contractor shall notify the Member Agency of any proposed employee who has been convicted, pled guilty or pled "no contest" to a criminal offense, and the Member Agency reserves the right to reject the proposed employee with a criminal background. No person shall be employed by Contractor who has been found guilty of any of the criminal offenses enumerated in West Virginia State Code without prior approval of the Member Agency.

6. Independent Contractor

Contractor shall be an independent contractor and neither Contractor nor any of its subcontractors, nor the employees of any thereof, shall be deemed to be the servants, employees, or agents of Member Agency. Contractor shall be responsible for paying all costs related to its employees and managers performing the services. Contractor shall remain liable and responsible to Member Agency for all of its obligations under this contract, regardless of whether the services are performed by the Contractor or a subcontractor of any tier.

- 7. Ownership of Instruments of Service**
Drawings, data and other documents prepared by, or with the cooperation of, the Contractor pursuant to this contract shall become, upon payment of all undisputed compensation due the Contractor from the Member Agency, the property of the Member Agency. Such drawings, data or other documents may be used by the Member Agency or others employed by the Member Agency without compensation to the Contractor.
- 8. Audit**
Member Agency may audit and inspect Contractor's records and accounts at any time during the Contractor's performance of the services and for a period of two (2) years following the completion or termination of the services for the purpose of verifying any invoice and underlying documentation presented by Contractor, it being understood that Contractor agrees to preserve all such documents through such two- (2) year period.
- 9. Notices**
Unless otherwise expressly provided in this contract, all notices and other communications given under the contract shall be in writing and shall be deemed effective upon receipt by the addressee at its address as set forth in the contract or at such other address as such party shall have notified the other in writing.
- 10. Non-Appropriation and Other Contract Terms Applicable to Member Agencies as Political Subdivisions of the State**
If the Member Agency fails to appropriate sufficient monies in any fiscal year for payments due under the contract and other funds are not available for such payments, then a "Non-Appropriation" shall be deemed to have occurred. If a Non-Appropriation occurs, then Member Agency will give Contractor prompt notice of such Non-Appropriation. This contract shall thereupon terminate without penalty or expense to the Member Agency other than for goods and services already provided.
- 11. No Personal Liability**
It is understood and agreed that under no circumstances will the Member Agency's board members, regional council members, officers, employees, or agents be personally liable for any obligations or claims arising out of or related to the contract.
- 12. Price Quotation**
Contractors must quote to a Member Agency the pricing listed in the current contract awarded by the Association of Educational Purchasing Agencies. Vendor will follow the procedures for price reductions to AEPA Member Agencies and Participating Entities set forth in the AEPA general terms area, and conditions. The price quotation must be submitted to a Member Agency and Participating Entity in writing, and any other expenses that the Contractors intend to charge a Member Agency or Participating Entity must be separately itemized on the quotation page in bold font with a good faith estimate of the dollar amount of each item, such as use tax if applicable. The failure to list an item or include a good faith estimate of the dollar amount on the quotation page will preclude a Contractor from charging the same.
- 13. Jobs Act**
As the unemployment rate in the State of West Virginia is significantly higher than most other states, the West Virginia Legislature enacted the West Virginia Jobs Act, which deems it necessary for those employers contracted to perform construction work on state funded public improvement projects, which equal or exceed \$500,000.00 in cost, to hire 75% of their workers from the local labor market. The local labor market is defined as including every county within the State of West Virginia as well as any county outside of West Virginia, if any portion of that county is within 50 miles of the state border.
- There are certain exclusions to this requirement, which includes an exemption for projects that contain any amount of federal funding as well as an allowance for out-of-state contractors to bring two (2) of their own employees from outside the local labor market to work on the project and still remain in compliance.
- 14. Miscellaneous**
Headings and titles of articles, paragraphs and other subparts of this contract are for convenience of reference only and shall not be considered in interpreting the text of this contract. This contract and any appendices constitute the entire agreement of the parties with respect to the subject matter hereof and supersedes all prior agreements or understandings with respect thereto and all agreements or understandings with a Member Agency. No contract amendments can be made without the approval of the AEPA membership.
- B. Construction Products and Services:**
For construction improvements, the following shall apply:

1. The successful Contractor shall provide such bonds required by West Virginia State Code §38- 2-39.
2. Contractor shall comply with all applicable licensing requirements, including those of the West Virginia Contractor Licensing Board pursuant to West Virginia State Code §21-11-3.

C. Procedures for Processing Orders:

The Mountain State ESC will keep informed its Member Agencies and other qualified purchasers of contract information via web site and through other marketing strategies. A list of Mountain State ESC Member Agencies along with addresses, phones, contacts, etc. will be made available to successful Contractors. After contracts are awarded, Contractors may contact the Mountain State ESC Member Agencies and other qualifying purchasers concerning their products and services.

Participating Member Agencies and other qualified purchasers will submit all purchase orders directly to the Contractor.

The Contractor price shall include a two percent (2%) administrative fee that the Contractor will collect from the Member Agency or other qualified purchaser. Administrative fees are to be remitted to the Mountain State ESC on April 15, July 15, October 15 and January 15 of every calendar year with checks payable to the Mountain State ESC, 501 22nd Street, Dunbar, WV 25064

The Contractor will compile a quarterly report showing all purchases made by the Mountain State ESC Member Agencies and other qualified purchasers under this contract at the conclusion of each calendar quarter. These reports shall be attached to the administrative fee remittance.

D. Agencies Allowed to Purchase under Member Agency:

All member cooperatives of the MOUNTAIN STATE ESC and their individual Member Agencies are eligible to participate and purchase from the awarded AEPA contracts. All West Virginia PK-12 school districts, including Career and Technical Education Centers, Regional Education Services Agencies, West Virginia Department of Education (WVDE) and all Institutional Education Programs operated by WVDE are eligible to participate and purchase from the awarded AEPA contracts. In addition, all colleges and universities, state, municipalities, counties, other governmental agencies and non- profit agencies are eligible to participate if the AEPA contracts satisfy their individual procurement requirements.

E. No Debt Affidavit

The No Debt Affidavit is administered in accordance with the *West Virginia Code, §5A-3-10A*

According to the statute, no contract or renewal of any contract may be awarded under this article to any vendor or prospective vendor when the vendor or prospective vendor or a related party to the vendor or prospective vendor is a debtor as defined in this section and the debt owed is an amount greater than \$1,000 in the aggregate.

28. Wisconsin, Cooperative Educational Service Agency - CESA Purchasing

A. Additional Terms and Conditions

(Note: anything that is not already in Part A – General Terms and Conditions for AEPA) Terms and Conditions must be compliant with Wisconsin State Statutes 16.70 to 16.848

- B. *Additional Participating Agency Terms and Conditions for Non-Construction Products and Services*** Some larger districts, like Milwaukee Public Schools, may require an additional one page “piggyback” memorandum of understanding to utilize the contract.

- C. Additional Participating Agency Terms and Conditions for Construction Related Products and Services**
Construction contracts are subject to Wisconsin State Statutes 16.855 or 66.0901.

D. Procedure for Processing Orders

All districts directly process orders with the CESA Purchasing AEPA vendor partner unless otherwise arranged.

E. Members Purchasing Under CESA

CESA Purchasing membership is free. Membership is available to the following agencies based on WI State Statutes Chapter 116 which governs the work of WI Cooperative Educational Service Agencies: school districts, University of Wisconsin System institutions, and technical colleges. All public, private, and tribal schools, and all public and private agencies and organizations, that provide services to pupils. Please note in Wisconsin we do not require additional registration of members and define members as those defined by WI Statute 116 that guides our work.

29. Wyoming, Northeast Wyoming Board of Cooperative Educational Services (NEW BOCES):

Upon execution of this document, the respondent hereby agrees to submit bids and NEW BOCES agrees to accept such bids under the following conditions:

PREFERENCES Wyoming Statutes provide for percentage preferences for items supplied by Wyoming resident bidders and for items produced or grown in the State of Wyoming. Preferences may not be applied when federal funds are involved. Preference will be given in accordance with W.S. 16-6-101, 16-6-102, 16-6-103, 16-6-104, 16-6-105, 16-6-106, 16-6-107, and 16-6-301, as amended. For bids involving federal funds please refer to W.S. 16-6-108. Please contact the Department of Workforce Services, Division of Labor Standards

Resident & Non-Resident VENDOR REGISTRATION REQUIREMENTS:

Secretary of State 2020 Carey Avenue Cheyenne, WY 82002 Phone: (307) 777-7378 website: <http://soswy.state.wy.us/>
Department of Workforce Services Division of Unemployment Insurance 100 W. Midwest P.O. Box 2760 Casper, WY 82602 Phone: (307) 235-3217

Public Works and Contracts: Vendor shall comply with all laws, whether local, state, federal, or otherwise, applicable to any aspect of the service or product to be provided in relation to the contract. It shall be the vendor's responsibility to determine the applicability and requirements of any such laws and to abide by them. Vendor shall indemnify, defend, and hold harmless NEW BOCES for any default or breach of vendor in this regard. To the extent applicable for the product or service bid, vendor shall comply with W.S. 16-6-101 to 16-6-602 and to W.S. 21-3-110(a) (viii)

Every Contracted Vendor Employee shall provide a valid State issued Identification Card upon entry of any educational facility.

Members Customer Client Purchasing: NEW BOCES NEW BOCES is an educational cooperative authorized under the provisions of W.S. 21-20-101 to 21-20-111. All K-12 school districts, Community Colleges, Child Development Centers, Residential Child Care Institutions, Utah Educational Service Agencies, all Non-Profits and all Municipalities are eligible to participate in NEW BOCES cooperative purchasing programs within the State of Wyoming and Other States as requested. "Agencies" means Counties, Municipal Corporations, School Districts, Community College Districts, the joint business council of the Eastern Shoshone and Northern Arapaho Indian tribes, the business council of the Eastern Shoshone Indian tribe, the business council of the Northern Arapaho Indian tribe. Providing facilities or functions enumerated in W.S. 16-1-104(c);

No member user is obligated to use these services, but they find the benefits of economy and efficiency made possible by cooperative purchasing to be advantageous.

Procedure for Processing Orders: Upon bid award to the Contractors/Vendors, NEW BOCES will inform its members and other qualifying purchasers of the contract:

- When the customer identifies a desired product or service as available through the AEPA/NEW BOCES contract and agrees on price as presented to the customer by the awarded AEPA/NEW BOCES vendor, the customer then issues to the vendor a purchase order for that item or service.
- The vendor's price shall include a two percent (2%) administrative/marketing fee on all sales of products and or services that the vendor will collect from the member or other qualifying purchaser. This fee will be remitted to NEW BOCES on a quarterly basis.
- Administrative/Marketing fees will be payable to NEW BOCES on the 15th in the months of April, July, October, and January with all checks payable to NEW BOCES, 410 North Miller Avenue, Gillette, Wyoming 82716.
- Vendor makes all deliveries and installation of products and services. NEW BOCES does not warehouse items nor provide services.
- No other Cooperative shall be offered or used by awarded Contracted Vendors within the participating member customer clients of NEW BOCES.

Vendor Contact: Vendor will designate to NEW BOCES an individual(s) who will represent them. This contact person(s) will correspond with each ordering member for technical assistance, problems, or questions that may arise. Include instructions if different contacts for different geographical areas are needed; this information will be distributed to NEW BOCES members upon award of this bid.

NEW BOCES Commitment to Awarded Contract Vendors:

- 1) Website postings www.newboces.com under Cooperative Purchasing. Includes but not limited to News & Announcements, Public Calendar Events, Awarded Contracts, and Flyers.
- 2) Announcing the contract in its quarterly newsletter and other events completed with vendors which includes savings reports and rebates to members and users of NEW BOCES Cooperative Contracts.
- 3) Publish the Vendor information in a catalog disseminated to all members and marketing for new members.
- 4) Attend Annual Conferences for Trade Show product purposes of all contracts held by NEW BOCES. Including any other suggestions or support from Vendors. A list of members and other qualifying purchasers, addresses, and phone numbers will be made available to the Contracted Vendor.

4. **State Specific Forms**

An AEPA Member Agency (State) may have forms relating to this solicitation that require completion before an award is made by that AEPA Member Agency.

For this solicitation, New Jersey is the only AEPA Member Agency with required forms. The forms can be found on the following pages.

NEW JERSEY REQUIRED DOCUMENTS FOR GOODS AND SERVICES BIDS

BUSINESS REGISTRATION CERTIFICATE (N.J.S.A. 52:32-44)

Pursuant to N.J.S.A. 52:32-44, all respondents shall submit prior to award of bid, a copy of their "New Jersey Business Registration Certificate" as issued by the Department of Treasury of the State of New Jersey. The ESCNJ requests that all respondents for this bid/proposal submit a current New Jersey Business Registration Certificate with the bid/proposal but no later than the bid award.

Goods and Services Contracts

N.J.S.A. 52:32-44 imposes the following requirements on contractors and all subcontractors that knowingly provide goods or perform services for a contractor fulfilling this contract:

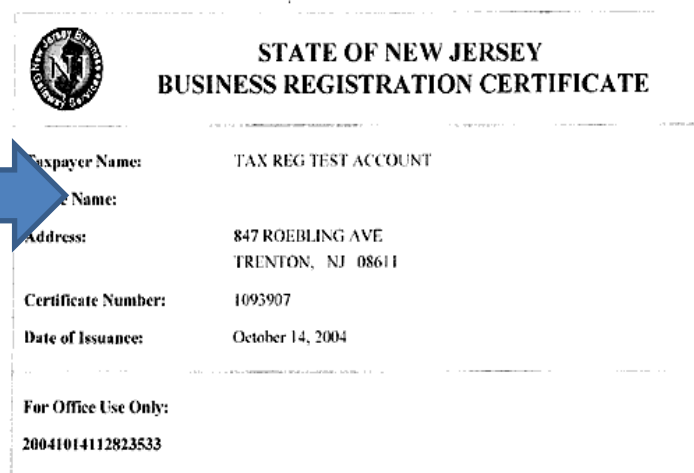
1. The contractor shall not enter into a contract with a subcontractor unless the subcontractor first provides the contractor with a valid proof of business registration.
2. The contractor shall maintain and submit to the Contracting Agency a list of subcontractors and their addresses that may be updated from time to time.
3. Prior to receipt of final payment from a contracting agency, a contractor must submit to the contracting agency an accurate list of all subcontractors or attest that none was used.
4. The contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall collect and remit to the Director of the Division of Taxation in the Department of the Treasury, the use tax due pursuant to the Sales and Use Tax Act, (N.J.S.A. 54:32B-1 et seq.) on all sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Taxation at (609) 292-6400.

For more information on how to obtain a Business Registration Certificate, please visit the State of New Jersey, Department of Treasury, Division of Revenue and Enterprise Services website at:

<http://www.state.nj.us/treasury/revenue/busregcert.shtml>



A sample New Jersey Business Registration Certificate. The certificate is titled "STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE FOR STATE AGENCY AND CASINO SERVICE CONTRACTORS". It includes fields for Taxpayer Name (TAX REGISTRATION TEST ACCOUNT), Trade Name (CLIENT REGISTRATION), Taxpayer Identification# (970-097-382/500), Sequence Number (0107230), Address (847 ROEBLING AVE, TRENTON NJ 08611), and Issuance Date (07/14/04). A signature of the Acting Director is present. A large "SAMPLE" watermark is overlaid on the certificate.



A New Jersey Business Registration Certificate. The certificate is titled "STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE". It includes fields for Taxpayer Name (TAX REG TEST ACCOUNT), Trade Name (CLIENT REGISTRATION), Address (847 ROEBLING AVE, TRENTON, NJ 08611), Certificate Number (1093907), and Date of Issuance (October 14, 2004). A blue arrow points to the "Taxpayer Name" field. The "For Office Use Only" section contains the number 20041014112823533.

N.J.S.A. 54:49-4.1: Violations of Registration Requirements; Penalties.

A business organization that fails to provide a copy of a business registration as required pursuant to section 1 of P.L.2001, c.134 (C.52:32-44 et al.) or subsection e. or f. of section 92 of P.L.1977, c.110 (C.5:12-92), or that provides false information of business registration under the requirements of either of those sections, shall be liable for a penalty of \$25 for each day of violation, not to exceed \$50,000 for each business registration copy not properly provided under a contract with a contracting agency.

All respondents are urged to submit with their response, a copy of their firm's New Jersey Business Registration Certificate. Failure to submit the Certificate to the ESCNJ prior to the award of contract will result in the rejection of the entire bid or proposal.

CONTRACTOR/VENDOR REQUIREMENTS—OFFICE OF THE NEW JERSEY STATE COMPTROLLER

Contractors/vendors doing business with the ESCNJ are reminded of the following legal requirements pertaining to the Office of the New Jersey State Comptroller:

A. Access to Relevant Documents and Information—N.J.S.A. 52:15C-14 (d)

Private vendors or other persons contracting with or receiving funds from a unit in the Executive branch of State government, including an entity exercising executive branch authority, independent State authority, public institution of higher education, or unit of local government or board of education shall upon request by the State Comptroller provide the State Comptroller with prompt access to all relevant documents and information as a condition of the contract and receipt of public monies. The State Comptroller shall not disclose any document or information to which access is provided that is confidential or proprietary. If the State Comptroller finds that any person receiving funds from a unit in the Executive branch of State government, including an entity exercising executive branch authority, independent State authority, public institution of higher education, or unit of local government or board of education refuses to provide information upon the request of the State Comptroller, or otherwise impedes or fails to cooperate with any audit or performance review, the State Comptroller may recommend to the contracting unit that the person be subject to termination of their contract, or temporarily or permanently debarred from contracting with the contracting unit.

B. Maintenance of Contract Records—N.J.A.C. 17:44-2.2

Relevant records of private vendors or other persons entering into contracts with covered entities are subject to audit or review by OSC pursuant to N.J.S.A. 52:15C-14(d).

The contractor/vendor to whom a contract has been awarded shall maintain all documentation related to products, transactions or services under this contract for a period of five years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.

D. Renewal of Contract; Services

The ESCNJ may, at its discretion, request that a contract for services be renewed in full accordance with N.J.S.A. 18A:18A-42. The ESCNJ may negotiate terms for a renewal of contract proposal and present such negotiated proposal to the Board. All multi-year contracts and renewals are subject to the availability and appropriation annually of sufficient funds as may be needed to meet the extended obligation.

The ESCNJ is the final authority in awarding renewals of contracts.

DEBARMENT, SUSPENSION, OR DISQUALIFICATION

The ESCNJ will not enter into a contract for work with any person, company or firm that is on the State Department of Labor and Workforce Development; Prevailing Wage Debarment List, or the State of New Jersey Consolidated Debarment Report (<https://www.state.nj.us/treasury/revenue/debarment/index.shtml>).

All bidders are required to submit a sworn statement indicating whether or not the bidder is, at the time of the bid, included on the State Department of Labor and Workforce Development; Prevailing Wage Debarment List or

the State of New Jersey Consolidated Debarment Report, or the Federal Debarred Vendor List—Excluded Parties List System—System for Award Management—SAM.gov

PROHIBITED ACTIVITIES IN RUSSIA AND BELARUS & INVESTMENT ACTIVITIES IN IRAN N.J.S.A. (18A:18A-49.4)

The ESCNJ, pursuant to N.J.S.A. 18A:18A-49.4, shall implement and comply with Public Law 2012, c.25, Disclosure of Investment Activities in Iran and Public Law 2022, c.3, Prohibited Russia-Belarus Activities —N.J.S.A. 52:32-55 et seq.

Pursuant to N.J.S.A. 52:32-57, et seq. (P.L. 2012, c.25, P.L. 2021, c.4 and P.L. 2022, c.3), any person or entity that is a successful bidder or proposer, or otherwise proposes to enter into or renew a contract, for goods or services must complete the certification below prior to contract award to attest, under penalty of perjury, that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list or Chapter 25 list as a person or entity engaging in prohibited activities in Russia, Belarus or Iran. Before a contract for goods or services can be amended or extended, a person or entity must certify that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list. Both lists are found on Treasury's website at the following web addresses:

<https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf>

www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf . Bidders must review this list prior to completing the certification. If the Director of the Division of Purchase and Property finds a person or entity to be in violation of the law, s/he shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

In addition, bidders must provide a detailed, accurate and precise description of the activities of the bidding person/entity, or one of its parents, subsidiaries or affiliates, engaging in Russia or Belarus and/or investment activities in Iran outlined above by completing the boxes on the lower portion of the enclosed form. The person or entity must cease engaging in any prohibited activities and provide an updated certification before the contract can be entered into. If a vendor or contractor is found to be in violation of law, action may be taken as appropriate and as may be provided by law, rule, or contract, including but not limited to imposing sanctions, seeking compliance, recovering damages, declaring the party in default, and seeking debarment or suspension of the party.

The ESCNJ has provided within these specifications, a Prohibited Russia-Belarus Activities & Iran Investment Activities certification form for all persons or entities, that plan to submit a bid, respond to a proposal, or renew a contract with the ESCNJ, to complete, sign and submit with the proposal. The Prohibited Russia-Belarus Activities & Iran Investment Activities Form is to be completed, certified and submitted prior to the award of contract, preferably with the bid submittal.

Please sign and submit the Disclosure of Investment Activities in Iran form and include with your bid package. This form must be submitted no later than the time of the award of a contract.

POLITICAL CONTRIBUTIONS DISCLOSURE – AWARD OF CONTRACTS

Pursuant to N.J.A.C. 6A:23A-6.3 (a) (1-4) please note the following:

Award of Contract – Reportable Contributions – N.J.A.C. 6A:23A-6.3 (a) (1)

“No board of education will vote upon or award any contract in the amount of \$17,500 or greater to any business entity which has made a contribution reportable by the recipient under P.L. 1973, c83 (codified at N.J.S.A. 19:44A-1 et. seq.) to a member of the board of education during the preceding one-year period.”

Contributions During Term of Contract – Prohibited – N.J.A.C. 6A:23A-6.3 (a) (2, 3)

“Contributions reportable by the recipient under P.L. 1973, c83 (codified at N.J.S.A. 19:44A-1 et. seq.) to any member of the school board from any business entity doing business with the school district are prohibited during the term of the contract.”

“When a business entity referred in 4.1(e) is a natural person, contribution by that person’s spouse or child that resides therewith, shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity.”

Chapter 271 Political Contribution Disclosure Form – Required – N.J.A.C. 6A:23A-6.3 (a) (4)

All respondents shall submit with their bid package a completed and signed Chapter 271 Political Contribution Disclosure Form. The Chapter 271 form will be reviewed by the district to determine whether the vendor is in compliance with the aforementioned N.J.A.C. 6A:23A-6.3 (a) (2) Award of Contract.

The Chapter 271 Political Contribution Disclosure form shall be submitted with the response to the bid/proposal or no later than ten (10) days prior to the award of contract. Failure to provide the completed and signed form shall be cause for disqualification of the bid/proposal.

POLITICAL CONTRIBUTION DISCLOSURE STATEMENT – PAY TO PLAY

Annual Disclosure

A business entity as defined by law is advised of its responsibility to file an annual disclosure statement on political contributions with the **New Jersey Election Law Enforcement Commission** pursuant to N.J.S.A. 19:44A-20.13 (P.L. 2005 Chapter 271 section 3) if the business entity receives contracts in excess of \$50,000 from public entities in a calendar year. It is the business entity’s responsibility to determine if filing is necessary. Additional information on this requirement is available from the New Jersey Election Law Enforcement Commission at 1-888-313-3532 or at www.elec.state.nj.us.

Chapter 271 Political Contribution Disclosure Form

Business entities (contractors) receiving contracts from a public agency that are NOT awarded pursuant to a “fair and open” process (defined at N.J.S.A. 19:44A-20.7) are subject to the provisions of P.L. 2005, c. 271, s.2 (N.J.S.A. 19:44A-20.26). This law provides that 10 days prior to the award of such a contract, the contractor shall disclose contributions to:

- any State, county, or municipal committee of a political party
- any legislative leadership committee*
- any continuing political committee (a.k.a., political action committee)
- any candidate committee of a candidate for, or holder of, an elective office:
 - of the public entity awarding the contract
 - of that county in which that public entity is located
 - of another public entity within that county
 - or of a legislative district in which that public entity is located or, when the public entity is a county,
 - of any legislative district which includes all or part of the county.

The disclosure must list reportable contributions to any of the committees that exceed \$300 per election cycle that were made during the 12 months prior to award of the contract. See N.J.S.A. 19:44A-8 and 19:44A-16 for more details on reportable contributions.

The ESCNJ has provided a Chapter 271 Political Contribution Disclosure Form within the specifications package for use by the business entity. The ESCNJ has also provided a list of agencies to assist the contractor. The enclosed list of agencies is provided to assist the contractor in identifying those public agencies whose elected official and/or candidate campaign committees are affected by the disclosure requirement. It is the contractor’s responsibility to identify the specific committees to which contributions may have been made and need to be disclosed. The disclosed information may exceed the minimum requirement.

STATEMENT OF OWNERSHIP N.J.S.A. 52:25-24.2 (P.L. 1977, c.33, as amended by P.L. 2016, c.43)

No business organization, regardless of form of ownership, shall be awarded any contract for the performance of any work or the furnishing of any goods and services, unless, prior to the receipt of the bid or accompanying the bid of said business organization, bidders shall submit a statement setting forth the names and addresses of all persons and entities that own ten percent or more of its stock or interest of any type at all levels of ownership.

The included Statement of Ownership shall be completed and attached to the bid proposal. This requirement applies to all forms of business organizations, including, but not limited to, corporations and partnerships, publicly-owned corporations, limited partnerships, limited liability corporations, limited liability partnerships, sole proprietorship, and Subchapter S corporations. **Failure to submit a disclosure document shall result in rejection of the bid as it cannot be remedied after bids have been opened.**

Not-for-profit entities should fill in their name, check the not-for-profit box, and certify the form. No other information is required.

AFFIRMATIVE ACTION QUESTIONNAIRE

1. Our company has a federal Affirmative Action Plan approval. ☐ Yes ☒ No

If yes, please attach a copy of the plan to this questionnaire.

2. Our company has a New Jersey State Certificate of Employee Information Report. ☒ Yes ☐ No

If yes, please attach a copy of the certificate to this questionnaire.

3. If you answered “**NO**” to both questions above, No. 1 and 2, you must apply for an Affirmative Action Employee Information Report – Form AA302.

Please visit the New Jersey Department of Treasury website for the Division of Public Contracts Equal Employment Opportunity Compliance:

https://www.nj.gov/treasury/contract_compliance/

- a. Click on “Employee Information Report”
- b. Complete and submit the form with the appropriate payment to:

Department of Treasury
Division of Purchase and Property
Contract Compliance and Audit Unit
EEO Monitoring P.O. Box 206
Trenton, New Jersey 08625-0206

All fees for this application are to be paid directly to the State of New Jersey. A copy shall be submitted to the ESCNJ prior to the execution or award of contract.

I certify that the above information is correct to the best of my knowledge.

Name of Company/Firm Bluum, USA

Address 4675 E. Cotton Ctr. Blvd., Ste 155

City, State, Zip Phoenix, AZ 85040

Name of Authorized Agent Melissa Curtis Title VP of Process Optimization

SIGNATURE Melissa Curtis Date 9/11/2023

Affirmative Action Plan

In order to comply with Affirmative Action requirements and to ensure equal employment opportunity, the following measures will be taken:

1. Equal and fair treatment will be provided to all employees and applicants regardless of race, color, religion, sex, sexual orientation, ancestry, national origin, gender identity, age, marital status, or disability.
2. A complete up-to-date workforce profile which records employees by race or ethnicity, gender, and job classification will be maintained and annual reports will be submitted to government agencies like the Department of Human Rights, as required.
3. All employees will be advised at time of employment that the firm is an Equal Opportunity/Reasonable Accommodation Employer and that hiring, promotion, or demotion is based only on the individual qualifications and ability to perform the work.
4. When Applicable: This firm will cooperate with and support apprenticeship training programs based on strict non-discrimination.
5. The firm has appointed Kerry Shaw [Chief Human Resource Officer] to serve as the Equal Employment Officer who is authorized to supply reports and represent this firm in all matters regarding this affirmative action plan, which will be obtained through the Human Resource Department.
6. The name, address, and telephone number of the Equal Employment Officer will be posted in a conspicuous place or places. This Officer will be responsible for:
 - A. Seeking to utilize minorities, females, and disabled individuals to the same degree as all others, based on the following factors:
 - 1) Percentage of minorities, females, and disabled individuals in the company's workforce as compared with the labor market in the area.
 - 2) All solicitations or advertisements for employees will state that applicants will receive consideration for employment regardless of their race, color, creed, religion, national origin, sex, sexual orientation, disability, age, marital status, or status with regard to public assistance.
 - 3) When we place help-wanted advertisements, we will not indicate a preference, limitation, or specification based on sex, age, national origin, or other protected characteristic, unless that characteristic is a bona fide occupational qualification for a particular job. We will not allow any employment agency with which we work to express any such limitation on our behalf, and we will

require that these agencies share our commitment to EEO/AA.

- 4) The internal skills training of our company will be designed to support the hiring of minorities, females, and those with disabilities.
 - 5) We will carry out active recruiting programs that target minorities, including female and disabled. HR will maintain practices that are fair and equitable to everyone.
- B. Implement and maintain EEO audit, reporting, and record-keeping systems in order to measure the effectiveness of our Affirmative Action Plan/Program and to determine whether our goals and objectives have been attained.
 - C. Contacts with recruitment sources for qualified minorities, females, and disabled individuals. Notification to employees regarding promotions or vacancies to ensure equal opportunity.
 - D. Instruction of all supervisory personnel regarding their responsibility for equal employment opportunity and non-discrimination requirements.
 - E. Periodic reviews with all supervisory personnel to ensure that the program is being implemented at all levels.



March 7, 2022

Kerry Shaw, Chief Human Resource Officer

Bluum USA, Inc.

Bluum Technology Canada, Inc.

Bluum (US) Corporation

Bluum Integration, LLC

Bluum of Texas, LLC

Bluum of Minnesota, LLC

Lifespan International, Inc.

APPENDIX A
AMERICANS WITH DISABILITIES ACT OF 1990
Equal Opportunity for Individuals with Disability

The contractor and the Educational Services Commission of New Jersey (hereafter "owner") do hereby agree that the provisions of Title 11 of the Americans with Disabilities Act of 1990 (the "Act") (42 U.S.C. S121 01 et seq.), which prohibits discrimination on the basis of disability by public entities in all services, programs, and activities provided or made available by public entities, and the rules and regulations promulgated pursuant there unto, are made a part of this contract. In providing any aid, benefit, or service on behalf of the owner pursuant to this contract, the contractor agrees that the performance shall be in strict compliance with the Act. In the event that the contractor, its agents, servants, employees, or subcontractors violate or are alleged to have violated the Act during the performance of this contract, the contractor shall defend the owner in any action or administrative proceeding commenced pursuant to this Act. The contractor shall indemnify, protect, and save harmless the owner, its agents, servants, and employees from and against any and all suits, claims, losses, demands, or damages, of whatever kind or nature arising out of or claimed to arise out of the alleged violation. The contractor shall, at its own expense, appear, defend, and pay any and all charges for legal services and any and all costs and other expenses arising from such action or administrative proceeding or incurred in connection therewith. In any and all complaints brought pursuant to the owner's grievance procedure, the contractor agrees to abide by any decision of the owner which is rendered pursuant to said grievance procedure. If any action or administrative proceeding results in an award of damages against the owner, or if the owner incurs any expense to cure a violation of the ADA which has been brought pursuant to its grievance procedure, the contractor shall satisfy and discharge the same at its own expense.

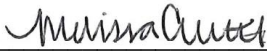
The owner shall, as soon as practicable after a claim has been made against it, give written notice thereof to the contractor along with full and complete particulars of the claim, If any action or administrative proceeding is brought against the owner or any of its agents, servants, and employees, the *owner shall* expeditiously forward or have forwarded to the contractor every demand, complaint, notice, summons, pleading, or other process received by the owner or its representatives.

It is expressly agreed and understood that any approval by the owner of the services provided by the contractor pursuant to this contract will not relieve the contractor of the obligation to comply with the Act and to defend, indemnify, protect, and save harmless the owner pursuant to this paragraph.

It is further agreed and understood that the owner assumes no obligation to indemnify or save harmless the contractor, its agents, servants, employees and subcontractors for any claim which may arise out of their performance of this Agreement. Furthermore, the contractor expressly understands and agrees that the provisions of this indemnification clause shall in no way limit the contractor's obligations assumed in this Agreement, nor shall they be construed to relieve the contractor from any liability, nor preclude the owner from taking any other actions available to it under any other provisions of the Agreement or otherwise at law.

Company Bluum USA, Inc.

Name Melissa Curtis

Signature 

Title VP of Process Optimization

Date: 9/11/2023

ASSURANCE OF COMPLIANCE

Contact with Students

There may be times during the performance of this contract, where a contracted service provider may come in contact with students of the school district. The district fully understands its obligation to provide to all students and staff members, a safe educational environment. To this end, the district is requiring all bidders to sign a statement of Assurance of Compliance, acknowledging the bidder's understanding of the below listed requirements and further acknowledging the bidder's assurance of compliance with those listed requirements.

Anti-Bullying Reporting--Requirement

When applicable, the contracted service provider shall comply with all applicable provisions of the New Jersey Anti-Bullying Bill of Rights Act—N.J.S.A. 18A:37-13.1 et seq., all applicable code and regulations, and the Anti-Bullying Policy of the Board of Education. In accordance with N.J.A.C. 6A:16-7.7 (c), a contracted service provider, who has witnessed, or has reliable information that a student has been subject to harassment, intimidation, or bullying shall immediately report the incident to any school administrator or safe schools resource officer, or the School Business Administrator/Board Secretary.

Criminal History Background Checks—N.J.S.A. 18A:6-7.1--Requirement

When applicable, the contracted service provider, shall provide to the school district prior to commencement of contract, evidence or proof that each employee assigned to provide services and that comes in **regular contact** with students, has had a criminal history background check, and furthermore, that said background check indicates that no criminal history record information exists on file for that worker. Failure to provide a proof of criminal history background check for any employee coming in regular contact with students, prior to commencement of contact, may be cause for breach of contract. See NJDOE Broadcast 9/9/19.

Pre-Employment Requirements

When applicable, all contracted service providers, whose employees have **regular contact with students**, shall comply with the Pre-Employment Requirements in accordance with New Jersey P.L. 2018 c.5, N.J.S.A. 18A:6-7.6 et seq. Contracted service providers are to review the following New Jersey Department of Education Office of Student Protection—Pre-Employment Resource P.L. 2018 c.5 link below for guidance and compliance procedures.

<https://www.nj.gov/education/crimhist/preemployment/>

Name of Company Bluum USA, Inc.

Name of Authorized Representative VP of Process Optimization

Signature Melissa Outey Date 9/11/2023

EXHIBIT A
MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L. 1975, C. 127)
N.J.A.C. 17:27
GOODS, PROFESSIONAL SERVICE AND GENERAL SERVICE CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union of the contractor's commitments under this chapter and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

The contractor or subcontractor agrees to make good faith efforts to meet targeted county employment goals established in accordance with N.J.A.C. 17:27-5.2.

The contractor or subcontractor agrees to inform in writing its appropriate recruitment agencies including, but not limited to, employment agencies, placement bureaus, colleges, universities, and labor unions, that it does not discriminate on the basis of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, and that it will discontinue the use of any recruitment agency which engages in direct or indirect discriminatory practices.

The contractor or subcontractor agrees to revise any of its testing procedures, if necessary, to assure that all personnel testing conforms with the principles of job related testing, as established by the statutes and court decisions of the State of New Jersey and as established by applicable Federal law and applicable Federal court decisions.

In conforming with the targeted employment goals, the contractor or subcontractor agrees to review all procedures relating to transfer, upgrading, downgrading and layoff to ensure that all such actions are taken without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex, consistent with the statutes and court decisions of the State of New Jersey, and applicable Federal law and applicable Federal court decisions.

The contractor shall submit to the public agency, after notification of award but prior to execution of a goods and services contract, one of the following three documents:

- Letter of Federal Affirmative Action Plan Approval
- Certificate of Employee Information Report
- Employee Information Report Form AA302 (electronically provided by the Division and distributed to the public agency through the Division's website at https://www.nj.gov/treasury/contract_compliance/)

The contractor and its subcontractors shall furnish such reports or other documents to the Division of Purchase & Property, CCAU, EEO Monitoring Program as may be requested by the office from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Division of Purchase & Property, CCAU, EEO Monitoring Program for conducting an investigation pursuant to N.J.A.C. 17:27-1.1 et seq.

Company Bluum USA, Inc.

Name Melissa Curtis

Signature 

Title VP of Process Optimization

Date: _____

Form AA302
Rev. 11/11

STATE OF NEW JERSEY
Division of Purchase & Property
Contract Compliance Audit Unit
EEO Monitoring Program

EMPLOYEE INFORMATION REPORT

IMPORTANT-READ INSTRUCTIONS CAREFULLY BEFORE COMPLETING FORM. FAILURE TO PROPERLY COMPLETE THE ENTIRE FORM AND TO SUBMIT THE REQUIRED \$150.00 FEE MAY DELAY ISSUANCE OF YOUR CERTIFICATE. DO NOT SUBMIT EEO-1 REPORT FOR SECTION B, ITEM 11. For Instructions on completing the form, go to: http://www.state.nj.us/treasury/contract_compliance/pdf/aa302ins.pdf

SECTION A - COMPANY IDENTIFICATION

1. FID. NO. OR SOCIAL SECURITY	2. TYPE OF BUSINESS ☐ 1. MFG ☐ 2. SERVICE ☐ 3. WHOLESALE ☐ 4. RETAIL ☐ 5. OTHER	3. TOTAL NO. EMPLOYEES IN THE ENTIRE COMPANY
4. COMPANY NAME		
5. STREET	CITY	COUNTY STATE ZIP CODE
6. NAME OF PARENT OR AFFILIATED COMPANY (IF NONE, SO INDICATE)		CITY STATE ZIP CODE
7. CHECK ONE: IS THE COMPANY: ☐ SINGLE-ESTABLISHMENT EMPLOYER ☐ MULTI-ESTABLISHMENT EMPLOYER		
8. IF MULTI-ESTABLISHMENT EMPLOYER, STATE THE NUMBER OF ESTABLISHMENTS IN NJ		
9. TOTAL NUMBER OF EMPLOYEES AT ESTABLISHMENT WHICH HAS BEEN AWARDED THE CONTRACT		
10. PUBLIC AGENCY AWARDED CONTRACT		
CITY		COUNTY STATE ZIP CODE
Official Use Only	DATE RECEIVED	ASSIGNED CERTIFICATION NUMBER

SECTION B - EMPLOYMENT DATA

11. Report all permanent, temporary and part-time employees ON YOUR OWN PAYROLL. Enter the appropriate figures on all lines and in all columns. Where there are no employees in a particular category, enter a zero. Include ALL employees, not just those in minority/non-minority categories, in columns 1, 2, & 3. **DO NOT SUBMIT AN EEO-1 REPORT.**

JOB CATEGORIES	ALL EMPLOYEES			PERMANENT MINORITY/NON-MINORITY EMPLOYEE BREAKDOWN									
	COL. 1 TOTAL (Cols. 2 & 3)	COL. 2 MALE	COL. 3 FEMALE	***** MALE *****					***** FEMALE *****				
				BLACK	HISPANIC	AMER. INDIAN	ASIAN	NON MIN.	BLACK	HISPANIC	AMER. INDIAN	ASIAN	NON MIN.
Officials/Managers													
Professionals													
Technicians													
Sales Workers													
Office & Clerical													
Craftworkers (Skilled)													
Operatives (Semi-skilled)													
Laborers (Unskilled)													
Service Workers													
TOTAL													
Total employment From previous Report (if any)													
Temporary & Part-Time Employees	The data below shall NOT be included in the figures for the appropriate categories above.												

12. HOW WAS INFORMATION AS TO RACE OR ETHNIC GROUP IN SECTION B OBTAINED? ☐ 1. Visual Survey ☐ 2. Employment Record ☐ 3. Other (Specify)	14. IS THIS THE FIRST Employee Information Report Submitted? 1. YES ☐ 2. NO ☐	15. IF NO, DATE LAST REPORT SUBMITTED MO. DAY YEAR
13. DATES OF PAYROLL PERIOD USED From: To:		

SECTION C - SIGNATURE AND IDENTIFICATION

16. NAME OF PERSON COMPLETING FORM (Print or Type)	SIGNATURE	TITLE	DATE MO DAY YEAR
17. ADDRESS NO. & STREET	CITY	COUNTY STATE ZIP CODE	PHONE (AREA CODE, NO. EXTENSION)

To download the AA-302 form, click this link:

https://www.nj.gov/treasury/contract_compliance/documents/pdf/forms/aa302.pdf

INSTRUCTIONS FOR COMPLETING THE EMPLOYEE INFORMATION REPORT (FORM AA302)

IMPORTANT: READ THE FOLLOWING INSTRUCTIONS CAREFULLY BEFORE COMPLETING THE FORM. PRINT OR TYPE ALL INFORMATION. FAILURE TO PROPERLY COMPLETE THE ENTIRE FORM **AND TO SUBMIT THE REQUIRED \$150.00 NON-REFUNDABLE FEE MAY DELAY ISSUANCE OF YOUR CERTIFICATE.** IF YOU HAVE A CURRENT CERTIFICATE OF EMPLOYEE INFORMATION REPORT, DO NOT COMPLETE THIS FORM UNLESS YOU ARE RENEWING A CERTIFICATE THAT IS DUE FOR EXPIRATION. DO NOT COMPLETE THIS FORM FOR CONSTRUCTION CONTRACT AWARDS.

ITEM 1 - Enter the Federal Identification Number assigned

by the Internal Revenue Service, or if a Federal Employer Identification Number has been applied for, or if your business is such that you have not or will not receive a Federal Employer Identification Number, enter the Social Security Number of the owner or of one partner, in the case of a partnership.

ITEM 2 - Check the box appropriate to your TYPE OF BUSINESS. If you are engaged in more than one type of business check the predominate one. If you are a manufacturer deriving more than 50% of your receipts from your own retail outlets, check "Retail".

ITEM 3 - Enter the total "number" of employees in the entire company, including part-time employees. This number shall include all facilities in the entire firm or corporation.

ITEM 4 - Enter the name by which the company is identified. If there is more than one company name, enter the predominate one.

ITEM 5 - Enter the physical location of the company. Include City, County, State and Zip Code.

ITEM 6 - Enter the name of any parent or affiliated company including the City, County, State and Zip Code. If there is none, so indicate by entering "None" or N/A.

ITEM 7 - Check the box appropriate to your type of company establishment. "Single-establishment Employer" shall include an employer whose business is conducted at only one physical location. "Multi-establishment Employer" shall include an employer whose business is conducted at more than one location.

ITEM 8 - If "Multi-establishment" was entered in item 8, enter the number of establishments within the State of New Jersey.

ITEM 9 - Enter the total number of employees at the establishment being awarded the contract.

ITEM 10 - Enter the name of the Public Agency awarding the contract. Include City, County, State and Zip Code. This is _____ Number. not applicable if you are renewing a current certificate.

ITEM 11 - Enter the appropriate figures on all lines and in all

columns. THIS SHALL ONLY INCLUDE EMPLOYMENT DATA FROM THE FACILITY THAT IS BEING AWARDED THE CONTRACT. DO NOT list the same employee in more than one job category. **DO NOT attach an EEO-1 Report.**

Racial/Ethnic Groups will be defined:

Black: Not of Hispanic origin. Persons having origin in any of the Black racial groups of Africa.

Hispanic: Persons of Mexican, Puerto Rican, Cuban, or Central or South American or other Spanish culture or origin, regardless of race.

American Indian or Alaskan Native: Persons having origins in any of the original peoples of North America, and who maintain cultural identification through tribal affiliation or community recognition.

Asian or Pacific Islander: Persons having origin in any of the original peoples of the Far East, Southeast Asia, the Indian Sub-continent or the Pacific Islands. This area includes for example, China, Japan, Korea, the Philippines Islands and Samoa.

Non-Minority: Any Persons not identified in any of the aforementioned Racial/Ethnic Groups.

ITEM 12 - Check the appropriate box. If the race or ethnic group information was not obtained by 1 or 2, specify by what other means this was done in 3.

ITEM 13 - Enter the dates of the payroll period used to prepare the employment data presented in Item 12.

ITEM 14 - If this is the first time an Employee Information Report has been submitted for this company, check block "Yes".

ITEM 15 - If the answer to Item 15 is "No", enter the date when the last Employee Information Report was submitted by this company.

ITEM 16 - Print or type the name of the person completing the form. Include the signature, title and date.

ITEM 17 - Enter the physical location where the form is being completed. Include City, State, Zip Code and Phone contact.

TYPE OR PRINT IN SHARP BALL POINT PEN

THE VENDOR IS TO COMPLETE THE EMPLOYEE INFORMATION REPORT FORM (AA302) AND RETAIN A COPY FOR THE VENDOR'S OWN FILES. THE VENDOR SHOULD ALSO SUBMIT A COPY TO THE PUBLIC AGENCY AWARDED THE CONTRACT IF THIS IS YOUR FIRST REPORT; AND FORWARD ONE COPY **WITH A CHECK IN THE AMOUNT OF \$150.00 PAYABLE TO THE TREASURER, STATE OF NEW JERSEY(FEE IS NON-REFUNDABLE)** TO:

NJ Department of the Treasury
Division of Public Contracts Equal Employment Opportunity Compliance

P.O. Box 206

Trenton, New Jersey 08625-0206 Telephone No. (609) 292-5473

Educational Services Commission of New Jersey

Business Office

1660 Stelton Road, Floor 2
Piscataway, New Jersey 08854

Chapter 271

Political Contribution Disclosure Form

(Contracts that Exceed \$17,500.00)

Ref. N.J.S.A. 19:44A-20.26

The undersigned, being authorized and knowledgeable of the circumstances, does hereby certify that Bluum USA, Inc. (Business Entity) has made the following **reportable** political contributions to any elected official, political candidate or any political committee as defined in N.J.S.A. 19:44-20.26 during the twelve (12) months preceding this award of contract:

Reportable Contributions

<u>Date of Contribution</u>	<u>Amount of Contribution</u>	<u>Name of Recipient Elected Official/ Committee/Candidate</u>	<u>Name of Contributor</u>
N/A			

The Business Entity may attach additional pages if needed.

☒ **No Reportable Contributions** (Please check (✓) if applicable.)

I certify that Bluum USA, Inc. (Business Entity) made no reportable contributions to any elected official, political candidate or any political committee as defined in N.J.S.A. 19:44-20.26.

Certification

I certify that the information provided above is in full compliance with Public law 2005 – Chapter 271.

Name of Authorized Agent Melissa Curtis

Signature  Title VP of Process Optimization

Business Entity Bluum USA, Inc.

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Contractor Instructions

Business entities (contractors) receiving contracts from a public agency that are NOT awarded pursuant to a “fair and open” process (defined at N.J.S.A. 19:44A-20.7) are subject to the provisions of P.L. 2005, c. 271, s. 2 (N.J.S.A. 19:44A-20.26). This law provides that 10 days prior to the award of such a contract, the contractor shall disclose contributions to:

- any State, county, or municipal committee of a political party
- any legislative leadership committee¹
- any continuing political committee (a.k.a., political action committee)
- any candidate committee of a candidate for, or holder of, an elective office:
 - of the public entity awarding the contract
 - of that county in which that public entity is located
 - of another public entity within that county
 - or of a legislative district in which that public entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county

The disclosure must list reportable contributions to any of the committees that exceed \$300 per election cycle that were made during the 12 months prior to award of the contract. See N.J.S.A. 19:44A-8 and 19:44A-16 for more details on reportable contributions.

N.J.S.A. 19:44A-20.26 itemizes the parties from whom contributions must be disclosed when a business entity is not a natural person. This includes the following:

- individuals with an “interest” ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit
- all principals, partners, officers, or directors of the business entity or their spouses
- any subsidiaries directly or indirectly controlled by the business entity
- IRS Code Section 527 New Jersey based organizations, directly or indirectly controlled by the business entity and filing as continuing political committees, (PACs)

When the business entity is a natural person, “a contribution by that person’s spouse or child, residing therewith, shall be deemed to be a contribution by the business entity.” [N.J.S.A. 19:44A-20.26(b)]. The contributor must be listed on the disclosure.

Any business entity that fails to comply with the disclosure provisions shall be subject to a fine imposed by ELEC in an amount to be determined by the Commission which may be based upon the amount that the business entity failed to report.

The enclosed list of agencies is provided to assist the contractor in identifying those public agencies whose elected official and/or candidate campaign committees are affected by the disclosure requirement. It is the contractor’s responsibility to identify the specific committees to which contributions may have been made and need to be disclosed. The disclosed information may exceed the minimum requirement.

The enclosed form, a content-consistent facsimile, or an electronic data file containing the required details (along with a signed over sheet) may be used as the contractor’s submission and is disclosable to the public under the Open Public Records Act.

The contractor must also complete the attached Stockholder Disclosure Certification. This will assist the agency in meeting its obligations under the law. **NOTE: This section does not apply to Board of Education contracts.**

¹ N.J.S.A. 19:44A-3(s): “The term “legislative leadership committee” means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly or the Minority Leader of the General Assembly pursuant to section 16 of P.L. 1993, c. 65 (C. 19:44A-10.1) for the purpose of receiving contributions and making expenditures.”

AN ACT authorizing units of local government to impose limits on political contributions by contractors and supplementing Title 40A of the New Jersey Statutes and Title 19 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

40A:11-51 1. a. A county, municipality, independent authority, board of education, or fire district is hereby authorized to establish by ordinance, resolution or regulation, as may be appropriate, measures limiting the awarding of public contracts there from to business entities that have made a contribution pursuant to P.L. 1973, c. 83 (C. 19:44A-1 et seq.) and limiting the contributions that the holders of a contract can make during the term of a contract, notwithstanding the provisions and parameters of sections 1 through 12 of P.L. 2004, c. 19 (C. 19:44A-20.2 et al.) and section 22 of P.L. 1973, c. 83 (C. 19:44A-22).

b. The provisions of P.L. 2004, c. 19 shall not be construed to supersede or preempt any ordinance, resolution or regulation of a unit of local government that limits political contributions by business entities performing or seeking to perform government contracts. Any ordinance, resolution or regulation in effect on the effective date of P.L. 2004, c. 19 shall remain in effect and those adopted after that effective date shall be valid and enforceable.

c. An ordinance, resolution or regulation adopted or promulgated as provided in this section shall be filed with the Secretary of State.

19:44A-20.26 2. a. Not later than 10 days prior to entering into any contract having an anticipated value in excess of \$17,500, except for a contract that is required by law to be publicly advertised for bids, a State agency, county, municipality, independent authority, board of education, or fire district shall require any business entity bidding thereon or negotiating therefor, to submit along with its bid or price quote, a list of political contributions as set forth in this subsection that are reportable by the recipient pursuant to the provisions of P.L. 1973, c. 83 (C.19:44A-1 et seq.) and that were made by the business entity during the preceding 12 month period, along with the date and amount of each contribution and the name of the recipient of each contribution. A business entity contracting with a State agency shall disclose contributions to any State, county, or municipal committee of a political party, legislative leadership committee, candidate committee of a candidate for, or holder of, a State elective office, or any continuing political committee. A business entity contracting with a county, municipality, independent authority, other than an independent authority that is a State agency, board of education, or fire district shall disclose contributions to: any State, county, or municipal committee of a political party; any legislative leadership committee; or any candidate committee of a candidate for, or holder of, and elective office of that public entity, of that county in which that public entity is located, of another public entity within that county, or of a legislative district in which that public entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county, or any continuing political committee.

The provisions of this section shall not apply to a contract when a public emergency requires the immediate delivery of goods or services.

b. When a business entity is a natural person, a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by: all principals, partners, officers, or directors of the business entity or their spouses; any subsidiaries directly or indirectly controlled by the business entity; or any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee, shall be deemed to be a contribution by the business entity.

c. As used in this section:

"business entity" means a natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of this State or of any other state or foreign jurisdiction;

"interest" means the ownership or control of more than 10% of the profits or assets of a business entity of 10% of the stock in the case of a business entity that is a corporation for profit, as appropriate; and

P.L. 2005, c. 271

"State agency" means any of the principal departments in the Executive Branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, the Legislature of the State and any office,

board, bureau or commission within or created by the Legislative Branch, and any independent State authority, commission, instrumentality or agency.

d. Any business entity that fails to comply with the provisions of this section shall be subject to a fine imposed by the New Jersey Election Law Enforcement Commission in an amount to be determined by the commission which may be based upon the amount that the business entity failed to report.

19:44A-20.13 3. a. Any business entity making a contribution of money or any other thing of value, including an in-kind contribution, or pledge to make a contribution of any kind to a candidate for or the holder of any public office having ultimate responsibility for the awarding of public contracts, or to a political party committee, legislative leadership committee, political committee or continuing political committee, which has received in any calendar year \$50,000 or more in the aggregate through agreements or contracts with a public entity, shall file an annual disclosure statement with the New Jersey Election Law Enforcement Commission, established pursuant to section 5 of P.L. 1973, c. 83 (C. 19:44A-5), setting forth all such contributions made by the business entity during the 12 months prior to the reporting deadline.

b. The commission shall prescribe forms and procedures for the reporting required in subsection a. of this section which shall include, but not be limited to:

- (1) the name and mailing address of the business entity making the contribution, and the amount contributed during the 12 months prior to the reporting deadline;
- (2) the name of the candidate for or the holder of any public office having ultimate responsibility for the awarding of public contracts, candidate committee, joint candidates committee, political party committee, legislative leadership committee, political committee or continuing political committee receiving the contribution; and
- (3) the amount of money the business entity received from the public entity through contract or agreement, the dates, and information identifying each contract or agreement and describing the goods, services or equipment provided or property sold.

c. The commission shall maintain a list of such reports for public inspection both at its office and through its Internet site.

d. When a business entity is a natural person, a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by: all principals, partners, officers, or directors of the business entity, or their spouses; any subsidiaries directly or indirectly controlled by the business entity; or any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee, shall be deemed to be a contribution by the business entity.

As used in this section:

"Business entity" means a natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of this State or of any other state or foreign jurisdiction; and

"Interest" means the ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit, as appropriate.

e. Any business entity that fails to comply with the provisions of this section shall be subject to a fine imposed by the New Jersey Election Law Enforcement Commission in an amount to be determined by the commission which may be based upon the amount that the business entity failed to report.

4. This act shall take effect immediately.

*Note: Bold italicized statutory references of new sections are anticipated and not final as of the time this document was prepared. Statutory compilations of N.J.S.A. 18A:18A-51 is anticipated to show a reference to N.J.S.A. 40:11-51 and to N.J.S.A. 19:44A-20.26.

Prohibited Russia-Belarus Activities & Iran Investment Activities

Person or Entity

Bluum USA, Inc.

Part 1: Certification

COMPLETE PART 1 BY CHECKING **ONE OF THE THREE BOXES BELOW**

Pursuant to law, any person or entity that is a successful bidder or proposer, or otherwise proposes to enter into or renew a contract, for goods or services must complete the certification below prior to contract award to attest, under penalty of perjury, that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list or Chapter 25 list as a person or entity engaging in prohibited activities in Russia, Belarus or Iran. Before a contract for goods or services can be amended or extended, a person or entity must certify that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list. Both lists are found on Treasury's website at the following web addresses:

<https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf>
www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf.

As applicable to the type of contract, the above-referenced lists must be reviewed prior to completing the below certification.

A person or entity unable to make the certification must provide a detailed, accurate, and precise description of the activities of the person or entity, or of a parent entity, subsidiary, or affiliate, engaging in prohibited activities in Russia or Belarus and/or investment activities in Iran. The person or entity must cease engaging in any prohibited activities and provide an updated certification before the contract can be entered into.

If a vendor or contractor is found to be in violation of law, action may be taken as appropriate and as may be provided by law, rule, or contract, including but not limited to imposing sanctions, seeking compliance, recovering damages, declaring the party in default, and seeking debarment or suspension of the party.

CONTRACT AWARDS AND RENEWALS



I certify, pursuant to law, that neither the person or entity listed above, nor any parent entity, subsidiary, or affiliate appears on the N.J. Department of Treasury's lists of entities engaged in prohibited activities in Russia or Belarus pursuant to P.L. 2022, c. 3 or in investment activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25 List"). I further certify that I am the person listed above, or I am an officer or representative of the entity listed above and am authorized to make this certification on its behalf. (Skip Part 2 and sign and complete the Certification below.)

CONTRACT AMENDMENTS AND EXTENSIONS

☒	<i>I certify, pursuant to law, that neither the person or entity listed above, nor any parent entity, subsidiary, or affiliate is listed on the N.J. Department of the Treasury's lists of entities determined to be engaged in prohibited activities in Russia or Belarus pursuant to P.L. 2022, c. 3. I further certify that I am the person listed above, or I am an officer or representative of the entity listed above and am authorized to make this certification on its behalf. (Skip Part 2 and sign and complete the Certification below.)</i>
IF UNABLE TO CERTIFY	
☐	<i>I am unable to certify as above because the person or entity and/or a parent entity, subsidiary, or affiliate is listed on the Department's Russia-Belarus list and/or Chapter 25 Iran list. I will provide a detailed, accurate, and precise description of the activities as directed in Part 2 below, and sign and complete the Certification below. <u>Failure to provide such will prevent the award of the contract to the person or entity, and appropriate penalties, fines, and/or sanctions will be assessed as provided by law.</u></i>

Part 2: Additional Information

PLEASE PROVIDE FURTHER INFORMATION RELATED TO PROHIBITED ACTIVITIES IN RUSSIA OR BELARUS AND/OR INVESTMENT ACTIVITIES IN IRAN.

You must provide a detailed, accurate, and precise description of the activities of the person or entity, or of a parent entity, subsidiary, or affiliate, engaging in prohibited activities in Russia or Belarus and/or investment activities in Iran in the space below and, if needed, on additional sheets provided by you.

N/A

Part 3: Certification of True and Complete Information

I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments there, to the best of my knowledge, are true and complete. I attest that I am authorized to execute this certification on behalf of the above-referenced person or entity.

I acknowledge that the <Name of Contracting Unit> is relying on the information contained herein and hereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with the <Name of Contracting Unit> to notify the <Name of Contracting Unit> in writing of any changes to the answers of information contained herein.

I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the <Name of Contracting Unit> and that the <Name of Contracting Unit> at its option may declare any contract(s) resulting from this certification void and unenforceable.

Full Name (Print)	Melissa Curtis	Title	VP of Process Optimization
Signature		Date	9/11/2023

Statement of Suspension or Debarment

STATE OF ~~NEW JERSEY~~ / Arizona
Specify, of other _____

COUNTY OF Maricopa

I, Melissa Curtis of the (City, Town, Borough)
of Phoenix State of Arizona of full age,

being duly sworn according to law on my oath depose and say that:

I am VP of Process Optimization of the firm
of Bluum USA, Inc. the Bidder

making the Proposal for the above named projects, and that I executed the said Proposal with full authority to do so; that said Bidder is not at the time of the making this bid included on the New Jersey State Treasurer's or the Federal Government's List of Debarred, Suspended or Disqualified Bidders or the State Department of Labor and Workforce Development; Prevailing Wage Debarment List as a result of action taken by any State or Federal Agency.

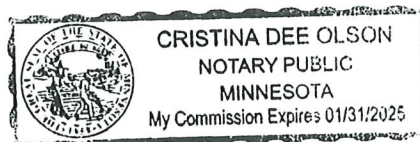
Name of Contractor: Bluum USA, Inc.
(Company Name)

By: Melissa Curtis
(Signature of authorized representative)

Subscribed and sworn to before me

This 11th day of September, 20 23

Cristina Dee Olson
(Seal) Notary Public of New Jersey/
Specify Other State Minnesota



My Commission expires 01.31.2025

STATEMENT OF OWNERSHIP DISCLOSURE

N.J.S.A. 52:25-24.2 (P.L. 1977, c.33, as amended by P.L. 2016, c.43)

This statement shall be completed, certified to, and included with all bid and proposal submissions. Failure to submit the required information is cause for automatic rejection of the bid or proposal.

Name of Organization: Bluum USA, Inc.

Organization Address: 4675 E. Cotton Ctr Blvd, Ste 155

City, State, ZIP: Phoenix, AZ

Part I Check the box that represents the type of business organization:

- ☐ Sole Proprietorship (skip Parts II and III, execute certification in Part IV)
- ☐ Non-Profit Corporation (skip Parts II and III, execute certification in Part IV)
- ☒ For-Profit Corporation (any type) ☐ Limited Liability Company (LLC)
- ☐ Partnership ☐ Limited Partnership ☐ Limited Liability Partnership (LLP)
- ☐ Other (be specific): _____

Part II Check the appropriate box

- ☒ The list below contains the names and addresses of all stockholders in the corporation who own 10 percent or more of its stock, of any class, or of all individual partners in the partnership who own a 10 percent or greater interest therein, or of all members in the limited liability company who own a 10 percent or greater interest therein, as the case may be. **(COMPLETE THE LIST BELOW IN THIS SECTION)**

OR

- ☐ No one stockholder in the corporation owns 10 percent or more of its stock, of any class, or no individual partner in the partnership owns a 10 percent or greater interest therein, or no member in the limited liability company owns a 10 percent or greater interest therein, as the case may be. **(SKIP TO PART IV)**

(Please attach additional sheets if more space is needed):

Name of Individual or Business Entity	Home Address (for Individuals) or Business Address
Bluum Holdco, Inc.	4675 E Cotton Ctr Blvd, Ste155, Phoenix, AZ 85040

Part III DISCLOSURE OF 10% OR GREATER OWNERSHIP IN THE STOCKHOLDERS, PARTNERS OR LLC MEMBERS LISTED IN PART II

If a bidder has a direct or indirect parent entity which is publicly traded, and any person holds a 10 percent or greater beneficial interest in the publicly traded parent entity as of the last annual federal Security and Exchange Commission (SEC) or foreign equivalent filing, ownership disclosure can be met by providing links to the website(s) containing the last annual filing(s) with the federal Securities and Exchange Commission (or foreign equivalent) that contain the name and address of each person holding a 10% or greater beneficial interest in the publicly traded parent entity, along with the relevant page numbers of the filing(s) that contain the information on each such person. **Attach additional sheets if more space is needed.**

Website (URL) containing the last annual SEC (or foreign equivalent) filing	Page #'s

Please list the names and addresses of each stockholder, partner or member owning a 10 percent or greater interest in any corresponding corporation, partnership and/or limited liability company (LLC) listed in Part II **other than for any publicly traded parent entities referenced above.** The disclosure shall be continued until names and addresses of every non-corporate stockholder, and individual partner, and member exceeding the 10 percent ownership criteria established pursuant to N.J.S.A. 52:25-24.2 has been listed. **Attach additional sheets if more space is needed.**

Stockholder/Partner/Member and Corresponding Entity Listed in Part II	Home Address (for Individuals) or Business Address
Bluum Holdings, LLC	4675 E Cotton Ctr Blvd, Ste155, Phoenix, AZ 85040

Part IV Certification

I, being duly sworn upon my oath, hereby represent that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge: that I am authorized to execute this certification on behalf of the bidder/proposer; that the **ESCNJ and/or its members** is relying on the information contained herein and that I am under a continuing obligation from the date of this certification through the completion of any contracts with the **ESCNJ and/or its members** to notify the **ESCNJ and/or its members** in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I am subject to criminal prosecution under the law and that it will constitute a material breach of my agreement(s) with the, permitting the **ESCNJ and/or its members** to declare any contract(s) resulting from this certification void and unenforceable.

Full Name (Print):	Melissa Curtis	Title:	VP of Process Optimization
Signature:		Date:	9/11/2023

This statement shall be completed, certified to, and included with all bid and proposal submissions. Failure to submit the required information is cause for automatic rejection of the bid or proposal.

NEW JERSEY REQUIRED DOCUMENTS FOR PUBLIC WORKS BIDS

BUSINESS REGISTRATION CERTIFICATE (N.J.S.A. 52:32-44)

Pursuant to N.J.S.A. 52:32-44, all respondents shall submit prior to award of bid, a copy of their "New Jersey Business Registration Certificate" as issued by the Department of Treasury of the State of New Jersey. The ESCNJ requests that all respondents for this bid/proposal submit a current New Jersey Business Registration Certificate with the bid/proposal but no later than date of award.

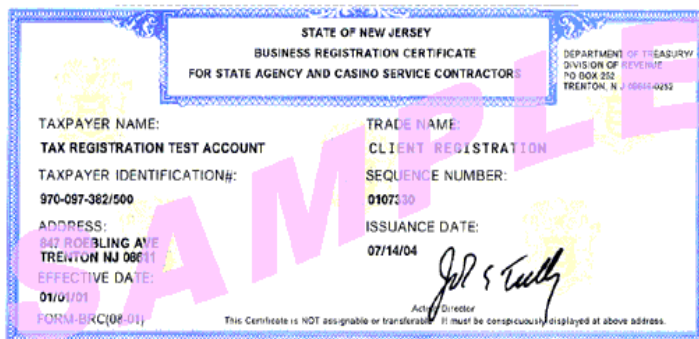
Goods and Services Contracts

N.J.S.A. 52:32-44 imposes the following requirements on contractors and all subcontractors that knowingly provide goods or perform services for a contractor fulfilling this contract:

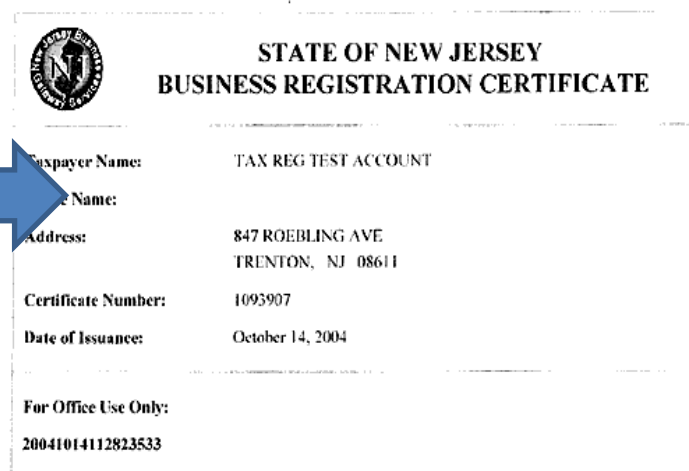
3. The contractor shall not enter into a contract with a subcontractor unless the subcontractor first provides the contractor with a valid proof of business registration.
4. The contractor shall maintain and submit to the Contracting Agency a list of subcontractors and their addresses that may be updated from time to time.
3. Prior to receipt of final payment from a contracting agency, a contractor must submit to the contracting agency an accurate list of all subcontractors or attest that none was used.
4. The contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall collect and remit to the Director of the Division of Taxation in the Department of the Treasury, the use tax due pursuant to the Sales and Use Tax Act, (N.J.S.A. 54:32B-1 et seq.) on all sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Taxation at (609) 292-6400.

For more information on how to obtain a Business Registration Certificate, please visit the State of New Jersey, Department of Treasury, Division of Revenue and Enterprise Services website at:

<http://www.state.nj.us/treasury/revenue/busregcert.shtml>



A sample New Jersey Business Registration Certificate. The certificate is titled "STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE FOR STATE AGENCY AND CASINO SERVICE CONTRACTORS". It includes fields for Taxpayer Name (TAX REGISTRATION TEST ACCOUNT), Trade Name (CLIENT REGISTRATION), Taxpayer Identification# (970-097-382/500), Sequence Number (0107230), Address (847 ROEBLING AVE, TRENTON NJ 08611), and Issuance Date (07/14/04). A signature of the Acting Director is present. A large "SAMPLE" watermark is overlaid on the certificate.



A New Jersey Business Registration Certificate. The certificate is titled "STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE". It includes fields for Taxpayer Name (TAX REG TEST ACCOUNT), Trade Name (CLIENT REGISTRATION), Address (847 ROEBLING AVE, TRENTON, NJ 08611), Certificate Number (1093907), and Date of Issuance (October 14, 2004). A blue arrow points to the Taxpayer Name field. The bottom section is labeled "For Office Use Only" and contains the number 20041014112823533.

RETURN PRIOR TO BID AWARD

N.J.S.A. 54:49-4.1: Violations of Registration Requirements; Penalties.

A business organization that fails to provide a copy of a business registration as required pursuant to section 1 of P.L.2001, c.134 (C.52:32-44 et al.) or subsection e. or f. of section 92 of P.L.1977, c.110 (C.5:12-92), or that provides false information of business registration under the requirements of either of those sections, shall be liable for a penalty of \$25 for each day of violation, not to exceed \$50,000 for each business registration copy not properly provided under a contract with a contracting agency.

All respondents are urged to submit with their response, a copy of their firm's New Jersey Business Registration Certificate. Failure to submit the Certificate to the ESCNJ prior to the award of contract will result in the rejection of the entire bid or proposal.

CONTRACTOR/VENDOR REQUIREMENTS—OFFICE OF THE NEW JERSEY STATE COMPTROLLER

Contractors/vendors doing business with the ESCNJ are reminded of the following legal requirements pertaining to the Office of the New Jersey State Comptroller:

C. Access to Relevant Documents and Information—N.J.S.A. 52:15C-14 (d)

Private vendors or other persons contracting with or receiving funds from a unit in the Executive branch of State government, including an entity exercising executive branch authority, independent State authority, public institution of higher education, or unit of local government or board of education shall upon request by the State Comptroller provide the State Comptroller with prompt access to all relevant documents and information as a condition of the contract and

receipt of public monies. The State Comptroller shall not disclose any document or information to which access is provided that is confidential or proprietary. If the State Comptroller finds that any person receiving funds from a unit in the Executive branch of State government, including an entity exercising executive branch authority, independent State authority, public institution of higher education, or unit of local government or board of education refuses to provide information upon the request of the State Comptroller, or otherwise impedes or fails to cooperate with any audit or performance review, the State Comptroller may recommend to the contracting unit that the person be subject to termination of their contract, or temporarily or permanently debarred from contracting with the contracting unit.

D. Maintenance of Contract Records—N.J.A.C. 17:44-2.2

Relevant records of private vendors or other persons entering into contracts with covered entities are subject to audit or review by OSC pursuant to N.J.S.A. 52:15C-14(d).

The contractor/vendor to whom a contract has been awarded shall maintain all documentation related to products, transactions or services under this contract for a period of five years from the date of final payment. Such records shall be made available to the New Jersey Office of the State Comptroller upon request.

D. Renewal of Contract; Services

The ESCNJ may, at its discretion, request that a contract for services be renewed in full accordance with N.J.S.A. 18A:18A-42. The ESCNJ may negotiate terms for a renewal of contract proposal and present such negotiated proposal to the Board. All multi-year contracts and renewals are subject to the availability and appropriation annually of sufficient funds as may be needed to meet the extended obligation.

The ESCNJ is the final authority in awarding renewals of contracts.

DEBARMENT, SUSPENSION, OR DISQUALIFICATION

The ESCNJ will not enter into a contract for work with any person, company or firm that is on the State Department of Labor and Workforce Development; Prevailing Wage Debarment List, or the State of New Jersey Consolidated Debarment Report (<https://www.state.nj.us/treasury/revenue/debarment/index.shtml>).

All bidders are required to submit a sworn statement indicating whether or not the bidder is, at the time of the bid, included on the State Department of Labor and Workforce Development; Prevailing Wage Debarment List or the State of New Jersey Consolidated Debarment Report, or the Federal Debarred Vendor List—Excluded Parties List System—System for Award Management—SAM.gov

PROHIBITED ACTIVITIES IN RUSSIA AND BELARUS & INVESTMENT ACTIVITIES IN IRAN N.J.S.A. (18A:18A-49.4)

The ESCNJ, pursuant to N.J.S.A. 18A:18A-49.4, shall implement and comply with Public Law 2012, c.25, Disclosure of Investment Activities in Iran and Public Law 2022, c.3, Prohibited Russia-Belarus Activities —N.J.S.A. 52:32-55 et seq.

Pursuant to N.J.S.A. 52:32-57, et seq. (P.L. 2012, c.25, P.L. 2021, c.4 and P.L. 2022, c.3), any person or entity that is a successful bidder or proposer, or otherwise proposes to enter into or renew a contract, for goods or services must complete the certification below prior to contract award to attest, under penalty of perjury, that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list or Chapter 25 list as a person or entity engaging in prohibited activities in Russia, Belarus or Iran. Before a contract for goods or services can be amended or extended, a person or entity must certify that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list. Both lists are found on Treasury's website at the following web addresses:

<https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf>

www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf . Bidders must review this list prior to completing the certification. If the Director of the Division of Purchase and Property finds a person or entity to be in violation of the law, s/he shall take action as may be appropriate and provided by law, rule or contract, including but not limited to, imposing sanctions, seeking compliance, recovering damages, declaring the party in default and seeking debarment or suspension of the party.

In addition, bidders must provide a detailed, accurate and precise description of the activities of the bidding person/entity, or one of its parents, subsidiaries or affiliates, engaging in Russia or Belarus and/or investment activities in Iran outlined above by completing the boxes on the lower portion of the enclosed form. The person or entity must cease engaging in any prohibited activities and provide an updated certification before the contract can be entered into. If a vendor or contractor is found to be in violation of law, action may be taken as appropriate and as may be provided by law, rule, or contract, including but not limited to imposing sanctions, seeking compliance, recovering damages, declaring the party in default, and seeking debarment or suspension of the party.

The ESCNJ has provided within these specifications, a Prohibited Russia-Belarus Activities & Iran Investment Activities certification form for all persons or entities, that plan to submit a bid, respond to a proposal, or renew a contract with the ESCNJ, to complete, sign and submit with the proposal. The Prohibited Russia-Belarus Activities & Iran Investment Activities Form is to be completed, certified and submitted prior to the award of contract, preferably with the bid submittal.

Please sign and submit the Disclosure of Investment Activities in Iran form and include with your bid package. This form must be submitted no later than the time of the award of a contract.

PREVAILING WAGES

Where applicable, all vendors must adhere to NJ State Prevailing Wage laws; All subcontractors named in this bid understand the requirements of the subcontractor to pay prevailing wages in full accordance with the law, where applicable.

STATEMENT OF OWNERSHIP N.J.S.A. 52:25-24.2 (P.L. 1977, c.33, as amended by P.L. 2016, c.43)

No business organization, regardless of form of ownership, shall be awarded any contract for the performance of any work or the furnishing of any goods and services, unless, prior to the receipt of the bid or accompanying the bid of said business organization, bidders shall submit a statement setting forth the names and addresses of all persons and entities that own ten percent or more of its stock or interest of any type at all levels of ownership.

The included Statement of Ownership shall be completed and attached to the bid proposal. This requirement applies to all forms of business organizations, including, but not limited to, corporations and partnerships, publicly-owned corporations, limited partnerships, limited liability corporations, limited liability partnerships, sole proprietorship, and Subchapter S corporations. **Failure to submit a disclosure document shall result in rejection of the bid as it cannot be remedied after bids have been opened.**

Not-for-profit entities should fill in their name, check the not-for-profit box, and certify the form. No other information is required.

APPENDIX A RETURN WITH BID
AMERICANS WITH DISABILITIES ACT OF 1990
Equal Opportunity for Individuals with Disability

The contractor and the Educational Services Commission of New Jersey (hereafter "owner") do hereby agree that the provisions of Title 11 of the Americans with Disabilities Act of 1990 (the "Act") (42 U.S.C. S121 01 et seq.), which prohibits discrimination on the basis of disability by public entities in all services, programs, and activities provided or made available by public entities, and the rules and regulations promulgated pursuant there unto, are made a part of this contract. In providing any aid, benefit, or service on behalf of the owner pursuant to this contract, the contractor agrees that the performance shall be in strict compliance with the Act. In the event that the contractor, its agents, servants, employees, or subcontractors violate or are alleged to have violated the Act during the performance of this contract, the contractor shall defend the owner in any action or administrative proceeding commenced pursuant to this Act. The contractor shall indemnify, protect, and save harmless the owner, its agents, servants, and employees from and against any and all suits, claims, losses, demands, or damages, of whatever kind or nature arising out of or claimed to arise out of the alleged violation. The contractor shall, at its own expense, appear, defend, and pay any and all charges for legal services and any and all costs and other expenses arising from such action or administrative proceeding or incurred in connection therewith. In any and all complaints brought pursuant to the owner's grievance procedure, the contractor agrees to abide by any decision of the owner which is rendered pursuant to said grievance procedure. If any action or administrative proceeding results in an award of damages against the owner, or if the owner incurs any expense to cure a violation of the ADA which has been brought pursuant to its grievance procedure, the contractor shall satisfy and discharge the same at its own expense.

The owner shall, as soon as practicable after a claim has been made against it, give written notice thereof to the contractor along with full and complete particulars of the claim, If any action or administrative proceeding is brought against the owner or any of its agents, servants, and employees, the *owner shall* expeditiously forward or have forwarded to the contractor every demand, complaint, notice, summons, pleading, or other process received by the owner or its representatives.

It is expressly agreed and understood that any approval by the owner of the services provided by the contractor pursuant to this contract will not relieve the contractor of the obligation to comply with the Act and to defend, indemnify, protect, and save harmless the owner pursuant to this paragraph.

It is further agreed and understood that the owner assumes no obligation to indemnify or save harmless the contractor, its agents, servants, employees and subcontractors for any claim which may arise out of their performance of this Agreement. Furthermore, the contractor expressly understands and agrees that the provisions of this indemnification clause shall in no way limit the contractor's obligations assumed in this Agreement, nor shall they be construed to relieve the contractor from any liability, nor preclude the owner from taking any other actions available to it under any other provisions of the Agreement or otherwise at law.

Company Bluum USA, Inc.

Name Melissa Curtis

Signature 

Title VP of Process Optimization

ASSURANCE OF COMPLIANCE – RETURN WITH BID

Contact with Students

There may be times during the performance of this contract, where a contracted service provider may come in contact with students of the school district. The district fully understands its obligation to provide to all students and staff members, a safe educational environment. To this end, the district is requiring all bidders to sign a statement of Assurance of Compliance, acknowledging the bidder's understanding of the below listed requirements and further acknowledging the bidder's assurance of compliance with those listed requirements.

Anti-Bullying Reporting--Requirement

When applicable, the contracted service provider shall comply with all applicable provisions of the New Jersey Anti-Bullying Bill of Rights Act—N.J.S.A. 18A:37-13.1 et seq., all applicable code and regulations, and the Anti-Bullying Policy of the Board of Education. In accordance with N.J.A.C. 6A:16-7.7 (c), a contracted service provider, who has witnessed, or has reliable information that a student has been subject to harassment, intimidation, or bullying shall immediately report the incident to any school administrator or safe schools resource officer, or the School Business Administrator/Board Secretary.

Criminal History Background Checks—N.J.S.A. 18A:6-7.1--Requirement

When applicable, the contracted service provider, shall provide to the school district prior to commencement of contract, evidence or proof that each employee assigned to provide services and that comes in **regular contact** with students, has had a criminal history background check, and furthermore, that said background check indicates that no criminal history record information exists on file for that worker. Failure to provide a proof of criminal history background check for any employee coming in regular contact with students, prior to commencement of contact, may be cause for breach of contract. See NJDOE Broadcast 9/9/19.

Pre-Employment Requirements

When applicable, all contracted service providers, whose employees have **regular contact with students**, shall comply with the Pre-Employment Requirements in accordance with New Jersey P.L. 2018 c.5, N.J.S.A. 18A:6-7.6 et seq. Contracted service providers are to review the following New Jersey Department of Education Office of Student Protection—Pre-Employment Resource P.L. 2018 c.5 link below for guidance and compliance procedures.

<https://www.nj.gov/education/crimhist/preemployment/>

Name of Company Bluum USA, Inc.

Name of Authorized Representative Melissa Curtis, VP of Process Optimization

Signature  Date 9/11/2023

RETURN WITH BID

Educational Services Commission of New Jersey Business Office

1660 Stelton Road, Floor 2
Piscataway, New Jersey 08854

Chapter 271 Political Contribution Disclosure Form

(Contracts that Exceed \$17,500.00)

Ref. N.J.S.A. 19:44A-20.26

The undersigned, being authorized and knowledgeable of the circumstances, does hereby certify that
Bluum USA, Inc. (Business Entity) has made the following
reportable political contributions to any elected official, political candidate or any political committee as
defined in N.J.S.A. 19:44-20.26 during the twelve (12) months preceding this award of contract:

Reportable Contributions

<u>Date of Contribution</u>	<u>Amount of Contribution</u>	<u>Name of Recipient Elected Official/ Committee/Candidate</u>	<u>Name of Contributor</u>
N/A			

The Business Entity may attach additional pages if needed.

☒ **No Reportable Contributions** (Please check (✓) if applicable.)

I certify that Bluum USA, Inc. (Business Entity) made no reportable
contributions to any elected official, political candidate or any political committee as defined in N.J.S.A.
19:44-20.26.

Certification

I certify that the information provided above is in full compliance with Public law 2005 – Chapter 271.

Name of Authorized Agent Melissa Curtis

Signature Melissa Curtis Title VP of Process Optimization

Business Entity Bluum USA, Inc.

C. 271 POLITICAL CONTRIBUTION DISCLOSURE FORM

Contractor Instructions

Business entities (contractors) receiving contracts from a public agency that are NOT awarded pursuant to a “fair and open” process (defined at N.J.S.A. 19:44A-20.7) are subject to the provisions of P.L. 2005, c. 271, s. 2 (N.J.S.A. 19:44A-20.26). This law provides that 10 days prior to the award of such a contract, the contractor shall disclose contributions to:

- any State, county, or municipal committee of a political party
- any legislative leadership committee²
- any continuing political committee (a.k.a., political action committee)
- any candidate committee of a candidate for, or holder of, an elective office:
 - of the public entity awarding the contract
 - of that county in which that public entity is located
 - of another public entity within that county
 - or of a legislative district in which that public entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county

The disclosure must list reportable contributions to any of the committees that exceed \$300 per election cycle that were made during the 12 months prior to award of the contract. See N.J.S.A. 19:44A-8 and 19:44A-16 for more details on reportable contributions.

N.J.S.A. 19:44A-20.26 itemizes the parties from whom contributions must be disclosed when a business entity is not a natural person. This includes the following:

- individuals with an “interest” ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit
- all principals, partners, officers, or directors of the business entity or their spouses
- any subsidiaries directly or indirectly controlled by the business entity
- IRS Code Section 527 New Jersey based organizations, directly or indirectly controlled by the business entity and filing as continuing political committees, (PACs)

When the business entity is a natural person, “a contribution by that person’s spouse or child, residing therewith, shall be deemed to be a contribution by the business entity.” [N.J.S.A. 19:44A-20.26(b)]. The contributor must be listed on the disclosure.

Any business entity that fails to comply with the disclosure provisions shall be subject to a fine imposed by ELEC in an amount to be determined by the Commission which may be based upon the amount that the business entity failed to report.

The enclosed list of agencies is provided to assist the contractor in identifying those public agencies whose elected official and/or candidate campaign committees are affected by the disclosure requirement. It is the contractor’s responsibility to identify the specific committees to which contributions may have been made and need to be disclosed. The disclosed information may exceed the minimum requirement.

The enclosed form, a content-consistent facsimile, or an electronic data file containing the required details (along with a signed over sheet) may be used as the contractor’s submission and is disclosable to the public under the Open Public Records Act.

The contractor must also complete the attached Stockholder Disclosure Certification. This will assist the agency in meeting its obligations under the law. **NOTE: This section does not apply to Board of Education contracts.**

² N.J.S.A. 19:44A-3(s): “The term “legislative leadership committee” means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly or the Minority Leader of the General Assembly pursuant to section 16 of P.L. 1993, c. 65 (C. 19:44A-10.1) for the purpose of receiving contributions and making expenditures.”

AN ACT authorizing units of local government to impose limits on political contributions by contractors and supplementing Title 40A of the New Jersey Statutes and Title 19 of the Revised Statutes.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

40A:11-51 1. a. A county, municipality, independent authority, board of education, or fire district is hereby authorized to establish by ordinance, resolution or regulation, as may be appropriate, measures limiting the awarding of public contracts there from to business entities that have made a contribution pursuant to P.L. 1973, c. 83 (C. 19:44A-1 et seq.) and limiting the contributions that the holders of a contract can make during the term of a contract, notwithstanding the provisions and parameters of sections 1 through 12 of P.L. 2004, c. 19 (C. 19:44A-20.2 et al.) and section 22 of P.L. 1973, c. 83 (C. 19:44A-22).

b. The provisions of P.L. 2004, c. 19 shall not be construed to supersede or preempt any ordinance, resolution or regulation of a unit of local government that limits political contributions by business entities performing or seeking to perform government contracts. Any ordinance, resolution or regulation in effect on the effective date of P.L. 2004, c. 19 shall remain in effect and those adopted after that effective date shall be valid and enforceable.

c. An ordinance, resolution or regulation adopted or promulgated as provided in this section shall be filed with the Secretary of State.

19:44A-20.26 2. a. Not later than 10 days prior to entering into any contract having an anticipated value in excess of \$17,500, except for a contract that is required by law to be publicly advertised for bids, a State agency, county, municipality, independent authority, board of education, or fire district shall require any business entity bidding thereon or negotiating therefor, to submit along with its bid or price quote, a list of political contributions as set forth in this subsection that are reportable by the recipient pursuant to the provisions of P.L. 1973, c. 83 (C.19:44A-1 et seq.) and that were made by the business entity during the preceding 12 month period, along with the date and amount of each contribution and the name of the recipient of each contribution. A business entity contracting with a State agency shall disclose contributions to any State, county, or municipal committee of a political party, legislative leadership committee, candidate committee of a candidate for, or holder of, a State elective office, or any continuing political committee. A business entity contracting with a county, municipality, independent authority, other than an independent authority that is a State agency, board of education, or fire district shall disclose contributions to: any State, county, or municipal committee of a political party; any legislative leadership committee; or any candidate committee of a candidate for, or holder of, and elective office of that public entity, of that county in which that public entity is located, of another public entity within that county, or of a legislative district in which that public entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county, or any continuing political committee.

The provisions of this section shall not apply to a contract when a public emergency requires the immediate delivery of goods or services.

b. When a business entity is a natural person, a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by: all principals, partners, officers, or directors of the business entity or their spouses; any subsidiaries directly or indirectly controlled by the business entity; or any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee, shall be deemed to be a contribution by the business entity.

c. As used in this section:

"business entity" means a natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of this State or of any other state or foreign jurisdiction;

"interest" means the ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit, as appropriate; and

P.L. 2005, c. 271

"State agency" means any of the principal departments in the Executive Branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, the Legislature of the State and any office,

board, bureau or commission within or created by the Legislative Branch, and any independent State authority, commission, instrumentality or agency.

d. Any business entity that fails to comply with the provisions of this section shall be subject to a fine imposed by the New Jersey Election Law Enforcement Commission in an amount to be determined by the commission which may be based upon the amount that the business entity failed to report.

19:44A-20.13 3. a. Any business entity making a contribution of money or any other thing of value, including an in-kind contribution, or pledge to make a contribution of any kind to a candidate for or the holder of any public office having ultimate responsibility for the awarding of public contracts, or to a political party committee, legislative leadership committee, political committee or continuing political committee, which has received in any calendar year \$50,000 or more in the aggregate through agreements or contracts with a public entity, shall file an annual disclosure statement with the New Jersey Election Law Enforcement Commission, established pursuant to section 5 of P.L. 1973, c. 83 (C. 19:44A-5), setting forth all such contributions made by the business entity during the 12 months prior to the reporting deadline.

b. The commission shall prescribe forms and procedures for the reporting required in subsection a. of this section which shall include, but not be limited to:

- (3) the name and mailing address of the business entity making the contribution, and the amount contributed during the 12 months prior to the reporting deadline;
- (4) the name of the candidate for or the holder of any public office having ultimate responsibility for the awarding of public contracts, candidate committee, joint candidates committee, political party committee, legislative leadership committee, political committee or continuing political committee receiving the contribution; and
- (4) the amount of money the business entity received from the public entity through contract or agreement, the dates, and information identifying each contract or agreement and describing the goods, services or equipment provided or property sold.

c. The commission shall maintain a list of such reports for public inspection both at its office and through its Internet site.

d. When a business entity is a natural person, a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by: all principals, partners, officers, or directors of the business entity, or their spouses; any subsidiaries directly or indirectly controlled by the business entity; or any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee, shall be deemed to be a contribution by the business entity.

As used in this section:

"Business entity" means a natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of this State or of any other state or foreign jurisdiction; and

"Interest" means the ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit, as appropriate.

e. Any business entity that fails to comply with the provisions of this section shall be subject to a fine imposed by the New Jersey Election Law Enforcement Commission in an amount to be determined by the commission which may be based upon the amount that the business entity failed to report.

4. This act shall take effect immediately.

*Note: Bold italicized statutory references of new sections are anticipated and not final as of the time this document was prepared. Statutory compilations of N.J.S.A. 18A:18A-51 is anticipated to show a reference to N.J.S.A. 40:11-51 and to N.J.S.A. 19:44A-20.26.

Prohibited Russia-Belarus Activities & Iran Investment Activities

Person or Entity

Bluum USA, Inc.

Part 1: Certification

COMPLETE PART 1 BY CHECKING ONE OF THE THREE BOXES BELOW

Pursuant to law, any person or entity that is a successful bidder or proposer, or otherwise proposes to enter into or renew a contract, for goods or services must complete the certification below prior to contract award to attest, under penalty of perjury, that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list or Chapter 25 list as a person or entity engaging in prohibited activities in Russia, Belarus or Iran. Before a contract for goods or services can be amended or extended, a person or entity must certify that neither the person or entity, nor any parent entity, subsidiary, or affiliate, is identified on the Department of Treasury's Russia-Belarus list. Both lists are found on Treasury's website at the following web addresses:

<https://www.nj.gov/treasury/administration/pdf/RussiaBelarusEntityList.pdf>
www.state.nj.us/treasury/purchase/pdf/Chapter25List.pdf.

As applicable to the type of contract, the above-referenced lists must be reviewed prior to completing the below certification.

A person or entity unable to make the certification must provide a detailed, accurate, and precise description of the activities of the person or entity, or of a parent entity, subsidiary, or affiliate, engaging in prohibited activities in Russia or Belarus and/or investment activities in Iran. The person or entity must cease engaging in any prohibited activities and provide an updated certification before the contract can be entered into.

If a vendor or contractor is found to be in violation of law, action may be taken as appropriate and as may be provided by law, rule, or contract, including but not limited to imposing sanctions, seeking compliance, recovering damages, declaring the party in default, and seeking debarment or suspension of the party.

CONTRACT AWARDS AND RENEWALS

☒

I certify, pursuant to law, that neither the person or entity listed above, nor any parent entity, subsidiary, or affiliate appears on the N.J. Department of Treasury's lists of entities engaged in prohibited activities in Russia or Belarus pursuant to P.L. 2022, c. 3 or in investment activities in Iran pursuant to P.L. 2012, c. 25 ("Chapter 25 List"). I further certify that I am the person listed above, or I am an officer or representative of the entity listed above and am authorized to make this certification on its behalf. (Skip Part 2 and sign and complete the Certification below.)

CONTRACT AMENDMENTS AND EXTENSIONS



I certify, pursuant to law, that neither the person or entity listed above, nor any parent entity, subsidiary, or affiliate is listed on the N.J. Department of the Treasury's lists of entities determined to be engaged in prohibited activities in Russia or Belarus pursuant to P.L. 2022, c. 3. I further certify that I am the person listed above, or I am an officer or representative of the entity listed above and am authorized to make this certification on its behalf. (Skip Part 2 and sign and complete the Certification below.)

IF UNABLE TO CERTIFY



I am unable to certify as above because the person or entity and/or a parent entity, subsidiary, or affiliate is listed on the Department's Russia-Belarus list and/or Chapter 25 Iran list. I will provide a detailed, accurate, and precise description of the activities as directed in Part 2 below, and sign and complete the Certification below. Failure to provide such will prevent the award of the contract to the person or entity, and appropriate penalties, fines, and/or sanctions will be assessed as provided by law.

Part 2: Additional Information

PLEASE PROVIDE FURTHER INFORMATION RELATED TO PROHIBITED ACTIVITIES IN RUSSIA OR BELARUS AND/OR INVESTMENT ACTIVITIES IN IRAN.

You must provide a detailed, accurate, and precise description of the activities of the person or entity, or of a parent entity, subsidiary, or affiliate, engaging in prohibited activities in Russia or Belarus and/or investment activities in Iran in the space below and, if needed, on additional sheets provided by you.

N/A

Part 3: Certification of True and Complete Information

I, being duly sworn upon my oath, hereby represent and state that the foregoing information and any attachments there, to the best of my knowledge, are true and complete. I attest that I am authorized to execute this certification on behalf of the above-referenced person or entity.

I acknowledge that the AEPA is relying on the information contained herein and hereby acknowledge that I am under a continuing obligation from the date of this certification through the completion of any contracts with the AEPA to notify the AEPA in writing of any changes to the answers of information contained herein.

I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification. If I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my agreement(s) with the AEPA and that the AEPA at its option may declare any contract(s) resulting from this certification void and unenforceable.

Full Name (Print)	Melissa Curtis	Title	VP of Process Optimization
Signature		Date	9/11/2023

Statement of Suspension or Debarment - RETURN WITH BID

STATE OF ~~NEW JERSEY~~ / Arizona
Specify, of other _____

COUNTY OF Maricopa

I, Melissa Curtis of the (City, Town, Borough)
of Phoenix State of Arizona of full age,

being duly sworn according to law on my oath depose and say that:

I am VP of Process Optimization of the firm
of Bluum USA, Inc. the Bidder

making the Proposal for the above named projects, and that I executed the said Proposal with full authority to do so; that said Bidder is not at the time of the making this bid included on the New Jersey State Treasurer's or the Federal Government's List of Debarred, Suspended or Disqualified Bidders or the State Department of Labor and Workforce Development; Prevailing Wage Debarment List as a result of action taken by any State or Federal Agency.

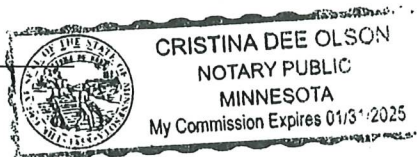
Name of Contractor: Bluum USA, Inc.
(Company Name)

By: Melissa Curtis
(Signature of authorized representative)

Subscribed and sworn to before me

This 11th day of September, 20 23

Cristina Dee Olson
(Seal) Notary Public of New Jersey/
Specify Other State Minnesota



My Commission expires 01.31.2025

STATEMENT OF OWNERSHIP DISCLOSURE - RETURN WITH BID
N.J.S.A. 52:25-24.2 (P.L. 1977, c.33, as amended by P.L. 2016, c.43)

This statement shall be completed, certified to, and included with all bid and proposal submissions. Failure to submit the required information is cause for automatic rejection of the bid or proposal.

Name of Organization: Bluum USA, Inc.
Organization Address: 4675 E Cotton Ctr Blvd, Ste 155
City, State, ZIP: Phoenix, AZ 85040

Part I Check the box that represents the type of business organization:

- ☐ Sole Proprietorship (skip Parts II and III, execute certification in Part IV)
- ☐ Non-Profit Corporation (skip Parts II and III, execute certification in Part IV)
- ☒ For-Profit Corporation (any type) ☐ Limited Liability Company (LLC)
- ☐ Partnership ☐ Limited Partnership ☐ Limited Liability Partnership (LLP)
- ☐ Other (be specific): _____

Part II Check the appropriate box

- ☒ The list below contains the names and addresses of all stockholders in the corporation who own 10 percent or more of its stock, of any class, or of all individual partners in the partnership who own a 10 percent or greater interest therein, or of all members in the limited liability company who own a 10 percent or greater interest therein, as the case may be. **(COMPLETE THE LIST BELOW IN THIS SECTION)**
- OR**
- ☐ No one stockholder in the corporation owns 10 percent or more of its stock, of any class, or no individual partner in the partnership owns a 10 percent or greater interest therein, or no member in the limited liability company owns a 10 percent or greater interest therein, as the case may be. **(SKIP TO PART IV)**

(Please attach additional sheets if more space is needed):

Name of Individual or Business Entity	Home Address (for Individuals) or Business Address
Bluum Holdco, Inc.	4675 E Cotton Ctr Blvd, Ste 155, Phoenix, AZ 85040

Part III DISCLOSURE OF 10% OR GREATER OWNERSHIP IN THE STOCKHOLDERS, PARTNERS OR LLC MEMBERS LISTED IN PART II

If a bidder has a direct or indirect parent entity which is publicly traded, and any person holds a 10 percent or greater beneficial interest in the publicly traded parent entity as of the last annual federal Security and Exchange Commission (SEC) or foreign equivalent filing, ownership disclosure can be met by providing links to the website(s) containing the last annual filing(s) with the federal Securities and Exchange Commission (or foreign equivalent) that contain the name and address of each person holding a 10% or greater beneficial interest in the publicly traded parent entity, along with the relevant page numbers of the filing(s) that contain the information on each such person. **Attach additional sheets if more space is needed.**

Website (URL) containing the last annual SEC (or foreign equivalent) filing	Page #'s

Please list the names and addresses of each stockholder, partner or member owning a 10 percent or greater interest in any corresponding corporation, partnership and/or limited liability company (LLC) listed in Part II **other than for any publicly traded parent entities referenced above.** The disclosure shall be continued until names and addresses of every non-corporate stockholder, and individual partner, and member exceeding the 10 percent ownership criteria established pursuant to N.J.S.A. 52:25-24.2 has been listed. **Attach additional sheets if more space is needed.**

Stockholder/Partner/Member and Corresponding Entity Listed in Part II	Home Address (for Individuals) or Business Address
Bluum Holdco, Inc.	4675 E Cotton Ctr Blvd, Ste 155, Phoenix, AZ 85040

STATEMENT OF OWNERSHIP DISCLOSURE – continued - [RETURN WITH BID](#)

N.J.S.A. 52:25-24.2 (P.L. 1977, c.33, as amended by P.L. 2016, c.43)

Part IV Certification

I, being duly sworn upon my oath, hereby represent that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge: that I am authorized to execute this certification on behalf of the bidder/proposer; that the **ESCNJ and/or its members** is relying on the information contained herein and that I am under a continuing obligation from the date of this certification through the completion of any contracts with the **ESCNJ and/or its members** to notify the **ESCNJ and/or its members** in writing of any changes to the information contained herein; that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I am subject to criminal prosecution under the law and that it will constitute a material breach of my agreement(s) with the, permitting the **ESCNJ and/or its members** to declare any contract(s) resulting from this certification void and unenforceable.

Full Name (Print):	Melissa Curtis	Title:	VP of Process Optimization
Signature:		Date:	9/11/2023

This statement shall be completed, certified to, and included with all bid and proposal submissions. Failure to submit the required information is cause for automatic rejection of the bid or proposal.

CERTIFICATE OF AUTHORITY - RETURN WITH BID

All bidders are to submit their Sworn Contractor Certification, a current valid "Certificate of Authority" as issued by the New Jersey Department of Treasury. Reference—N.J.S.A. 18A:7G-37.

Sample Certificate of Authority

STATE OF NEW JERSEY
Certificate of Authority

DIVISION OF TAXATION
TRENTON, N.J. 08695

The person, partnership or corporation named below is hereby authorized to collect
NEW JERSEY SALES & USE TAX
pursuant to N.J.S.A. [REDACTED]

This authorization is good ONLY for the named person at the location specified herein.
This authorization is null and void if any change of ownership or address is effected.

Tax Registration No. [REDACTED]
Tax Effective Date: 10-15-10
Document Locator No. [REDACTED]
Date Issued: 10-14-10

Michael J. Bray
Acting Director, Division of Taxation

This Certificate is NOT assignable or transferable. It must be conspicuously displayed at above address.

CHANGE ORDERS (N.J.A.C. 6A:26-4.9, 4.10 et seq.) (N.J.A.C. 5:30-11.1 et seq.)

Co-op member Approval Required; Prior to Issuance of Change Order (N.J.A.C. 5:30-11.2)

Change orders may be approved by the Co-op member in an amount up to twenty percent (20%) when necessitated by one of the following:

- Emergencies consistent with N.J.S.A. 18A:18A-7;
- Unforeseeable physical conditions; or
- Minor modifications to the project/scope that achieve cost savings, improve service or resolve construction conditions.

Division of Finance (NJDOE) Approval

All other change orders shall be approved by the Division of Finance (NJDOE) when extraordinary circumstances exist such as:

- Change order amounts greater than twenty percent (20%);
- Change orders that eliminate or affect the project scope; or
- Change orders that affect the number, size, configuration, location or use of co-op member spaces.

All contractors are prohibited to perform any change order unless so directed in writing by the Co-op member.

CONTRACTOR TRADE LICENSES - RETURN WITH BID

All bidders are to submit with their proposal all current, valid contractor or trade licenses as issued by the New Jersey Division of Consumer Affairs, for any trade or specialty area the contractor seeks to perform work for this particular proposal.

Sample Contractor Trade License



CONTRACTOR'S REGISTRATION EVIDENCE — "Public Works Contractor Registration Act"

A. Valid Certificate – Receipt of Bid

All Contractors must adhere to the provisions of the Public Works Contractor Registration Act - N.J.S.A. 34:11-56.48 et. seq. The PWCRA requires that *"No contractor shall bid on any contract for public work as defined in N.J.S.A.34:11-56.26 unless the contractor is registered pursuant to this act."* The law requires that all contractors and sub-contractors named in the proposal possess a valid certificate at the time the proposal is received by the contracting unit, in this case the ESCNJ.

B. Submission of Certificate – Receipt of Bid; Prior to Award--Mandatory

All bidders are requested to submit with the bid package or prior to the award of contract, a current Public Works Contractor Registration Certificate that was issued prior to the receipt of the bid.

The vendor(s) who is deemed to receive the contract award must submit a copy of the current New Jersey Department of Labor and Workforce Development Public Works Contractor Registration Certificate, and if applicable, copies of certifications of all listed subcontractors, prior to the award of contract. **If the successful vendor fails to provide copies of certificates prior to the award of contract, the bid shall be rejected as non-responsive.**

For more information contact:

Contractor Registration Unit
Division of Wage and Hour Compliance
New Jersey Department of Labor & Workforce Development
PO Box 389
Trenton, New Jersey 08625-0389
Tel: 609-292-9464
Fax: 609-633-8591
E-mail: wage.hour@dol.nj.gov
Web site: lwd.dol.state.nj.us/labor/wagehour/content/contact_us.html

PRE-QUALIFICATION OF BIDDERS

A. DPMC Prequalification-- Pursuant to N.J.S.A. 18A:18A-26, 27 et seq., all Bidders on any contract for public works which the entire cost of the contract exceeds \$20,000, must be pre-qualified by the Department of Treasury, Division of Property Management and Construction, as to charter and amount of public work on which they may submit bids. No person shall be qualified to bid on any public work contract with the Commission if he has not submitted a statement to the Department of Treasury, Division of Property Management and Construction which fully develops the financial ability, adequacy of plant and equipment, organization and prior experience of the prospective bidder, and such other pertinent and material facts, within a period of one year preceding the date of opening of the bids for such contract.

NJSDA Prequalification---Pursuant to N.J.S.A. 18A:7G-33, all contractors bidding on any contract for a School Facilities Project as defined in N.J.A.C. 6A:26-1.2, shall be prequalified with the New Jersey School Development Authority in the major construction trades listed in N.J.S.A. 18A:7G-33. Bidders will have to submit a Sworn Contractor Certification attesting to the NJSDA prequalification. Named subcontractors shall also be pre-qualified with the NJSDA—N.J.A.C. 6A:26-4.7 (b) (3).

Maintenance Projects—Contractors are reminded that maintenance projects solely to achieve the design life of a school facility and routine maintenance do not constitute a school facility project and therefore NJSDA prequalification is not a requirement. Reference N.J.A.C. 6A:26-1.2002E

B. Prequalification Affidavit--No Material Adverse Change

Every pre-qualified Bidder must submit with his proposal, a notarized affidavit setting forth the type of work and the amount of work for which he has been qualified, that there has been no material adverse change in his qualification information, the total amount of completed work on contracts at the time and date of the classification. **Any bid not including a copy of this affidavit shall be rejected as being non-responsive to bid requirements.** (N.J.S.A. 18A:18A-32)

C. Bidders shall furnish satisfactory evidence that he and his subcontractors have sufficient means and experience in the type of work to complete the project in accordance with the bid specifications. A subcontractor listing and bidder's personnel and experience sheet shall be submitted to the ESCNJ as part of the bidding documents. Where the Bidder intends to subcontract any portion of the project, the cost of which will exceed \$20,000.00, the sub-contractor shall be pre-qualified to perform the work and the bidder shall submit the requisite documentation pertaining to the sub-contractor in accordance with Paragraphs A and B above. The ESCNJ may make such additional investigations as it deems necessary to determine the ability, competence and financial responsibility of the bidder to perform their work. The bidder shall furnish the ESCNJ with the information and data for this purpose upon request. The ESCNJ reserves the right to reject any bid if the information fails to establish to the ESCNJ's satisfaction that the bidder is properly qualified to carry out the obligations of the contract and to complete the work contemplated here.

D. **Notice of Classification**--(For Contracts Exceeding \$20,000) N.J.S.A. 18A:18A-26 et seq., N.J.S.A. 52:35-1 et seq.

Each Bidder shall submit with his/her bid a copy of a valid and active Notice of Classification letter issued by the Department of Treasury, Division of Property Management and Construction as appropriate to the nature of the bid. **Any bid submitted to the ESCNJ under the terms of New Jersey Statutes not including a copy of a valid and active classification letter shall be rejected as being non-responsive to bid requirements.**

"The Co-op member, through its authorized agent, shall upon completion of the contract report to the State agency listed on the pre-qualification/classification letter as to the contractor's performance and shall furnish such report from time to time during performance if the contractor is then in default".

E. **Uncompleted Contracts**--(For Contracts Exceeding \$20,000) - N.J.A.C. 17:19-2.13(a)

The ESCNJ also requires that each bidder submit with his bid a certified Total Amount of Uncompleted Contracts form as prescribed by code. (Form DPMC 701). **Failure to submit this document will result in the rejection of the bid as being non-responsive.**

PREVAILING WAGES: CONSTRUCTION, ALTERATIONS, REPAIRS

The State of New Jersey Prevailing Wage Act, Chapter 150 Laws of 1963 with applicable wage rates by County as published by the Department of Labor and Workforce Development in conformance with N.J.S.A. 34:11-56:25, is hereby made a part of these Contract Documents. Copies of these wage rates may be obtained from the State Department of Labor and Workforce Development, and/or viewed at https://www.state.nj.us/labor/wagehour/wagerate/prevailing_wage_determinations.html <http://lwd.dol.state.nj.us/http://lwd.dol.state.nj.us/>, the Prevailing Wages Determination Section.

- **Compliance with New Jersey Prevailing Wage Act**

Every contractor and subcontractor performing services in connection with this project, shall pay all workers a wage rate not less than the published prevailing wage rates, for the locality the work is being performed, as designated by the New Jersey Department of Labor and Workforce Development.

- **Certified Payrolls**

Contractor agrees to submit to the Co-op member a certified payroll for each payroll period within ten (10) days of the payment of wages. Contractor further agrees that no payments will be made to the Contractor if certified payrolls are not received. It is the Contractor's responsibility to insure timely receipt by the district of certified payrolls.

- **Submission of Affidavit**

Before final payment, the contractor shall furnish the co-op member with an affidavit stating that all workers have been paid the prevailing rate of wages in accordance with State of New Jersey requirements. The contractor shall keep an accurate record showing the name, craft, or trade and actual hourly rate of wages paid to each workman employed by him in connection with this work. Upon request, the Contractor(s) and each Subcontractor shall file written statements certifying to the amounts then due and owing to any and all workmen for wages due on account of the work. The statements shall be verified by the oaths of the Contractor or Subcontractor, as the case may be.

- **Posting of Prevailing Wages**

The contractor shall post the prevailing wage rates for each craft and classification involved in the work, including the effective date of any changes thereof, in prominent and easily accessible places at the site of the work and in such place or places as used to pay workers their wages. (Reference 18A:7G-23 and N.J.S.A 34:11-56.32.)

- **Prevailing Wages Certification—Submission with Bid**

The bidder shall submit a Prevailing Wages Certification with its bid package.

- **Non-compliance Statement**

If it is found that any worker, employed by the contractor or any subcontractor covered by said contract, has been paid a rate of wages less than the prevailing wage required to be paid by such contract, the ESCNJ or co-op member may begin proceedings to terminate the contractor's or subcontractor's right to proceed with the work, or such part of the work as to which there has been a failure to pay required wages and to prosecute the work to completion or otherwise. The contractor and his sureties shall be liable for any excess costs occasioned thereby to the public body.

EQUIPMENT CERTIFICATION (N.J.S.A. 18A:18A-23)

Each Bidder shall provide a certification showing that he/she owns, leases or controls all the necessary equipment required by the specifications. If the Bidder is not the actual owner or lessee of any such equipment, he/she shall submit a certificate stating the source from which the equipment will be obtained and shall obtain a certificate from the owner and person in control of the equipment, definitely granting to the bidder the control of the equipment required during such time as may be necessary for the completion of that portion of the contract for which it is necessary.

The certificates are to be submitted with the bid. If the contract involves the installation of a manufactured system which requires the contractor to have special knowledge or training, or to be specifically certified by the manufacturer to install their system, this form is used to submit such required evidence of the bidder's approval from the manufacturer.

SUBCONTRACTING: ASSIGNMENT OF CONTRACT - RETURN WITH BID

Contractors, services providers, and all vendors with whom the ESCNJ has an executed contract, may not subcontract any part of any work done or assign any part of the contract for goods or materials for ESCNJ and Co-op members without first receiving written permission from the ESCNJ. Awarded vendors may add additional subcontractors after submitting the proper paperwork and upon approval from the ESCNJ. Under no condition will any work specified be subcontracted without the ESCNJ's prior written approval. **Failure to adhere to this requirement may result in revocation of a contract.**

Contractors, service providers, and vendors using subcontractors assume all responsibility for work performed by subcontractors. The ESCNJ must approve all subcontractors and will require the following documents to be secured from all approved subcontractors:

- Affirmative Action Evidence – Construction type contracts
- Americans with Disabilities Act of 1990
- Assurance of Compliance
- Certificate of Authority
- Certifications and Licenses as applicable
- Contractor's Registration Certificate (Public Works)
- Disclosure of Investment Activities in Iran
- Equipment Certification
- Insurance Certificate as outlined in the bid specifications;
- New Jersey Business Registration Certificate
- New Jersey School Development Authority Prequalification
- Notice of Classification Form (DPMC)
- Political Contribution Disclosure Form
- Prequalification Affidavit--No Material Adverse Change
- Prevailing Wages Compliance Certification
- Statement of Ownership (Ownership Disclosure Certification)
- Statement of Suspension or Debarment
- Subcontracting Assignments
- Sworn Contractor's Disclosure
- Total Amount of Uncompleted Contractor's Form—Certified (Form DPMC 701)
- Written certification that the subcontractor shall adhere to prevailing wages as provided through New Jersey State Law.

SUBCONTRACTING: ASSIGNMENT OF CONTRACT-continued

In cases of subcontracting, the Co-op member shall only pay the prime contractor. It is the sole responsibility of the prime contractor to ensure that all subcontractors are paid. The Co-op member shall not be responsible for payments to subcontractors and shall be held harmless against any or all claims generated against prime contractors for nonpayment to subcontractors. Transportation carriers hired by the vendor to deliver goods and materials are not considered to be subcontractors. All vendors are responsible for submitting subcontractor documentation.

Penalties – Unauthorized Subcontractors

The Co-op member may deduct the amount of \$1,000.00 (one thousand dollars) per day as a penalty, for each day a prime contractor uses a subcontractor without first receiving **written** permission as required.

Subcontractor Disclosure Statement

If the bidder intends to subcontract any work, please submit the completed **Subcontractor Disclosure Statement found in this bid document.**

SWORN CONTRACTOR CERTIFICATION – (Bidder's Certification)

Pursuant to N.J.S.A. 18A:7G-37, a pre-qualified contractor seeking to bid school facilities projects, and any subcontractors, that are required to be named under N.J.S.A. 18A:7G-1 et seq. shall, as a condition of bidding, submit this Sworn Contractor Certification regarding qualifications and credentials. **Failure to complete, sign and submit the certification may lead to the bid being rejected.**

AFFIRMATIVE ACTION—Construction Contracts—Acknowledgement – RETURN WITH BID

The undersigned acknowledges and agrees to comply with the following:

AFFIRMATIVE ACTION—EQUAL EMPLOYMENT OPPORTUNITY IN PUBLIC CONTRACTS—EEO

The construction contractor shall complete and submit an Initial Project Workforce Report, **Form AA-201** listing their entire work force and all employees that may be used for any jobs under this ESCNJ Co-op contract with their bid submission. Proper completion and submission of this Report shall constitute evidence of the contractor's compliance with the regulations. Failure to submit this form may result in the contract being terminated. The awarded contractor(s) shall also complete and submit an Initial Project Workforce Report, **Form AA-201** to the owner before the start of any job entered into under this contract. The contractor also agrees to submit a copy of the Monthly Project Workforce Report, Form AA-202 once a month thereafter for the duration of the contract to the Department of Labor Workforce and Development and to the owner's Public Agency Compliance Officer.

All bidders should familiarize themselves with N.J.S.A. 10:5-31 et seq. and N.J.A.C. 17:27-1.1 et seq. MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE—EXHIBIT B. If awarded a contract, your company/firm will be required to comply with the above requirements.

Contractors and vendors are to familiarize themselves with the following document:

Vendor/Contractor Guidelines for Awarded Public Contracts

The document may be obtained from the New Jersey Division of Purchase and Property, Contract Compliance and Audit Unit, Equal Employment Opportunity (EEO) Program website or by visiting the following link:

https://www.nj.gov/treasury/contract_compliance/https://www.state.nj.us/treasury/contract_compliance/pdf/vc.pdf

Name of Company Bluum USA, Inc.

Address 4675 E Cotton Ctr Blvd, Ste 155 P.O. Box

City, State, Zip Code Phoenix, AZ 85040

Name of Authorized Representative Melissa Curtis

Signature  Date 9/11/2023

EXHIBIT B - RETURN WITH BID
MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L.1975, c.127)
N.J.A.C. 17:27-1.1 et seq.
CONSTRUCTION CONTRACTS

During the performance of this contract, the contractor agrees as follows:

The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will ensure that equal employment opportunity is afforded to such applicants in recruitment and employment, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such equal employment opportunity shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Public Agency Compliance Officer setting forth provisions of this nondiscrimination clause.

The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex.

The contractor or subcontractor will send to each labor union, with which it has a collective bargaining agreement, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

The contractor or subcontractor, where applicable, agrees to comply with any regulations promulgated by the Treasurer, pursuant to N.J.S.A. 10:5-31 et seq., as amended and supplemented from time to time and the Americans with Disabilities Act.

When hiring or scheduling workers in each construction trade, the contractor or subcontractor agrees to make good faith efforts to employ minority and women workers in each construction trade consistent with the targeted employment goal prescribed by N.J.A.C. 17:27-7.2; provided, however, that the Dept. of LWD, Construction EEO Monitoring Program, may, in its discretion, exempt a contractor or subcontractor from compliance with the good faith procedures prescribed by the following provisions, A, B, and C, as long as the Dept. of LWD, Construction EEO Monitoring Program is satisfied that the contractor or subcontractor is employing workers provided by a union which provides evidence, in accordance with standards prescribed by the Dept. of LWD, Construction EEO Monitoring Program, that its percentage of active "card carrying" members who are minority and women workers is equal to or greater than the targeted employment goal established in accordance with N.J.A.C. 17:27-7.2. The contractor or subcontractor agrees that a good faith effort shall include compliance with the following procedures:

(A) If the contractor or subcontractor has a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor shall, within three business days of the contract award, seek assurances from the union that it will cooperate with the contractor or subcontractor as it fulfills its affirmative action obligations under this contract and in accordance with the rules promulgated by the Treasurer pursuant to N.J.S.A. 10:5-31 et seq., as supplemented and amended from time to time and the Americans with Disabilities Act. If the contractor or subcontractor is unable to obtain said assurances from the construction trade union at least five business days prior to the commencement of construction work, the contractor or subcontractor agrees to afford equal employment opportunities minority and women workers directly, consistent with this chapter. If the contractor's or subcontractor's prior experience with a construction trade union, regardless of whether the union has provided said assurances, indicates a significant possibility that the trade union will not refer sufficient minority and women workers consistent with affording equal employment opportunities as specified in this chapter, the contractor or subcontractor agrees to be prepared to provide such opportunities to minority and women workers directly, consistent with this chapter, by complying with the hiring or scheduling procedures prescribed under (B) below; and the contractor or subcontractor further agrees to take said action immediately if it determines that the union is not referring minority and women workers consistent with the equal employment opportunity goals set forth in this chapter.

(B) EXHIBIT B - RETURN WITH BID
(C) MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
(D) N.J.S.A. 10:5-31 et seq. (P.L.1975, c.127)
(E) N.J.A.C. 17:27-1.1 et seq.
(F) CONSTRUCTION CONTRACTS-continued

(B) If good faith efforts to meet targeted employment goals have not or cannot be met for each construction trade by adhering to the procedures of (A) above, or if the contractor does not have a referral agreement or arrangement with a union for a construction trade, the contractor or subcontractor agrees to take the following actions:

(1) To notify the public agency compliance officer, the Dept. of LWD, Construction EEO Monitoring Program, and minority and women referral organizations listed by the Division pursuant to N.J.A.C. 17:27-5.3, of its workforce needs, and request referral of minority and women workers;

(2) To notify any minority and women workers who have been listed with it as awaiting available vacancies;

EXHIBIT B (Continued)

(3) Prior to commencement of work, to request that the local construction trade union refer minority and women workers to fill job openings, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade;

(4) To leave standing requests for additional referral to minority and women workers with the local construction trade union, provided the contractor or subcontractor has a referral agreement or arrangement with a union for the construction trade, the State Training and Employment Service and other approved referral sources in the area;

(5) If it is necessary to lay off some of the workers in a given trade on the construction site, layoffs shall be conducted in compliance with the equal employment opportunity and nondiscrimination standards set forth in this regulation, as well as with applicable Federal and State court decisions;

(6) To adhere to the following procedure when minority and women workers apply or are referred to the contractor or subcontractor:

(i) The contractor or subcontractor shall interview the referred minority or women worker.

(ii) If said individuals have never previously received any document or certification signifying a level of qualification lower than that required in order to perform the work of the construction trade, the contractor or subcontractor shall in good faith determine the qualifications of such individuals. The contractor or subcontractor shall hire or schedule those individuals who satisfy appropriate qualification standards in conformity with the equal employment opportunity and non-discrimination principles set forth in this chapter. However, a contractor or subcontractor shall determine that the individual at least possesses the requisite skills, and experience recognized by a union, apprentice program or a referral agency, provided the referral agency is acceptable to the Dept. of LWD, Construction EEO Monitoring Program. If necessary, the contractor or subcontractor shall hire or schedule minority and women workers who qualify as trainees pursuant to these rules. All of the requirements, however, are limited by the provisions of (C) below.

(iii) The name of any interested women or minority individual shall be maintained on a waiting list, and shall be considered for employment as described in above, whenever vacancies occur. At the request of the Dept. of LWD, Construction EEO Monitoring Program, the contractor or subcontractor shall provide evidence of its good faith efforts to employ women and minorities from the list to fill vacancies.

(iv) If, for any reason, said contractor or subcontractor determines that a minority individual or a woman is not qualified or if the individual qualifies as an advanced trainee or apprentice, the contractor or subcontractor shall inform the individual in writing of the reasons for the determination, maintain a copy of the determination in its files, and send a copy to the public agency compliance officer and to the Dept. of LWD, Construction EEO Monitoring Program.

(7) To keep a complete and accurate record of all requests made for the referral of workers in any trade covered by the contract, on forms made available by the Dept. of LWD, Construction EEO Monitoring Program and submitted promptly to the Dept. of LWD, Construction EEO Monitoring Program upon request.

(C) The contractor or subcontractor agrees that nothing contained in (B) above shall preclude the contractor or subcontractor from complying with the union hiring hall or apprenticeship policies in any applicable collective bargaining agreement or union hiring hall arrangement, and, where required by custom or agreement, it shall send journeymen and

EXHIBIT B - RETURN WITH BID
MANDATORY EQUAL EMPLOYMENT OPPORTUNITY LANGUAGE
N.J.S.A. 10:5-31 et seq. (P.L.1975, c.127)
N.J.A.C. 17:27-1.1 et seq.
CONSTRUCTION CONTRACTS-continued

trainees to the union for referral, or to the apprenticeship program for admission, pursuant to such agreement or arrangement. However, where the practices of a union or apprenticeship program will result in the exclusion of minorities and women or the failure to refer minorities and women consistent with the targeted county employment goal, the contractor or subcontractor shall consider for employment persons referred pursuant to (B) above without regard to such agreement or arrangement; provided further, however, that the contractor or subcontractor shall not be required to employ women and minority advanced trainees and trainees in numbers which result in the employment of advanced trainees and trainees as a percentage of the total workforce for the construction trade, which percentage significantly exceeds the apprentice to journey worker ratio specified in the applicable collective bargaining agreement, or in the absence of a collective bargaining agreement, exceeds the ratio established by practice in the area for said construction trade. Also, the contractor or subcontractor agrees that, in implementing the procedures of (B) above, it shall, where applicable, employ minority and women workers residing within the geographical jurisdiction of the union.

After notification of award, but prior to signing a construction contract, the contractor shall submit to the public agency compliance officer and the Dept. of LWD, Construction EEO Monitoring Program an initial project workforce report (Form AA-201) electronically provided to the public agency by the Dept. of LWD, Construction EEO Monitoring Program, through its website, for distribution to and completion by the contractor, in accordance with N.J.A.C. 17:27-7. The contractor also agrees to submit a copy of the Monthly Project Workforce Report once a month thereafter for the duration of this contract to the Dept. of LWD, Construction EEO Monitoring Program, and to the public agency compliance officer. The contractor agrees to cooperate with the public agency in the payment of budgeted funds, as is necessary, for on-the-job and/or off-the job programs for outreach and training of minorities and women.

(D) The contractor and its subcontractors shall furnish such reports or other documents to the Dept. of LWD, Construction EEO Monitoring Program as may be requested by the Dept. of LWD, Construction EEO Monitoring Program from time to time in order to carry out the purposes of these regulations, and public agencies shall furnish such information as may be requested by the Dept. of LWD, Construction EEO Monitoring Program for conducting a compliance investigation pursuant to N.J.A.C. 17:27-1.1 et seq. (Revised: January, 2016)

Company Bluum USA, Inc.

Signature 

Name Melissa Curtis

Title VP of Process Optimization

Sample-AA201

FORM AA-201

Revised 11/11

STATE OF NEW JERSEY

DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
CONSTRUCTION EEO COMPLIANCE MONITORING PROGRAM

INITIAL PROJECT WORKFORCE REPORT CONSTRUCTION

Official Use Only

Assignment

Code

For instructions on completing the form, go to: http://www.state.nj.us/treasury/contract_compliance/pdf/aa201ins.pdf

1. FID NUMBER		2. CONTRACTOR ID NUMBER		5. NAME AND ADDRESS OF PUBLIC AGENCY AWARDED CONTRACT			
				Name:			
3. NAME AND ADDRESS OF PRIME CONTRACTOR				Address:			
(Name)				CONTRACT NUMBER DATE OF AWARD DOLLAR AMOUNT OF AWARD			
(Street Address)				6. NAME AND ADDRESS OF PROJECT			
				Name:			
				Address:			
(City) (State) (Zip Code)				7. PROJECT NUMBER			
4. IS THIS COMPANY MINORITY OWNED [] OR WOMAN OWNED []		COUNTY		8. IS THIS PROJECT COVERED BY A PROJECT LABOR AGREEMENT (PLA)? YES ☐			
9. TRADE OR CRAFT		PROJECTED TOTAL EMPLOYEES		PROJECTED MINORITY EMPLOYEES		PROJECTED PHASE - IN	
		MALE FEMALE		MALE FEMALE		DATE	
		J AP J AP		J AP J AP		COMPLETION DATE	
1. ASBESTOS WORKER							
2. BRICKLAYER OR MASON							
3. CARPENTER							
4. ELECTRICIAN							
5. GLAZIER							
6. HVAC MECHANIC							
7. IRONWORKER							
8. OPERATING ENGINEER							
9. PAINTER							
10. PLUMBER							
11. ROOFER							
12. SHEET METAL WORKER							
13. SPRINKLER FITTER							
14. STEAMFITTER							
15. SURVEYOR							
16. TILER							
17. TRUCK DRIVER							
18. LABORER							
19. OTHER							
20. OTHER							

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements are willfully false, I am subject to punishment.

(Signature)

10. (Please Print Your Name)

(Title)

(Area Code)

(Telephone Number)

(Ext.)

(Date)

**INSTRUCTIONS FOR COMPLETING THE INITIAL PROJECT
WORKFORCE REPORT – CONSTRUCTION (AA201)**

DO NOT COMPLETE THIS FORM FOR GOODS AND/OR SERVICE CONTRACTS

1. Enter the Federal Identification Number assigned to the contractor by the Internal Revenue Service, or if a Federal Employer Identification Number has been applied for but not yet issued, or if your business is such that you have not or will not receive a Federal Identification Number, enter the social security number assigned to the single owner or one partner, in the case of a partnership.
2. Note: The Department of Labor & Workforce Development, Construction EEO Monitoring Program will assign a contractor ID number to your company. This number will be your permanently assigned contractor ID number that must be on all correspondence and reports submitted to this office.
3. Enter the prime contractor's name, address and zip code number.
4. Check box if Company is Minority Owned or Woman Owned
5. Enter the complete name and address of the Public Agency awarding the contract. Include the contract number, date of award and dollar amount of the contract.
6. Enter the name and address of the project, including the county in which the project is located.
7. Note: A project contract ID number will be assigned to your firm upon receipt of the completed Initial Project Workforce Report (AA201) for this contract. This number must be indicated on all correspondence and reports submitted to this office relating to this contract.
8. Check "Yes" or "No" to indicate whether a Project Labor Agreement (PLA) was established with the labor organization(s) for this project.
9. Under the Projected Total Number of Employees in each trade or craft and at each level of classification, enter the total composite workforce of the prime contractor and all subcontractors projected to work on the project. Under Projected Employees enter total minority and female employees of the prime contractor and all subcontractors projected to work on the project. Minority employees include Black, Hispanic, American Indian and Asian, (J=Journey worker, AP=Apprentice). Include projected phase-in and completion dates.
10. Print or type the name of the company official or authorized Equal Employment Opportunity (EEO) official include signature and title, phone number and date the report is submitted.

This report must be submitted to the Public Agency that awards the contract and the Department of Labor & Workforce Development, Construction EEO Compliance Monitoring Program after notification of award, but prior to signing the contract.

**THE CONTRACTOR IS TO RETAIN A COPY AND SUBMIT COPY TO THE PUBLIC AGENCY AWARDING
THE CONTRACT AND FORWARD A COPY TO:**

**NEW JERSEY DEPARTMENT OF LABOR & WORKFORCE DEVELOPMENT
CONSTRUCTION EEO COMPLIANCE MONITORING UNIT
P.O. BOX 209
TRENTON, NJ 08625-0209
(609) 292-9550**

EQUIPMENT CERTIFICATION - [RETURN WITH BID](#)

In accordance with N.J.S.A. 18A:18A-23, I hereby certify that

A) Bluum USA, Inc. owns all the necessary equipment as required by the
Name of Company
specifications and to complete the specified public work project.
or

B) _____ leases or controls all the necessary equipment as
required
Name of Company
by the specifications and to complete the specified public work project.

PLEASE NOTE: If your company is not the actual owner of the equipment, **you shall submit with the bid:**

1. A certificate stating the source from which the equipment will be obtained and
2. Obtain and submit with the bid a certificate from the owner and person in control of the equipment, definitely granting to the bidder the control of the equipment required during such time it may be necessary for the completion of that portion of the contract for which said equipment will be necessary.

Name of Company Bluum USA, Inc.

Authorized Agent Melissa Curtis

Title VP of Process Optimization

Authorized Signature 

PRE-QUALIFICATION AFFIDAVIT—NO MATERIAL ADVERSE CHANGE - RETURN WITH BID

The below affidavit must be submitted with your bid for projects over \$20,000.00 pursuant to N.J.S.A. 18A:18A-32:

I, Melissa Curtis of the City of Phoenix
in the County of Maricopa and the State of _____

of full age, being duly sworn according to law on my oath depose and say that:

No Material Adverse Change in Qualification

I am VP of Process Optimization (Position in Company), and the bidder for the above named project. The answers to the following statements are true and correct and that there has been no material adverse change in the qualification information subsequent to the latest statement submitted as required (N.J.S.A. 18A:18A-32 et seq.) as amended, except as set forth herewith. I further certify that there is not now pending any litigation or other action that may jeopardize my rating, status or contract limits from their current limits.

Notice of Classification (DPMC 27)

Bluum USA, Inc. (Name of Company) is classified by the State of New Jersey pursuant to N.J.S.A. 52:35-1 et seq. This Classification became effective (Date).

Type of Contract/Trade Classified: 024-C Digital Resources/Instructional Materials

Classification Approved Amount \$ \$7,500.00 **Currently renewing - see packet on page 170

A copy of my valid and active prequalification/classification certificate from the Department of Treasury, Division of Property Management and Construction has been submitted with this bid.

Total Amount of Uncompleted Contracts (DPMC 701)

The total amount of uncompleted work is \$ 100,000 as of 9/11/2023 (Date).

A copy of the company's Total Amount of Uncompleted Contracts form is required to be submitted with the bid.

NJSDA Prequalification

The Bluum USA, Inc. (Name of Company), pursuant to N.J.S.A.18A:7G-33, is prequalified with the NJSDA on contracts for "school facilities" projects as defined by code. NJSDA prequalification is not a requirement for maintenance projects.

Melissa Curtis 9/11/2023
Signature of Authorized Representative Date

Sworn and subscribed to before me this 11th day of Sept. in the Year 2023

Cristina Dee Olson Cristina Dee Olson Notary Public of Hennepin County, MN
Signature of Notary Print Name of Notary

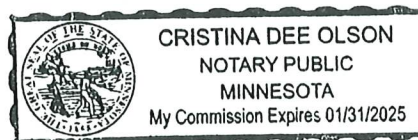
My Commission Expires: 01.31.2025

SEAL

Month

Day

Year



Terra E. Bremer

From: CClass@treas.state.nj.us
Sent: Tuesday, July 20, 2021 9:17 AM
To: Terra E. Bremer
Subject: Notice of Classification

TROXELL COMMUNICATIONS INC
4675 E. COTTON CRT BLVD - SUITE 155
PHOENIX, AZ 85040

State of New Jersey



DEPARTMENT OF THE TREASURY
DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION
33 WEST STATE STREET - P.O. BOX 034
TRENTON, NEW JERSEY 08625-0034



NOTICE OF CLASSIFICATION

In accordance with N.J.S.A. 18A:18A-27 et seq (Department of Education) and N.J.S.A. 52:35-1 (Department of the Treasury) and any rules and regulations issued pursuant hereto, you are hereby notified of your classification to do State work for the Department (s) as previously noted.

Aggregate Amount	Trade(s) & License(s)	Effective Date	Expiration Date
\$7,500,000	C052 -AUDIO-VISUAL SYSTEMS	07/15/2021	07/14/2023

- Licenses associated with certain trades are on file with the Division of Property Management & Construction (DPMC).
- Current license information must be verified prior to bid award.
- A copy of the DPMC 701 Form (Total Amount of Uncompleted Projects) may be accessed from the DPMC website at http://www.state.nj.us/treasury/dpmc/Assets/Files/dpmc-27_03_07.pdf.

ANY ATTEMPT BY A CONTRACTOR TO ALTER OR MISREPRESENT ANY INFORMATION CONTAINED IN THIS FORM MAY RESULT IN PROSECUTION AND/OR DEBARMENT, SUSPENSION OR DISQUALIFICATION. INFORMATION ON AGGREGATE AMOUNTS CAN BE VERIFIED ON THE [DPMC WEB SITE](#).

Jurisdiction: State of New Jersey

License: Contractor Notice of Classification

Application: Request for Classification (DPMC-27)

Attached is your license application, prepared by CT. Please review, and if everything is correct, complete the instructions below:

Page 2 to Page 9:

- Please provide information on all the highlighted parts, if applicable.

Page 2 of 34:

- Please have Sarah Brown sign where highlighted.
- Please have the Preparer sign with the date and title where highlighted.

-Page 3 of 34: Please have Sarah Brown sign with the date where highlighted. Please notarized.



MAIL the original, signed documents and any attachments to:

CT Corporation-Licensing, 140 Grand Street #300, White Plains, NY 10601



Email signed documents and any attachments to



DPMC CONTRACTOR CLASSIFICATION UNIT
33 WEST STATE STREET – 9TH FLOOR (PO BOX 034)
TRENTON, NJ 08625-0034

State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION

REQUEST FOR CLASSIFICATION

ATTENTION CONTRACTOR

Enclosed is the Contractor's Request for Classification Form (DPMC-27) which, when completed and submitted with the mandatory financial report and other documentation, provides the data required to post your firm on the active bid list for State projects described herein.

Please submit the completed application and all required documentation to this office. An analyst will review your application and will be in touch with your firm via the email address provided on Form 1 if additional information is required for processing. Upon receipt of all necessary information, the application will be processed, and your firm will be notified via email of the effective and expiration dates, type of work, and aggregate rating assigned to your firm on the following business day.

There is a non-refundable application fee of \$100 which must be submitted with the application in the form of a company check made payable to "Treasurer, State of New Jersey." No application will be processed without the fee. Cash and credit are not acceptable forms of payment.

If you have any questions, please contact the Contractor Classification Unit at (609) 943-5098 or access the DPMC website at www.nj.gov/treasury/dpmc.

NOTE: It is strongly recommended that a photocopy of this completed form be retained for your records.

REQUEST FOR CLASSIFICATION (DPMC-27) STATE OF NEW JERSEY – DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION				RETURN ALL FORMS & FINANCIAL STATEMENTS TO: DPMC Contractor Classification 33 W State St, 9 th Floor, Trenton, NJ 08625-0034	
FORM 1 – CERTIFICATION, EXPERIENCE, AND LICENSING				NEW ☐	RENEWAL ☒
Signature of Officer <u>Sarah Brown</u> Title <u>Secretary</u>			CONTACT PERSON Name: <u>Frank Cermatori</u> Phone: (<u>609</u>) <u>901-0738</u>		
Signature of Preparer _____ Title _____ Date _____ Fed ID # <u>86-0716114</u>					
SUBMITTED BY (Firm Name, Street, City, State, ZIP) <u>Bluum USA, Inc.</u> <u>4675 East Cotton Center Blvd. Ste 155, Phoenix, AZ 85040</u>			TELEPHONE (<u>612</u>) <u>800-5171</u> FAX (<u>N/A</u>) _____		TYPE OF BUSINESS ☐ Sole Proprietor ☐ Partnership ☐ LLC ☒ Corporation
EMAIL: _____					
1. Is your company currently owned by another firm? ☒ Yes – attach a Form 2 for the parent ☐ No		2. Has your company ever been owned by another firm? ☐ Yes – attach details ☒ No		CERTIFIED WITH THE NJ DIVISION OF REVENUE AS: (attach certificate) ☐ Small Business Enterprise (SBE) ☐ Minority Business Enterprise (MBE) ☐ Woman Business Enterprise (WBE) ☐ Veteran-Owned Business (VOB) ☐ Disabled Veteran-Owned Business (DVOB) NONE	
3. Are any owners, partners, or principals of your company affiliated with any other firm(s) as employees, shareholders, or directors? ☐ Yes – attach a Form 2 for each firm ☒ No		4. Does your company currently use, or has it ever used, any name other than the official, legal name of the company? ☒ Yes – attach details ☐ No		5. In what state was your company formed? If not NJ, please provide a current short form standing certificate issued by the NJ Division of Revenue. <u>Delaware</u>	
6. In the past 5 years, have any of the owners, partners, or principals of your company held similar positions or been employees, shareholders, or directors of a company engaged in the same or similar type of business for which classification is sought? ☐ Yes - identify all such companies indicating if they remain actively engaged in the business in an attachment. If not, explain why. ☒ No					
LICENSE INFORMATION – A PHOTOCOPY OF ALL LICENSES IN COMPANY AND INDIVIDUAL NAMES MUST BE ATTACHED					
<u>Type of License</u>	<u>License Number</u>	<u>Licensee (Indiv.)</u>	<u>Effective Date</u>	<u>Expiration Date</u>	<u>Note</u>
ASBESTOS REMOVAL	N/A	N/A	N/A	N/A	Trades C092, C093
ELECTRICAL	N/A	N/A	N/A	N/A	Trades C047, C120, C121, C122
FIRE ALARM/ SIGNAL SYSTEMS	N/A	N/A	N/A	N/A	Permit issued by NJDCA; Trade C049
FIRE SUPPRESSION SYSTEMS	N/A	N/A	N/A	N/A	Trade C042
HVACR	N/A	N/A	N/A	N/A	Licensee must own 10% or be bona fide rep (attach proof); Trade C032
LANDSCAPE IRRIGATION	N/A	N/A	N/A	N/A	Trade C065
LEAD PAINT ABATEMENT	N/A	N/A	N/A	N/A	Trade C096
PLUMBING	N/A	N/A	N/A	N/A	Licensee must own 10%; Trade C030
SITE REMEDIATION/ WASTE REMOV. TOX/HAZ	N/A	N/A	N/A	must be updated annually	OSHA HAZWOPER certificate(s); Trades C094, C119
SPRINKLER SYSTEMS	N/A	N/A	N/A	N/A	Permit issued by NJDCA; Trade C045
UNDERGROUND STORAGE TANKS	N/A	N/A	N/A	N/A	Trades C113, C114, C115, C117
WELL DRILLING	N/A	N/A	N/A	N/A	Trade C102
WIRING EXEMPTION	N/A	N/A	N/A	N/A	Trades C120, C121, C122 if electrical license is not provided

FORM 2—STOCKHOLDER/Common DISCLOSURE STATE OF NEW JERSEY—DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION		FIRM NAME Bluum USA, Inc.	FEDERAL ID NO 86-0716114

INSTRUCTIONS: List below the names, home addresses, offices held and ownership interest of all owners, officers, and principals of the firm. All questions must be answered. If more space is needed, list on separate sheet.

NAME	HOME ADDRESS	OFFICE HELD	PERCENT OF OWNERSHIP
Michael Tierney	4675 East Cotton Center Blvd. Ste 155 Phoenix, Arizona 85040	Chief Operating Officer	
Mark Stachulski	4675 East Cotton Center Blvd. Ste 155 Phoenix, Arizona 85040	VICE PRESIDENT	
Sarah Brown	4675 East Cotton Center Blvd. Ste 155 Phoenix, Arizona 85040	SECRETARY	0%
Naipaul Sheosankar	75 Clegg road Markham, ONL6G 1B9, Canada	TREASURER	

COMPLETE ALL QUESTIONS BELOW	YES	NO
1. Is the firm identified above owned or affiliated with any other company and/or corporation or are any principals listed above an owner or shareholder of any other company, partnership or corporation? <i>(If yes, complete a separate disclosure form for the parent company and/or affiliates.)</i>	☐	☒
2. Has any agency of government experienced delay in completion, additional expense, liens or claims filed against the performance or payment bonds in the past five years? <i>(If yes, attach a detailed explanation for each instance.)</i>	☐	☒
3. Within the past five years has the firm identified above been owned by another company or corporation? <i>(If yes, complete a separate disclosure form for the previous owner and/or affiliates.)</i>	☐	☒
4. Has any person or entity listed in this application ever been arrested, charged, indicted or convicted of a crime by the State of New Jersey, any other State or the U.S. Government? <i>(If yes, attach a detailed explanation for each instance.)</i>	☐	☒
5. Has any person or entity listed in this form ever been suspended, debarred or otherwise declared ineligible by an Agency of Government from bidding or contracting to provide services, labor, material, or supplies? <i>(If yes, attach a detailed explanation for each instance.)</i>	☐	☒
6. Have there been any administrative, civil or criminal matters pending in any federal, state, or local governmental jurisdiction in which this firm or its responsible employees are involved? <i>(If yes, attach a detailed explanation for each instance.) This also includes any prevailing wage adjudications.</i>	☐	☒
7. Has any federal, state, or local government license, permit or similar authorization necessary to perform the work applied for herein and held or applied for by any person or entity listed in this form been suspended or revoked, or is it the subject of any pending proceedings specifically seeking or litigating the issue of suspension or revocation? <i>(If yes attach a detailed explanation)</i>	☐	☒

CERTIFICATION: I, being duly sworn, upon my oath, hereby represent and state that the foregoing information and any attachments thereto to the best of my knowledge are true and complete. I acknowledge that the State of New Jersey is relying upon the information contained herein and thereby acknowledge that I am under continuing obligation from the date of this certification through the completion of any contracts with the State to notify the State in writing of any changes to the answers or information contained herein. I acknowledge that I am aware that it is a criminal offense to make a false statement or misrepresentation in this certification, and if I do so, I recognize that I am subject to criminal prosecution under the law and that it will also constitute a material breach of my obligations to the State of New Jersey and that the State, at its option, may declare any contract(s) resulting from this certification void and unenforceable and take any other action including debarment, suspension, etc., that the State may deem appropriate. I, being duly authorized, certify that the information supplied above, including all attached pages, is complete and correct to the best of my knowledge.

ATTESTED: Sworn and subscribed to before me

on the _____ day of _____, 20____

Signature: _____
 (Notary Public - Not an officer of the firm)

SIGNATURE:
 (Officer or Principal) DATE: _____

NAME: Sarah Brown
 (Please print or type)

TITLE: Secretary

FORM 3 – TRADES REQUESTED

STATE OF NEW JERSEY – DIVISION OF PROPERTY MANAGEMENT & CONSTRUCTION

INSTRUCTIONS: Place a checkmark next to each trade classification for which your company intends to submit a bid. See NJAC 17:19-2.7 for further details.

☐ C006 - Construction Manager as Constructor ¹ ☐ C007 – Design Build ☐ C008 – General Construction ² ☐ C009 – General Construction/Alterations & Additions ³ ☐ C010 – Partitions/Ceilings ☐ C011 – Doors & Hardware ☐ C012 – Windows ☐ C013 – Siding & Gutters ☐ C014 – Carpeting ☐ C015 – Flooring/Tile ☐ C016 – Millwork ☐ C017 – Insulation ☐ C018 – Acoustical ☐ C019 – Concrete/Foundation Footings/Masonry Work ☐ C020 – Guniting ☐ C021 – Demolition ⁴ ☐ C022 – Fencing ☐ C023 – Historical Light Fixture Restoration ⁵ ☐ C024 – Historical Restoration ⁵ ☐ C025 – Pre-Cast Concrete ☐ C026 – Curtain Walls ☐ C027 – Architectural Cast Iron ☐ C028 – Welding ☐ C029 – Structural Steel & Ornamental Iron ⁶ ☐ C030 – Plumbing ⁷ ☐ C031 – Oil & Gas Burners ☐ C032 – HVACR ⁸ ☐ C033 – Boilers (New Repair) ☐ C034 – Service Station	☐ C035 – Solar Energy Systems ☐ C036 – Energy Services (ESCO) ¹⁴ ☐ C038 – Geothermal Loop Systems ☐ C040 – Fireproof Applications ☐ C041 – Insulation (Mechanical) ☐ C042 – Fire Suppression Systems* ☐ C043 – Control Systems ☐ C044 – Parking & Control Systems ☐ C045 – Sprinkler Systems* ☐ C046 – Sheet Metal (Mechanical) ☐ C047 – Electrical* ⁹ ☒ C048 – Communications Systems ☐ C049 – Fire Alarm/Signal Systems* ☒ C050 – Security/Intrusion Alarms ☒ C052 – Audio Visual Systems ☐ C054 – Site Work ☐ C055 – Sewage & Water Treatment Plants ☐ C056 – Sewer Piping & Storm Drains ☐ C057 – Landscape Construction ☐ C058 – Underground Water & Utilities ¹⁰ ☐ C059 – Road Construction & Paving ☐ C060 – Athletic Fields/Tracks/Courts ☐ C061 – Athletic Fields/Synthetic Turf ☐ C062 – Pumping Stations ☐ C065 – Landscape Irrigation* ☐ C066 – Roofing-Membrane EPDM ☐ C067 – Roofing-Membrane PVC/CPE/CSPE	☐ C068 – Roofing-Membrane Modified Bitumen ☐ C069 – Roofing-Urethane ☐ C070 – Roofing-Built Up ☐ C071 – Roofing-Metal ☐ C072 – Roofing-Title/Slate/Shingles ☐ C073 – Caulking & Waterproofing ☐ C074 – Scaffolding ☐ C075 – Roofing-Historical Sites ⁵ ☐ C076 – Roofing-TPO ☐ C077 – Painting-General ☐ C078 – Painting-Tanks/Steel Structures/Elevated Structures ☐ C079 – Painting-Historical Sites ⁵ ☐ C080 – Sandblasting ☐ C081 – Divers ☐ C082 – Barges ☐ C083 – Bulkhead & Docks ☐ C084 – Jetty & Breakwater ☐ C085 – Dredging ☐ C086 – Pile Driving ☐ C089 – Prefabrication Buildings ☐ C090 – Prefabrication Music/Sound Clean Rooms ☐ C091 – Relocatable Buildings ☐ C092 – Asbestos Removal/Treatment* ¹¹ ☐ C093 – Asbestos Removal/Mechanical* ☐ C094 – Waste Removal Toxic/Hazardous* ☐ C095 – Radon Mitigation ☐ C096 – Lead Paint Abatement*	☐ C097 – Detention Equipment Systems ☐ C098 – Energy Management Systems ☐ C099 – Elevators ☐ C100 – Museum Exhibits ☐ C101 – Test Boring ☐ C102 – Well Drilling* ☐ C103 – Microbial Remediation ☐ C104 – Food Service Equipment ☐ C105 – School Furnishings ☐ C106 – Lab Furniture/Equipment ☐ C107 – Seating/Bleachers ☐ C108 – Swimming Pools ☐ C109 – Dust Collectors ☐ C110 – Signage & Graphics ☐ C111 – Septic Systems ☐ C112 – Stage Equipment ☐ C113 – Underground Storage Tanks/Closure & Installation* ¹² ☐ C114 – Underground Storage Tanks/Installation* ¹³ ☐ C115 – Underground Storage Tanks/Closure* ☐ C116 – UST/Tank Testing ☐ C117 – Underground Storage Tanks/Corrosion Protection Systems Analysis* ☐ C118 – Above Ground Storage Tanks ☐ C119 – Site Remediation* ☐ C120 – Inside Plant Cable ¹⁴ ☐ C121 – Outside Plant Cable ¹⁴ ☐ C122 – Fiber Installation & Splicing ¹⁴

* - Trades denoted by an asterisk require copies of licenses and/or applicable certifications or permits as described on Form 1.

1 – A contractor classified in trade C006 shall also be classified for trade C008. See note 2.

2 – A contractor classified in trade C008 shall also be deemed classified for the following trades: C009, C010, C011, C012, C013, C014, C015, C016, C017, C018, C019, C022, C026, C054, C055, C057, C059, C062, C073, C077, C080, C089, C090, C097, C104, C105, C106, C107. A contractor classified in trade C008 shall also be eligible to bid on contracts including the following specialty trades, but shall be required to engage a subcontractor who is classified in the specialty trades listed: C020, C021, C060, C061, C066, C067, C068, C069, C070, C071, C072, C076, C091, C099.

3 – A contractor classified in trade C009 shall also be deemed classified for the following trades: C010, C011, C012, C013, C014, C015, C016, C017, C018, C019, C020, C022, C054, C057, C059, C073, C077, C080, C089. A contractor classified in trade C009 shall also be eligible to bid on contracts including the following specialty trades, but shall be required to engage a subcontractor who is classified in the specialty trades listed: C021, C026, C034, C066, C067, C068, C069, C070, C071, C072, C076, C091, C099.

4 – “Demolition” is defined as being the demolition of buildings only. Selective demolition is not included in this trade. Proof of demolition equipment is required.

5 – “Historical” trade requests must be accompanied by proof that the specific project locations as listed on Form 4 are listed on a historic register. Historical districts are not acceptable. A contractor classified in trade C024 shall also be eligible to bid on contracts in the following specialty trades, but shall be required to engage a subcontractor who is classified in the specialty trades listed: C066, C067, C068, C069, C070, C071, C072, C075, C076.

6 – Proof of steel fabrication equipment is required. If the company leases a fabrication facility, leasing agreements are required. A contractor classified in trade C029 shall also be deemed classified for trade C028.

7 – A contractor classified in trade C030 shall also be deemed classified in trade C041. A contractor classified in trade C030 shall also be eligible to bid on contracts including the following specialty trades, but shall be required to engage a subcontractor who is classified in the specialty trades listed: C055, C056, C058, C062, C104.

8 – A contractor classified in trade C032 shall also be deemed classified for the following trades: C031, C033, C041, C042, C046, C109. A contractor classified in trade C032 shall also be eligible to bid on contracts including the following specialty trades, but shall be required to engage a subcontractor who is classified in the specialty trades listed: C043, C090.

9 – A contractor classified in trade C047 shall also be deemed classified for the following trades: C048, C049, C050. A contractor classified in trade C047 shall also be eligible to bid on contracts in the following specialty trades, but shall be required to engage a subcontractor who is classified in the specialty trades listed: C043.

10 – A contractor classified in trade C058 shall also be deemed classified in trade C111.

11 – A contractor classified in trade C092 shall also be deemed classified for trade C093.

12 – A contractor classified in trade C113 shall also be deemed classified for the following trades: C114, C115, C118.

13 – A contractor classified in trade C114 shall also be deemed classified for the trade C118.

14 – Please attach the applicable addendum along with all requested documentation and send as a separate document along with this application.

FIRM NAME					INSTRUCTIONS: List at least two (2) projects per trade requested (for renewal or addition) that have been completed by the company within the past five (5) years below, along with all requested information. Use additional Form 4s if necessary. Trades not listed on this form will not be considered. If this form is not completed, your application will not be considered.							
FORM 4 – PROJECT EXPERIENCE ATTACHED												
STATE OF NEW JERSEY – DIVISION OF PROPERTY MANAGEMENT & CONSTRUCTION												
#	OWNER NAME & COMPLETE ADDRESS	SPECIFIC PROJECT LOCATION	TRADE CODE(S) FOR WORK COMPLETED (SEE FORM 3)	WAS THE COMPANY PRIME OR SUB?		NAME & PHONE # OF ARCHITECT/ENGINEER OR OWNER CONTACT	CONTRACT PRICE (YOUR PART)	MONTH & YEAR COMPLETED		WAS TIME EXTENSION NECESSARY?	WERE ANY PENALTIES IMPOSED?	WERE LIENS, CLAIMS, STOP NOTICES FILED?
				PR	SUB			MO	YR			
1				☐	☐							
2				☐	☐							
3				☐	☐							
4				☐	☐							
5				☐	☐							
6				☐	☐							
7				☐	☐							
8				☐	☐							

FORM 5—AFFIRMATIVE ACTION AFFIDAVIT

STATE OF NEW JERSEY—DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION

Firm Name



Bluum USA, Inc.

NOTE: This form must be completed and returned with your classification form, or your application to be classified will not be considered.

STATE OF _____ }
COUNTY OF _____ }

Sarah Brown, VP of Finance

Bluum USA, Inc.

(Name) of the firm of _____

being sworn according to law on his oath deposes and says that:

1. I am authorized to make this affidavit on behalf of Bluum USA, Inc.
(Firm Name)
2. In addition to an agreement to comply with an Affirmative Program as required by the New Jersey Public Law 1975, Chapter 127 for equal employment opportunity as part of classification requirements, we do hereby further affirm that we will comply with the rules and regulations which are and/or may be promulgated by the State Treasurer pursuant to the Affirmative Action Law (PL 1975, C.127), as amended and supplemented.

BY

TITLE

VP of Finance

ATTESTED: Sworn and subscribed to before me

on the _____ day of _____, 20____

SIGNATURE: _____
(Notary Public—Not an officer of the firm)

CORP
SEAL

FORM 6—SURETY AFFIDAVIT (to be completed by bonding company).

STATE OF NEW JERSEY—DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION

*Please note: Surety Company completing this form must currently be authorized to do business in the State of New Jersey.

TO:	FIRM NAME	
FROM:	SURETY COMPANY NAME	
SUBJECT:	Classification to perform Construction for the State of New Jersey:	

Reserving our rights to practice our normal underwriting functions, we are prepared to provide favorable consideration for the suretyship on behalf of _____ covering construction performance and payment bonds for

(Name of Contractor)

construction contracts in the aggregate amount of outstanding contracts during the twenty four (24) month period _____.
(Date)

The applicant firm's bonding capacity is; Aggregate: \$ _____

The surety amount indicated is based upon the applicant's ☐ compiled ☐ reviewed
☐ audited financial
report for the fiscal period ending _____.

Our willingness to extend suretyship will be based on our underwriting of the account at the time the contractor requests approval. We, as surety, will maintain the absolute discretion to issue or withhold bonds as to each project which the contractor may seek to bid.

In writing bonds for the applicant firm, does the surety company rely on the indemnity of any individual(s) or any other firm(s)?

☐

NO

☐

YES

If YES, supply names and addresses of others: _____

NOTARY PUBLIC
ATTESTED: Sworn and subscribed to before me
on the _____ day of _____
SIGNATURE _____ 20____.
(NOTARY SEAL)

SURETY COMPANY
BY: _____
_____ (Signatory Capacity)
_____ (Date)
ADDRESS: _____
_____ _____
TELEPHONE NO: _____
<i>(If signed by an individual other than an Authorized Officer, Properly Executed Power of Attorney.)</i>

CONTRACTOR CHECKLIST

This checklist is for your reference to assist you in completing the DPMC-27 application. This is not a comprehensive list of any potential documentation required, but is to be used as a guideline. Additional documentation not listed below may be requested by the analyst reviewing your application. Incorrect and incomplete applications will delay the processing of your classification.

ALL APPLICANTS:

- ☐ Did you complete all pages of the application to the best of your knowledge, providing all requested information?
- ☐ Did you affix your signature on pages 2, 3, 6, and 7?
- ☐ Did you complete a separate Form 2 for each and every company affiliated by common ownership/officers with the company requesting classification, even if the company/ies is/are inactive? Did you attach a dissolution certificate for each instance in which the affiliated company has been dissolved?
- ☐ Did you attach a \$100 check made payable to "Treasurer, State of New Jersey"?
- ☐ Did you attach a copy of the NJ business registration? (Contact (609) 292-9292 for assistance with this item.)
- ☐ If your company was formed in a state other than NJ, did you attach a current short form standing certificate as issued by the NJ Division of Revenue? (Contact (609) 292-9292 for assistance with this item.)
- ☐ Did you attach a copy of the NJ Department of Labor Public Works Contractor Registration?
- ☐ Did you attach a copy of the SBE/MBE/WBE/VOB/DVOB certificate(s) as provided by the NJ Division of Revenue?
- ☐ Did you attach license information as requested on Form 1?
- ☐ Did you attach the original copy of the surety affidavit, if you are requesting an aggregate rating exceeding \$200,000?
- ☐ Did you attach a financial report:
 - ☐ Prepared by an independent CPA or PA?
 - ☐ Covering at least 6 months?
 - ☐ No more than 12 months old?
 - ☐ Conforming to GAAP or IFRS standards?
 - ☐ Including a signed letter from the accountant on letterhead confirming the exact time period covered and ending, if the statements are compiled/reviewed/audited, and confirming that they conform to GAAP or IFRS?
 - ☐ Including a balance sheet, statement of income and retained earnings, statement of cash flows, and notes to the financials?
- ☐ Did you attach line of credit letters, as described on Form 7, for each line of credit available to the company?
- ☐ If using an alternate name, did you attach a current registration of alternate name as issued by the NJ Division of Revenue? (Contact (609) 292-9292 for assistance with this item.)
- ☐ If requesting roofing trades, did you attach current manufacturer applicator agreement letters issued within the past four (4) years for each type of roofing requested?
- ☐ If requesting historical trades, did you attach the historical listing showing the specific project location for each job listed on Form 4?

NEW APPLICANTS – In addition to the above:

- ☐ Did you attach the company's certificate of formation?
- ☐ Did you attach two (2) contracts per trade requested on Form 3 for work at least of significant value that have been completed by the company within the past five (5) years? (See NJAC 17:19-1.1)
 - ☐ Are they fully executed?
 - ☐ Are they in the legal name of the company?
 - ☐ Do they contain a detailed scope of work?
 - ☐ Do they contain a schedule of values with line-item and price breakdowns for work completed by the company?
 - ☐ Do they include proof of completion within the past five (5) years? (Final SOV, letter from the owner, etc.)
 - ☐ Are they roughly of average size of the work you do?
 - ☐ Are they typically the type of work you do?

N.J.A.C. 17:19-1.1 Definitions

The following words and terms, when used in this chapter, shall have the following meanings, unless the context clearly indicates otherwise.

"Affiliates" or "related parties" means firms and/or persons having an overt or covert relationship such that any one of them directly or indirectly controls or has power to control another.

"Agency consultant" means a firm that provides technical and professional services to State agencies in support of construction projects or programs through limited task order assignments.

"Agency of government" means any Federal, State, regional, county or local government agency, in this or any other state, including any department, division, commission, authority, office, branch, section and political subdivision or other governmental or quasi-governmental entity.

"Aggregate rating" means the limit of the dollar value of all contracts, public and private, that a firm may perform at any given time.

"Chairperson" means the principal member of the DPMC's consultant selection committee who is responsible for the management of the selection process.

"Classification" means the process and product of assigning specific construction categories or trades and the aggregate ratings that define the eligibility of firms to engage in public work as determined by the DPMC in accordance with this chapter.

"Client agency" means any State entity for which the DPMC provides professional and construction contracting services.

"Construction cost estimate (CCE)" means the estimated construction cost of a specific project.

"Consultant" means an architect, engineer, construction manager, or other professional service firm providing technical and professional services in support of a design or construction project.

"Cost proposal" means a specific fee proposal covering compensation for services as specified.

"Debarment" means an exclusion from public work contracting for a definite period of time.

"Deputy Director" means a Deputy Director of the DPMC or a Deputy Director's duly authorized representative.

"Director" means the Director of the DPMC or the Director's duly authorized representative.

"Disqualification" means exclusion from public work contracting until specific conditions or requirements are satisfied or denial or revocation of the opportunity to bid on or engage in a particular public work contract.

"DPMC" means the Division of Property Management and Construction in the State of New Jersey, Department of the Treasury.

"DPMC-27" means the request for classification form to be submitted by a firm seeking classification as a contractor.

"DPMC-48A" means the Professional Services Prequalification application submitted by a firm seeking prequalification as a consultant.

"DPMC-48T" means the Material Testing Laboratory prequalification application submitted by a firm seeking prequalification as a material testing laboratory.

"Final Project Performance Evaluation" (FPPE) means the mathematical average of all interim performance reviews for a contractor or a consultant on a completed project.

"Firm" means any company, sole proprietorship, partnership, association, corporation, joint stock company, limited liability company, or other business entity and their lessees, trustees, assignees or receivers.

"Major project" means a project with an anticipated cost for services greater than that allowed by the routine contract procedure or a project of a complex or specialized nature, which includes technical work requiring special licenses or certifications, new building technologies or processes, historical renovations, the potential for unforeseeable conditions, which may increase the project cost significantly, the need for increased competition, and/or the need to combine several smaller components or projects to ensure effective coordination and completion of the project(s) as determined by the Director.

"Member" means an individual appointed to serve on a selection committee.

"Prequalification" means a process of reviewing information and experience data to determine the prequalification level and professional disciplines of consultants and the result thereof.

"Prequalification level" means the maximum construction cost estimate dollar level for which a consultant is prequalified. Prequalification levels are established and periodically adjusted by the Director, in accordance with this chapter.

"Public work" means any public building or other public betterment or improvement constructed, repaired or improved wholly or in part at the expense of any agency of government required or permitted to use the DPMC's classification of contractors and/or prequalification of design consultants.

"Ranking" means the process of combining the selection evaluations of all individual members of the selection committee and ordering the firms from highest to lowest total scores.

"Routine project" means a project with an anticipated cost for services less than that allowed in a major project as set forth in the DPMC's policy.

"Selection committee" means the body responsible for selecting consultant firms for State projects.

"Selection coordinator" means the administrator of the day-to-day committee operations and procedures, including advertising of projects, scheduling of meetings, preparing agendas, recording scores, preparing minutes of committee meetings and similar administrative responsibilities.

"Selection evaluation" means the numerical scoring of the consultant's submission by an individual member of the selection committee.

"Significant project" means a project equal to or greater than the average dollar value of completed projects for the previous three years. These projects may be public projects, private projects, or a combination of the two.

"State" means the State of New Jersey, or any of the departments or agencies in the executive branch of government with the lawful authority to engage in contracting.

"Suspension" means an exclusion from public work contracting for a period of time, pending the completion of an investigation, legal proceedings or administrative proceedings.

"Term contract" means a contract awarded to a consultant for a specific time period based upon the qualifications of the consultant firm and/or hourly rates for specific service categories.

"Trade" means a specific category of construction work for which a firm may be classified by DPMC in accordance with this subchapter.

"Work order" means a DPMC form to be used by a contracted consultant to submit proposals for approval for limited assignment task orders based on hourly rates for professional services to be provided to State government agencies.

N.J.A.C. 17:19-2.1 Statements required from firms requesting classification

(a) Only those firms holding a valid classification in a trade as issued by the DPMC shall be eligible to bid for work in that specified trade on a public works project, unless otherwise permitted by law. In addition, no bid proposal for a public works project shall be accepted unless every subcontractor in every trade required by law, the bid advertisement, or the bid documents, to be named in the bid proposal holds a valid classification issued by the DPMC in the trade for which that subcontractor is named. Said classification and rating must be valid on the bid due date for the project.

(b) Each DPMC-27 shall be completed in its entirety and all questions must be answered and all requested information must be provided. Incomplete submissions will not be processed by the DPMC. All financial statements shall conform with generally accepted accounting principles and be completed by either a certified public accountant (CPA) or public accountant, pursuant to N.J.S.A. 45:2B-42 et seq., who is independent of and not an employee of the firm for which the financial statements are being provided. Information required by the DPMC-27 includes:

1. A financial statement, which may be a certified audited statement, review statement, or compilation of statements, depending upon the aggregate rating being sought by the firm. The firm must submit its most recent financial statement, which shall not be more than 12 months old. The financial statement shall include a cover letter signed by the public accountant or CPA who prepared the document. The financial statement shall include at a minimum a balance sheet, related statements of income and retained earnings and cash flows and notes to financial statements in complete detail and shall comprise at least a six-month accounting cycle. The certified audited financial statements shall have an unqualified opinion.

- i. Submission of a compilation of financial statements will limit a firm's maximum aggregate rating to not more than \$ 5,000,000.

ii. Submission of a CPA review of financial statements will limit a firm's maximum aggregate rating to not more than \$ 15,000,000.

iii. Submission of a CPA's certified audited financial statement will be required for aggregate ratings exceeding \$ 15,000,000.

iv. Submission of combined or consolidated statements is not acceptable, unless complete supplementary (combining or consolidating) information is included within the report. This information shall be of such detail as to show the financial condition of the particular firm seeking classification;

v. Where the firm seeking classification is a subsidiary of a parent firm, submission of the parent company's 10K report (annual report required by the U.S. Securities and Exchange Commission) is permissible, if it contains a sufficient separate breakdown of information regarding the financial status and condition of the subsidiary firm. If the 10K report does not provide information clearly reflecting the financial condition of the subsidiary firm, a balance sheet provided by the firm's in-house accountant detailing current assets and liabilities will be acceptable, provided that the information is certified as both accurate and consistent with the 10K report, by the person who has signed the 10K report on behalf of the parent company.

2. A statement as to organization, which shall demonstrate the adequacy of the firm (officers, key management personnel, physical plant and equipment) to undertake a project in the classification(s) requested. A current listing of non-supervisory personnel must also be provided. If the firm uses trades and/or employees from a leasing company, such company must be registered in conformance with N.J.S.A. 34:8-67 et seq. A copy of the leasing agreement and New Jersey Department of Labor Registration of the leasing company must be included;

3. A statement as to prior experience, which shall show the number of years that the firm has been engaged in the contracting business and shall further disclose the firm's experience over that period.

i. In no instance shall a firm with less than one year of such experience be classified, unless the firm demonstrates that its principals have at least five years of experience in each trade for which the firm is seeking classification.

ii. The firm shall indicate the number of years of construction experience that the firm has had by trade, as a prime contractor and as a subcontractor. In such statement, the firm may show the experience of officers, managers and key personnel;

4. A statement as to the past performance and project experience, which shall give an accurate and complete record of work completed in the past five years by the firm giving the names of each project, type of work, location, contract price and the names of the owner and of the architect/engineer in charge for the owner. At least two significant projects that have been completed must be described for each trade requested. A copy of contracts for the completed significant projects must be provided;

5. A statement that the firm has adopted or will comply with an Affirmative Action Program for Equal Opportunity in accordance with applicable New Jersey and Federal laws, rules and regulations;

6. A statement of the firm's bonding capacity, as required by N.J.A.C. 17:19-2.9, which shall be from a surety authorized to issue bid, performance and payment bonds in the State pursuant to N.J.S.A. 2A:44-143;

7. A statement setting forth the names and addresses of all stockholders, partners or members owning a 10 percent or greater interest in the firm. If one or more stockholders, partners or members are a corporation, partnership or limited liability company owning a 10 percent or greater interest in the firm, the statement shall also set forth the names and addresses of all stockholders, partners or members owning a 10 percent or greater interest in that corporation, partnership or limited liability company. Disclosure of the names and addresses of all stockholders, partners or members owning a 10 percent or greater interest shall continue at each level of ownership until all stockholders, partners or members owning a 10 percent or more interest have been disclosed; and

8. A statement setting forth any other pertinent material and facts that will justify the classification requested by the firm.

(c) All foreign corporations shall include a current certificate of authority to transact business in New Jersey, issued pursuant to N.J.S.A. 14A:13-3 et seq.

(d) All firms shall furnish a current copy of all applicable licenses and permits as required in the DPMC27. All licenses and permits for electrical, HVACR, and plumbing contractors must be issued in the firm's name. The licensee listed for plumbing must be the designated "bona fide representative" as defined by the "Board of Master Plumbers" or own 10 percent of the firm seeking classification. The licensee listed for HVACR must be the designated "bona fide representative" as defined by the "Board of Examiners of Heating, Ventilating, Air Conditioning and Refrigeration Contractors" or own 10 percent of the firm seeking classification.

N.J.A.C. 17:19-2.2 Fraudulent statements

A firm or an individual who makes, or causes to be made, a false, deceptive or fraudulent statement in the DPMC-27 or any other submission required in conjunction with a request for classification or in the course of any hearing under this chapter may, at the discretion of the Director, be disqualified from bidding, suspended and/or debarred in accordance with this chapter and may be subject to prosecution pursuant to applicable laws.

N.J.A.C. 17:19-2.3 Joint venture statement (DPMC projects only)

(a) Where two or more firms each with a valid classification and rating for the same trade category, propose to form a joint venture for purposes of bidding on a DPMC project, the firms shall jointly submit a Statement of Joint Venture Form (DPMC 606) to the DPMC, which shall:

1. Be provided to the DPMC by the joint venture no less than five business days before the bid due date set for the project on which they proposed to bid;
2. State the classifications of the individual firms;
3. Describe the purpose, structure and resources of the joint venture, and be supplemented by any other information requested by the DPMC;

4. Include a statement from a surety authorized to issue payment and performance bonds in the State of the bonding capacities of the individual firms and the bonding capacity of the joint venture; and

5. Be signed by all of the firms comprising the joint venture.

(b) In no event shall a joint venture's aggregate rating exceed the combined total of the individual firms' aggregate ratings. However, if the joint venture's combined aggregate rating exceeds \$ 200,000,000, the joint venture may be deemed unlimited.

N.J.A.C. 17:19-2.4 Responsibility determination

(a) The DPMC shall not classify a firm without first making an affirmative finding that the firm is responsible. A firm has the burden of proving to the DPMC that the firm is responsible.

(b) Responsibility will be determined based on criteria that include:

1. Financial resources;
2. Technical qualifications;
3. Experience;
4. Organization, facilities, personnel and other such resources;
5. Contract performance record;
6. Accounting and auditing submissions and practices;
7. Equal employment opportunity and affirmative action record;
8. Record of integrity;
9. Safety record;
10. Compliance with applicable prevailing wage laws and regulations, as evidenced by submission of a valid Public Works Contractor Registration issued by the Department of Labor and Workforce Development; and
11. Other factors deemed relevant by the DPMC.

N.J.A.C. 17:19-2.5 Performance evaluation

(a) For any firm proposing to submit bids on public work requiring the DPMC classification, a Final Project Performance Evaluation (FPPE) shall be determined. The FPPE shall be calculated pursuant to the following provisions:

1. For any firm that has no prior public work experience with the State, the performance multiplier, as defined in N.J.A.C. 17:19-2.8, shall be based on an evaluation of the firm's references and past experience, as identified in the firm's DPMC-27. The DPMC may require that the owner or his or her

representative certify that the projects/contracts referenced by the firm have been completed in a satisfactory manner or all contract obligations have been met.

2. For any firm that has prior public work experience with the State, the performance multiplier shall be based on the project evaluations submitted to the DPMC by any State agency, to the extent that the evaluations comply with the following criteria:

i. The State agency reviewed the performance of each of the prime contractors on a public work project periodically throughout the duration of the project. One or more persons directly involved in the management, supervision or inspection of the project shall make these interim performance reviews;

ii. Interim performance reviews shall be presented on a standardized performance review form approved by the DPMC; and

iii. Interim performance reviews will be based on the following factors:

(1) Quality of work;

(2) Scheduling;

(3) Management;

(4) Cost control/change orders;

(5) Safety/industrial hygiene;

(6) Subcontractors;

(7) Close-out; and

(8) Other factors affecting a firm's performance;

iv. Interim reviews on incomplete projects may be included in the FPPE at the time of classification.

(b) A firm's challenge to a FPPE shall not be conducted as part of the classification or bidding process but must proceed pursuant to N.J.A.C. 17:19-5.2(a) 3.

(c) The Director may establish special evaluation criteria for certain projects.

(d) In making a responsibility determination the DPMC may consider performance reviews (both interim and final) submitted by non-DPMC bidding entities in any format acceptable to the DPMC.

N.J.A.C. 17:19-2.6 Firms to be classified

(a) Upon receipt of the completed DPMC-27, the DPMC will begin to process the application and shall determine if the firm is entitled to a classification in any trade and an aggregate rating. Classification will be based on the information contained in the DPMC-27 and on the firm's performance rating.

(b) Firms shall reclassify every 24 months in order to remain eligible to bid on public work. A firm must submit a new DPMC-27 to the DPMC before the expiration date of the current classification. If a firm fails to timely submit a complete renewal application, the firm's classification will expire. The

classification renewal will be effective as of the date shown on the classification notice by the DPMC. The classification renewal will expire 24 months from the effective date shown on the classification notice by the DPMC. Any renewal application (DPMC-27) submitted more than three months after the expiration of a classification shall be considered a "new" application.

(c) In accordance with provisions found in N.J.S.A. 52:35-2, firms submitting a new or renewal application must include a non-refundable company check in the amount specified in N.J.S.A. 52:35-2 payable to "Treasurer, State of New Jersey." The DPMC will not process a DPMC-27 application until a company check is received. If a check is returned for any reason, the DPMC may immediately revoke the firm's classification. Any firm who submits a check that is returned will be required to submit a certified check or money order with all future submissions for a period of three years. The firm will also be responsible for any additional charges, including bank charges, incurred as a result of any returned check.

N.J.A.C. 17:19-2.7 Trade classifications

(a) To be classified for a given trade, a firm must have successfully completed at least two significant projects in that trade within the previous five years. A firm must submit with its DPMC-27 a contract document that identifies the following information: an actual dated signature page; the dollar amount of the contract; the scope of work; schedule of values; and contact names of the owner, the design professional(s), and/or the construction manager; and must be licensed and permitted to perform work in the given trade, when applicable.

(b) The trades for which an applicant may request classifications are as listed on the DPMC-27.

N.J.A.C. 17:19-2.8 Aggregate rating

(a) The aggregate rating of a firm shall be based on the following factors:

1. The firm's working capital reported in its financial statement;
2. The firm's FPPE, as described in N.J.A.C. 17:19-2.5;
3. The firm's bonding capacity, as described in N.J.A.C. 17:19-2.9; and
4. All other factors, as described in N.J.A.C. 17:19-2.4(b).

(b) Working capital shall be determined according to generally accepted accounting principles (defined as current assets minus current liabilities), but shall not include:

1. Any assets not in the name of the firm;
2. Any past due accounts exceeding one year;
3. Any fixed assets, including, but not limited to, buildings, land or furniture. However, the net book value of owned construction equipment (excluding automobiles) may be used to supplement the contractor's net working capital calculation. The value of this equipment must be based on the same

date as information provided in the financial statement submitted with the application. This information shall be provided through the schedule included in the DPMC-27;

4. Any assets not realizable within one year;

5. Securities that have been pledged; and

6. Any line of credit: The exception to this deduction is a working capital line of credit issued by a certified lending institution. The line of credit must be solely used for the purposes of the business as it relates to construction contracting. A copy of all pertinent lending covenants and agreements must be attached to the financial statement, along with a full explanation of all outstanding liabilities as of the date of the notarized certification on the DPMC-27 against the line of credit. If the line of credit meets the above criteria, 100 percent of the unused line will be added to the working capital calculation.

(c) The firm's aggregate rating shall be calculated as follows:

1. Multiply the firm's working capital according to the following table:

Working Capital Asset Multiplier

1 to \$ 500,000 12

\$ 500,001 to \$ 1,500,000 14

\$ 1,500,001 to \$ 3,000,000 16

\$ 3,000,001 or higher 18

2. Multiply the result of this calculation by the FPPE multiplier:

FPPE FPPE Multiplier

80.0 percent or higher 1.00

70.0 percent to 79.9 percent 0.50

69.9 percent or lower 0.25

EXAMPLES: The following examples show the effect of a FPPE multiplier for a firm having (1) an FPPE of 80.0 percent or higher and (2) an FPPE of 70.0 percent to 79.9 percent.

A = Working Capital

B = Asset Multiplier

C = Preliminary Aggregate Rating (A*B)

D = Performance Multiplier

E = Aggregate Rating

(Formula) $(A * B) * D = E$

(1) $\$ 85,000 * 12 = \$ 1,020,000 * 1.00 = \$ 1,020,000$

(2) $\$ 85,000 * 12 = \$ 1,020,000 * 0.50 = \$ 510,000$

3. If a firm has not received an FPPE, a performance multiplier will be based upon information received by the DPMC during the review of project references.

4. When the firm's FPPE is less than 69.9 percent, the Director may reject the application or assign an aggregate rating less than that provided for in this section, based on all factors relevant to the firm's ability to perform.

N.J.A.C. 17:19-2.9 Bonding capacity

(a) A firm proposing to submit bids on a public work project, which requires a performance bond or a payment bond, or both, shall submit as part of its DPMC-27 a certified statement of the firm's bonding capacity. The statement shall be contained on the standardized form entitled "Surety Affidavit," provided by the DPMC, and shall be from a surety authorized to issue bid bonds and performance and payment bonds in the State.

(b) If the aggregate rating is equal to or greater than 85 percent of the firm's bonding capacity, and if the surety attesting to the firm's bonding capacity is listed in Treasury Circular 570 with a high rating as defined in N.J.S.A. 2A:44-143, the firm shall be issued an aggregate rating equal to its bonding capacity.

(c) A firm, which does not provide a statement of bonding capacity from an authorized surety shall receive an aggregate rating of not more than \$ 200,000 and shall not be eligible to bid on any projects for which a bond is necessary, but may be eligible to bid on any project for which a bond is not required, within the firm's aggregate rating limit. In no event shall a firm's aggregate rating exceed the firm's bonding capacity, except, firms with a bonding capacity of \$ 200,000,000, and demonstrating a net working capital calculation of \$ 200,000,000 or more, shall be issued an unlimited aggregate rating.

N.J.A.C. 17:19-2.10 Special classification requirements

(a) As may be dictated by the unique, specialized nature, or scope of the work to be performed on a project, the Director may establish special classification requirements for a given project.

(b) The Director may establish special classification requirements for a given trade classification in order to ensure that firms, which have been classified conform to the latest technical or safety developments in that trade. The DPMC shall provide notice of any such special requirements to all previously classified firms via direct mail, electronically and/or by publication in major State newspapers and trade journals.

N.J.A.C. 17:19-2.11 Effective dates of classifications and ratings

(a) A classification or rating resulting from the filing of an original application or a renewal application shall be determined and effective no later than eight business days after receipt by the DPMC of all required information.

(b) A firm must have a valid classification and rating appropriate to any project on which the firm may bid, or under which a firm will be designated as a subcontractor in a principal trade, as provided in N.J.S.A. 52:32-2, or if the contract documents require the trade to be classified.

N.J.A.C. 17:19-2.12 Classification change

(a) A firm shall notify the DPMC in writing during a classification period, when the financial, bonding and/or corporate status of a firm changes substantially as to warrant a change of classification or rating. The firm shall provide said notice to the DPMC within 10 days of the change(s) and shall submit a revised DPMC-27, or applicable portions thereof, as required. Examples of substantial change include, but are not limited to, insolvency, decreases in bonding capacity, changes in ownership, or any of the factors affecting the firm's responsibility, as described in N.J.A.C. 17:19-2.4(b).

(b) A firm may request an increase in its aggregate rating for the remainder of the firm's existing classification period by submitting to the DPMC an updated financial statement for a period of at least six months from the ending date of the financial statement submitted with the prior DPMC-27 in conformance with the provisions found in N.J.A.C. 17:19-2.1(b), or, in the alternative, a firm may submit an updated surety affidavit showing an increase in bonding. The affidavit must be based on the same financial statement submitted with the application or request for an increase. However, a firm that has an aggregate rating of more than \$ 15,000,000 may request an increase in its aggregate rating by submitting a CPA reviewed financial statement.

(c) The DPMC shall review all submissions in accordance with this section and issue a decision no later than eight business days from the date of the firm's submission. Any change of classification shall be effective only for the remainder of the original classification period.

(d) The DPMC, in its discretion, may reduce a firm's aggregate rating or revoke the firm's classification entirely based upon information not provided at the time that the firm's classification was originally granted and/or the firm's aggregate rating was originally set, as determined by the factors set forth in N.J.A.C. 17:19-2.4.

N.J.A.C. 17:19-2.13 Award of contracts exceeding aggregate rating

(a) A firm shall include with each bid a certification that the firm's bid for the subject contract would not cause the firm to exceed its aggregate rating limits, including consideration of its backlog of uncompleted construction work, including public and private contracts.

(b) If at the time of a bid opening a question arises as to whether a bid for a project is within a firm's existing classification or aggregate rating, the bid shall be opened, and if the bid is at variance with the firm's trade classification or aggregate rating, the bid shall be rejected.

(c) A firm shall not be awarded a contract which, when added to the backlog of uncompleted construction work, would exceed the firm's aggregate rating. The backlog of uncompleted construction work shall be the total contract value of unbilled work, as evidenced by the most recent approved invoice (or other similar documentation) received by the bidder before or on the date of the bid. The

firm may deduct 85 percent of the total contract value of the work performed by principal trades, as described in (e) below, on such uncompleted work. DPMC may require the firm to provide documentary proof that its backlog of uncompleted work plus the contract price of the contract to be awarded would not cause the firm to exceed its aggregate rating.

(d) If a firm successfully bids for two or more contracts which, either in combination with each other or in combination with the backlog of uncompleted construction work on other currently held contracts would exceed the firm's aggregate rating, the firm shall be awarded only those contracts that in combination fall within the firm's aggregate rating, as follows:

1. Contracts shall be considered in the chronological order of the bid due dates.
2. Where the dollar value of a given contract award, when combined with the dollar value of the firm's current backlog of other uncompleted work, would cause the firm's total dollar value of uncompleted work to exceed the firm's aggregate rating, the firm shall not be eligible for that award.
3. However, if a firm provides clear and convincing evidence that its total dollar value of uncompleted work (including the bid amount for the current contract) will be within its aggregate rating [by the time the bid project is scheduled to begin] as of the award date, the Director may determine to accept the bid if it is in the best interest of the State.

(e) On any project where a firm is awarded a single prime contract which encompasses work to be performed by a subcontractor in a principal trade, as defined in N.J.S.A. 52:32-2, including plumbing and gas fitting, steam and hot water heating and ventilation, electrical, structural steel and ornamental iron work, and general construction, and where the work to be performed by the subcontractors is specifically identified in the bid, the firm shall calculate the value of the awarded contract (for purposes of determining how much the contract will contribute toward determining the firm's backlog) by deducting 85 percent of the actual subcontract price of the work to be performed by principal trades from the actual price of the contract awarded to it. The firm will have the burden of proving that the work is encompassed by the principal trades and the value of the amount of the work performed by those principal trades.

N.J.A.C. 17:19-3.1 Purpose

The consultant selection procedures are established to give qualified firms an open opportunity to be selected for State contracts on the basis of demonstrated competence and experience. Selection of consultants based upon a combination of technical qualifications and cost proposals enables the public interest to be best served.

N.J.A.C. 17:19-3.2 Scope

(a) The principal elements of the consultant selection procedures provided for:

1. Verifying the qualifications of firms interested in providing consultant services to the State;
2. Initiating and advertising projects (which may include other solicitation requirements);

3. Screening all interested and qualified firms;
4. Evaluating procedures by selection committee; and
5. Obtaining final approval by the Director.

N.J.A.C. 17:19-3.3 Prequalification of consultants

(a) Firms desiring to be considered for consultant work with the DPMC shall submit, as appropriate, a prequalification form, DPMC-48A or a material testing laboratory prequalification form, DPMC- 48T. This form provides comprehensive information on the management of the firm, the financial history of the firm, the type and value of past project work, licensed and technical staff, and other factors deemed relevant by the DPMC. This information is used to assist in the evaluation of firms for DPMC work and to establish the maximum construction cost estimate dollar level and professional disciplines for which the firm is qualified. The result of this evaluation is the firm's "prequalification." The prequalification will be effective for a 24-month period beginning with the date shown on the prequalification notice issued by the DPMC.

(b) In accordance with provisions found in N.J.S.A. 52:34-9.3, firms submitting a new or renewal application must include a non-refundable company check in the amount specified in N.J.S.A. 52:34-9.3 payable to "Treasurer, State of New Jersey." No application will be processed until a company check is received. If a check is returned for any reason, the DPMC may immediately revoke the firm's prequalification. Any firm that submits a check that is returned will be required to submit a certified check or money-order with all future submissions for a period of three years. The firm will also be responsible for any additional charges, including bank charges, incurred as a result of any returned check.

(c) Review of the firm by the DPMC shall be completed within 30 calendar days of receipt of fully completed prequalification forms, and a notification of results shall be mailed to the firm within the same time period.

(d) If a prequalification is denied, the firm will be notified in writing of the reasons for denial. Measures that the firm may take in order to become qualified will be identified by the DPMC.

(e) If a firm does not agree with its prequalification as assigned by the DPMC, or the denial of its prequalification, it may make a written request to the manager of the DPMC's prequalification unit for reconsideration. Results of this review will be made known to the firm in writing. If the firm still does not agree with the DPMC's prequalification determination, it may appeal in writing to the Director whose decision will then be final.

(f) It is the responsibility of each firm to update and keep current all prequalification forms. Major changes occurring in the firm's status shall be brought to the attention of the DPMC in order that the prequalification record is current.

(g) Any firm seeking prequalification shall have at least one principal on its staff who has been engaged in active private practice with full financial responsibility for a period of two years immediately preceding its request for prequalification.

(h) The prequalification level assigned does not necessarily reflect the level on which a consultant has performed for other clients. The DPMC will endeavor to assign a level that is justified by applicable overall experience, length of time in business, prior experience, the number of licensed New Jersey principals, professional and technical staffing, and management depth. At a minimum, the consultant must have three public or private projects (two completed and one in progress) at or exceeding a specific prequalification dollar level in the discipline requested prior to approval for that prequalification level.

(i) Firms may increase their technical qualification for a specific project by entering into joint-ventures with other firms. Each individual firm of the joint venture must be separately prequalified. One of the firms shall have been prequalified at the level stipulated for the project.

N.J.A.C. 17:19-3.4 Public notification

(a) The DPMC may publicly solicit the interest of prequalified firms to provide professional services by advertising in one or more of the following methods:

1. In design and construction publications and trade journals covering the construction industry in New Jersey;
2. In newspapers;
3. By written notice to New Jersey professional societies;
4. By use of direct mailings to prequalified firms; or
5. Electronic means.

(b) Public notification shall include instructions to specify any special information or experience that a firm must submit by the date and time specified in the advertisement. Failure to respond within the time limits noted in the advertisement shall be cause for rejection of a firm's application.

N.J.A.C. 17:19-3.5 Performance evaluation

(a) For any firm proposing to submit proposals on public work requiring the DPMC's prequalification, an FPPE shall be determined. The FPPE shall be calculated pursuant to the following provisions:

1. For any firm that has no prior public work experience with the State, the FPPE shall be based on an evaluation of the firm's references and past experience, as identified in the firm's prequalification forms and/or project specific technical proposal. The DPMC may choose to require that the owner or his or her representative certify that the projects/contracts referenced by the firm have been completed in a satisfactory manner; or
2. For any firm that has prior public work experience with the State, an FPPE shall be based on the project evaluations submitted to the DPMC, to the extent that the evaluations comply with the following criteria:

- i. The State agency reviewed the performance of each professional consultant on a public work project periodically throughout the duration of the project. One or more persons directly involved in the management, supervision or inspection of the project shall make this interim performance review;
 - ii. Interim performance reviews shall be presented on a standardized performance review form approved by the DPMC; and
 - iii. Interim reviews on incomplete projects may be included in the FPPE at the time of prequalification and/or during selection.
- (b) A firm's challenge to an FPPE shall not be conducted as part of the prequalification or selection process but must proceed pursuant to N.J.A.C. 17:19-5.
- (c) The Director may establish special evaluation criteria for certain projects.

N.J.A.C. 17:19-3.6 Major project selection procedures

- (a) The selection process will be initiated upon the receipt by the DPMC of a request from a State client agency for consultant services. The written request shall include a description of the scope of work of the project, the time period in which the design and construction is to be completed and a current working cost estimate (if applicable) of the proposed project for both design and the construction of the project.
- (b) A selection committee will be established to select a consultant for that specific project. The selection committee shall develop the selection evaluation criteria for the project. The evaluation criteria will be part of the public notice. The evaluation criteria for each project will generally include the following: firm's experience on projects of a similar size and nature; project team experience; past project performance; project approach; understanding of project needs; project schedule, budget and cost estimating; and/or other criteria as determined to be appropriate.
- (c) The evaluation process may include submission of specific project questionnaire forms, technical proposals, past performance and interviews.
- (d) Each individual member of the selection committee will evaluate all submissions based upon specific criteria and prepare a selection evaluation. The selection coordinator shall compile all evaluation scores and prepare a ranking. The chairperson shall call for a meeting of the selection committee to review the ranking and shortlist the appropriate number of firms for further consideration. Additional technical and/or organizational information may be requested from the firms before a final ranking is prepared.
- (e) When the selection committee completes the ranking, cost proposals shall be solicited from the highest ranked firms.
- (f) Site visits, pre-interview conferences and pre-proposal conferences may be scheduled. Attendance shall be mandatory when so stipulated.
- (g) Sealed cost proposals will be accepted on a pre-determined date and time by the selection coordinator. The selection committee will meet to open and review the cost proposals. Upon completion of the review, the selection committee may begin negotiations with the highest ranked firm

or firms for a cost proposal that is fair and reasonable to the State. As required, the selection committee may request additional meetings, additional technical, organizational or cost data from any of the firms. If a satisfactory conclusion cannot be reached with the highest ranked firm or firms, the selection committee may negotiate with the next highest ranked firm or firms.

(h) The selection committee shall have the responsibility to recommend to the Director the selection of the firm that is the highest ranked and whose cost proposal is fair and reasonable to the State.

(i) The selection evaluations, rankings, negotiations and cost proposals of all firms, as well as all discussions and correspondence, relating to a consultant selection remain confidential until the contract is awarded.

N.J.A.C. 17:19-3.7 Routine contracts

(a) Prequalified firms desiring to perform certain consultant services for the DPMC or its client agencies may submit proposals for routine projects.

(b) The selection process shall be initiated upon the receipt by the DPMC of a request from a State client agency for consultant services that meet the criteria for a routine project. Upon the receipt or development of a project scope of work, the DPMC shall create a selection committee for the purpose of selecting a Professional Services Consultant for the project. The DPMC and/or the selection committee shall develop the specific selection evaluation and ranking criteria to be used for the selection.

(c) The DPMC shall publicly advertise each routine contract by electronic means and/or in newspapers before the random selection of firms for that contract. The advertisement/notice shall state the date on which the DPMC will be randomly selecting, from an appropriate pool of its prequalified consultants, those firms from which proposals will be solicited. The advertisement/notice shall specify the prequalification discipline(s) and prequalification level required for the project and the criteria the DPMC will use in the selection evaluation and ranking of the proposals submitted from interested firms.

(d) From the pool of prequalified consultants specified in the advertisement, the DPMC will perform a computer-generated random selection of firms and solicit technical proposals and sealed cost proposals from the list of randomly generated firms.

(e) Pre-proposal conferences, site visits may be scheduled, as necessary.

(f) Technical proposals shall be evaluated and ranked in accordance with the specific evaluation criteria for the project.

(g) The selection process regarding the sealed cost proposals will be in accordance with the major project selection procedures, N.J.A.C. 17:19-3.6(g).

(h) The selection committee shall have the responsibility to recommend to the director of the firm that is the highest ranked and whose cost proposal is determined to be fair and reasonable to the State.

(i) Nothing in these rules shall be interpreted to prohibit the DPMC from utilizing the major election procedure for any and all emergencies.

N.J.A.C. 17:19-3.8 Term contracts

(a) Firms desiring to perform certain consultant services for the DPMC may submit proposals for term contracts as required. Term contracts shall be awarded by the Director to consultants who have complied with the terms and conditions of the term contract request for proposal and have been determined by the selection committee to be the best qualified.

(b) Term contracts may also be used to provide consultant services to client agencies in specific service categories for a specific time period.

N.J.A.C. 17:19-3.9 Term contract project selection procedures

(a) Term contracts may be used by the DPMC to serve a variety of consultant needs in accordance with the DPMC's duties to administer the DPMC's construction portfolio. The initiation of the selection process may be in accordance with the major or the routine project selection procedures, pursuant to N.J.A.C. 17:19-3.6 or 3.7.

(b) Firms are selected based upon technical qualifications and cost.

(c) Pre-proposal conference, site visits and interviews may be scheduled.

(d) Technical proposals shall be evaluated and ranked in accordance with the specific technical criteria for the project.

(e) The selection process regarding the sealed cost proposals shall be in accordance with the major project selection procedures, N.J.A.C 17:19-3.6(g), except that costs may be based upon hourly daily rate and/or other methods for determining costs over a specific time period.

(f) The selection committee shall have the responsibility to recommend to the Director the selection of the firm that is highest ranked and whose costs are fair and reasonable to the state.

N.J.A.C 17:19-3.10 Agency consultant program

(a) The agency consultant program provides a selection process for architectural, engineering or other consultant services to assist client agencies and the DPMC in the planning of construction projects, developing scopes of work, investigating construction-related problems, designing small projects and administering small construction projects.

(b) The DPMC may delegate to client agencies the authority to award projects for consultants to perform professional services for construction projects. The client agency shall evaluate and rank the technical submissions according to selection procedures established by DPMC policy.

(c) An agency consultant fee limit for each work order shall be established by the DPMC, including a fee limit threshold per year.

(d) The client agency shall monitor and manage all activities of the consultant. Financial data and project files shall be available to the DPMC auditors.

N.J.A.C. 17:19-3.11 Client agency management of design/construction projects

(a) The DPMC may delegate authority to client agencies to manage design and/or construction phases of a project with a stipulated construction cost estimates.

(b) The selection of firms to submit technical and cost proposals shall be in accordance with the major project selection procedures, pursuant to N.J.A.C. 17:19-3.6, or routine contracts selection procedures, pursuant to N.J.A.C. 17:19-3.7

N.J.A.C 17:19-4.1 Causes for debarment of a firm(s) or an individual(s)

(a) In the public interest, the DPMC may debar a firm or an individual for any of the following causes:

1. Commission of a criminal offense incident to obtaining or attempting to obtain a public or private contract, or subcontract thereunder, or in the performance of such contract or subcontract;
2. Civil or criminal violation of the Federal Organized Crime Control Act of 1970 or the New Jersey Racketeer Influenced Corrupt Organizations Act, N.J.S.A 2C:41-1 et seq., or the commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, perjury, false swearing, receiving stolen property, obstruction of justice or any other offense indicating a lack of business integrity or honesty;
3. Violations of the Federal or any state antitrust statutes, or of the Federal Anti-Kickback Act (18 U.S.C. 874.40 U.S.C. 276c);
4. Violations of any of the laws governing the conduct of elections of the Federal government, any state or its political subdivisions.
5. Violation of the "Law Against Discrimination" (P.L. 1945. c. 169. N.J.S.A 10:5-1 et seq., as supplemented by P.L. 1975. c.127), or the act of banning discrimination in public work employment (N.J.S.A 10:10 et seq.);
6. Violations of any laws governing hours of labor, minimum wage standards, prevailing wage standards, discrimination in wages or child labor.
7. Violations of any laws governing the conduct of occupations or professions or regulated industries;
8. Violation of any Federal or state laws that may bear upon a lack of responsibility or moral integrity;
9. Willful failure to perform in accordance with contract specifications or within contractual time limits;
10. A record of failure to perform or of unsatisfactory performance in accordance with the terms of one or more contracts, provided that such failure or unsatisfactory performance has occurred within a reasonable time preceding the determination to debar and was caused by acts within the control of the firm or the individual debarred;
11. Violation of contractual or statutory provisions regulating contingent fees;
12. Any other cause affecting responsibility as a State contractor such serious and compelling nature as may be determined by the DPMC to warrant debarment, including such conduct as may be prescribed

by the laws or contracts enumerated in this section even if such conduct has not been or may not be prosecuted as violations of such laws or contracts;

13. Debarment or disqualification by any other agency of government;

14. Making any offer or agreement to pay or make payment of, either directly or indirectly, any fee, commission, compensation, gift, gratuity, or other things of value of any kind to any State officer or employee of an agency of government with such vendor transacts or offer or proposes to transact business, or to any member of the immediate family as defined by N.J.S.A. 52:13D-13i, of any such officer or employee of an agency of government, or any partnership, firm, or corporation with which they are employed or associated, or in which such officer or employee has an interest within the meaning of N.J.S.A 52-13D-13;

15. Failure by a vendor to immediately report to the Attorney General and to the Executive Commissioner on Ethical Standards in writing the solicitation of any fee, commission, compensation, gift, gratuity or other thing of value by any officer or employee of any State agency of government or special State officer or employee as defined by N.J.S.A 52:13D-13;

16. Failure by a vendor to immediately report in writing, or obtain a waiver from the Executive Commissioner on Ethical Standards for, the direct or indirect undertaking of any private business, commercial or entrepreneurial relationship (including the selling of any interest in such vendor), regardless of whether the relationship is pursuant to employment, contract or other agreement, express or implied, with the following;

i. Any State officer or employee of any State agency of government or special State officer or employee as defined by N.J.S.A 52:13D-13, having duties or responsibilities connected with the purchase, acquisition or sale of any property or services by or to any State agency of government or any instrumentality thereof; or

ii. Any firm or entity with which the State officer or employee of a State agency of government is employed or associated or has an interest within the meaning of N.J.S.A. 52:13D-13g;

17. Influencing or attempting to influence or cause to be influenced, any officer or employee of any agency of government, in that officer's or employee's official capacity in any manner which might tend to impair the objectivity or independence of judgement of said officer or employee;

18. Causing or influencing or attempting to cause or influence, any State officer or employee of any State agency of government or special State officer or employee as defined by N.J.S.A 52:13D-13, to use, or attempt to use, that officer or employee's official position to secure unwarranted privileges or advantages for the vendor or any other firm or individual; and/or

19. Agreeing with any agency of government to refrain from bidding on public works projects for reasons that, in the discretion of the Director, warrant debarment.

N.J.A.C 17:19-4.2 Condition affecting the debarment of a firm(s) or an individual(s)

(a) The following conditions apply to debarment:

1. Debarment shall be made only upon approval of the Director, except as otherwise provided.

2. The existence of any of the causes set forth in N.J.A.C. 17:19-4. I shall not necessarily require that a firm or an individual be debarred. In each instance, the decision to debar shall be made within the discretion of the Director, unless otherwise required by law, and shall be rendered in the best interests of the State.

3. All irrigating factors shall be considered in determining the seriousness of the offense, failure or inadequacy of performance and in deciding whether debarment is warranted.

4. The existence of a cause set forth in N.J.A.C. 17:19-4(a) 1 through 8 shall be established upon rendering of a final judgement or judgement of conviction or a guilty plea or a plea of nolo contendere by a court of competent jurisdiction or by an administrative agency empowered to render such judgment. In the event an appeal taken from such judgment or conviction results in reversal thereof, the debarment shall be removed upon the written request of the debarred firm or individual, unless other cause for debarment exists.

5. The existence of a cause set forth in N.J.A.C. 17:19-4.1(a) 13 shall be proper, provided that one of the causes set forth in N.J.A.C. 17:19-4.1(a) 1 through 12 was the basis for debarment by the original debarring agency. Such debarment may be based entirely on record of facts obtained by the original debarring agency.

N.J.A.C. 17:19-4.3 Procedures, period(s) of debarment and scope of debarment affecting the debarment or a firm(s) or an individual(s)

(a) The procedures, period of debarment and scope of debarment including the following:

1. When the DPMC seeks to debar a firm or an individual, the DPMC shall furnish to such firm or individual written notice: stating that debarment is being considered; setting forth the reasons for the proposed debarment; and indicating that such firm or individual will be afforded an opportunity for a hearing if such firm or individual so requests within a stated period of time. All such hearings shall be conducted in accordance with N.J.A.C. 17:19-5.

2. Where an agency of government other than the DPMC, has imposed debarment upon a firm or individual, the DPMC may also impose a similar debarment without affording an opportunity for a hearing, provided that the DPMC furnishes notice of the proposed similar debarment to that firm or individual, and affords that firm or individual an opportunity to present information in its behalf to explain why the proposed similar debarment should not be imposed, in whole, or in part.

3. Debarment shall be for a reasonable, definitely stated period of time, which as a general rule shall not exceed five years. Debarment for an additional period shall be permitted provided that notice thereof is furnished and the firm or the individual is afforded an opportunity to present information in its behalf to explain why the additional period of debarment should not be imposed.

4. Except as otherwise provided by law, a debarment may be removed or the period thereof may be at the discretion of the Director upon the submission of a good faith application under oath, supported by documentary evidence, setting forth substantial and appropriate grounds for the granting of relief, such as newly discovered material evidence; reversal of a conviction or judgment; actual change of ownership, management, or control; or the elimination of the causes for which the debarment was imposed.

5. A debarment may include all known affiliates of a firm or an individual, provided that each decision to include an affiliate is made on a cases-by-case basis after giving due regard to all relevant facts and circumstances. The offense, failure or inadequacy or performance of an individual is affiliated, where the conduct was accomplished within the course of the individual's official duty or was affected by the knowledge or approval of the individual.

6. A firm that has been given notice of debarment by the DPMC shall not be eligible for an increase in its aggregate rating or an expansion of its trade classification pending determination of the debarment action. The debarment or the suspension of a firm shall result in the immediate forfeiture of the firm's classification.

N.J.A.C. 17:19-4.4 Causes for suspension of a firm(s) or an individual(s)

In the public interest, the DPMC may suspend a firm or an individual for any cause specified in N.J.A.C. 17:19-4.1, or upon adequate evidence that such cause exists.

N.J.A.C. 17:19-4.5 Condition for suspension of a firm(s) or an individual(s)

(a) The conditions for the suspension of a firm or an individual shall include the following:

1. Suspension shall be imposed only upon approval of the Director and the Attorney General, except as otherwise provided by law.

2. The existence of any cause for suspension shall not require that a suspension be imposed, and a decision to suspend shall be made at the discretion of the Director and the Attorney General and shall be rendered in the best of the State.

3. Suspensions shall not be based upon unsupported accusation, but upon adequate evidence that cause exists.

4. In assessing whether adequate evidence exists, consideration shall be given to the credible evidence that is produced, to the existence or absence of corroboration as to important allegations, and to inference that may properly be drawn from the existence or absence of affirmative facts.

5. Reasonable suspicion of the existence of a cause described in N.J.A.C. 17:19-4.1(a) 1 through 8 may be established by the rendering of a final judgment or judgment of conviction by a court or administrative agency of competent jurisdiction, by grand jury indictment or by evidence that such violations of civil or criminal law did in fact occur.

6. A suspension invoked by another agency of government for any of the causes described in N.J.A.C. 17:19-4.1(a) 1 through 12 may be the basis for imposition of a concurrent suspension by the DPMC, which may impose such suspension when found to be in the best interest of the State.

N.J.A.C. 17:19-4.6 Procedures, period of suspension and scope of suspension affecting the suspension of a firm(s) or individual(s)

(a) The provisions regarding procedures, period of suspension and scope of suspension shall include the following:

1. The DPMC may suspend a firm or individual or the firm's or the individual's affiliates, provided that within 10 days before the effective date of the suspension, the DPMC provides such firm or individual with a written notice:

i. Stating that a suspension has been imposed and starting its effective date;

ii. Setting forth the reasons for the suspension to the extent that the Attorney General determines that such reasons may be properly disclosed;

iii. Stating that the suspension is for a temporary period pending the completion of an investigation and any legal proceedings that may ensue: and

iv. Indicating that, if such legal proceedings are not commenced, or the suspension removed within 60 days of the date of such notice; the firm or individual will be given either a statement of the reasons for the suspension and an opportunity for a hearing pursuant to N.J.A.C. 17:19-5, or a statement declining to give such reasons, which sets forth the DPMC's position regarding the continuation of the suspension. Where the DPMC suspends a firm or an individual based on a suspension by any other agency of government, the DPMC shall identify same as a reason for the suspension.

2. A suspension shall not continue beyond 18 months from its effective date, unless civil or criminal action regarding the alleged violation has been initiated within that period, or unless debarment action has been initiated, the suspension may continue until legal proceedings are completed.

3. A suspension may include all known affiliates of a firm or an individual provided that each decision to include an affiliate is made on a case-by-case basis after given due regard to all relevant facts and circumstances. The offense, failure or inadequacy of performance of a firm or an individual may be imputed within the course of the firm or individual's official duty or was effectuated by the firm or the individual with the knowledge or approval of such firm or individual.

N.J.A.C. 17:19-4.7 Disqualification of a firm(s) or an individual(s)

The disqualification of a firm or an individual shall be based upon the DPMC's reevaluation of the responsibility of a classified or prequalified firm or the individual based upon information not provided at the time of classification or prequalification was originally granted, as determined by the factors set forth in N.J.A.C. 17:19-2.4 or 3.3.

N.J.A.C. 17:19-4.8 Extent of debarment, suspension or disqualification

The exclusion from State contracting by virtue of debarment, suspension or disqualification shall extend to all State contracting and subcontracting within the control or jurisdiction of the DPMC. When it is determined by the Director to be essential to the public interest, an exception from total exclusion may be made with the respect to particular State contract.

N.J.A.C. 17:19-4.9 Prior Notice by the DPMC

Insofar as practicable, prior notice of any proposed debarment shall be given to the Attorney General and State Treasurer.

N.J.A.C. 17:19-4.10 List of debarred, suspended or disqualified firms or individuals

The DPMC shall supply to the State Treasurer a monthly list of all firms or individuals having been debarred, suspended or disqualified in accordance with the procedures in this subchapter. The list shall be available for public inspection.

N.J.A.C. 17:19-4.11 Director's authority to contract

Nothing contained in this chapter shall be constructed to limit the authority of the DPMC to refrain from contracting within the discretion allowed by law.

N.J.A.C. 17:19-5.1 Hearings; subject matter; firms or individuals who may request hearings

(a) Administrative hearings before the DPMC may include the following subject matter and be requested by the following firms:

1. Bid protests: A firm which has submitted a bid may request a hearing to protest the DPMC's award or rejection of a bid.
2. Selection protest: A firm which has submitted a proposal for award of a professional service contract, advertised by DPMC, may request a hearing to challenge the DPMC's decision to reject that firm's proposal and/or to award the contract to another firm.
3. Evaluation or reevaluation of classification: A firm dissatisfied with its classification, or the classification of another firm, may request a hearing to protest the classification.
4. Prequalification: A firm dissatisfied with its pre-qualification may request a hearing to protest that prequalification decision.
5. Performance Evaluation: A firm dissatisfied with its performance evaluation on a public works project under-taken by the DPMC may request a hearing for the purpose of presenting evidence to dispute that evaluation.
6. Suspension, disqualification, or debarment: Except in the case of a suspension, a disqualification, or a debarment by another agency of government, a firm or an individual may request and shall be entitled to a hearing to challenge the DPMC's proposed suspension, disqualification or debarment of the firm or individual.
7. Certain other matters of dispute that may occur relative to the activities of the DPMC: The Director, within the Director's, sound direction, may require that a firm or an individual participate in an informal hearing.

8. The provisions of this section do not apply to “claims conferences” that are provided for in the DPMC’s consultant and construction contracts. Such “claims conferences” are contractual in nature and are intended solely to provide a non-binding forum for the presentation and resolution of a disputed contract claims.

N.J.A.C. 17:19-5.2 Requests for hearings; hearing procedures; time limitations

(a) Requests for hearing shall be made as follows:

1. Bid protest: An unsuccessful bidder seeking a hearing to challenge either the rejection of its own bid or the award of the contract to another bidder shall make written request to the Director setting forth the specific ground for challenging an award of a contract or a bid rejection. The request must be received by the Director within five calendar days after the opening of bids.
2. Selection protest: An unsuccessful firm seeking a hearing to challenge either the rejection of its own proposal or award of the contract to another firm shall make written request to the Director setting forth the specific grounds for challenging the Director’s selection or rejection of a firm. The request must be received by the Director within five calendar days after the firm has been selected or rejected.
3. Evaluation or re-evaluation of classification: If a firm objects to its assigned classification or a firm objects to the classification of another firm, a hearing may be requested pursuant the N.J.S.A 52:35-4 and this subchapter. If a firm objects to its own classification, the request must be made in writing, to the Director, within 15 calendar days after the date of the classification notice. If a firm objects to the classification of another firm, the request must be submitted to the Director within five calendar days after the opening of bids or at least three calendar days before the proposed date of contract awards, whichever date is earlier.
4. Prequalification: If a firm is dissatisfied with its prequalification a hearing may be requested pursuant to N.J.S.A. 52:35-4 and this subchapter. If a firm objects to its own prequalification, the request must be made, in writing, to the Director within 15 calendar days after the date of the prequalification notice.
5. Performance evaluation: Any firm seeking to challenge a project performance evaluation by the DPMC must make written request for a hearing to the DPMC setting forth the specific grounds for the challenge. Such requests must be duly submitted within 15 calendar day after the date of receipt of written notification of the performance evaluation. Any challenge to the performance evaluation of another agency of government must be made in accordance with the other agency of government’s guidelines.
6. Suspension, disqualification or debarment: Any firm seeking to challenge a suspension, disqualification or debarment must make written request to the Director setting forth the specific grounds for the challenge. Such request must be duly submitted within 15 calendar days after the date of receipt of the DPMC’s written notification of the suspension, disqualification or debarment.
7. Certain other matters of dispute that may occur relative to the activities of the DPMC; the Director, within the Director’s sound discretion, may request that a firm participate in a hearing at a date and time to be scheduled by the Director.

(b) Hearing procedures are as follows:

1. Procedures in contested cases. Any matter constituting a contested case shall be conducted in accordance with the practice and procedures set forth in the Administrative Procedure Act.

2. Procedures in matters not constituting contested are as follows:

i. Hearings in all matters not constituting contested cases will be conducted either by the Director or by a person designated by the Director to hear such matters. Delegation of authority may include authority to issue to the creation of an evidentiary record to be transmitted to the Director for issuance of a final agency decision. Where feasible hearings shall be held within 15 calendar days of receipt of hearing request.

ii. Hearings may be held either in person or by electronic media, or a combination of both, and shall be conducted in such a manner as to afford all interested parties a fair opportunity to present their respective factual and legal positions and to create a factual record sufficient to support issuance of a final agency decision on the issue or issues presented. Should the decision maker determine that there are no material facts in dispute, or should the parties agree to stipulate to all material facts, the decision maker may accept written submissions from the parties in lieu of a hearing before rendering a final agency decision.

iii. Should it be anticipated that a hearing will involve the taking of testimony from one or more witnesses, the person conducting the hearing for the State, as a matter of discretion, may provide for the transcription of such testimony at the State's expense. Should the State not provide for transcription, any party may arrange for transcription of all testimony at the party's expense. The State's decision maker shall be provided with a copy of the transcript of all proceedings at no charge.

iv. Upon timely written request in advance of the hearing:

(1) The State shall provide copies of all relevant, non-privileged documents to any party; and

(2) A party shall provide copies of all relevant non-privileged documents to the State and to adverse parties. Copies shall be provided at the actual cost of reproduction.

N.J.A.C. 17:19-5.3 Discovery procedures

In an informal hearing, the Director shall be entitled, upon request, to review all records and documents used in evidence by a complainant. Any requested records and documents shall be made available to the Director at the actual cost of reproduction.

PREVAILING WAGES COMPLIANCE CERTIFICATION - [RETURN WITH BID](#)

It is the determination of the ESCNJ that this is a public works project that in total will exceed \$2,000.00 (two thousand dollars), therefore prevailing wages rules and regulations apply as promulgated by the New Jersey Prevailing Wage Act and in conformance with N.J.S.A. 34:11-56:25 et seq.

CERTIFICATION

1. I certify that our company understands that this project of the ESCNJ or its Co-op members requires prevailing wages to be paid in full accordance with the law.
2. I further certify that all subcontractors named in this bid understand that this project requires the subcontractor to pay prevailing wages in full accordance with the law.

Non-compliance Statement

If it is found that any worker, employed by the contractor or any subcontractor covered by said contract, has been paid a rate of wages less than the prevailing wage required to be paid by such contract, the ESCNJ or its members may begin proceedings to terminate the contractor's or subcontractor's right to proceed with the work, or such part of the work as to which there has been a failure to pay required wages and to prosecute the work to completion or otherwise. The contractor and his sureties shall be liable for any excess costs occasioned thereby to the public body.

NOTIFICATION OF VIOLATIONS – New Jersey Department of Labor and Workforce Development

Has the bidder or any person having an "interest" with the bidder, been notified by the New Jersey Department of Labor and Workforce Development by notice issued pursuant to N.J.S.A. 34:11-56:37 that he/she has been in violation for failure to pay prevailing wages as required by the New Jersey Prevailing Wage Act within the last five (5) years?

* Yes _____ No x

*If yes, please attach a signed document explaining any/or all administrative proceedings with the Department within the last five (5) years. Please include any pending administrative proceedings with the Department if any.

Submission of Certified Payroll Records

All certified payroll records are to be submitted to the member/person who is coordinating the activities for the project.

Name of Company: Bluum USA, Inc.

Authorized Agent: Melissa Curtis

Title of Authorized Agent: VP of Process Optimization

Authorized Signature: 

SUBCONTRACTOR'S DISCLOSURE FORM - RETURN WITH BID

If the bidder **will** subcontract any part of their services /installation award, the bidder **must** do the following:

Provide the name, address and other pertinent information about the subcontractor;*

Please list subcontractor(s) here.

**Failure to identify the names and addresses of any subcontractors required to be named in the bid, or to submit the appropriate documents for each such subcontractor, may be cause for the bid to be rejected as being non-responsive.*

1. Sub-Contractor for

Name of Subcontracting Company SNEVEL Technologies LLC
Address 218 Overbrook Ave
City, State, Zip 218 Overbrook Ave, Glassboro, NJ 08028
Telephone 856-716-4617 Fax _____
E-Mail admin@snevel.com FEIN No 81-5021617
Authorized Agent Bryan Levens Title President

Certification of Equipment

The Bluum USA, Inc. hereby certifies the above named

Name of Bidding Company

subcontractor has the personnel, equipment, experience, financial and sufficient means to complete their portion of the contract in full accordance with the bid specifications.

Melissa Curtis

Authorized Agent (Print)—Bidder



Signature of Authorized Agent—Bidder

Bidders may make extra copies of this page to list additional subcontractors and subcontractors may be added throughout the life of the bid after receiving approval from the ESCNJ.

SUBCONTRACTOR'S DISCLOSURE FORM (Continued) - **RETURN WITH BID**

If the bidder **will** subcontract any part of their services /installation award, the bidder **must** do the following:

Provide the name, address and other pertinent information about the subcontractor;*

Please list subcontractor(s) here.

**Failure to identify the names and addresses of any subcontractors required to be named in the bid, or to submit the appropriate documents for each such subcontractor, may be cause for the bid to be rejected as being non-responsive.*

1. Sub-Contractor for Other _____
Name of Subcontracting Company _____
Address _____
City, State, Zip _____
Telephone _____ Fax _____
E-Mail _____ FEIN No _____
Authorized Agent _____ Title _____

Certification of Equipment

The Bluum USA, Inc. hereby certifies the above named

Name of Bidding Company

subcontractor has the personnel, equipment, experience, financial and sufficient means to complete their portion of the contract in full accordance with the bid specifications.

Melissa Curtis

Authorized Agent (Print)—Bidder



Signature of Authorized Agent—Bidder

Bidders may make extra copies of this page to list additional subcontractors and subcontractors may be added throughout the life of the bid after receiving approval from the ESCNJ.

Sworn Contractor Certification; Qualifications and Credentials
(Bidder's Certification) - RETURN WITH BID

Pursuant to N.J.S.A. 18A:7G-37, a pre-qualified contractor seeking to bid school facilities projects, and any subcontractors, that are required to be named under N.J.S.A. 18A:7G-1 et seq. shall, as a condition of bidding, submit this Sworn Contractor Certification regarding qualifications and credentials.

I Melissa Curtis the principal owner or officer of the company certify that the foregoing statements are true and our firm has the following qualifications and credentials:

1. A current, valid certificate of registration issued pursuant to "The Public Works Contractor Registration Act," N.J.S.A. 34:11-56:48 et seq. A copy of which is submitted with its bid;
2. A current, valid Certificate of Authority to perform work in New Jersey issued by the Department of Treasury, a copy of which is submitted with its bid;
3. A current valid contractor trade license required under applicable New Jersey Law for any specialty trade or specialty area in which the firm seeks to perform work, a copy of which is submitted with its bid;
4. During the term of the project, I as principal owner or officer of the company or corporation, as contractor, will have in place a suitable quality control and quality assurance program and appropriate safety and health plan.
5. Certify that, at the time of bidding, the amount of the bid proposal and value of all of its outstanding incomplete contracts does not exceed the firm's existing aggregate rating limit.

Name of Company Bluum USA, Inc.

Name of Owner or Officer Melissa Curtis, VP of Process Optimization

Signature of Owner or Officer *Melissa Curtis*

Notarized before me this 11th day of September, 2023

Cristina Dee Olson Month Year
NOTARY PUBLIC SIGNATURE Cristina Dee Olson
Print Name of Notary Public

My commission expires January 31 2025
Month Day Year

-SEAL-





RETURN WITH BID

State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PROPERTY MANAGEMENT AND CONSTRUCTION
33 W. STATE STREET
PO BOX 034
TRENTON, NEW JERSEY 08625-0034

REPLY TO:

TEL: (609) 943-3400

FAX: (609) 292-7651

TOTAL AMOUNT OF UNCOMPLETED CONTRACTS

(This form is to be used with the NOTICE OF CLASSIFICATION when submitting bids to the ESCNJ.) I certify

that the amount of uncompleted work on contracts is \$ 100,000.

The amount claimed includes uncompleted portions of all currently held contracts from all sources (public and private) in accordance with N.J.A.C. 17:19-2.13.

I further certify that the amount of this bid proposal, including all outstanding incomplete contracts does not exceed my prequalification dollar limit.



Affix
corporate
seal here

Bluum USA, Inc.

Name of Firm

Muina Dutta

Signature

VP of Process Optimization

Title

4675 E Cotton Ctr Blvd, Ste 155

Phoenix, AZ 85040

Address

800-352-7912

Phone

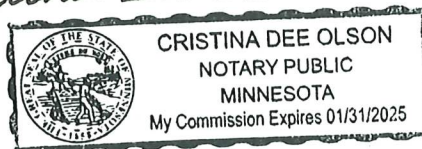
Sworn to and Subscribed before me

This day 11th of Sept. 20 23

Notary Public

Cristina De Olson

DPMC 701 (3/15)



Vendor Contact Form - RETURN WITH BID

This page should be included in your electronic file in Word format

so that we can copy and paste into our website.

Please do not handwrite the information; type it in.

If you are awarded a contract with the ESCNJ, we will post this contact sheet on our website for members to contact. Please complete and include with your bid package. List the individual(s) who will be best equipped to handle calls from our 1,300+ members and have knowledge of your award.

Bid	Title of Bid: Digital Resources / Instructional Materials Bid # 024-C
Vendor	Bluum USA, Inc.
Representative	Joel Ryan, RVP of Sales
Address	4675 E Cotton Ctr Blvd, Ste 155, Phoenix, AZ 85040
Telephone #	716-754-7444
Fax #	N/A
Email	joel.ryan@bluum.com
Website	https://customer.bluum.com/products.htm

NEW JERSEY REQUIRED DOCUMENTS CHECKLIST – RETURN WITH BID

1.	Affirmative Action Construction Contracts Acknowledgement and Total Work Force/Employee AA201 (for Public Works contracts)	16.	NJ School Development Authority Prequalification (for Public Works contracts)
2.	Affirmative Action Questionnaire and supported documentation (current CEIR)	17.	Non-Collusion Affidavit Notarized and Sealed
3.	Americans with Disabilities Act of 1990	18.	Pre-Qualification Affidavit (Projects over \$20,000 in accordance with N.J.S.A. 18A:18A-26 et. seq.)
4.	Assurance of Compliance	19.	Prevailing Wage Certification (for Public Works contracts)
5.	Certificate of Authority	20.	Request for Clarifications Form
6.	Certificate of Insurance with the Educational Services Commission of New Jersey named as the certificate holder with Bid Title and Bid # (Upon award)	21.	Respondent Comment Form – Optional
7.	Chapter 271 Political Contribution Disclosure Form	22.	Statement of Ownership (Ownership Disclosure Certification)
8.	Dealer/Subcontractor Documents if applicable	23.	Statement of Suspension or Debarment Notarized & Sealed
9.	Disclosure of Investment Activities in Iran Form (for Public Works contracts)	24.	Sub-contractor's Disclosure Form(s)
10.	DPMC Notice of Classification Form	25.	Sworn Contractor Certification; Qualifications and Credentials (for Public Works contracts)
11.	Equipment Certification	26.	Total Amount of Uncompleted Contracts Form-Certified (DPMC Form 701) (for Public Works contracts)
12.	Exhibit B Mandatory Equal Employment Opportunity Language Construction Contracts	27.	Vendor Contact Form
13.	Licenses	28.	W-9 Form
14.	New Jersey Business Registration Certificate ** (Received no later than the time of award)		
15.	New Jersey Public Works Contractor Certificate (for Public Works contracts)		

Signature: Melissa Curtis Melissa Curtis, VP of Process Optimization
Please sign above indicating that you have included all of the required New Jersey documents on this checklist and return this checklist with your bid package.

New Jersey Certificate

Legal Name Change

Please note: The information presented on our NJ Certificate of Employee Information Report and Dept. of Labor and Workforce Development, at time of submission, shows information prior to the recent corporate name changes.

Bluum USA, Inc. and its affiliates are currently in the process of updating this information with various entities, in compliance with their statutes regarding legal name changes.

If updated documents reflecting our current legal name(s) are required, they can be provided at a later date, upon completion of these updates.

CERTIFICATE OF EMPLOYEE INFORMATION REPORT**RENEWAL**

This is to certify that the contractor listed below has submitted an Employee Information Report pursuant to N.J.A.C. 17:27-1.1 et. seq. and the State Treasurer has approved said report. This approval will remain in effect for the period of **15-JUN-2021** to **15-JUN-2024**

TROXELL COMMUNICATIONS, INC.
4675 E. COTTON CENTER BLDG. #155
PHOENIX AZ 85040



A handwritten signature in cursive script, reading "Elizabeth M. Muoio", is written over the official name.

ELIZABETH MAHER MUOIO
State Treasurer



STATE OF NEW JERSEY BUSINESS REGISTRATION CERTIFICATE

Taxpayer Name: BLUUM USA, INC.
Trade Name:
Address: 576 VALLEY ROAD BOX #241
WAYNE, NJ 07470-3526
Certificate Number: 0095613
Effective Date: April 08, 1993
Date of Issuance: May 13, 2022

For Office Use Only:
20220513154806388

Certificate Number
647806

Registration Date: 04/24/2023
Expiration Date: 04/23/2024



State of New Jersey
Department of Labor and Workforce Development
Division of Wage and Hour Compliance

Public Works Contractor Registration Act

Pursuant to N.J.S.A. 34:11-56.48, et seq. of the Public Works Contractor Registration Act, this certificate of registration is issued for purposes of bidding on any contract for public work or for engaging in the performance of any public work to:

2023
Bluum USA, Inc

Responsible Representative(s):

Steve Loose, Chairman

A handwritten signature in black ink, reading "R. Asaro-Angelo".

Robert Asaro-Angelo, Commissioner
Department of Labor and Workforce Development

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NON TRANSFERABLE

This certificate may not be transferred or assigned and may be revoked for cause by the Commissioner of Labor and Workforce Development.



CERTIFICATE OF LIABILITY INSURANCE

DATE(MM/DD/YYYY)
12/29/2022

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon Risk Services, Inc of Florida 1001 Brickell Bay Drive Suite 1100 Miami FL 33131 USA	CONTACT NAME:	
	PHONE (A/C. No. Ext): (866) 283-7122	FAX (A/C. No.): (800) 363-0105
	E-MAIL ADDRESS:	
	INSURER(S) AFFORDING COVERAGE	NAIC #
INSURED Bluum Parent, LLC 4675 E. Cotton Center Blvd Ste. #155 Phoenix AZ 85040-4809 USA	INSURER A: Berkley National Insurance Company	38911
	INSURER B: Tri-State Insurance Company of Minnesota	31003
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

Holder Identifier :

COVERAGES**CERTIFICATE NUMBER:** 570097091512**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	☒ COMMERCIAL GENERAL LIABILITY ☐ CLAIMS-MADE ☒ OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: ☐ POLICY ☒ PRO-JECT ☒ LOC OTHER:			TCP701453513	12/31/2022	12/31/2023	EACH OCCURRENCE \$1,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$1,000,000 MED EXP (Any one person) \$15,000 PERSONAL & ADV INJURY \$1,000,000 GENERAL AGGREGATE \$2,000,000 PRODUCTS - COMP/OP AGG \$2,000,000
A	☒ AUTOMOBILE LIABILITY ☒ ANY AUTO ☐ OWNED AUTOS ONLY ☐ HIRED AUTOS ONLY ☐ SCHEDULED AUTOS ☐ NON-OWNED AUTOS ONLY			TCP701453513	12/31/2022	12/31/2023	COMBINED SINGLE LIMIT (Ea accident) \$1,000,000 BODILY INJURY (Per person) BODILY INJURY (Per accident) PROPERTY DAMAGE (Per accident)
A	☒ UMBRELLA LIAB ☒ OCCUR ☐ EXCESS LIAB ☐ CLAIMS-MADE ☐ DED ☐ RETENTION			TCP701453513	12/31/2022	12/31/2023	EACH OCCURRENCE \$15,000,000 AGGREGATE \$15,000,000
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR / PARTNER / EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	Y/N N	N/A	TWC701454113	12/31/2022	12/31/2023	☒ PER STATUTE ☐ OTHER E.L. EACH ACCIDENT \$1,000,000 E.L. DISEASE-EA EMPLOYEE \$1,000,000 E.L. DISEASE-POLICY LIMIT \$1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

CERTIFICATE HOLDER**CANCELLATION**

Bluum USA, Inc. Attn: HR 4675 Cotton Center Blvd. Ste. # 155 Phoenix AZ 85040 USA	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.
	AUTHORIZED REPRESENTATIVE <i>Aon Risk Services Inc. of Florida</i>

Certificate No : 570097091512

**ADDITIONAL REMARKS SCHEDULE**

Page _ of _

AGENCY Aon Risk Services, Inc of Florida		NAMED INSURED Bluum Parent, LLC
POLICY NUMBER See Certificate Number: 570097091512		
CARRIER See Certificate Number: 570097091512	NAIC CODE	EFFECTIVE DATE:

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,
FORM NUMBER: ACORD 25 **FORM TITLE:** Certificate of Liability Insurance

Named Insureds

Named Insureds includes:

Bluum USA, Inc. (formerly Troxell Communications, Inc.)
Bluum Integration, LLC (formerly Integrated AV Systems LLC)
Bluum Holdco, Inc. (formerly TXL Holding Corporation)
Bluum Lifespan, Inc. (formerly Lifespan International, Inc.)
Bluum of Minnesota, LLC (formerly Tierney Brothers, LLC)

Request for Taxpayer Identification Number and Certification

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Give Form to the
requester. Do not
send to the IRS.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Bluum USA, Inc.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor or single-member LLC ☒ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.) See instructions. 4675 E Cotton Ctr Blvd, Ste 155	Requester's name and address (optional)
6 City, state, and ZIP code Phoenix, AZ 85040	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, this is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
			-			-			
or									
Employer identification number									
8	6		-	0	7	1	6	1	4

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ► 	Date ► 9/11/2023

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Consolidated Financial Statements

Bluum Holdings, LLC

For the years ended December 31, 2021 and 2020

****Please note 2022 financial s are not complete. Bluum can send once complete. Thank you.**

Contents

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Independent Auditor's Report

To the Board of Directors of Bluum Holdings, LLC

Opinion

We have audited the consolidated financial statements of Bluum Holdings, LLC (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in equity (deficit) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Amended Financial Statements

We draw attention to Notes 11 and 22 to the consolidated financial statements, which describe that the financial statements on which we originally reported on April 30, 2022 have been amended and describes the matters that gave rise to the amendment of the consolidated financial statements. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
July 15, 2022

Bluum Holdings, LLC

Consolidated statements of financial position

(in United States dollars)

As at	Note	December 31, 2021	December 31, 2020
Assets			
Current			
Cash and cash equivalents		\$ 3,945,060	\$ 8,485,831
Accounts receivable	6	98,240,070	68,133,147
Inventory	7	67,457,481	44,611,442
Income taxes receivable	20	6,569,131	-
Due from related party	21	194,436	-
Prepaid and other current assets		3,559,170	2,175,335
Total current assets		179,965,348	123,405,755
Other long-term assets			
		318,162	-
Property and equipment	8	5,433,387	4,857,655
Right-of-use assets	12	9,475,182	5,029,949
Goodwill and intangible assets	9	103,818,135	57,072,007
Total assets		\$ 299,010,214	\$ 190,365,366
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 87,890,053	\$ 53,804,469
Warranty liability	10	1,300,103	984,103
Income taxes payable	20	-	4,937,080
Loan payable		-	127,838
Current portion of lease liabilities	12	1,161,266	971,847
Current portion of long-term debt	11	1,460,000	780,000
Total current liabilities		91,811,422	61,605,337
Other long-term liabilities			
		183,816	-
Long-term debt	11	149,837,942	84,446,606
Lease liability	12	10,119,513	4,467,535
Class A Special and Class A Exchangeable shares	13	44,877,246	51,047,868
Deferred income tax liability	20	1,075,276	2,032,440
Total liabilities		297,905,215	203,599,786
Equity			
Member capital units	14	21,615,237	21,615,237
Contributed surplus	5,21	7,000,000	-
Deficit		{19,410,756}	{28,066,557}
Equity attributable to members		9,204,481	{6,451,320}
Non-controlling interest			
		{8,099,482}	{6,783,100}
Total equity		1,104,999	{13,234,420}
Total liabilities and equity		\$ 299,010,214	\$ 190,365,366

Contingencies (Note 19)
Subsequent events (Note 23)

On behalf of the Board on July 15, 2022

(Signed) _____
Director

(Signed) _____
Director

See accompanying notes to the consolidated financial statements

Bluum Holdings, LLC

Consolidated statements of income (loss) and comprehensive income (loss)

(in United States dollars)

Years ended	Note	December 31, 2021	December 31, 2020
Sales	3(v)	\$ 613,779,203	\$ 521,548,021
Cost of sales		518,656,831	433,638,901
Gross margin		95,122,372	87,909,120
Operating expenses	16	82,106,004	57,826,146
Income before other expenses (income)		13,016,368	30,082,974
Other expenses (income)			
Interest expense		11,495,892	7,625,697
Loss on lease termination	12	149,514	-
Change in fair value of Class A			
Special and Class A Exchangeable	13		
shares		(6,170,622)	29,537,710
Foreign exchange loss		14,306	7,681
		5,489,090	37,171,088
Income (loss) before income taxes		7,527,278	(7,088,114)
Income taxes (recovery) expense	20		
Current		1,711,543	5,501,348
Deferred		(1,523,684)	466,749
		187,859	5,968,097
Net income (loss) and comprehensive income (loss) for the year		\$ 7,339,419	\$ 13,056,211
Net income (loss) and comprehensive income (loss) attributable to:			
Members		\$ 8,655,801	\$ (14,399,147)
Non-controlling interests		(1,316,382)	1,342,936
		\$ 7,339,419	\$ 13,056,211

See accompanying notes to the consolidated financial statements

Bluum Holdings, LLC

Consolidated statements of changes in equity (deficit)

(in United States dollars)

For the years ended December 31, 2021 and 2020

Notes	Member capital units		Contributed surplus	Retained earnings (deficit)	Total	Non-controlling interests	Total equity (deficit)
	Units	Amount					
Balance at January 1, 2020	100	\$ 21,615,237	\$ -	\$ (13,667,410)	\$ 7,947,827	\$ (8,126,036)	\$ (178,209)
Net Income (loss) and Comprehensive income (loss)	-	-	-	(14,399,147)	(14,399,147)	1,342,936	(13,056,211)
Balance at December 31, 2020	100	\$ 21,615,237	-	\$ (28,066,557)	\$ (6,451,320)	\$ (6,783,100)	\$ (13,234,420)
Contribution by Majority Parent on acquisition of Bluum of Minnesota LLC	5,21	-	\$ 7,000,000	-	7,000,000	-	7,000,000
Net Income (loss) and comprehensive income (loss)	-	-	-	8,655,801	8,655,801	(1,316,382)	7,339,419
Balance at December 31, 2021	100	\$ 21,615,237	\$ 7,000,000	\$ 1,410,151	\$ 9,204,481	\$ 1,055,451	\$ 1,104,999

See accompanying notes to the consolidated financial statements

Bluum Holdings, LLC

Consolidated statements of cash flows

(in United States dollars)

For the years ended	Note	December 31, 2021	December 31, 2020
Cash flows from operating activities:			
Net income (loss)		\$ 7,339,419\$	(13,056,211)
Adjustments for items not involving cash			
Depreciation of property and equipment	8	1,932,719	1,473,560
Amortization of intangible assets	9	15,688,673	7,171,140
Amortization of right-of-use assets	12	1,088,466	1,068,589
Amortization of debt issuance costs		482,208	423,827
Accrued interest on lease liability	12	569,606	463,788
Accrued interest on loan payable		1,491	30,699
Warranty liability expense	10	2,487,927	1,810,089
Deferred income taxes	20	(1,523,684)	466,749
Unrealized foreign exchange loss		14,307	7,681
Fair value adjustment on Class A Special Shares and Class A Exchangeable shares	13	(6,170,622)	29,537,710
Loss on lease termination	12	149,514	-
		<u>22,060,024</u>	<u>29,397,621</u>
Changes in non-cash working capital balances:			
Accounts receivable		(13,990,589)	(37,548,219)
Inventories		(19,371,272)	(28,094,004)
Prepaid expenses and other current assets		(738,607)	39,200
Other long-term assets		(14,334)	-
Income taxes payable and receivable		(11,506,211)	4,499,100
Warranty liability		(2,171,927)	(1,391,290)
Accounts payable and accrued expenses		22,055,011	31,716,205
Other long-term liabilities		{1,673}	-
Net cash used in operating activities		<u>{3,679,578}</u>	<u>(1,381,387)</u>
Cash flows from investing activities:			
Purchases of property and equipment	8	(1,271,451)	(3,811,904)
Purchases of intangible assets	9	(2,115,320)	(1,610,748)
Net cash paid in business combinations	5	{61,017,058}	-
Net cash used in investing activities		<u>{64,403,829}</u>	<u>(5,422,652)</u>
Cash flows from financing activities:			
Proceeds from revolver loan	11	2,000,000	10,000,000
Proceeds from term loan	11	67,330,010	-
Proceeds from loan payable		-	485,123
Repayment of principal of long-term debt		(780,000)	(780,000)
Repayment of loan payable		(129,329)	(387,984)
Payment on lease liabilities	12	(1,722,727)	(1,229,963)
Payment of debt issuance costs	11	(2,960,882)	-
Advances to related party		{194,436}	-
Net cash provided by financing activities		<u>63,542,636</u>	<u>8,087,176</u>
Net (decrease) increase in cash and cash equivalents		(4,540,771)	1,283,137
Cash and cash equivalents, beginning of year		\$ 8,485,831 \$	7,202,694
Cash and cash equivalents, end of year		<u>\$ 3,945,060\$</u>	<u>8,485,831</u>

Supplemental cash-flow information (Note 15)

See accompanying notes to the consolidated financial statements

Bluum Holdings, LLC**Reconciliation of net income under US GAAP**

(Expressed in United States dollars)

	Note	December 31, 2021
Total Comprehensive Income recorded under IFRS	\$	7,339,419
Adjustments to reconcile IFRS net income to US GAAP:		
Net impact of leases	1	260,385
Amortization of goodwill - CDI	2	(955,674)
Amortization of goodwill - TXL	2	(3,921,696)
Amortization of goodwill - Tierney	2	(3,481,299)
Amortization on TXL customer relationships	3	3,857,143
Amortization on Tierney customer relationships	3	2,000,000
Class A Special shares and Class A Exchangeable shares	4	(6,170,622)
Income taxes	5	560,285
Net Income under US GAAP for the year ended	\$	(512,059)

1 Leases

Under US GAAP (prior to adoption of ASC 842 Leases), a lease is classified as a finance lease or an operating lease, with lease liabilities being recognized on the balance sheet for finance leases only. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS 16 Leases, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2 Goodwill

Under US GAAP, the Company previously adopted Accounting Standards Update ("ASU") 2014-02 Accounting for Goodwill (a consensus of the Private Company Council) which permits a private company to subsequently amortize goodwill on a straight-line basis over a period of ten years, or less if the company demonstrates that another useful life is more appropriate. Under IFRS, amortization of goodwill is not permitted.

3 Customer relationships

Under US GAAP, ASC 805-20-25 provides private companies with an accounting alternative when accounting for business combinations. Under the accounting alternative, an acquirer doesn't recognize customer-related intangible assets unless they are capable of being sold or licensed independently from other assets of a business and non-competition agreements separately from goodwill. However, under IFRS, intangibles assets are recognized separately from Goodwill as long as they meet the definition of identifiable and separable. A re-valuation of the intangibles was done under the definition of IFRS which led to the recognition of customer relationships. Amortization was then calculated on this asset on a straight-line basis. The Company has elected under this accounting alternative under ASC 805-20-25 and thus no amortization is permitted under US GAAP.

4 Class A Special shares and Class A Exchangeable shares

Under IAS 32, the Class A Special and Class A Exchangeable shares have determined to comprise of a financial liability component. Therefore, under IFRS, the liability component has been recorded at its fair value with subsequent changes to the fair value recorded in the profit and loss account. Under US GAAP however, the instruments are determined to be equity instruments.

5 Income taxes

The above noted adjustments resulted in adjustments to deferred income taxes during the periods presented.

Bluum Holdings, LLC
Calculation of EBITDA
(Expressed in United States dollars)

December 31, 2021

Total Comprehensive Income recorded under IFRS	\$	7,339,419

Adjustments to EBITDA

Permitted adjustments		8,058,049
Management fees and expenses		862,015
Interest expense		11,495,892
Loss on lease termination		149,514
Depreciation of property and equipment		1,932,719
Amortization of intangibles		15,688,673
Amortization of right-of-use asset		1,088,465
Unrealized foreign currency adjustment		86,307
Change in fair value of Class A Special and Class A Exchangeable shares		(6,170,622)
Income taxes		187,859
EBITDA under IFRS for the year ended	\$	<u>40,718,290</u>

Net Income under US GAAP for the year ended	\$	(512,059)

Adjustments to EBITDA

Permitted adjustments		8,058,049
Management fees and expenses		862,015
Interest expense		10,924,796
Depreciation of property and equipment		1,712,299
Amortization of intangibles		9,831,530
Amortization of goodwill		8,358,669
Unrealized foreign currency adjustment		72,001
Income taxes		(372,426)
EBITDA under US GAAP for the year ended	\$	<u>38,934,874</u>

Bluum Holdings, LLC**Reconciliation of total assets and liabilities under US GAAP**

(Expressed in United States dollars)

	December 31, 2021	December 31, 2020
Total Assets under US GAAP	278,127,295	185,550,929
Total Liabilities under US GAAP	<u>(242,144,069)</u>	<u>(147,390,063)</u>
Total Equity under US GAAP	<u>35,983,226</u>	<u>38,160,866</u>

	December 31, 2021	December 31, 2020
Total Assets recorded under IFRS	\$ 299,010,214	\$ 190,365,366
<i>Adjustments to reconcile IFRS to US GAAP:</i>		
Right-of-use-assets	(9,475,182)	(5,029,949)
Customer relationships, net of amortization	(45,035,714)	(20,892,857)
Goodwill, cost	(46,434,268)	(24,214,787)
Goodwill, net of amortization	80,062,245	36,201,433
Deferred income tax asset	<u>9,121,723</u>	<u>9,121,723</u>
Total assets under US GAAP for the year ended	\$ <u>278,127,295</u>	\$ <u>185,550,929</u>

Total Liabilities recorded under IFRS	\$ (297,905,215)	\$ (203,599,786)
<i>Adjustments to reconcile IFRS to US GAAP:</i>		
Loan payable - conveyer system	-	127,838
Lease liabilities	11,280,779	5,439,382
Class A Special and Class A Exchangeable shares	44,877,246	51,047,868
Deferred income tax liability	<u>(396,879)</u>	<u>(405,365)</u>
Total liabilities under US GAAP for the year ended	\$ <u>(242,144,069)</u>	\$ <u>(147,390,063)</u>

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021, and 2020

1. Nature of operations

Bluum Holdings, LLC, (the "Parent") and its controlled Bluum branded subsidiaries (together referred to as the "Company") is a leading provider of computing and presentation solutions to primarily elementary education, higher education and government customers in the United States of America (the "US") and Canada. The Company is a limited liability company incorporated and domiciled in the US. The Company's product offerings range from personal computing devices (laptop and desktop computers), software, interactive and non-interactive large format displays, cameras, video/broadcast equipment, audio amplification equipment and audio and visual communication solutions. The Company also provides various installation, systems integration, maintenance and asset disposal services to its customers and refurbishes personal computers for resale.

The Company's registered office is 1209 Orange Street, Wilmington, County of New Castle, Delaware. The Company's ultimate parent, H.I.G Growth is incorporated and domiciled in the US and its registered head office is 1450 Brickell Avenue, 31st Floor, Miami, Florida.

COVID-19

On January 30, 2020 the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. During the year, the Company continued to operate and provide its product offerings.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as the full magnitude that the pandemic will have on the Company's future financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workplace.

2. Basis of presentation

i) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). The consolidated financial statements were approved by the Board of Directors and authorized for issue by the Board of Directors on July 15, 2022.

ii) Basis of measurement

These consolidated financial statements have been prepared on the going concern basis, under historical cost, unless otherwise indicated.

iii) Functional and presentation currency

These consolidated financial statements are presented in US dollars ("US\$"), which is also the Company's functional currency.

iv) Basis of consolidation

Subsidiaries are entities controlled by the Parent. The Parent 'controls' an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

2. Basis of presentation (continued)

The Company is composed of the Parent, a Delaware limited liability company formed in 2019, and the Parent's "Contributed", "Acquired" (see Note 5) and "Newly Formed" share ownership interests in the following affiliate entities:

Subsidiaries	Jurisdiction of incorporation	Functional currency	Proportion of ownership interest held by the Company at period-end	
			2021	2020
2202690 Alberta ULC	Canada	USO	100%	100%
2393813 Ontario Inc.	Canada	USO	63.25%	63.25%
Bluum Technology Canada, Inc.	Canada	USO	63.25%	63.25%
Bluum (US) Corporation	United States	USO	100%	100%
Lifespan International Inc.	United States	USO	100%	100%
Bluum Holdco, Inc.	United States	USO	100%	100%
Bluum USA, Inc.	United States	USO	100%	100%
Bluum Intearation, LLC	United States	USO	100%	100%
Bluum of Texas, LLC	United States	USO	100%	100%
Bluum of Minnesota, LLC	United States	USO	100%	-

All intercompany transactions and balances with subsidiaries have been eliminated.

Non-controlling interests ("NCI") are initially measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. When the Parent loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost and accounted for as an equity transaction.

3. Significant accounting policies

i) Business combinations

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Parent. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognized in the consolidated statement of income immediately. Transaction costs are expenses as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in the statement of operations.

ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognized in the statement of operations.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

iii) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, short-term certificates of deposit and money market investment accounts with an initial maturity of three months or less. Cash equivalents includes investments in an interest-bearing overnight trust investment account.

iv) Inventories

Inventories consists of computers and audio/visual equipment and related parts and accessories. Inventories are initially valued at cost, and subsequently at the lower of cost and net realizable value, using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. On an on-going basis, the Company reviews inventories for obsolete, redundant and slow-moving goods and any such inventories identified are written down to net realizable value.

v) Revenue recognition

The Company determines revenue recognition through the following steps: a) identification of the contract with a customer; b) identification of the performance obligations in the contract; c) determination of the transaction price; d) allocation of the transaction price for the performance obligations in the contract; and e) recognition of revenue when the Company satisfies a performance obligation.

Revenue is recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration receivable in exchange for those goods or services, net of discounts and sales taxes. The following indicators are evaluated in determining when control has passed to the customer (i) the entity has a right to payment for the product or service, (ii) the customer has legal title to the product, (iii) the entity has transferred physical possession of the product to the customer, (iv) the customer has the significant risk and rewards of ownership of the product and (v) the customer has accepted the product.

The Company's products can be delivered to customers in a variety of ways, including (i) as physical product shipped from the Company's warehouse, (ii) via drop-shipment by the vendor or supplier or (iii) via electronic delivery of software licenses. The Company's shipping terms typically allow for the Company to recognize revenue upon delivery.

Drop-shipment arrangements

The Company leverages drop-shipment arrangements with many of its vendors and suppliers to deliver products to its customers without having to physically hold the inventory at its warehouses. The Company is the principal in the transaction and recognizes revenue for drop-shipment arrangements on a gross basis.

Hardware products

Revenues from the sales of hardware products are recognized on a gross basis as the Company is acting as a principal in these transactions, with the selling price to the customer recorded as sales and the acquisition costs of the product recorded as cost of sales.

Warranties

The Company's vendor partners warrant most of the products the Company sells. These manufacturer warranties are assurance-type warranties and are not considered separate performance obligations. The warranties are not sold separately and only provide assurance that products will conform with the manufacturer's specifications. The Company also offers an extended service warranty on certain products for one to five years beyond the initial one-year assurance warranty. In some transactions, a third party will provide the customer with an extended warranty. These extended warranties are sold separately and provide the customer with a service in addition to the assurance that the product will function as expected. The Company considered these warranties to be separate performance obligations from the underlying product. For extended warranties provided by a third party, the Company is arranging for those services to be provided by the third party and therefore is acting as an agent in the transaction and records revenue on a net basis at the point of sale.

Software licenses

Revenue from most software license sales are recognized as a single performance obligation on a gross basis as the Company is acting as a principal in these transactions at the point the software license is delivered to the customer.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

v) Revenue recognition (continued)

Integration services

The Company provides integration services, which include recommending, designing and implementing audio/visual presentation solutions. Some system integration projects include multiple performance obligations such as sale of visual equipment, installation service, and professional development training. For these types of contracts, the Company separately identifies the transaction price for each distinct performance obligation and recognizes revenue based on when the transfer of control passes to the customer or the customer receives the benefit of the service provided.

The Company recognizes revenue from professional development services at a point in time, when the customer attends the training seminar and receives the benefit of the service.

Other system integration projects include a single performance obligation. Revenue from these integration services projects are recognized proportionately as costs are incurred for what is generally fixed fee project work. The Company believes costs incurred closely correspond with its performance under the contract and the transfer of control to the customer.

The Company also provides asset disposition services under fixed fee arrangements, under which revenue is recognized at the point in which all the goods are disposed. Services are performed by the Company personnel or sub-contracted to other service providers. As the Company is the principal in service transactions, it recognizes service revenues and costs on a gross basis in sales and costs of sales, respectively.

Bundled contract arrangements

The Company also sells some of its products and services as part of bundled contract arrangements containing multiple deliverables that represent a distinct performance obligation, total arrangement consideration is allocated based upon the standalone selling prices of each performance obligation.

The following table represents the Company's disaggregated revenue by sales channel:

	2021	2020
Hardware	\$ 531,828,848	\$ 457,572,691
Software	36,776,128	30,728,322
Services	45,174,227	33,247,008
Total revenue	\$ 613,779,203	\$ 521,548,021
Revenue recognized at a point in time	\$ 568,604,976	\$ 488,301,013
Revenue recognized over time	45,174,227	33,247,008
Total revenue	\$ 613,779,203	\$ 521,548,021

vi) Rebates

The Company earns rebates from certain vendors based on achieving certain purchase volumes or other criteria. Based upon historical experience and agreements for the current programs in place, management estimates the amounts earned and due from vendors. The Company recorded a \$8,717,912 (2020 - \$3,882,617) reduction to costs of sales for rebates earned during the year ended December 31, 2021 and accrued \$2,201,890 (2020 - \$1,073,973) at December 31, 2021 in prepaid expenses and other current assets for rebates due and receivable from vendors.

vii) Cooperative advertising program

The Company receives cooperative advertising consideration from certain vendors based on achieving certain purchase volumes and expending funds to advertise the vendors' products. Based upon historical experience and agreements for the current programs in place, management estimates the amounts earned and due from vendors. The Company recorded a \$3,899,964 (2020 - \$1,988,089) reduction against operating expense for cooperative advertising earned during the year ended December 31, 2021 and deferred in accrued expenses \$570,711 (2020 - \$359,078) in cooperative advertising funds received in excess of amounts earned at December 31, 2021.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

viii) Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where material, provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

The Company's vendor partners warrant most of the products the Company sells. These manufacturer warranties are assurance-type warranties and are not considered separate performance obligations. The warranties are not sold separately and only provide assurance that products will conform with the manufacturer's specifications.

For certain computer equipment and resold by the Company, a warranty is provided to cover all product defects in design, materials and workmanship. In addition, the Company provides extended warranties as well as warranties for accidental damage protection. Accruals for these warranties are recorded at the time of shipment of products to customers. The Company accrues a provision for estimated future warranty costs based upon the historical relationship of warranty claims to sales. The Company periodically reviews the adequacy of its product warranties and adjusts, if necessary, the warranty percentage and accrued warranty reserve for actual experience.

ix) Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of individual assets (with the exception of the conveyer equipment) or in the case of leasehold improvements over the term of the related lease if shorter than the estimated useful life. The estimated useful lives of the Company's property and equipment are as follows:

Computer equipment	2-5 years
Other equipment, furniture and fixtures	2-7 years
Automotive	3-5 years
Leasehold improvements	2-7 years

The conveyer equipment is depreciated using the declining balance method at a rate of 30% of the net book value of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of income and comprehensive income during the period in which they are incurred.

An asset's residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted if appropriate. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Depreciation of property and equipment commences when the asset is available for use.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss.

x) Intangible assets

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Intangible assets consist of computer software, tradename, and customer relationships. Following initial recognition, such intangible assets are carried at cost less any accumulated amortization on a straight-line basis over the following periods:

Computer software	4-6 years
Customer relationships	7 - 10 years
Tradename	10-20 years

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

xi) Goodwill

Goodwill represents the excess of the acquisition cost in a business combination over the fair value of the Company's share of the identifiable net-assets acquired.

xii) Impairment testing of goodwill and long-lived assets

For purposes of assessing impairment under IFRS, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). The Company's cash generating units to which goodwill has been assigned and intangible assets that are not yet available for use are tested for impairment at least annually. All other long-lived assets and finite life intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal or value-in-use. To determine the value-in-use, management estimates expected future cash flows from the cash-generating unit and determines a suitable pre-tax discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors have been determined for the cash-generating units and reflect its risk profile as assessed by management.

Impairment losses for the cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit, with any remaining impairment loss charged pro rata to the other assets in the cash-generating unit. In allocating an impairment loss, the Company does not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal or its value in use and zero. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the assets' recoverable amount exceeds its carrying amount only to the extent the new carrying amount does not exceed the carrying value of the asset had it not originally been impaired.

xiii) Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is a lessee, except for short-term leases (defined as leases with lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the leases as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are assumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprises:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

xiii) Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payment using a revised discount rate.
- The lease payments change due to changes in the index or rate or a change in expected payment under a guaranteed residual value, in which the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets comprises the initial measurements of the corresponding lease liability, lease payments made at or before commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the Company's expectation to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

xiv) Income taxes

Income taxes are calculated using the liability method, which requires the recognition of deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company calculates taxes on an individual entity basis for its wholly-owned subsidiaries. As a result, the Company's consolidated effective tax rate may fluctuate from period to period based on the relative mix of earnings and losses within the taxing jurisdictions in which the subsidiaries operate during their respective periods.

Deferred tax assets are recognized to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. If the amount of taxable temporary difference is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profit improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. In the ordinary course of business, the Company and its subsidiaries may be examined by various federal, state, and foreign tax authorities. The Company regularly assesses the potential outcomes of these examinations and any future examinations or the current or prior years in determining the adequacy of its provision for income taxes.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

xv) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the financial instrument. All financial instruments are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets

On initial recognition, financial assets are classified as subsequently measured at "amortized cost", "fair value through other comprehensive income" ("FVOCI") or "fair value through profit or loss" ("FVTPL"). The classification is determined based on the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Interest and realized gains or losses are included in the consolidated statements of loss and comprehensive loss. Financial assets measured at amortized cost are comprised of cash and accounts receivable.

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Financial liabilities are initially classified as 'subsequently measured at amortized cost' or 'financial liabilities at fair value through profit or loss'. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless designated as a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities for which the Company has elected to measure at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

All interest related charges and, if applicable, changes in a financial liability's fair value that are reported in profit or loss are included within finance expenses, net.

Financial liabilities are derecognized when they are extinguished or there is a substantial modification of the terms of an existing financial liability. The difference between the carrying amount of the financial liability extinguished and consideration paid, or financial liability assumed, is recognized in profit and loss.

The Company's financial liabilities which are classified and measured at amortized cost include accounts payable and accrued liabilities, revolving line of credit facility and long-term debt. The Class A Special shares and Class A Exchangeable shares are classified and measured at FVTPL.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

xv) Financial instruments (continued)

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statements of financial position as a deduction from the gross carrying amount of the financial asset. Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

xvi) Fair value

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Fair value measurement for invested assets are categorized into levels within a fair value hierarchy based on the nature of the valuation inputs (Levels 1, 2 or 3). The three levels are defined based on the observability of significant inputs to the measurement, as follows;

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability

When one is available, the Company measured the fair value of an instrument using the quoted price in an active market for that instrument.

A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

xvii) Compound financial instruments

Compound financial instruments are those that contain both a liability and equity instrument. The liability component is initially recognized at fair value based on the present value of the shares. The equity component is initially recognized as the difference between the fair value of the instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method. The equity component is not remeasured. Interest related to the financial liability is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

xviii) Accounting standards issued but not effective

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place at the end of the reporting period;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

4. Critical accounting estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes to the consolidated financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the Company to make estimates include goodwill impairment testing and recoverability of assets, business combinations, income taxes, estimated useful life of long-lived assets and the determination of whether a financial instrument is or contains a financial liability. These estimates and judgments are further discussed below:

Goodwill impairment testing and recoverability of assets

The Company has multiple cash-generating units and reviews the recoverable amount compared to the carrying value both in total and for each of the individual assets. The recoverable amount of the cash-generating units was estimated based on fair value less costs of disposal using an income approach. The approach uses a discounted cash flow to determine the recoverable amount. Refer to Note 9.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities.

For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. All acquisitions have been accounted for using the acquisition method. Refer to Note 5.

Income taxes

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on the Company's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Refer to Note 20.

Estimated useful lives of long-lived assets

Management reviews useful lives of depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utilization in terms of duration of the assets to the Company. Actual utilization, however, may vary due to technical obsolescence, particularly relating to software. Refer to Note 3 (x) and (x) and Note 9.

Liability versus equity classification for financial instruments

The Company has issued certain financial instruments that have various characteristics that are either similar to a financial liability or an equity instrument. Management is required to exercise judgment in determining whether each characteristic translates to a contractual obligation of the Company. Where a contractual obligation exists, management has separated the financial liability component from its equity instrument by first valuing the liability. Refer to Note 3 (xvii).

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

5. Acquisition of Bluum of Minnesota, LLC

On April 23, 2021, the Company acquired Bluum of Minnesota, LLC (formerly known as Tierney Brothers Inc.) ("Tierney"). Tierney is a provider of digital projectors and flat panel displays, systems integration, large format printers, graphics and engineering supplies, and audio and visual communications solutions to customers in the US. The acquisition served to broaden the Company's product offerings and geographic reach throughout the US and Canada.

The Company acquired all the controlling equity share interests consisting of 10,000 common shares, of Tierney for a total purchase price of \$68,843,872. The purchase price consisted of cash consideration of \$61,843,872 and equity interests with a value of \$7,000,000 in Bluum Majority Parent, LLC ("Majority Parent"), a parent of the Company.

The Company funded the purchase with \$68,000,000 in proceeds on the long-term credit facility described in Note 11. The Company expensed \$1,466,992 of acquisition-related costs to the consolidated statements of income (loss) and comprehensive income (loss) in 2021 related to this transaction.

The purchase price has been allocated to the acquired tangible and identifiable intangible assets assumed, based on fair values as of the date of acquisition, as follows:

Net assets acquired		
Cash	\$	826,814
Accounts receivable		16,116,334
Inventory		3,474,767
Prepaid expenses and other current assets		645,228
Other assets		303,828
Property and equipment		1,237,000
Right-of-use assets		3,782,545
Intangible assets		38,100,000
Accounts payable and accrued expenses		(8,391,731)
Other current liabilities		(87,874)
Deferred revenue		(3,550,966)
Lease liabilities		(5,079,545)
Long-term liabilities		(185,489)
Deferred tax liability		(566,520)
Total identifiable net assets acquired		46,624,391
Goodwill arising on acquisition		22,219,481
Total net assets acquired	\$	<u>~~68,843,872~~</u>
Consideration		
Cash	\$	61,843,872
Rollover units		7,000,000
	\$	<u>~~68,843,872~~</u>

The excess of purchase price over net identifiable assets acquired, and the liabilities assumed resulted in goodwill of \$22,219,481, which is largely attributable to the assembled workforce acquired and the synergies from combining operations. Goodwill will not be deductible for tax purposes.

From the date of acquisition, Tierney contributed \$126,765,764 of revenue and \$12,276,415 to income before taxes in 2021. If the combination had taken place at the beginning of the year, revenue would have been \$650,430,949 and income before income taxes would have been \$15,212, 138.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

6. Accounts receivable

	<u>2021</u>	<u>2020</u>
Trade accounts billed to customers	\$ 96,407,968	\$ 68,899,414
Other receivables	2,474,221	-
Allowance for expected credit losses	<u>(642,119)</u>	<u>(766,267)</u>
Net accounts receivable	\$ <u>98,240,070</u>	\$ ~~68,133,147~~

7. Inventory

	<u>2021</u>	<u>2020</u>
Raw materials	\$ 503,879	\$ 785,787
Work in progress	4,899,892	1,965,152
Finished goods	<u>62,053,710</u>	<u>41,860,503</u>
Total inventories	\$ <u>67,457,481</u>	\$ ~~44,611,442~~

During the year ended December 31, 2021, inventories of \$572,029,108 (2020 - \$603,953,668) were recognized as an expense during the year and included in cost of sales on the consolidated statements of income (loss) and comprehensive income (loss).

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

8. Property and equipment

	Note	Computer equipment	Conveyer Equipment	Other equipment, furniture and fixtures	Automotive	Leasehold improvements	Total
Cost							
Balance at January 1 2020		\$ 2,321,708	\$ -	\$ 3,578,432	\$ 241,594	\$ 1,800,301	\$ 7,942,035
Additions		352,968	485,123	2,892,397	12,119	69,297	3,811,904
Balance at December 31 2020		\$ 2,674,676	\$ 485,123	\$ 6,470,829	\$ 253,713	\$ 1,869,598	\$ 11,753,939
Acquired in a business combination	5	76,000	-	602,000	48,000	511,000	1,237,000
Additions		539,743	-	663,268	-	68,440	1,271,451
Balance at December 31 2021		\$ 3,290,419	\$ 485,123	\$ 7,736,097	\$ 301,713	\$ 2,449,038	\$ 14,262,390
Accumulated depreciation							
Balance at January 1 2020		\$ 1,412,371	\$ -	\$ 2,376,629	\$ 91,922	\$ 1,541,802	\$ 5,422,724
Depreciation		312,156	213,310	812,275	37,139	98,680	1,473,560
Balance at December 31 2020		\$ 1,724,527	\$ 213,310	\$ 3,188,904	\$ 129,061	\$ 1,640,482	\$ 6,896,284
Depreciation		476,083	220,420	948,730	44,336	243,150	1,932,719
Balance at December 31 2021		\$ 2,200,610	\$ 433,730	\$ 4,137,634	\$ 173,397	\$ 1,883,632	\$ 8,829,003
Carrying Amount							
At December 31, 2020		\$ 950,149	\$ 271,813	\$ 3,281,925	\$ 124,652	\$ 229,116	\$ 4,857,655
At December 31, 2021		\$ 1,089,809	\$ 51,393	\$ 3,598,463	\$ 128,316	\$ 565,406	\$ 5,433,387

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

9. Goodwill and intangible assets

	Note	Goodwill	Computer Software	Customer Relationships	Tradename	Other	Total
Cost							
Balance at January 1 2020		\$ 24,214,787	\$ 8,504,586	\$ 36,958,000	\$ 12,238,400	\$ -	\$ 81,915,773
Additions		-	1,610,748	-	-	-	1,610,748
Balance at December 31 2020		\$ 24,214,787	\$ 10,115,334	\$ 36,958,000	\$ 12,238,400	\$ -	\$ 83,526,521
Acquired in a business combination	5	22,219,481	1,100,000	30,000,000	7,000,000	-	60,319,481
Additions		-	1,914,286	-	-	201,034	2,115,320
Balance at December 31 2021		\$ 46,434,268	\$ 13,129,620	\$ 66,958,000	\$ 19,238,400	\$ 201,034	\$ 145,961,322
Accumulated depreciation							
Balance at January 1 2020		\$ -	\$ 4,862,405	\$ 10,832,927	\$ 3,588,042	\$ -	\$ 19,283,374
Depreciation		-	1,099,284	5,153,012	918,844	-	7,171,140
Balance at December 31 2020		\$ -	\$ 5,961,689	\$ 15,985,939	\$ 4,506,886	\$ -	\$ 26,454,514
Depreciation		-	1,893,935	5,936,347	7,856,157	2,234	15,688,673
Balance at December 31 2021		\$ -	\$ 7,855,624	\$ 21,922,286	\$ 12,363,043	\$ 2,234	\$ 42,143,187
Carrying Amount							
At December 31, 2020		\$ 24,214,787	\$ 4,153,645	\$ 20,972,061	\$ 7,731,514	\$ -	\$ 57,072,007
At December 31, 2021		\$ 46,434,268	\$ 5,273,996	\$ 45,035,714	\$ 6,875,357	\$ 198,800	\$ 103,818,135

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

9. Goodwill and intangible assets (continued)

During the year ended December 31, 2021, the Company decided to re-brand its name from "Trax + Tierney" to "Bluum". In addition, the Company decided to develop a new enterprise resource planning ("ERP") system that will lead to the decommissioning of certain ERP systems currently in use. As a result, the Company reassessed the useful lives of its Tradename and certain computer software held. The change in useful lives is a change in estimate that resulted in additional amortization of \$7,779,758.

Goodwill is subject to impairment testing on an annual basis. The annual impairment test date is December 31.

For the years ended December 31, 2021 and 2020, the recoverable amount of the Company's group of cash-generating units ("CGUs") was determined using multiple valuation techniques. The income approach was used based on discounted cash flows and the market approach based on a multiple of EBITDA of comparable companies. The results of each approach were evaluated and weighted, as appropriate, to determine the Company's recoverable amount.

Income Approach

	Discount Rate		Growth Rate	
	2021	2020	2021	2020
Bluum Entities	21.5%	21%	3% - 10%	3% - 10%

Market Approach

	Multiple		EBITDA (in thousands)	
	2021	2020	2021	2020
Bluum Entities	6.5 - 7	7.5 - 8	\$49,082 - \$61,361	\$48,907 - \$59,502

Sensitivity to changes in assumptions EBITDA

The Company's group of CGUs recoverable amount was determined to be more than its carrying amount. No reasonable changes to the key assumptions resulted in a recoverable amount below the carrying amount.

10. Warranty liability

In relation to the provision of new devices and computing devices refurbished and resold, the Company provides a warranty for all product defects in design, materials and workmanship. The change in the Company's warranty liability was as follows:

	2021	2020
Balance, beginning of year	\$ 984,103	\$ 565,304
Additions	2,487,927	1,810,089
Charges incurred	(2,171,927)	(1,391,290)
Balance, end of year	\$ 1,300,103	\$ 984,103

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

11. Long-term debt

Subsequent to initial approval of the consolidated financial statements, the applicable interest rate and the debt maturity information of the Facility were amended to reflect the interest rates and terms existing at December 31, 2021 with the disclosures and maturity table updated accordingly.

To fund its operations and the acquisition described in Note 5, the Company entered into a secured credit agreement (the "Facility"). The Facility provides for term loan and revolver loan commitments through a July 2024 maturity of \$146.0 million and \$15.0 million, respectively. The Facility is secured by a guarantee and security agreement covering all assets of certain subsidiaries of the Company.

The balance of the Facility at December 31, 2021 and 2020 is as follows:

	<u>2021</u>	<u>2020</u>
Term loan	\$ 143,540,000	\$ 76,830,000
Revolver loan	12,000,000	10,000,000
Net credit facility borrowings	155,540,000	86,830,000
Less: finance fees, net of amortization	(4,242,058)	(1,603,394)
	151,297,942	85,226,606
Less: current portion	(1,460,000)	(780,000)
Long-term portion of credit facility borrowings	\$ 149,837,942	\$ 84,446,606

The Facility requires quarterly installment payments of principal. Remaining debt maturities for years ending December 31 are as follows:

2022	\$ 1,460,000
2023	1,460,000
2024	152,620,000
\$	<u>155,540,000</u>

Under the terms of the Facility, at 125 days past the conclusion of each calendar year end, the term loan is subject to a mandatory excess cash flow prepayment of principal (the "ECF Provision"). The ECF Provision requires a portion of excess cash generated from operations to be applied as a prepayment against outstanding term loan obligations. The amounts payable under the ECF Provision would serve to reduce, on a pro rata basis, the amount due under the remaining term loan installment and maturity payments. Under the terms of the ECF Provision no prepayments were due in 2022 or 2021 for the excess cash flow generated for the years ended December 31, 2021 and 2020, respectively.

Under the terms of the Facility, the Company can elect that the loans comprising each borrowing bear interest generally at a rate equal to (i) the greater of the London Interbank Offer Rate ("LIBOR") or 1.00% plus a LIBOR Rate Margin or (ii) the greater of the prime rate or 2.50% plus a Base Rate Margin ("LIBOR Rate Loans" and "Base Rate Loans", respectively). The margin for LIBOR Rate Loans and Base Rate Loans was stated to be various rates determined by the Company's total net leverage ratio, measured and adjusted quarterly, as follows:

	<u>Base Rate Margin</u>	<u>LIBOR Rate Margin</u>
Total net leverage greater than 4.60 to 1.00	6.00%	7.00%
Total net leverage less than or equal to 4.60 to 1.00	5.50%	6.50%

As of December 31, 2021, the entire term loan obligation and \$10,000,000 of the revolving loan obligation were comprised of LIBOR rate loans that accrued interest at 8.00% per annum, and the remaining \$2,000,000 was comprised of a Base rate loan that accrued interest at 9.25%.

As of December 31, 2020, the entire term loan obligation was comprised entirely of a single LIBOR Rate Loan that accrued interest at 7.50% per annum, and the entire revolving loan obligation was comprised entirely of a single Base Rate Loan that accrued interest at 8.75% per annum.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

11. Long-term debt (continued)

Under the terms of the Facility, the Company also pays an unfunded commitment fee at a rate of 0.50% on the balance of the revolving loan that remains undrawn from time to time. The unfunded commitment fee is reflected as interest on long-term debt in the consolidated statement of income (loss) and comprehensive income (loss).

The Facility also provided for the issuance of letters of credit up to \$2,500,000. Under the facility, outstanding letters of credit are considered borrowings under the revolver loan. There were no outstanding letters of credit at December 31, 2021 or 2020.

The Facility contains customary representations, warranties, and affirmative/negative concerns, including the following, which if not met would trigger an event of default:

- Fixed charge coverage ratio is greater than 1.10 to 1.00
- Total net leverage ratio is less than as outlined in the agreement, ranging from 3.50 to 6.50 to 1.00

As of December 31, 2021, and 2020, the Company was in compliance with these covenants.

Debt financing costs of \$2,960,882 and \$nil were incurred in connection with the Facility in 2021 and 2020, respectively. The Company defers financing costs and presents them in the consolidated statements of financial position as an offset to long-term debt.

12. Leases

The Company makes the use of leasing arrangements principally for the provision of office space. The rental contracts for offices are typically negotiated for terms between 3 and 20 years and some of these have extension terms. The Company does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on the consolidated statement of financial position:

	Number of right-of-use leased assets	Range of remaining term	Average remaining lease term	Number of leases with extension options
Property	10	0.33 - 18.33 years	6.76	6

There were no active leases that included an option to purchase, variable payments linked to an index or termination options. As at December 31, 2021 and 2020, the Company did not have any short-term leases (leases with an expected term of 12 months or less) or leases of low value assets.

Right-of-use Assets

Additional information on the right-of-use asset balances is as follows:

	2021	2020
Balance, beginning of the year	\$ 5,029,949	\$ 2,544,779
Additions to right-of-use assets	2,349,655	3,553,759
Acquired in a business combination	3,782,545	-
Depreciation charge for the year	(1,088,466)	(1,068,589)
Derecognition of right-of-use assets (i)	(598,501)	-
Balance, end of the year	\$ 9,475,182	\$ 5,029,949

Bluum Holdings, LLC

Notes to the consolidated financial statements

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For the years ended December 31, 2021 and 2020

12. Leases (continued)

- (i) On March 23, 2021, the Company entered into an agreement with its landlord to cancel its existing lease arrangement for the rental of office space at 130 South Town Centre Boulevard, Markham Ontario, effective March 31, 2021. The original lease was set to expire on December 31, 2022. Under the agreement, the Company made a cash payment of \$231,280 inclusive of applicable sales taxes to cancel the lease. As at the effective date of cancellation the amortized cost of the associated right of use asset was \$598,501, and the corresponding lease liability was \$653,660. The Company derecognized both the right-of-use asset and the corresponding lease liability in exchange for the cash payment made and recognized a loss on early lease termination in the amount of \$149,514, which is included in other expenses for the year ended December 31, 2021.

Lease Liability

Lease liabilities are presented in the consolidated statements of financial position as follows:

	<u>2021</u>	<u>2020</u>
Current	\$ 1,161,266	\$ 971,847
Non-Current	<u>10,119,513</u>	<u>4,467,535</u>
Total lease liability	\$ <u>11,280,779</u>	\$ ~~5,439,382~~

The following table outlines the cash outflow and interest expense related to lease liabilities:

	<u>2021</u>	<u>2020</u>
Cash outflow	\$ 1,518,054	\$ 1,229,963
Interest expense	\$ 569,606	\$ 463,788

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

	<u>2021</u>	<u>2020</u>
< 1 year	\$ 1,828,228	\$ 1,413,546
1-2 years	1,446,915	1,234,765
2-3 years	1,491,062	397,191
3-4 years	1,537,499	406,608
4-5 years	1,585,736	416,773
> 5 years	<u>9,445,193</u>	<u>6,655,474</u>
Total undiscounted payments	17,334,633	10,524,357
Less: financing charges	<u>{6,053,854}</u>	<u>{5,084,975}</u>
	\$ <u>11,280,779</u>	\$ <u>5,439,382</u>

Bluum Holdings, LLC

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For the years ended December 31, 2021 and 2020

13. Class A Special Shares and Class A Exchangeable Shares

The Company's subsidiary 2393813 Ontario Inc. has authorized an unlimited amount of Class A and Class B common shares as well as Class A Preference, Class A Special and Class A Exchangeable shares. The holders of non-controlling interests in the Company, exclusively hold all the issued and outstanding shares in the Class A Special shares and Class A Exchangeable shares in 2393813 Ontario Inc.

As at December 31, 2021 and 2020 there were 19,346,558 Class A special shares with no par value and 36,750,000 Class A Exchangeable shares with a par value of \$0.01, issued and outstanding.

The Class A Special shares and Class A Exchangeable shares are non-voting and at the option of the holder, are convertible into interests of an entity affiliated with the Company. Each class of shares was determined to hold certain characteristics of a debt instrument and have therefore been classified as a liability in the consolidated statements of financial position.

A summary of the preferred share liability is as follows:

	Class A Special Shares	Class A Exchangeable Shares	Total
Balance, January 1, 2020	\$ 7,545,158	\$ 13,965,000	\$ 21,510,158
Fair-value adjustment	10,060,210	19,477,500	29,537,710
Balance, December 31, 2020	\$ 17,605,368	\$ 33,442,500	\$ 51,047,868
Fair-value adjustment	{2,128,122}	{4,042,500}	{6,170,622}
Balance, December 31, 2021	\$ 15,477,246	\$ 29,400,000	\$ 44,877,246

14. Share capital

Member Units

The Company was formed as a limited liability Company by its sole member. In each year, the total profit or loss is allocated entirely to the member. The member has the right to cash distributions from time to time as it so determines.

a) Authorized

The Company is authorized to issue 100 member units with no par value.

a) Issued

As at December 31, 2021 and 2020, the Company had 100 member units issued and outstanding to its sole member, Bluum Intermediate LLC.

15. Supplemental cash flow information

Non-cash transactions	2021	2020
Contribution of Tierney shares by Majority Parent	\$ 7,000,000	\$ -
Additions of right of use assets through lease arrangements	\$ 2,349,656	\$ 3,553,759

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

16. Operating expenses

Total operating expense is composed as follows:

	<u>2021</u>	<u>2020</u>
Sales commission expense	\$ 22,182,553	\$ 21,128,420
Salaries, wages and employee benefits	24,806,848	18,963,706
Other selling, general and administrative expenses	16,406,746	8,020,732
Depreciation of property and equipment	1,932,719	1,473,560
Amortization of intangible assets	15,688,673	7,171,139
Amortization of right-of use-asset	1,088,465	1,068,589
	<u>\$ 82,106,004</u>	<u>\$ — — 57,826,146</u>

17. Capital management

The Company's objectives in managing capital are to safeguard the Company's assets, to ensure sufficient liquidity to sustain the future development of the business via organic growth and acquisition, to conservatively manage financial risk and to maximize investor, creditor and market confidence. The Company considers its capital structure to include its shareholders' equity and operating facilities and loans which was \$152,402,941 at December 31, 2021 (2020 - \$72,120,024). Working capital is optimized via stringent cash flow policies surrounding disbursement, foreign currency exchange and investment decision-making. There have been no changes in the Company's approach to capital management during the year and the Company is subject to capital requirements imposed by its lenders as disclosed in Note 11.

18. Employee benefits

The Company sponsors the a 401 (k) Profit Sharing Plan (the "Bluum Retirement Plan"), which is a defined contribution 401 (k) plan that covers all full-time employees of the Company subject to certain other eligibility conditions. Under the Bluum Retirement Plan, as amended, participants may elect to contribute a portion of their compensation on a pre-tax basis up to the maximum amount allowed by the law. The Company may make discretionary matching and profit-sharing contributions on behalf of eligible participants who have completed one year and 1,000 hours of service. No matching or profit-sharing contributions were authorized for 2021 or 2020.

The Company also sponsors the Bluum of Minnesota, LLC 401 (k) profit sharing plan (the "Tierney Plan") which covers substantially all full-time employees meeting certain minimum eligibility requirements. The Tierney Plan allows employees to contribute a percentage of their eligible compensation and provides for a discretionary matching employer contribution to the extent authorized by the Board of Directors. The discretionary employer match was 30% of the first 6% of employee compensation for the years ended December 31, 2021.

19. Contingencies

Litigation

The Company from time to time is involved in legal matters that arise in the normal course of business. While the ultimate results of claims and litigation cannot be determined, the Company does not expect that the resolution of all legal matters will have a material adverse effect on its consolidated financial position, results from operations or cash flows.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

20. Income taxes

Income tax (recovery) expense is comprised of the following:

	2021	2020
Current tax expense	\$ 1,711,543	\$ 5,501,348
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	(1,523,684)	525,078
Change in unrecognized temporary differences		(58,329)
Other		-
Income tax expense	<u>\$ 187,859</u>	<u>\$ - - - 5,968,097</u>

The actual income tax provision differs from the expected amount calculated by applying the United States combined federal and state corporate tax rates to income before tax. These differences result from the following:

	2021	2020
	\$	\$
Income (loss) before tax	7,527,278	(7,088,114)
Statutory income tax rate	25%	25%
Income tax expense (recovery) based on statutory rate	1,881,819	(1,772,028)
Increase (decrease) resulting from:		
Non-taxable items	(1,695,449)	8,809,964
Foreign exchange	124,862	16,770
Change in unrecognized deductible temporary differences	-	(58,329)
Change in tax rates and rate differences	82,505	(1,080,293)
Other	(205,878)	52,013
Income tax expense	<u>\$ 187,859</u>	<u>\$ 5,968,097</u>

The statutory tax rate was 25% for the years ended December 31, 2021 and 2020. The statutory income tax rates differ from the federal rate of 21 % established by the US Tax Cuts and Jobs Act, because of the effects of the state income taxes.

Significant components of deferred tax assets and liabilities at December 31, 2021 and 2020 are as follows:

	2021	2020
Deferred tax assets		
Tax reserves	\$ 1,457,417	\$ 1,773,965
Lease liabilities	2,994,729	1,441,436
Deferred finance costs	197,087	297,396
Inventory	721,384	-
Loss carryforwards	1,709,160	2,879,528
Deferred tax assets	<u>\$ 7,079,777</u>	<u>\$ 6,392,325</u>
Set-off of tax	(7,079,777)	(6,392,325)
Total deferred tax assets	<u>\$ -</u>	<u>\$ -</u>
Deferred tax liabilities		
Intangible assets	\$ (4,200,382)	\$ (6,492,278)
Property and equipment	(1,443,748)	(599,551)
Right-of-use assets	(2,510,923)	(1,332,936)
Deferred tax liability	<u>\$ (8,155,053)</u>	<u>\$ (8,424,765)</u>
Set-off of tax	7,079,777	6,392,325
Net deferred income (liability) asset	<u>\$ (1,075,276)</u>	<u>\$ (2,032,440)</u>

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

20. Income taxes (continued)

The following table summarizes the movement in deferred tax assets and liabilities:

	Balance December 31, 2020	Comprehensive income (loss)	Acquired in a business combination (Note 5)	Balance December 31, 2021
Tax reserves	\$ 1,773,965	\$ (338,673)	\$ 22,125	\$ 1,457,417
Lease liabilities	1,441,436	207,214	1,346,079	2,994,729
Deferred finance costs	297,396	(100,309)	-	197,087
Inventory	-	721,384	-	721,384
Loss carryforwards	2,879,528	(1,170,368)	-	1,709,160
Intangible assets	(6,492,278)	3,234,972	(943,076)	(4,200,382)
Property and equipment	(599,551)	(854,923)	10,726	(1,443,748)
Right-of-use assets	(1,332,936)	(175,613)	(1,002,374)	(2,510,923)
Net deferred tax asset (liability)	\$ (2,032,440)	\$ 1,523,684	\$ (566,520)	\$ (1,075,276)

	Balance December 31, 2019	Comprehensive income (loss)	Acquired in a business combination	Balance December 31, 2020
Tax reserves	\$ 478,332	\$ 1,295,634	\$ -	\$ 1,773,965
Lease liabilities	700,691	740,745	-	1,441,436
Deferred finance costs	389,872	(92,477)	-	297,396
Loss carryforwards	4,450,768	(1,571,240)	-	2,879,528
Intangible assets	(6,480,001)	(12,277)	-	(6,492,278)
Property and equipment	(430,987)	(168,563)	-	(599,551)
Right-of-use assets	(674,366)	(658,570)	-	(1,332,936)
Net deferred tax asset (liability)	\$ (1,565,691)	\$ (466,748)	\$ -	\$ (2,032,440)

The following tables summarize the components of unrecognized temporary differences:

	2021	2020
Net operating losses	\$ 74,563	\$ 74,563
Total unrecognized temporary differences	\$ 74,563	\$ -

Federal and state laws impose substantial restrictions on the utilization of net operating loss carryforwards in the event of an "ownership change" for tax purposes, as defined in Section 382 of the Internal Revenue Code. In general, an ownership change is deemed to occur if the percentage of stock of a loss corporation owned (actually constructively and, in some cases, deemed) by one or more 5% shareholders has increased by more than 50% over the lowest percentage of such stock owned during a three-year testing period. There have been no ownership change events since the conversion from a partnership to a corporation that would impose limitations on the net operating losses as of December 31, 2021 as discussed further in Note 1.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

21. Related party transactions

Consultant Agreements

The Company has entered into certain transaction services and professional services agreements (the "Consultant Agreements") with H.I.G Capital, L.L.C ("HIG"), an affiliate of the majority shareholder of the Company, where HIG has been engaged to provide certain transaction, consultant and management services to the Company under the terms of Consultant Agreements which were amended and restated in 2021. HIG provided certain investment banking and management services in connection with the acquisition described in Note 5. The Company accrued \$1,470,000 in fees and reimbursable expenses for those services rendered and recorded the fee as a transaction cost in the consolidated statements of income (loss) and comprehensive income (loss). The Company is also required to pay a fee and reimbursable expenses to HIG for recurring management services at a rate of \$300,000 per annum for the pre-acquisition period and \$850,000 per annum for the period subsequent to the acquisition. For the respective years ended December 31, 2021 and 2020, the Company recognized \$862,015 and \$850,000 of Consultant Agreement expense, which was included in selling, general and administrative expenses in the consolidated statements of income.

As at December 31, 2021, a total of \$1,470,000 (2020 - \$nil) relating to amounts owing to HIG for services rendered under the Consultant Agreement is included in accounts payable and accrued liabilities on the statement of financial position.

Key management personnel

Key management of the Company are its Board of Directors and members of executive management. Key management personnel remuneration includes the following payments:

	<u>2021</u>	<u>2020</u>
Salaries and benefits	\$ 2,004,851	\$ 4,712,871
Board remuneration and expenses	<u>203,309</u>	<u>217,745</u>
	<u>\$ 2,208,160</u>	<u>\$ - - - - 4,930,616</u>

Other related party transactions

From time to time, the Company either receives or provides unsecured and non-interest bearing loans to certain related parties. At December 31, 2021, \$194,436 (2020 - \$nil) was owing from the Company's parent, Bluum Majority Parent, LLC.

In addition to the unsecured loans described above, the Majority Parent also makes contributions to the Company which is included in contributed surplus when received. The total contributions received for the year ended December 31, 2021 amounted to \$7,000,000 (2020- \$nil). See Note 5.

22. Financial instruments

Subsequent to initial approval of the consolidated financial statements, this note was amended to reflect the remaining debt maturities existing at December 31, 2021 in the liquidity risk section of this note (also see note 11).

The Company is exposed to various risks through its financial instruments. The following analysis provides a measure of the Company's risk exposure at the consolidated statement of financial position date.

Fair value

Financial instruments recorded at fair value in the consolidated statement of financial position are classified using a fair value hierarchy that reflects the observability of significant inputs used in making the measurements.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

22. Financial instruments (continued)

The carrying values of cash, accounts receivables, receivable from related parties, accounts payables and accrued liabilities approximate their fair value due to their short-term to maturity and fair values of long-term debt approximate their carrying values due to variable interest rates which represent market value.

The following table provides information about how the fair values the Company's other financial instruments are determined:

The Company's financial instruments at December 31, 2021:

	Level1	Level2	Level3	Total
Class A Special Shares and Class A Exchangeable shares	\$ -	\$ 44,877,246	\$ -	\$ 44,877,246

The Company's financial instruments at December 31, 2020:

	Level1	Level2	Level3	Total
Class A Special Shares and Class A Exchangeable shares	\$ -	\$ 51,047,868	\$ -	\$ 51,047,868

The key inputs used in determining the fair value of the Class A Special Shares and Class A Exchangeable shares are as follows:

	2021	2020
<i>Key observable inputs</i>		
Discount rate	21.5%	21%
Growth rate	3% - 10%	3% - 10%
Multiple	6.5 - 7	7.5 - 8
Risk-free rate	0.35%	0.09%

Key unobservable inputs

EBITDA (in thousands)	\$49,082 - \$61,361	\$48,907 - \$59,502
Volatility	50%	65%
Discount for lack of marketability	10%	20%
Strike price	\$0 - \$223,468,364	\$0 - \$100,292,777

Measurement of fair value of financial instruments

The Class A Special and Class A Exchangeable shares can be converted into equity interests of Bluum Parent, LLC. As such, the fair value of the Class A Special Share and Class A Exchangeable Share liabilities were determined based on the fair value of the equity interests of Bluum Parent, LLC. The fair value of the equity interests was determined using multiple valuation techniques. The income approach was used based on discounted cash flows and the market approach based on a multiple of EBITDA of comparable companies. The results of each approach were then evaluated and weighted, as appropriate, to determine the fair value of Bluum Parent, LLC.

The total equity value was then allocated among the outstanding equity interests of Bluum Parent, LLC using the Black-Scholes option-pricing model. The life of the option, the volatility of the underlying interest, the strike price, the dividend payout capacity and the level of interest rates were all considered under this option-pricing model. The calculated market value of the equity interests was then adjusted to reflect its lack of liquidity and ready market.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

22. Financial instruments (continued)

Credit risk

Credit risk arises from deposits with banks and outstanding trade receivables. For trade receivables, the Company does not hold any collateral as security but mitigates this risk through its credit insurance policy and by dealing with counterparts that management believes to be financially sound and, accordingly, does not anticipate significant loss due to non-performance. The maximum exposure to credit risk as at December 31, 2021 approximates \$102,185,130 (2020 - \$76,618,978) of cash and accounts receivables in the consolidated statement of financial position. The Company has no significant concentration of credit risk from trade receivable.

The Company's aging of receivables was as follows:

	2021	2020
0-60 day	\$ 66,010,877	\$ 64,563,382
61-120 days	30,397,091	4,336,032
Gross receivables	96,407,968	68,899,414
Less: allowance for expected credit losses	(642,119)	(766,267)
	<u>\$ — — 96,765,849</u>	<u>\$ 68,133,147</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to cash flow risk on its floating rate debt. However, exposure to such interest rates is not considered material to the Company.

Currency risk

Currency risk is the risk that the fair value or future cash of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Company's transactions are carried out in USO. Exposure to currency exchange rates arise from the operations of the Bluum Entities which are denominated in Canadian Dollars (CAD). The Company does not have significant exposure to foreign currency and does not use derivative financial instruments to reduce the risks associated with changes in foreign currency exchange rates.

The sensitivity of the Company's profit or loss to a change in the exchange rate between the Canadian dollar and the United States dollar at December 31, 2020 would change the Company's comprehensive income by \$82,059 (2020 - \$79,996) as a result of a 10% change in the CAD exchange rate relative to the USO.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at December 31, 2021 the Company had \$3,945,060 (2020 - \$8,485,831) of cash and working capital of \$88,153,926 (2020 - \$61,800,418).

The Company is obligated to the following contractual maturities of undiscounted cash flows at December 31, 2021:

	Carrying amount	Contractual cash flows	2022	2023	2024	2025	2026	Thereafter
Accounts payable and accrued liabilities	\$ 87,890,053	\$ 87,890,053	\$ 87,890,053	\$ -	\$ -	\$ -	\$ -	-
Long-term debt	151,297,942	155,540,000	1,460,000	1,460,000	152,620,000	-	-	-
Lease liabilities	11,280,779	17,334,633	1,828,228	1,446,915	1,491,062	1,537,499	1,585,736	9,445,193
Total	\$ 250,468,774	\$ 260,764,686	\$ 91,178,281	\$ 2,906,915	\$ 154,111,062	\$ 1,537,499	\$ 1,585,736	\$ 9,445,193

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

23. Subsequent events

Credit agreements

On March 31, 2022 and April 8, 2022, the Company amended the terms of its credit facility pursuant to a third amendment to credit agreement (the "third amendment") and a fourth amendment to credit agreement (the "fourth amendment"), respectively (collectively referred to as the "Amendments").

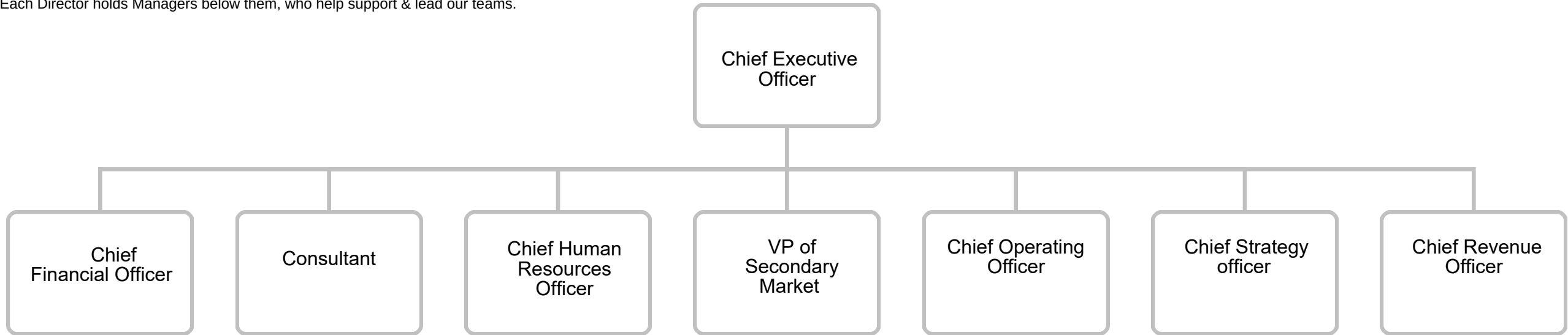
Under the Amendments, all outstanding LIBOR loans are converted to secured overnight financing rate ("SOFR") loans with an interest period of one month. There were no LIBOR breakage costs paid in association with the SOFR conversion.

The margin for SOFR Rate Loans and Base Rate Loans is determined by the Company's total net leverage ratio, measured and adjusted quarterly. The amended margin under the amendments is as follows:

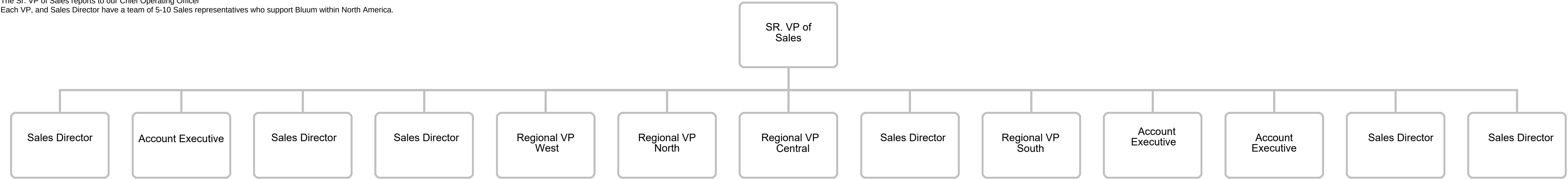
	Base Rate Margin	SOFR Rate Margin
Total net leverage greater than or equal to 4.00 to 1.00	6.75%	7.75%
Total net leverage less than 4.00 to 1.00	6.25%	7.25%

The customary representations, warranties, and affirmative/negative concerns, which includes the fixed charge coverage ratio and the total net leverage ratio, which if not met would trigger an event of default, remains unchanged under the amendments.

Each C-Level Officer or Vice President have a team of Directors below them to support their segment.
Each Director holds Managers below them, who help support & lead our teams.



The Sr. VP of Sales reports to our Chief Operating Officer
Each VP, and Sales Director have a team of 5-10 Sales representatives who support Bluum within North America.



Part E – Signature Forms AEPA 024-C

Digital Resources & Instructional Materials

Instructions

Contained herein are forms that **require a signature** from an authorized person at your company. All items found within this document are **mandatory**. Failure to sign the required areas, sections, or signature lines will allow AEPA to consider your company's proposal as **non-responsive**.

To submit the required signed forms, follow these steps:

1. Read the documents in their entirety.
2. Complete all forms and sign when required.
3. Return the forms and pages in their correct order and scan one (1) single PDF format titled "Part E – Signature Forms – Name of Bidding Company" (i.e. one PDF document for all signature forms).
4. Submit Part E, along with other required documents in Public Purchase.

*Note, a bid checklist has been provided to review with your submission.

The following sections will need to be completed prior to submission as **one (1), single PDF** titled "Part E – Signature Forms – Name of Bidding Company".

Uniform Guidance "EDGAR" Certification Form – *signature required

Bid Affidavit – *signature required

Acceptance of Bid & Contract Award – *signature required

Uniform Guidance “EDGAR” Certification Form

2 CFR Part 200

When a purchasing agency seeks to procure goods and services using funds under a federal grant or contract, specific federal laws, regulations, and requirements may apply in addition to those under state law. This includes, but is not limited to, the procurement standards of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, 2 CFR 200, referred to as the “Uniform Guidance” or new “EDGAR”. All Respondents submitting proposals must complete this EDGAR Certification form regarding the Respondent’s willingness and ability to comply with certain requirements, which may apply to specific agency purchases using federal grant funds.

For each of the items below, the Respondent will certify its agreement and ability to comply, where applicable, by having the Respondent’s authorized representative check, initial the applicable boxes, and sign the acknowledgment at the end of this form. If a Respondent fails to complete any item of this form, AEPA will consider and may list the response, as the Respondents are unable to comply. A “No” response to any of the items below may influence the ability of a purchasing agency to purchase from the Respondent using federal funds.

1. Violation of Contract Terms and Conditions

Provisions regarding Respondent default are included in AEPA’s terms and conditions. Any contract award will be subject to such terms and conditions, as well as any additional terms and conditions in any purchase order, ancillary agency contract, or construction contract agreed upon by the Respondent and the purchasing agency, which must be consistent with and protect the purchasing agency at least to the same extent as AEPA’s terms and conditions. The remedies under the contract are in addition to any other remedies that may be available under law or in equity.

2. Termination for Cause of Convenience

For a participating agency purchase or contract in excess of \$10,000 made using federal funds, you agree that the following term and condition shall apply:

The participating agency may terminate or cancel any purchase order under this contract at any time, with or without cause, by providing seven (7) business days in advance written notice to the Respondent. If this agreement is terminated in accordance with this paragraph, the participating agency shall only be required to pay Respondent for goods and services delivered to the participating agency prior to the termination and not otherwise returned in accordance with the Respondent’s return policy. If the participating agency has paid the Respondent for goods and services provided as the date of termination, Respondent shall immediately refund such payment(s).

If an alternate provision for termination of a participating agency’s purchase for cause and convenience, including how it will be affected and the basis for settlement, is in the participating agency’s purchase order, ancillary agreement or construction contract agreed to by the Respondent, the participating agency’s provision shall control.

3. Equal Employment Opportunity

Except as otherwise provided under 41 CFR Part 60, all participating agency purchases or contract that meet the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 shall be deemed to include the equal opportunity clause provided under 41 CFR 60-1.4(b), in accordance with Executive Order 11246, “Equal Employment Opportunity” (30 FR 12319, 12935, 3 CFR Part, 1964-1965 Comp., p. 339), as amended by Executive Order 11375, “Amending Executive Order 11246 Relating to Equal Employment Opportunity,” and implementing regulations at 41 CFR Part 60, “Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor.”

The equal opportunity clause provided under 41 CFR 60-1.4(b) is hereby incorporated by reference. Respondent agrees that such provision applies to any participating agency purchase or contract that meets the definition of “federally assisted construction contract” in 41 CFR Part 60-1.3 and Respondent agrees that it shall comply with such provision.

4. Davis Bacon Act

When required by Federal program legislation, Respondent agrees that, for all participating agency contracts for the construction, alteration, or repair (including painting and decorating) of public buildings or public works, in excess of \$2,000, Respondent shall comply with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, “Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction”). In accordance with the statute, Respondent is required to pay wages

to laborers and mechanics at a rate not less than the prevailing wages specific in a wage determinate made by the Secretary of Labor. Also, Respondent shall pay wages not less than once a week.

Current prevailing wage determinations issued by the Department of Labor are available at www.wdol.gov. Respondent agrees that, for any purchase to which this requirement applies, the award of the purchase to the Respondent is conditioned upon Respondent's acceptance of wage determination.

Respondent further agrees that is shall also comply with the Copeland "Anti-Kickback" Act (40 U.S.C. 3145), as supplemented by Department of Labor regulations (29 CFR Part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each construction completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled under his contract of employment, shall be defined under this titled or imprisoned not more than five (5) years, or both.

5. Contract Work Hours and Safety Standards Act

Where applicable, for all participating agency purchases in excess of \$100,000 that involve the employment of mechanics or laborers, Respondent agrees to comply with 40 U.S.C. 3702 and 3704, as supplemented by Department of Labor regulations (29 CFR Part 5). Under 40 U.S.C. 3702 of the Act, Respondent is required to compute the wages of every mechanic and laborer based on a standard workweek of 40 hours. Work in excess of the standard workweek is permissible provided that the worker is compensated at a rate of not less than one and a half times the basic rate of pay for all hours worked in excess of 40 hours in the workweek. The requirements of the 40 U.S.C. 3704 applies to construction work and provides that no laborer or mechanic must be required to work in surroundings or under working conditions that are unsanitary, hazardous, or dangerous. These requirements do not apply to the purchase of supplies, materials or articles ordinarily available on the open market, or contracts for transportation or transmission of intelligence.

6. Right to Inventions Made Under a Contract or Agreement

If the participating agency's federal award meets the definition of "funding agreement" under 37 CFR 401.2(a) and the recipient or sub-recipient wishes to enter into a contract with a small business firm or nonprofit organization regarding the substitution of parties, assignment or performance or experiments, developmental or research work under the "funding agreement," the recipient or sub-recipient must comply with the requirements of 37 CFR Part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.

7. Clean Air Act and Federal Water Pollution Control Act

Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act (33 U.S.C. 1251-1387), as amended, contracts and subgrants of amounts in excess of \$150,000 must contain a provision that requires the non-Federal award to agree to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401-7671q.) and the Federal Water Pollution Control Act, as amended (33 U.S.C. 1251-1387). Violations must be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA). When required, Respondent agrees to comply with all applicable standards, orders, or regulations issued pursuant to the Clean Air Act and the Federal Water Pollution Control Act.

8. Debarment and Suspension

Debarment and Suspension (Executive Orders 12549 and 12689), a contract award (see 2 CFR 180.222) must not be made to parties listed on the government-wide exclusions in the System for Award Management (SAM), in accordance with OMB guidelines at 2 CFR 180 that implement Executive Orders 12549 (3 CFR Part 1966 Comp. p. 189) and 12689 (3 CFR Part 1989 Comp. p. 235), "Debarment and Suspension." SAM exclusions contain the names of parties debarred, suspended, or otherwise excluded by agencies, as well as parties declared ineligible under statutory or regulatory authority other than Executive Order 12549. Respondent certifies that the Respondent is not currently listed and further agrees to immediately notify AEPA and all participating agencies with pending purchases or seeking to purchase from the Respondent if Respondent is later listed on the government-wide exclusions in SAM, or is debarred, suspended, or otherwise excluded by agencies or declared ineligible under state statutory or regulatory authority other than Executive Order 12549.

9. Byrd Anti-Lobbying Amendment

Byrd Anti-Lobbying Amendment (31 U.S.C. 1352), Respondents that apply or bid for an award exceeding \$100,000 must file the required certification. 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 must also disclose any lobbying with non-Federal funds that take place in connection with obtaining any Federal award. Such disclosures are forwarded from tier to tier up to the non-Federal award.

10. Procurement of Recovered Materials

For participating agency purchases utilizing Federal funds, Respondent agrees to comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act where applicable and provide such information and certifications as a participating agency may require to confirm estimates and otherwise comply. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery, and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

11. Profit as a Separate Element of Price

For purchases using federal funds in excess of \$150,000, a participating agency may be required to negotiate profit as a separate element of the price. See 2 CFR 200.323(b). When required by a participating agency, Respondent agrees to provide information and negotiate with the participating agency regarding profit as a separate element of the price for a particular purchase. However, Respondent agrees that the total price, including profit, charged by the Respondent to the participating agency shall not exceed the awarded pricing, including any applicable discount, under the Respondent's contract with AEPA.

12. General Compliance with Participating Agencies

In addition to the foregoing specific requirements, Respondent agrees, in accepting any purchase order from a participating agency, it shall make a good faith effort to work with a participating agency to provide such information and to satisfy requirements as may apply to a particular purchase or purchases including, but not limited to, applicable record keeping and record retention requirements as noted in the Federal Acquisition Regulation, FAR 4.703(a).

13. Governing Law; Forum Selection.

Respondent acknowledges and agrees that any legal action or proceeding in which the Association of Educational Purchasing Agencies, Inc. ("AEPA"), is a party, that in any way relates to this solicitation, any contract award or the services provided thereunder, any other document executed in connection herewith, or for recognition and enforcement of any judgment in respect hereof brought by Respondent, a participating agency, or other party hereto, or its successors or assigns, will be governed by, construed and interpreted by the laws of the Commonwealth of Kentucky, and must be brought and determined in the state courts of the Commonwealth of Kentucky in Warren County, Kentucky, or the United States Western District of Kentucky (and may not be brought or determined in any other forum or jurisdiction), and each party hereto submits with regard to any action or proceeding for itself and in respect of its property, generally and unconditionally, to the sole and exclusive jurisdiction of the aforesaid courts and waives any further objection.

Respondent further acknowledges and agrees that any legal action or proceeding in which a party includes a participating agency, but does not include AEPA as a party, that in any way relates to this solicitation, any contract award or the services provided thereunder, any other document executed in connection herewith, or for recognition and enforcement of any judgment in respect hereof brought by Respondent, a participating agency, or other party hereto, or its successors or assigns, will be governed by, construed and interpreted by the laws of the state in which the participating agency is domiciled, and must be brought and determined in the state in which the participating agency is domiciled (and may not be brought or determined in any other forum or jurisdiction), and each party hereto submits with regard to any action or proceeding for itself and in respect of its property, generally and unconditionally, to the sole and exclusive jurisdiction of the aforesaid courts and waives any further objection.

By initialing the table (1-13) and signing below, I certify that the information in this form is true, complete and accurate and I am authorized by my business to make this certification and all consents and agreements contained herein.

Respondent Certification (By Item)	Respondent Certification: YES, I agree or NO, I do NOT agree	Initial
1. Violation of Contract Terms and Conditions	Yes, I agree	SB
2. Termination for Cause of Convenience	Yes, I agree	SB
3. Equal Employment Opportunity	Yes, I agree	SB
4. Davis-Bacon Act	Yes, I agree	SB
5. Contract Work Hours and Safety Standards Act	Yes, I agree	SB
6. Right to Inventions Made Under a Contract or Agreement	Yes, I agree	SB
7. Clean Air Act and Federal Water Pollution Control Act	Yes, I agree	SB
8. Debarment and Suspension	Yes, I agree	SB
9. Byrd Anti-Lobbying Amendment	Yes, I agree	SB
10. Procurement of Recovered Materials	Yes, I agree	SB
11. Profit as a Separate Element of Price	Yes, I agree	SB
12. General Compliance with Participating Agencies	Yes, I agree	SB
13. Governing Law; Forum Selection.	Yes, I agree	SB

Bluum USA, Inc.
Name of Business



Signature of Authorized Representative

Sarah Brown

Printed Name

9/6/23

Date

Solicitation Affidavit

Instructions: This form must be signed by the business's authorized representative and notarized below. If awarded, the Respondent is required to produce a copy of this document for each Member Agency with which it contracts.

1. The undersigned, is duly authorized to represent the persons, business and corporations joining and participating in the submission of the foregoing bid (such persons, business and corporations hereinafter being referred to as the Respondent), being duly sworn, on his/her oath, states that to the best of his/her belief and knowledge no person, business or corporation, nor any person duly representing the same joining and participating in the submission of the foregoing bid, has directly or indirectly entered into any agreement or arrangement with any other Respondents, or with any official of the **Member Agency**, or any employee thereof, or any person, business or corporation under contract with the **Member Agency** whereby the Respondent, in order to induce the acceptance of the foregoing bid by the **Member Agency**, has paid, or is to pay to any other Respondent, or to any of the aforementioned persons, anything of value whatever, and that the Respondent has not, directly nor indirectly entered into any arrangement, or agreement, with any other Respondent or Respondents which tends to or does lessen or destroy free competition in the letting of the contract sought for by the foregoing bid.
2. This is to certify that the Respondent, or any person on his/her behalf, has not agreed, connived, or colluded to produce a deceptive show of competition in the manner of the bidding, or award of the referenced contract.
3. This is to certify that neither I, nor to the best of my knowledge, information and belief, the Respondent, nor any officer, director, partner, member or associate of the Respondent, nor any of its employees directly involved in obtaining contracts with the **Member Agency**, or any subdivision of the state has been convicted of false pretenses, attempted false pretenses, or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985.
4. This is to certify that the Respondent or any person on his behalf has examined and understands the terms, conditions, the scope of work and specifications, and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the bid submittal.
5. This is to certify that if awarded a contract, the Respondent will provide the equipment, commodities, and/or services to members and affiliate members of the Agency in accordance with the terms, conditions, the scope of work and specifications and other documents of this solicitation in the following pages of this bid.
6. This is to certify that the Respondent is authorized by the manufacturer(s) to sell all proposed products on a national basis.
7. This is to certify that we have completed, reviewed, approved, and have included all information that is required of these bid forms.

Sarah Brown

Authorized Representative (Please print or type)

4675 E. Cotton Ctr. Blvd, Ste 155

Mailing Address

VP of Finance

Title (Please print or type)

Phoenix, AZ 85040

City, State, Zip



Signature of Authorized Representative

9/6/23

Date



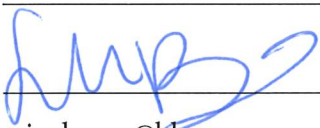
Association of Educational
PURCHASING AGENCIES

Acceptance of Solicitation & Contract

Instructions: PART I of this form is to be completed by the Respondent and signed by its Authorized Representative. PART II will be completed by the AEPA Member Agency only upon the occasion of the bid award. If approved by AEPA, the Respondent is required to produce a copy of the document for each of the AEPA Member Agency with which it contracts.

PART I: RESPONDENT

In compliance with the Published Solicitation (IFB OR RFP), the undersigned warrants that I/we have examined all Instructions to Respondents, associated documents, and being familiar with all of the conditions of the solicitation, hereby offer and agree to furnish all labor, materials, supplies, and equipment incurred in compliance with all terms, conditions, specifications, and amendments associated with this IFB OR RFP and any written exceptions to the bid. The signature also certifies understanding and compliance with the certification requirements of the AEPA Member Agency's Terms and Conditions and/or Special Terms and Conditions. The undersigned understands that their competence, ability, capacity and obligations to offer and provide the proposed tangible personal property, professional services, construction services, and other services on behalf of the Vendor Partner as well as other factors of interest to the AEPA Member Agency as stated in the evaluation section, will be a consideration in making the award.

Business Name	<u>Bluum USA, Inc.</u>	Date	<u>9/6/23</u>
Address	<u>4675 E. Cotton Ctr. Blvd. Ste 155</u>	City, State Zip	<u>Phoenix, AZ 85040</u>
Contact Person	<u>Joel Ryan</u>	Title	<u>RVP of Sales</u>
Authorized Signature		Title	<u>VP of Finance</u>
Email	<u>joel.ryan@bluum.com</u>	Phone	<u>800-352-7912</u>

PART II: AWARDING MEMBER AGENCY

Your bid response for the above-identified bid is hereby accepted. As a Vendor Partner, you are now bound to offer and provide the products and services identified within this solicitation, your response, and approved by AEPA, including all terms, conditions, specifications, exceptions, and amendments. As a Vendor Partner, you are hereby not to commence any billable work or provide any products or services under this contract until an executed purchase order is received from the AEPA Member Agency or Participating Entities. This contract intends to constitute the final and complete agreement between the AEPA Member Agency and Vendor Partner, and no other agreements, oral or otherwise, regarding the subject matter of this contract, shall bind any of the parties hereto. No change or modification of this contract shall be valid unless in writing and signed by both parties to this contract. If any provision of this contract is deemed invalid or illegal by any appropriate court of law, the remainder of this contract shall not be affected thereby. The initial term of this contract shall be for up to fifteen (15) months and will commence on the date indicated below and continue until February 28, 2025 unless terminated, canceled, or extended. By mutual written agreement the contract may be extended for three (3) additional 12-month periods after this initial contract term. In the event the AEPA Board does not recommend renewal of the contract, or the contract expires, it may be extended for up to six (6) months by an AEPA state.

Awarding Agency _____

Authorized Representative _____

Awarded this	day of	Contract Number
Contract to commence		
(Member Agency to select)	<u>3/1/2024</u>	<u>Or</u>

Solicitation Checklist

Instructions: Utilize the checklist below, reviewing to confirm that all the required documents have been uploaded to Public Purchase, in their **specified/required format**, by the due date and time listed for this solicitation. **Submissions not following the specified/required format may result in being marked non-responsive and may not be considered for evaluation.** Respondents are reminded that failure to follow, comply with, and adhere to the enclosed instructions of this solicitation may result in their response being deemed non-responsive. AEPA, its Member Agencies, affiliate agencies, and authorized representatives are not responsible for bid proposals that are incomplete, unreadable, or received after the solicitation deadline submission date.

"x"	Document Title, Uploaded to Public Purchase <i>(Respondent must submit documents in the required title/format)</i>	Format of Uploaded Document	Notes
	Bid Bond – if Required, see Part B if applicable.	Upload PDF copy of the bid security.	The original bid security must be received by Lakes Country Service Cooperative by due date and time.
	Part C – State-Specific Forms – Name of Responding Company	Single, Scanned PDF	New Jersey Only Requirement. Signatures Required.
	Part D - Questionnaire – Name of Responding Company Includes: • Company Information • Service Questionnaire • Exceptions • Deviations	Single, Scanned PDF	Required.
	Part E – Signature Forms – Name of Responding Company Includes: • Uniform Guidance "EDGAR" Certification • Bid Affidavit • Acceptance of Bid & Contract Award	Single, Scanned PDF	Required. Signatures required.
	Part F – Pricing Schedule – Name of Responding Company	Excel Workbook	Required.
	Price List and/or Catalog – Name of Responding Company	Upload PDF	Required.
	Exhibit A – Marketing Plan – Name of Responding Company	Scanned PDF	Optional. Form not provided by AEPA, Respondent Created

Corporate Resolution of Signing Authority

RESOLVED, that Erez Pikar, President and Chief Executive Officer; Naipaul Sheosankar, Treasurer; Sarah Kydd, Chief Operating Officer; Craig Schramm, Vice President of Business Systems; Michael Tierney, Chief Solutions Officer; Irving Lopez Virgen, Vice President of Operations; Sarah Brown, Vice President of Finance; and Melissa Curtis, Vice President of Sales Administration are hereby authorized to sign contracts of Bluum USA, Inc. (the "Corporation") in the Corporation's name and behalf.

The undersigned hereby certifies that she is the duly elected and qualified Vice President of Finance of the Corporation which is duly formed pursuant to the laws of the state of Delaware and that the foregoing is a true record of a resolution duly adopted at a meeting of the Board of Directors and that said meeting was held in accordance with state law and the Bylaws of the Corporation on the 10th day of October, 2022, and that said resolution is now in full force and effect without modification or rescission.

IN WITNESS WHEREOF, I have executed my name as Vice President of Finance and have hereunto affixed the corporate seal of the above-named Corporation this 10th day of October, 2022.

A handwritten signature in blue ink, appearing to read "Sarah Brown", is written over a horizontal line.

Sarah Brown, Vice President of Finance

Part D - Questionnaire

AEPA #024-C

Digital Resources & Instructional Materials

Instructions

This questionnaire contains forms and requests for information required by AEPA for vendor evaluation for responsiveness and responsibility.

To submit the required forms, follow these steps:

1. Read the documents in their entirety.
2. Respondents must use Part D – Questionnaire to its capacity. Attached exhibits and/or supplemental information should be included only when requested.
3. Complete all questions.
4. Save all pages in the correct order to a single PDF format titled ***“Part D – Questionnaire – Name of Company”***.
5. Submit Part D, along with other required documents in Public Purchase.

The following sections will need to be completed prior to submission and submitted as one single PDF titled **“Part D – Questionnaire – Name of Company”**:

[Company Information](#)

[Service Questionnaire](#)

[Exceptions](#)

[Deviations](#)



Value Added Attributes

Bluum is uniquely situated to support public entities to maximize the return on investment for all technologies by ensuring the strategic planning, purchasing, and implementation based on the organization's operational and technological needs. We have a local representative in **IN EVERY AEPa STATE** who can meet with you in person as well as the backing of a corporation for exceptional support. Additionally, we are focused on education with a pairing of professional development for so teachers are ready for the classroom. We have former teachers ready to train your staff on how to use technology in the classroom. We are excited to partner with you to make safer spaces with security or make a modern learning space with the latest in technology.

WHAT SETS BLUUM APART?

Our deep experience in understanding how technology is used to manage, teach, and learn helps us create differentiated solutions that are purpose-built to improve the learning landscape.

Bluum Digital Resources and Instructional Material

Never Stop Growing

Our fully licensed, highly engaging team is expertly equipped to deliver Professional Development training sessions on a wide variety of topics and all the latest technology.

Leading STEM Brands, Big Selection, Competitive Prices

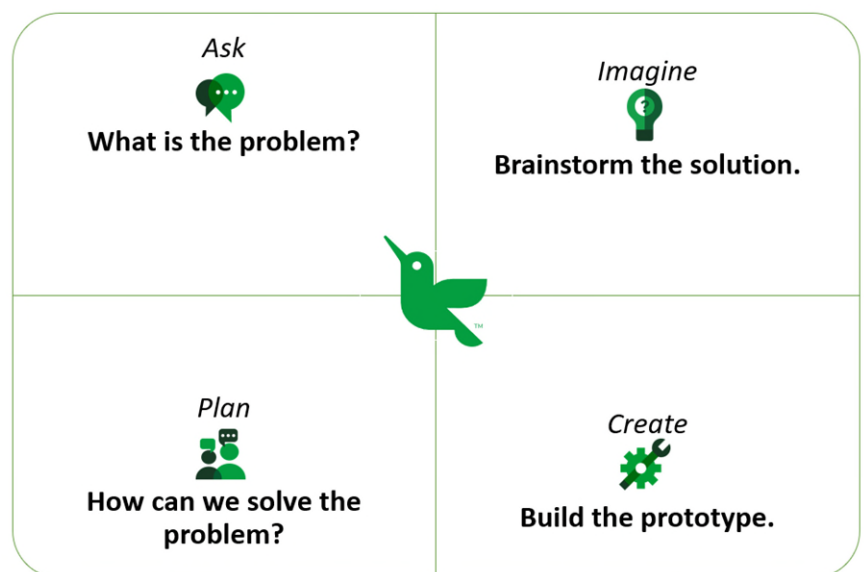
We have a large (and growing) selection of hands-on STEM learning experiences, designed and packaged for you by the world's leading makers of STEM products. Whether it's robotics, coding, AR/VR or instructional software, Bluum STEM solutions are easy to use and affordably priced and must come with digital instructional material by grade and subject.

Teach. Grow. Bluum.

Join our **community** of educators on Facebook where our professional development team shares free resources and tips on how to make the most of technology in your classroom.

Funding and Grant Advisors

Bluum's School Funding Services are available to help you seek available funds and/or apply for grants. Bluum offers a range of funding advisory services, including **Grant Writing**, to help you find and apply for available funds.



Company Information

Name of Company:	Bloom USA, Inc.
Company Address:	4675 E Cotton Ctr Blvd, Ste 155
City, State, zip code:	Phoenix, AZ 85040
Website:	https://customer.bloom.com/products.htm
Contact Person:	Joel Ryan
Title:	RVP of Sales
Phone:	716-754-7444
Email:	joel.ryan@bloom.com ; contracts@bloom.com

Background

Note: Generally, AEPA will not accept an offer from a business that is less than five (5) years old or which fails to demonstrate and/or establish a proven record of business. If the respondent has recently purchased an established business or has proof of prior success in either this business or a closely related business, provide written documentation and verification in response to the questions below. AEPA reserves the right to accept or reject newly formed companies based on information provided in this response and from its investigation of the company.

This business is a: **public company** ☒ **privately owned company**

In what year was this business started under its present name?

Under what additional, or, former name(s) has your business operated?	Bluum USA, Inc.

Please see attached Company Profile for more information.

Is this business a corporation? No ☒ Yes. If yes, complete the following:

Date of Incorporation: 9-22-1992

State of Incorporation:	Delaware

Name of President:	Erez Pikar, President and CEO

Name(s) of Vice President(s): Terra Norine, VP of Sales/Craig Schramm, VP of Information Systems

Name of Treasurer: Naipaul Sheosankar

Name of Secretary:	Sarah Brown, VP of Finance

Is this business a partnership? X **No** **Yes. If yes, complete the following:**

Date of Partnership: _____

State Founded: _____

Type of Partnership, if applicable:

Name(s) of General Partner(s): _____

Is this business individually owned? X **No** **Yes. If yes, complete the following:**

Date of Purchase: _____

State Founded:

Name of Owner/Operator: _____

Is this business different from those identified above?	X	No	Yes

Bluum Company Profile

Troxell Communications, Inc. 4675 E Cotton Ctr Blvd, Ste 155 Phoenix, AZ 85040

FEIN: 86-0716114 **D&B:** 07-355-3331

For nearly 40 years, the companies comprising the Bluum brand have brought superior products and solutions to tens of millions of students, in hundreds of thousands of K-12 classrooms, as well as many higher education institutions, government entities, and commercial organizations, across the United States and Canada. With roughly 900 employees, focused on a mission of improving learning and making it more accessible, we pride ourselves on providing transformative learning experiences for our customer communities.

Troxell Communications, Inc. was established in 1983 and incorporated in 1992, with corporate headquarters in Phoenix, Arizona. The organization is incorporated under the laws of the State of Delaware. In July 2019, Troxell began an affiliation with CDI Computer Dealers, Inc. (CDI Technologies), expanding the offerings of both companies. In April 2021, the family grew, with the addition of Tierney Brothers, LLC. and the introduction of "Trox + Tierney." In January 2022, the "Bluum" brand was launched, to permanently represent these companies.

The Bluum affiliate entities create one of the largest privately-held education technology solutions providers in the U.S. We fill customer needs by providing services associated with distributors, dealers, resellers and system integrators. Bluum's comprehensive portfolio contains over 1 million products and services, many provided by industry-leading and niche manufacturers. Bluum primarily serves the education market, ranging from public pre-schools to colleges and universities, to private and charter schools and organizations. Bluum is the only technology solutions provider with a clear focus on a higher calling to spark the next generation of learning. Our market leadership position and reputation have earned numerous awards and accolades from our customers, vendors, and industry.

Bluum is known for their innovative and proprietary sales programs, creating an unparalleled management information system that simplifies the customer's purchase process by providing a more accurate and positive user experience. As a result, Bluum's website allows customers to easily search for products, quickly generate quotes, and track orders. Bluum proves effective at using internal expertise to integrate a highly sophisticated computer system into a web format that allows customers, vendors and staff member's direct access to information concerning their orders, account status, and all related transactional information via www.bluum.com. The Bluum companies have a track record of profitability for over 30 consecutive years.

Through the ever-changing economic, technological, and societal landscapes, Bluum has helped its customers grow and thrive.

Services & Support

- **Design:** Product/system recommendations and specifications
- **Installation/Integration:** In-house project managers, designers, integrators, installers, and programmers, as well as a nationwide installer network
- **Customer Service:** In-house customer service centers and repair shops
- **Technology:** Unique web-based customer service program, on-line order tracking, transaction history & account status

History Timeline

- **1983** – Troxell Communications was established from buyout of Phoenix & San Diego operations
- **1987** – Began opening offices throughout the Western U.S.
- **1995** – Began opening offices throughout the Eastern U.S.
- **2001** – Troxell reports revenues in excess of \$100 million
- **2006** – Troxell acquires AGS, a small California competitor
- **2010** – Troxell acquires Integrated AV Systems, LLC, which had done business as CCS Presentation Systems, the business is rebranded as Summit Integration Systems
- **2017** – Troxell reports revenues in excess of \$200 million
- **2019** – Troxell begins working with CDI Technologies to expand the offerings of both companies
- **2020** – The "Trox" brand debuts, to represent the new group of companies; reports revenues in excess of \$400 million
- **2021** – Trox gains a new affiliate, in Tierney Brothers, LLC, forming "Trox + Tierney"
- **2022** – Trox + Tierney changes its identity to "Bluum"

If yes, describe the company's format, year and state of origin and names and titles of the principles below.

Is this business women-owned? X No Yes

Is this business minority-owned? X No Yes

Does this business have an Affirmative Action plan/statement? No X Yes

Business Headquarter Location

Business Address 4675 E Cotton Ctr Blvd, Ste 155

City, State, zip code Phoenix, AZ 85040

Phone 800-352-7912

How long at this address? 8 Years

Business Branch Location(s)

Branch Address Nationwide, please see attached phone list.

City, State, zip code

Branch Address

City, State, zip code

Branch Address

City, State, zip code

Branch Address

City, State, zip code

**If more branch locations exist, insert information here or add another sheet with the above information.*

Sales History

Provide your business's annual sales for in the United States by the various public segments.

	2021	2022	2023 YTD
K-12 (public & private), Educational Service Agencies	\$311,212,000.00	Please see attached document.	
Higher Education Institutions	\$32,958,000.00		
Counties, Cities, Townships, Villages	\$6,824,000.00		
States	Breakdown data not available	Breakdown data not available	Breakdown data not available
Other Public Sector & Non-profits	\$5,434,000.00		
Private Sector	\$125,420,000.00		
Total	\$481,848,000.00		

Provide your business's annual sales for **products and services that meet this solicitation's scope of work** in the United States by the various public segments.

	2021	2022	2023 YTD
K-12 (public & private), Educational Service Agencies	\$311,212,000.00		
Higher Education Institutions	\$32,958,000.00		
Counties, Cities, Townships, Villages	\$6,824,000.00		
States	Breakdown data not available		
Other Public Sector & Non-profits	\$5,434,000.00		
Private Sector	\$125,420,000.00		
Total	\$481,848,000.00		

Work Force

Key Contacts and Providers: Provide a list of the individuals, titles, and contact information for the individuals who will provide the following services on a national and/or local basis:

Function	Name	Title	Phone	Email
Contract Manager	Joel Ryan	Senior VP of Sales	858-693-3280	joel.ryan@bluum.com
Sales Manager	Joel Ryan	Senior VP of Sales	858-693-3280	joel.ryan@bluum.com
Marketing Manager				contracts@bluum.com
Customer & Support Manager				
Distributors, Dealers, Installers, Sales Reps				
Consultants & Trainers				
Technical, Maintenance & Support Services				
Quotes, Invoicing & Payments				
Warranty & After the Sale				
Financial Manager				

Sales Force: Provide total number and location of salespersons employed by your business in the United States by completing the following: *(To insert more rows, hit the tab key from the last field in the State column.)*

Number of Sales Reps	City	State
Please see Attached Phone List		

Describe how your company will implement training and knowledge of the contract with your respective sales force. Furthermore, describe how your company plans to support and train your sales force on a national, regional, or local level and generally assist with the education of sales personnel about the resulting contract.

Bluum is available for training, warranty questions, specifications, product design and/or system information upon request. Bluum Account Executives work with the manufacturers for some trainings, with availability and options varying by product and area. Please contact your local Account Executive for availability.

What is your company's plan, if your company were awarded the contract, to service up to 29 states. Describe if your company has a national sales force, dealer network, or distributor(s) with the ability to call on eligible agencies in the participating states in AEPA.

Bluum has available for customers an 800 number to facilitate service and repair issues (800-352-7912 Opt. 1). This service is for both "IN" and "OUT" of the warranty period specified by the individual manufacturer. Our customer Service department is staffed from 7:00 a.m. to 5:00 p.m. (Arizona Time) and the professionals in our Customer Service Department are well trained in facilitating repair, transportation, and warranty/service issues. This service is provided at NOCHARGE. In addition to our Customer Service Department Bluum, has a local sales office near you. Your account executive has the authority to remedy to whatever extent is necessary-

any unusual situation that may be encountered in the normal course of business. Contact yourAccount Executive at 800-578-8858/800-589-5939 FAX.

Products, Services & Solutions

Provide a description of the Products, Services & Solutions to be provided by the product category set forth in Part B - Specifications. The primary objective is for each Supplier to provide its complete product, service, and solutions offerings that fall within the scope of this solicitation so that participating agencies may order a range of products as appropriate for their needs.

Please visit our website for a complete listing: <https://customer.bluum.com/products.htm/>

Distribution

Describe how your company proposes to distribute the products and services nationwide, regionally, or at the local level.

Nationwide, varies by state/area, please see attached phone list for locations. 65+ national locations, variesdependent upon state.

Service/Support and Distribution Centers: Provide the type (service/support or distribution) and location of centers that support the United States by completing the following: *(To insert more rows, hit the tab key from the last field in the State column.)*

Center Type	City	State
67+ national locations, varies dependent upon state.		

Describe the criteria and process by which your company selects and approves subcontractors, distributors, installers, and other independent services.

Online application and qualifications by phone or in person, dependent upon location & local requirements.

Provide a list of current subcontractors, distributors, installers, and other independent service providers who are contracted to perform the type of work outlined in this solicitation in the member agency states. Include, if applicable, contractor license or certificate information and the state(s) wherein they are eligible to provide services on behalf of the business.

This varies by State and area, please contact your local Account Executive for specific information.

If applicable, describe your company's ability to do business with manufacturer/dealer/distribution organizations that are either small or MWBE businesses as defined by the Small Business Administration.

N/A

If applicable, describe other ways your company can be sensitive to a participating agencies desire to utilize local and/or MWBE companies, such as the number of local employees and offices with a geographic region, companies your firm uses that may be local (i.e. delivery company), your own company's diversity of owner employees, etc.

We typically provide our good faith effort in choosing a MWBE subcontractor with the individual projects.

If applicable, provide details on any products or services being offered by your company where the manufacturer or service provider is either a small or MWBE business as defined by the Small Business Administration. Provide product/service name, company name and small/MWBE designation.

N/A

Marketing

Key Marketing Contact(s): List the name(s), title(s) and contact information of the business's key national and regional marketing office(s). *To insert more rows, hit the tab key from the last field in the Email column.*

Name	Title	Phone	Email
Joel Ryan	Senior VP of Sales	858-693-3280	joel.ryan@bluum.com
			or contracts@bluum.com

Describe how this business marketed its products and services to schools, nonprofit organizations, and other public sector audiences in Fiscal Year 2022– 2023 (July 1 – June 30). List all conventions, conferences, and other events at which this company exhibited.

Bluum has used the following: National, Regional and Local Conferences, Mailings, Websites, eCommerce, catalogs and promotional fliers.

Describe how your company will market the resulting contract to eligible Member Agencies. Describe how your company differentiates the new agreement from existing contracts that your company may hold today. Please be specific and detailed in your response.

Bluum can offer webinars, conference call connections, internal social media, regional meetings and National Impact.

Cooperative Marketing. Describe ways in which your company will collaborate with AEPA Member Agencies in marketing the resulting contract. Submit any supplemental materials as PDFs and title it Exhibit A – Marketing Plan.

- Process on how the contract will be launched to current and potential agencies.
- The ability to produce and maintain in full color print advertisements in camera-ready electronic format, or electronic advertisements, including company logos and contact information.
- Anticipated contract announcements, planned advertisements, industry periodicals, other direct or indirect marketing activities promoting the AEPA awarded contract.
- How the contract award will be displayed/linked on the Respondent's website.

Bluum will utilize National, Regional, and local conferences, mailings, websites, ecommerce, catalog and promotional fliers.

Environmental Initiatives

Describe how your products and/or services support environmental goals.

Please see the attached Community Involvement/Initiatives.

Indicate if your company has any products in your offering that have any third-party environmental certifications.

R2, ISO and AAA, NAID Certified

Describe the business's "green" objectives (i.e. LEED, reducing footprint, etc.).

This varies by Manufacturer. Please see attached Community Involvement/Initiatives.

Describe what percentage of your offering is environmentally preferable and what are your company's plans to improve this offering.

This varies by Manufacturer. Please see attached Community Involvement/Initiatives.

Additional Information

Describe any/all features, advantages and benefits of your organization that you feel will provide additional value and benefit to a participating AEPA agency.

This varies by Manufacturer. Please see attached Community Involvement/Initiatives.

If applicable, describe your company's ability to integrate into other ecommerce sites:

Include details about your company's ability to create punch out sites and accept orders electronically (cXML, OCI, etc.).

Provide detail on where your company has integrated with a public agency's ERP (Oracle, Infor Lawson, SAP, etc.) system in the past and include some details about the resources you have in place to support these integrations. List, by ERP provider, the following information: name of public agency, ERP system used, "go live" date, net sales per calendar year since "go live", and percentage of agency sales being processed through this connection.

Please see our detailed Web Advantages page describing this in details

Disclosures

Legal: Does this business have actions currently filed against it? X No Yes

If Yes, **AN ATTACHMENT IS REQUIRED**: List and explain current actions, such as, Federal Debarment (on US General Services Administration's "Excluded Parties List"), appearance on any state or federal delinquent taxpayer list, or claims filed against the retainage and/or payment bond for projects.

References

Provide contact information of your business's five largest public agency customers.

Agency	Name	Title	Phone Number	Email
1. TCPN	Derek Anderson	N/A	713.744.6549	danderson@tcpn.org
2. PEPPM	David Manney	N/A	570.523.1155	jlehman@peppm.org
3. Chicago P.S.	Ethan Sinnema	N/A	773.553.3295	esinnema@cps.edu
4. CES	Robin Strayser	N/A	505.344.5470	robin@ces.org
5. State of AZ	Charlotte Righetti	N/A	602.542.9127	charlotte.righetti@az.doa.gov

Service Questionnaire

The following chart indicates which AEPA Member States intend to participate in this solicitation category. Respond to Yes/No and choice questions by using an (X). ***Note: A Respondent must be willing and able to deliver the proposed products and/or services to 90% of the participating AEPA Member States.***

AEPA Member States	Participating in this category.	In which states has this company sold products/services in the past 3 years? (Place an X where applicable)	If awarded, which states does this company propose to sell in? (Place an X where applicable)	Indicate which states this company has sales reps, distributors or dealers in. (Place an X where applicable)
California	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Colorado	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Connecticut	Yes	<u>X</u>	<u>X</u>	<u>Off-Site Sales Reps</u>
Florida	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Georgia	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Illinois	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Indiana	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Iowa	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Kansas	Yes	<u>X</u>	<u>X</u>	<u>Off-Site Sales Reps</u>
Kentucky	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Massachusetts	No	<u>X</u>	<u>X</u>	<u>Off-Site Sales Reps</u>
Michigan	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Minnesota	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Missouri	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Montana	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Nebraska	Yes	<u>X</u>	<u>X</u>	<u>X</u>
New Jersey	Yes	<u>X</u>	<u>X</u>	<u>X</u>
New Mexico	Yes	<u>X</u>	<u>X</u>	<u>X</u>
North Dakota	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Ohio	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Oregon	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Pennsylvania	Undecided	<u>X</u>	<u>X</u>	<u>X</u>
South Carolina	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Texas	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Virginia	Undecided	<u>X</u>	<u>X</u>	<u>X</u>
Washington	No	<u>X</u>	<u>X</u>	<u>X</u>
West Virginia	Undecided	<u>X</u>	<u>X</u>	<u>Off-Site Sales Reps</u>
Wisconsin	Yes	<u>X</u>	<u>X</u>	<u>X</u>
Wyoming	No	<u>X</u>	<u>X</u>	<u>X</u>

e-Commerce: Does this business have an e-commerce website? _____ **No** _____ **X** **Yes**

If YES, what is the website? _____

Customer and Support Service: It is understood depending on the type, kind and level of products and/or services being proposed in response to this solicitation will impact and determine the type and level of services required and these are identified in Part B Specifications of this solicitation.

Does this business have online customer support options? _____ **No** _____ **X** **Yes**

Does this business have a toll-free customers support phone option? _____ **No** _____ **X** **Yes**

Does this business offer local customer and support service options? _____ **No** _____ **X** **Yes**

State your normal delivery time (in days) and any options for expediting delivery.

Average order fulfillment is 14 - 30 days, and our on-time fulfillment rate is 90% using a 'line count fill rate' metric. Expedited quotes to contractmembers and tracking completion is provided by Account Executives, Sales Admins, and/or Customer Service.

State your backorder policy. Do you fill the order when available, or cancel the order and require participating agencies to reorder if items are backordered?

Bluum is in constant communication with our vendors. As soon as we learn of backorders, discontinuation, or other factors that could delay or prevent order fulfillment, we will notify the customer, discuss options, and will seek to substitute any significantly backordered item with an updated model as soon as available. Bluum has top-tier relationships with all major manufacturers.

Describe your company's payment terms as well as any quick pay discounts.

Please see our detailed web advantages page

State your company's return policy and any applicable restocking fees.

If the product is shipped incorrectly or recommended inappropriately by Bluum, the product will be picked up either by UPS or Freight. If the customer has ordered the product incorrectly, the customer is responsible for any manufacturer required restocking fees (5%-15%) and returning it to Bluum or the vendor's location in its original packaging with all accessories.

Describe any special program that your company offers that will improve customers' ability to access products, on-time delivery, or other innovative strategies.

Please see our detailed web advantages page

Pricing

Is your pricing methodology guaranteed for the term of the contract? _____ **No** X **Yes**

Will you offer customized price lists to participating entities as required per the pricing terms of Part A? _____ **No** X **Yes**

Will you offer hot list pricing (optional) as described in the pricing terms of Part A? _____ **No** X **Yes**

Will you offer volume price discounts as described in the pricing terms of Part A? _____ **No** X **Yes**

Competitiveness: In order for your response to be considered, your company must offer AEPA prices that are equal to or lower than those normally offered to individual entities or cooperatives with equal or lower volume.

Is the pricing that is proposed to AEPA equal to or lower than pricing your company offers to individual entities or cooperatives with equal to or lower volume? _____ **No** X **Yes**

Indicate which of the following apply and the **level of competitive range** you are offering in response to this solicitation.

X _____ Pricing offered to AEPA is EQUAL TO pricing offered to individual customer and/or cooperatives.

_____ Pricing is LESS THAN individual customer and/or cooperatives. Lower by _____%

Cooperative Contracts: Does your business currently have contracts with other cooperatives (local, regional, state, national)? _____ **No** _____ **X** **Yes**

If YES, identify which cooperative and the respective expiration date(s).

Nationwide, varies by state

If YES, and your business is awarded an AEPA contract, explain which contract your business will lead with in marketing and sales representative presentations (sales calls)?

All, equal marketing

Administrative Fee: Which of the following best reflects how your pricing includes the individual AEPA Members' administrative fee. Mark with an "X".

	The pricing for the products and/or services are the same for each AEPA Member Agency, shipping, handling, administrative fee and other specific state costs are added to arrive at total price offered to the Individual AEPA Member Agency.
X	The pricing for the products and/or services is inclusive of the administrative fee and therefore the pricing is the same for all AEPA Member Agencies. Shipping, handling and other state specific costs are added to the adjusted AEPA Member Agency's price.
	The pricing for the products and/or services includes ALL (shipping, handling, administrative fee, other) costs to arrive at a single price for all AEPA Member Agencies.

Leasing: Do your business offer leasing arrangements under this solicitation? _____ **No** _____ **X** **Yes**

If Yes, please indicate how the rate factor is determined and other cost factors below.

[Click or tap here to enter text.](#)

If an AEPA contract is approved and awarded by the Member Agencies, as a Vendor Partner, I agree to:

Responsibilities	Yes, indicate with an "X"	No, indicate with an "X"
1. Designate and assign a dedicated senior-level contract manager (one authorized to make decisions) to each of the Member Agency accounts. This employee will have a complete copy and must have working knowledge of the AEPA contract.	X	
2. Train and educate sales staff on what the AEPA contract is: including pricing, who can order from the contract (by state), terms/conditions of the contract, and the respective ordering procedures for each state. It is expected that Vendor Partners will lead with AEPA contracts.	X	
3. Develop a marketing plan to support the AEPA contract in collaboration with respective AEPA Member Agencies. The marketing plan should include, but not be limited to, a website presence, electronic mailings, sales flyers, brochures, mailings, catalogs, etc.	X	
4. Create an AEPA-specific sell sheet with a space to add a Member Agency logo and contact information for use by the Member Agencies and the Vendor Partner's local sales representatives to market within each state.	X	
5. On a quarterly basis, complete the sales and administrative fee report (see attached PDF example) and submit to each Member Agency along with the respective administrative fees to be paid. If there are no sales, the Vendor Partner is required to submit a \$0 report to the AEPA Member Agency.	X	
6. Have ongoing communication with the Category Oversight Chairperson, AEPA Member Agencies and the Member Agencies Participating Entities.	X	
7. Attend two (2) AEPA meetings each year (see Part A)	X	

8. Participate in and/or support AEPA's attendance at national conference trade shows to promote the AEPA contract.	X	
9. Commit to a goal of increasing sales of the AEPA contract over the term of the contract with all participating AEPA Member Agencies.	X	

Exceptions

Instructions:

1. Mark "No" or "Yes" with an "X" below.
2. If "yes" is marked with an "X" below, insert answers into the form shown below, providing narrative explanations of exceptions. *(To insert more rows, hit the tab key from the last field in the last row and column.)*
3. If adding pages, the company name and identifying information as to which item the response refers must appear on each page.
4. Exceptions to local, state or federal laws cannot be accepted under this solicitation.

X	No , this respondent does not have exceptions to the Terms and Conditions incorporated in Parts A and B of this IFB.
	Yes , this respondent has the following exceptions to the Terms and Conditions incorporated in Parts A and/or B of this solicitation.

IFB Section and Page Number	Outline Number	Term and Condition	Exception

Deviations

Instructions:

1. Mark "No" or "Yes" with an "X" below.
2. If "yes" is marked with an "X" below, insert answers into the form shown below, providing narrative explanations of deviations. *(To insert more rows, hit the tab key from the last field in the last row and column.)*
3. If adding pages, the company name and identifying information as to which item the response refers must appear on each page.
4. Deviations to local, state, or federal laws cannot be accepted under this solicitation.

X	No , this respondent does not have deviations (exceptions or alternates) to the specifications listed in Part B of this solicitation.
	Yes , this respondent has the following deviations to the specifications listed in Part B of this solicitation.

Outline Number Part B	Specification (describe)	Details of Deviation

Marketing Plan

The Bluum Marketing Department will gather marketing materials and meet the requirements for the promotion of this contract to applicable areas and states. Upon award, the Marketing Department will work with, Bluum Account Executives to support Bluum's presence on the contract:

Bluum leads an in-house team of marketing and communications experts who proactively market products, solutions, and services offered by Bluum and its manufacturer partners, both on a national and regional level. The Marketing team works collaboratively with the Bluum Sales team in support of building awareness of Bluum/manufacturer capabilities, offered through contract vehicles, to those schools/districts who are eligible to purchase through the vehicle.

Both the Bluum Sales and Marketing teams have experience with multiple cooperative contracts and AEs who are new to Bluum are trained as new hires to understand the complexities of cooperative contracts in their region.

Here are some ways we support our contracts:

- **Interaction:** We have local Account Executives based across each state, who work directly with schools to communicate the value of and ease-of-use of the contract. One of the primary ways we support cooperative contracts is, simply, getting the word out when visiting CP customers. In our day-to-day conversations within the communities, our Account Executives are also educating those who are not current participants, emphasizing the simplicity and benefits of purchasing through the co-op.
- **Communication Pieces:** Bluum can feature the specific logos, in marketing content on the web, social media, email communication, in electronic promotional offerings and specials, and notate on quotes, letting our customers know that we are an awarded Vendor. Often times, targeted visibility helps to start the conversation.
- **Events:** Bluum participates in dozens of trade shows and events throughout the country, virtually and in-person. Bluum regularly participates in TCEA, TCAA, and local events, in addition to hosting our own.

Bluum Account Executives have experience with multiple cooperative contracts, and new Account Executives are trained in how to utilize and incorporate cooperative contracts into their day-to-day sales. If awarded, the agreement will be an additional part of the new hire training, and existing Account Executives will be notified and have access to the contract. Bluum's local Account Executives, as well as the Bluum Bid Department, will be available to all Account Executives for assistance in managing the contract, as well.

Website Advantages

Online Catalog & Contract Portals

One of the many advantages of working with Bluum is easy access to our always-current MSRP catalog at <https://customer.trox.com/products.htm> (new Bluum ecommerce site coming soon!) and our exclusive customer contract portal through <https://www.bluum.com>.

Bluum's unique customer web portals offer a secure, password-protected, and customized web site that provides:

- A comprehensive database of products with model numbers, pictures, specifications and pricing maintained by our manufacturers.
- Custom pricing that shows manufacturer-provided list prices, your established contract price, and the percent and total dollar savings on each item.
- On-line search capabilities with product descriptions, product images, and specifications on current products.
- Updated product information for selected contract including delisting of discontinued product and the addition of new product with the same discount structure as the original bid.
- Administrative functions in real time that allow you to research and track orders, access open order and purchase history reports, reprint invoices, and develop usage reports.
- The ability for all users to access pricing information and construct quotes for approval or budgeting purposes.
- Contact list for easy reference.

Even without a login, you can view up-to-date Manufacturer List Prices for our entire catalog at <https://customer.trox.com/products.htm>.

Accessing your unique customer portal is easy!

Simply go to <https://www.bluum.com>, click on the 'Sign In' heading, then enter your email address, customer number and password. From there, select the "Products/Purchasing" menu and search by product category, brand or model number for any item on our bid proposal.

It's a convenient and efficient way to check pricing and discounts available on all of our product lines and view the most aggressive discounts available to all participating entities.

Contact your Bluum Account Executive with any questions and to get your contract set up.

Types of Products & Services

Audio Visual & Technology Equipment, Supplies, & Services

Product and Services Offerings:

Bluum provides a comprehensive portfolio of audio visual and technology solutions and services representing hundreds of leading manufacturers. Bluum can also provide design and installation services.

Bluum Product Categories Include:

Classroom and presentation technologies including projection devices, flat panel displays, mobile learning/1:1 solutions, interactive teaching tools, classroom amplification, control systems, digital signage, videoconferencing, traditional AV equipment, professional installation and training services.

Technology Products and Installation

- Projectors LCD/DLP/LED Technology
- Mobile Learning Solutions/1:1 (Chromebooks, Laptops, Tablets, Charging Carts, etc)
- STEM/STEAM Products
- Collaborative Learning Space Solutions
- Furniture
- Visualizers/Document Cameras
- Flat Panel Displays/Monitors Plasma/LCD/LED Technology
- Interactive Whiteboards and Panels
- Digital Signage
- Classroom Response Systems
- Public Address (PA) Systems/Audio Systems & Equipment
- CCTV/CCTC Security Systems
- Teleconferencing
- Digital Cameras/Camcorders
- Broadcast Equipment & Video Editing Systems
- Classroom Tape Recorders, CD Players & Recorders
- AV/Computer Furniture & Accessories
- Control Systems & Cabling
- Mounts for Data Projectors, TVs & Display Monitors
- Screens, Cases & Accessories

Service Solutions

- Technology Consultation Services
- Professional Development & Training Services
- Project Management and System Design
- Integration and Installation Services
- Content & Curriculum Creation Services
- White Glove Services
- Buyback (IT Asset Disposition Services)
- Warranty Services
- Leasing and Finance Services

Traditional Audio Visual Products

- Digital Cameras
- Camcorders
- Broadcast Equipment & Video Editing Systems
- Flat Panel TVs, DVD/VCR Combos
- Classroom Tape Recorders, CD Players & Recorders
- Projectors
- AV Carts & Mounts for TV's, Projectors, etc.
- Public Address (PA) Systems
- CCTV Security Systems

Please visit www.bluum.com or contact your Account Executive for a complete listing.

Service, Warranty, & Repairs

Bluum is passionate about serving its customers regardless of the size, location, or project. As a proven partner, we strive to deliver excellence. To facilitate service, warranty, and repair, Bluum's customers can reach our customer service department at **1-844-MY-BLUUM Option #2**. This service is available for products both in and out of the warranty period, based on the manufacturer's guidelines. You can also get in touch with us by e-mail at service@bluum.com.

Our Customer Service department is available **Monday through Friday from 8:00 a.m. to 7:00 p.m. (EST)**. Bluum Customer Service Representatives are A+ certified, equipped to handle technical hardware support, repair, transportation, sales order statuses and warranty/service-related issues.

In addition to our Customer Service team, Bluum has a sales representative dedicated to you and your area. Your Account Executive has the authority to work with you to help expedite the repair process.

We are committed to improving the customer experience by measuring our performance and soliciting feedback from our clients and adjusting their goals best suited to their needs.

Measured Feedback and Support

- Cases are promptly entered into our database upon receipt. The item or items are tracked based on several criteria and, using a unique flagging system, are monitored several times a day.
- We collect customer feedback after service is provided, which helps us measure the level of service provided for warranty-related issues.
- All cases are closed with some form of resolution within a reasonable amount of time.

We understand that every customer is different and has unique needs, and we are committed to working with you to become your long-term partner.

Customer Service and Support Areas

Bluum Warranty Service - End-user, individual, or department person responsible within the respective organization's guidelines can contact the Bluum Customer Service Department via phone or email. Customer must provide the original Purchase Order number or invoice number. Bluum will then arrange for either on-site service or pick up/transport within the warranty guidelines and period of the individual product in question.

Bluum Warranty Support - Units sold with Bluum warranty are eligible for return to depot repair at our facilities. Support via phone/e-mail is available for Bluum warranty units. Shipping both ways is covered by Bluum for the duration of the warranty coverage period. Packaging can also be provided if required. If units are deemed not repairable, Bluum will replace them with the same or next-generation unit.

Bluum Order Support - Bluum will assist the customers who require information on their sales order statuses and received orders. We provide information about tracking, damaged goods claim, shipping carrier claims,

and interaction with Bluum vendors for replacement/credit (should customer orders be lost or damaged during delivery).

- For self-tracking, please visit www.bluum.com or get in touch with your Account Executive.
- For orders that require direct manufacturer support wherein the customer cannot avail of the required assistance, Bluum Customer Service can assist on a case-by-case basis.

Manufacturer Warranty Repairs – Various manufacturers have different levels of initial failure policies. In such cases, Bluum will honor and implement those policies on behalf of the customer. However, if a manufacturer does not have an initial failure policy, the following will be actioned through Bluum.

- If a product fails within 15 days of invoice date, Bluum will arrange for the product to be picked up on a call tag by the appropriate shipper and return it to a Bluum facility for repair. Once repaired, Bluum will return the product to the customer. If not repairable, a replacement will be issued.
- If a product fails after 15 days of invoice date, Bluum will work with the customer and the manufacturer to facilitate a resolution.

Manufacturer Non-Warranty Repairs* – If the product falls outside the manufacturer warranty, Bluum will provide information on the closest manufacturer Warranty Center. If preferred, the customer may send the product to any one of our service centers in Phoenix, Arizona; Los Angeles, California; Dallas, Texas; St. Paul, Minnesota; or Markham, Ontario, Canada.

Return Policy** – If the product is shipped incorrectly or inappropriately by Bluum, the product will be picked up either by UPS or another freight shipper. If the customer has ordered the product incorrectly, the customer is responsible for returning it to Bluum or the manufacturer location.

**Note: Not all vendors/manufacturers can perform non-warranty repairs. Bluum will provide information on the nearest repair center as a form of non-warranty repair resolution in such a scenario.*

***Note: This is subject to the terms and conditions of the manufacturer.*

Freight Statement

All prices posted in the Bluum Online Catalog are FOB destination except for special handling or as noted below.

Special handling will be prepaid and added to the invoice.

Examples of special requests include inside delivery, overnight or 2nd day delivery and shipping order consolidation.

Orders over 50 pounds, and/or orders for large items (i.e.: Furniture, TV/monitors and standard or electronic whiteboards, etc.) will be shipped PPD and added to the invoice at the substantial discounts Bluum receives from carriers.

Bluum Community & Green Initiatives

Bluum is in the process of creating and updating our sustainability policies and plans for the immediate future. Below is an outline of some of the various large- and small-scale efforts we've made up to this point, in our strides toward positive impact in our world.

Companywide Initiatives

As often as possible with our customer's best interest in mind, Bluum will strive to:

- Offer and promote manufacturers' energy-efficient products to end-users, particularly those with energy efficiency ratings
- Offer and promote manufacturers' products containing recycled components to end-users
- Support and promote manufacturers' recycling programs for lamps and other electronic components
- Utilize drop-shipping capabilities from manufacturer to end-user to effect fuel savings
- Also note that, as often as possible, boxes and packing materials received in our warehouse are re-used.
- Bluum works with many manufacturers that provide products with green initiatives in mind, products that contain recycled material or packaging or are able to be recycled. The amount of recycled/recyclable parts varies by product and by the manufacturer.

Initiatives Specific to Corporate Headquarters

Bluum is headquartered in Phoenix, Arizona, the heart of the hot and arid Southwest. As desert-dwellers, Arizonans are particularly conscious of the need to conserve resources, especially water and energy.

- **Water Conservation:** The building's exterior landscaping is drought-resistant and requires very little water to sustain growth. All plumbing systems are regularly checked and maintained to ensure the lowest water usage possible.
- **Electricity Conservation:** Standard filament light-bulbs have been replaced with more energy-efficient bulbs. All non-emergency lights and workstations are powered off when not in use.
- **Digital air conditioning system controls** have replaced outdated thermostats throughout the building allowing for timed programming of all AC units.

- **Remote Work:** The air quality in Phoenix is an ongoing environmental issue. Bluum allows for flexible office schedules, allowing most employees to work from home about half the week.
- **Corporate Recycling:** Reverse osmosis water systems have been installed throughout the building to greatly reduce the quantity of bottled drinking water consumed by employees and visitors, thereby reducing the quantity of discarded plastic bottles. Toner cartridges are recycled.
- **Supplies:** Recyclable office supplies and promotional items are purchased whenever possible. (Bluum's "Think Green" tradeshow bags are made from recycled materials).

Community Involvement

Bluum also strives to support its communities whenever possible. Below are some examples of some ways we've worked to reach out to our community:

- **American Cancer Society:** Bluum has participated in "Climb to Conquer Cancer" and "Making Strides Against Breast Cancer"
- **Habitat for Humanity:** Bluum has participated in build activities.
- **Arizona Veterans Hospital:** Bluum has volunteered, donated, and participated in holiday drives.
- **Salvation Army Christmas Angels:** Bluum has donated.
- **Phoenix Rescue Mission:** Bluum has participated in water drives and donated.
- **United Blood Services:** Bluum has participated in blood drives.
- **Newborns In Need:** Bluum has donated and participated in drives.
- **St. Vincent de Paul:** Bluum has held food drives.
- **Sunshine Acres Children's Home:** Bluum donated Easter baskets.
- **UMOM New Day Centers:** Bluum held an infant supply drive.
- **Florence Crittenton:** Bluum held a personal care drive for the young women residents.

Request for Taxpayer Identification Number and Certification

Give Form to the
requester. Do not
send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. Bluum USA, Inc.	
2 Business name/disregarded entity name, if different from above	
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. ☐ Individual/sole proprietor or single-member LLC ☒ C Corporation ☐ S Corporation ☐ Partnership ☐ Trust/estate ☐ Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. ☐ Other (see instructions) ► _____	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <i>(Applies to accounts maintained outside the U.S.)</i>
5 Address (number, street, and apt. or suite no.) See instructions. 4675 E Cotton Ctr Blvd, Ste 155	Requester's name and address (optional)
6 City, state, and ZIP code Phoenix, AZ 85040	
7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number									
			-				-		
or									
Employer identification number									
8	6		-	0	7	1	6	1	4

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of
U.S. person ►



Date ► 8-18-23

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Consolidated Financial Statements

Bluum Holdings, LLC

For the years ended December 31, 2021 and 2020

****Please note 2022 financial s are not complete. Bluum can send once complete. Thank you.**

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Independent Auditor's Report

To the Board of Directors of Bluum Holdings, LLC

Opinion

We have audited the consolidated financial statements of Bluum Holdings, LLC (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2021 and 2020, and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in equity (deficit) and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards ("IFRS").

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Amended Financial Statements

We draw attention to Notes 11 and 22 to the consolidated financial statements, which describe that the financial statements on which we originally reported on April 30, 2022 have been amended and describes the matters that gave rise to the amendment of the consolidated financial statements. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
July 15, 2022

Bluum Holdings, LLC

Consolidated statements of financial position

(in United States dollars)

As at	Note	December 31, 2021	December 31, 2020
Assets			
Current			
Cash and cash equivalents		\$ 3,945,060	\$ 8,485,831
Accounts receivable	6	98,240,070	68,133,147
Inventory	7	67,457,481	44,611,442
Income taxes receivable	20	6,569,131	-
Due from related party	21	194,436	-
Prepaid and other current assets		3,559,170	2,175,335
Total current assets		179,965,348	123,405,755
Other long-term assets			
		318,162	-
Property and equipment	8	5,433,387	4,857,655
Right-of-use assets	12	9,475,182	5,029,949
Goodwill and intangible assets	9	103,818,135	57,072,007
Total assets		\$ 299,010,214	\$ 190,365,366
Liabilities and Equity			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 87,890,053	\$ 53,804,469
Warranty liability	10	1,300,103	984,103
Income taxes payable	20	-	4,937,080
Loan payable		-	127,838
Current portion of lease liabilities	12	1,161,266	971,847
Current portion of long-term debt	11	1,460,000	780,000
Total current liabilities		91,811,422	61,605,337
Other long-term liabilities			
		183,816	-
Long-term debt	11	149,837,942	84,446,606
Lease liability	12	10,119,513	4,467,535
Class A Special and Class A Exchangeable shares	13	44,877,246	51,047,868
Deferred income tax liability	20	1,075,276	2,032,440
Total liabilities		297,905,215	203,599,786
Equity			
Member capital units	14	21,615,237	21,615,237
Contributed surplus	5,21	7,000,000	-
Deficit		{19,410,756}	{28,066,557}
Equity attributable to members		9,204,481	{6,451,320}
Non-controlling interest			
		{8,099,482}	{6,783,100}
Total equity		1,104,999	{13,234,420}
Total liabilities and equity		\$ 299,010,214	\$ 190,365,366

Contingencies (Note 19)
Subsequent events (Note 23)

On behalf of the Board on July 15, 2022

(Signed) _____
Director

(Signed) _____
Director

See accompanying notes to the consolidated financial statements

Bluum Holdings, LLC

Consolidated statements of income (loss) and comprehensive income (loss)

(in United States dollars)

Years ended	Note	December 31, 2021	December 31, 2020
Sales	3(v)	\$ 613,779,203	\$ 521,548,021
Cost of sales		<u>518,656,831</u>	<u>433,638,901</u>
Gross margin		<u>95,122,372</u>	<u>87,909,120</u>
Operating expenses	16	<u>82,106,004</u>	<u>57,826,146</u>
Income before other expenses (income)		<u>13,016,368</u>	<u>30,082,974</u>
Other expenses (income)			
Interest expense		11,495,892	7,625,697
Loss on lease termination	12	149,514	-
Change in fair value of Class A			
Special and Class A Exchangeable	13		
shares		(6,170,622)	29,537,710
Foreign exchange loss		<u>14,306</u>	<u>7,681</u>
		<u>5,489,090</u>	<u>37,171,088</u>
Income (loss) before income taxes		<u>7,527,278</u>	<u>(7,088,114)</u>
Income taxes (recovery) expense	20		
Current		1,711,543	5,501,348
Deferred		<u>(1,523,684)</u>	<u>466,749</u>
		<u>187,859</u>	<u>5,968,097</u>
Net income (loss) and comprehensive income (loss) for the year		<u>\$ 7,339,419</u>	<u>\$ 13,056,211</u>
Net income (loss) and comprehensive income (loss) attributable to:			
Members		\$ 8,655,801	\$ (14,399,147)
Non-controlling interests		<u>(1,316,382)</u>	<u>1,342,936</u>
		<u>\$ 7,339,419</u>	<u>\$ 13,056,211</u>

See accompanying notes to the consolidated financial statements

Bluum Holdings, LLC

Consolidated statements of changes in equity (deficit)

(in United States dollars)

For the years ended December 31, 2021 and 2020

Notes	Member capital units		Contributed surplus	Retained earnings (deficit)	Total	Non-controlling interests	Total equity (deficit)
	Units	Amount					
Balance at January 1, 2020	100	\$ 21,615,237	\$ -	\$ (13,667,410)	\$ 7,947,827	\$ (8,126,036)	\$ (178,209)
Net Income (loss) and Comprehensive income (loss)	-	-	-	(14,399,147)	(14,399,147)	1,342,936	(13,056,211)
Balance at December 31, 2020	100	\$ 21,615,237	-	\$ (28,066,557)	\$ (6,451,320)	\$ (6,783,100)	\$ (13,234,420)
Contribution by Majority Parent on acquisition of Bluum of Minnesota LLC	5,21	-	\$ 7,000,000	-	7,000,000	-	7,000,000
Net Income (loss) and comprehensive income (loss)	-	-	-	8,655,801	8,655,801	(1,316,382)	7,339,419
Balance at December 31, 2021	100	\$ 21,615,237	\$ 7,000,000	\$ 1,410,151	\$ 9,204,481	\$ 1,055,451	\$ 1,104,999

See accompanying notes to the consolidated financial statements

Bluum Holdings, LLC

Consolidated statements of cash flows

(in United States dollars)

For the years ended	Note	December 31, 2021	December 31, 2020
Cash flows from operating activities:			
Net income (loss)		\$ 7,339,419\$	(13,056,211)
Adjustments for items not involving cash			
Depreciation of property and equipment	8	1,932,719	1,473,560
Amortization of intangible assets	9	15,688,673	7,171,140
Amortization of right-of-use assets	12	1,088,466	1,068,589
Amortization of debt issuance costs		482,208	423,827
Accrued interest on lease liability	12	569,606	463,788
Accrued interest on loan payable		1,491	30,699
Warranty liability expense	10	2,487,927	1,810,089
Deferred income taxes	20	(1,523,684)	466,749
Unrealized foreign exchange loss		14,307	7,681
Fair value adjustment on Class A Special Shares and Class A Exchangeable shares	13	(6,170,622)	29,537,710
Loss on lease termination	12	149,514	-
		<u>22,060,024</u>	<u>29,397,621</u>
Changes in non-cash working capital balances:			
Accounts receivable		(13,990,589)	(37,548,219)
Inventories		(19,371,272)	(28,094,004)
Prepaid expenses and other current assets		(738,607)	39,200
Other long-term assets		(14,334)	-
Income taxes payable and receivable		(11,506,211)	4,499,100
Warranty liability		(2,171,927)	(1,391,290)
Accounts payable and accrued expenses		22,055,011	31,716,205
Other long-term liabilities		{1,673}	-
Net cash used in operating activities		<u>{3,679,578}</u>	<u>(1,381,387)</u>
Cash flows from investing activities:			
Purchases of property and equipment	8	(1,271,451)	(3,811,904)
Purchases of intangible assets	9	(2,115,320)	(1,610,748)
Net cash paid in business combinations	5	{61,017,058}	-
Net cash used in investing activities		<u>{64,403,829}</u>	<u>(5,422,652)</u>
Cash flows from financing activities:			
Proceeds from revolver loan	11	2,000,000	10,000,000
Proceeds from term loan	11	67,330,010	-
Proceeds from loan payable		-	485,123
Repayment of principal of long-term debt		(780,000)	(780,000)
Repayment of loan payable		(129,329)	(387,984)
Payment on lease liabilities	12	(1,722,727)	(1,229,963)
Payment of debt issuance costs	11	(2,960,882)	-
Advances to related party		{194,436}	-
Net cash provided by financing activities		<u>63,542,636</u>	<u>8,087,176</u>
Net (decrease) increase in cash and cash equivalents		(4,540,771)	1,283,137
Cash and cash equivalents, beginning of year		\$ 8,485,831 \$	7,202,694
Cash and cash equivalents, end of year		<u>\$ 3,945,060\$</u>	<u>8,485,831</u>

Supplemental cash-flow information (Note 15)

See accompanying notes to the consolidated financial statements

Bluum Holdings, LLC**Reconciliation of net income under US GAAP**

(Expressed in United States dollars)

	Note	December 31, 2021
Total Comprehensive Income recorded under IFRS	\$	7,339,419
Adjustments to reconcile IFRS net income to US GAAP:		
Net impact of leases	1	260,385
Amortization of goodwill - CDI	2	(955,674)
Amortization of goodwill - TXL	2	(3,921,696)
Amortization of goodwill - Tierney	2	(3,481,299)
Amortization on TXL customer relationships	3	3,857,143
Amortization on Tierney customer relationships	3	2,000,000
Class A Special shares and Class A Exchangeable shares	4	(6,170,622)
Income taxes	5	560,285
Net Income under US GAAP for the year ended	\$	(512,059)

1 Leases

Under US GAAP (prior to adoption of ASC 842 Leases), a lease is classified as a finance lease or an operating lease, with lease liabilities being recognized on the balance sheet for finance leases only. Operating lease payments are recognized as an operating expense in the statement of profit or loss on a straight-line basis over the lease term. Under IFRS 16 Leases, a lessee applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets and recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

2 Goodwill

Under US GAAP, the Company previously adopted Accounting Standards Update ("ASU") 2014-02 Accounting for Goodwill (a consensus of the Private Company Council) which permits a private company to subsequently amortize goodwill on a straight-line basis over a period of ten years, or less if the company demonstrates that another useful life is more appropriate. Under IFRS, amortization of goodwill is not permitted.

3 Customer relationships

Under US GAAP, ASC 805-20-25 provides private companies with an accounting alternative when accounting for business combinations. Under the accounting alternative, an acquirer doesn't recognize customer-related intangible assets unless they are capable of being sold or licensed independently from other assets of a business and non-competition agreements separately from goodwill. However, under IFRS, intangibles assets are recognized separately from Goodwill as long as they meet the definition of identifiable and separable. A re-valuation of the intangibles was done under the definition of IFRS which led to the recognition of customer relationships. Amortization was then calculated on this asset on a straight-line basis. The Company has elected under this accounting alternative under ASC 805-20-25 and thus no amortization is permitted under US GAAP.

4 Class A Special shares and Class A Exchangeable shares

Under IAS 32, the Class A Special and Class A Exchangeable shares have determined to comprise of a financial liability component. Therefore, under IFRS, the liability component has been recorded at its fair value with subsequent changes to the fair value recorded in the profit and loss account. Under US GAAP however, the instruments are determined to be equity instruments.

5 Income taxes

The above noted adjustments resulted in adjustments to deferred income taxes during the periods presented.

Bluum Holdings, LLC
Calculation of EBITDA
(Expressed in United States dollars)

December 31, 2021

Total Comprehensive Income recorded under IFRS	\$	7,339,419

Adjustments to EBITDA

Permitted adjustments		8,058,049
Management fees and expenses		862,015
Interest expense		11,495,892
Loss on lease termination		149,514
Depreciation of property and equipment		1,932,719
Amortization of intangibles		15,688,673
Amortization of right-of-use asset		1,088,465
Unrealized foreign currency adjustment		86,307
Change in fair value of Class A Special and Class A Exchangeable shares		(6,170,622)
Income taxes		187,859
EBITDA under IFRS for the year ended	\$	<u>40,718,290</u>

Net Income under US GAAP for the year ended	\$	(512,059)

Adjustments to EBITDA

Permitted adjustments		8,058,049
Management fees and expenses		862,015
Interest expense		10,924,796
Depreciation of property and equipment		1,712,299
Amortization of intangibles		9,831,530
Amortization of goodwill		8,358,669
Unrealized foreign currency adjustment		72,001
Income taxes		(372,426)
EBITDA under US GAAP for the year ended	\$	<u>38,934,874</u>

Bluum Holdings, LLC
Reconciliation of total assets and liabilities under US GAAP

(Expressed in United States dollars)

	December 31, 2021	December 31, 2020
Total Assets under US GAAP	278,127,295	185,550,929
Total Liabilities under US GAAP	<u>(242,144,069)</u>	<u>(147,390,063)</u>
Total Equity under US GAAP	<u>35,983,226</u>	<u>38,160,866</u>

	December 31, 2021	December 31, 2020
Total Assets recorded under IFRS	\$ 299,010,214	\$ 190,365,366
<i>Adjustments to reconcile IFRS to US GAAP:</i>		
Right-of-use-assets	(9,475,182)	(5,029,949)
Customer relationships, net of amortization	(45,035,714)	(20,892,857)
Goodwill, cost	(46,434,268)	(24,214,787)
Goodwill, net of amortization	80,062,245	36,201,433
Deferred income tax asset	<u>9,121,723</u>	<u>9,121,723</u>
Total assets under US GAAP for the year ended	\$ <u>278,127,295</u>	\$ <u>185,550,929</u>

Total Liabilities recorded under IFRS	\$ (297,905,215)	\$ (203,599,786)
<i>Adjustments to reconcile IFRS to US GAAP:</i>		
Loan payable - conveyer system	-	127,838
Lease liabilities	11,280,779	5,439,382
Class A Special and Class A Exchangeable shares	44,877,246	51,047,868
Deferred income tax liability	<u>(396,879)</u>	<u>(405,365)</u>
Total liabilities under US GAAP for the year ended	\$ <u>(242,144,069)</u>	\$ <u>(147,390,063)</u>

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021, and 2020

1. Nature of operations

Bluum Holdings, LLC, (the "Parent") and its controlled Bluum branded subsidiaries (together referred to as the "Company") is a leading provider of computing and presentation solutions to primarily elementary education, higher education and government customers in the United States of America (the "US") and Canada. The Company is a limited liability company incorporated and domiciled in the US. The Company's product offerings range from personal computing devices (laptop and desktop computers), software, interactive and non-interactive large format displays, cameras, video/broadcast equipment, audio amplification equipment and audio and visual communication solutions. The Company also provides various installation, systems integration, maintenance and asset disposal services to its customers and refurbishes personal computers for resale.

The Company's registered office is 1209 Orange Street, Wilmington, County of New Castle, Delaware. The Company's ultimate parent, H.I.G Growth is incorporated and domiciled in the US and its registered head office is 1450 Brickell Avenue, 31st Floor, Miami, Florida.

COVID-19

On January 30, 2020 the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally. During the year, the Company continued to operate and provide its product offerings.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as the full magnitude that the pandemic will have on the Company's future financial condition, liquidity, and future results of operations. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workplace.

2. Basis of presentation

i) Statement of compliance

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"). The consolidated financial statements were approved by the Board of Directors and authorized for issue by the Board of Directors on July 15, 2022.

ii) Basis of measurement

These consolidated financial statements have been prepared on the going concern basis, under historical cost, unless otherwise indicated.

iii) Functional and presentation currency

These consolidated financial statements are presented in US dollars ("USO"), which is also the Company's functional currency.

iv) Basis of consolidation

Subsidiaries are entities controlled by the Parent. The Parent 'controls' an entity when it is exposed to, or has the right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

2. Basis of presentation (continued)

The Company is composed of the Parent, a Delaware limited liability company formed in 2019, and the Parent's "Contributed", "Acquired" (see Note 5) and "Newly Formed" share ownership interests in the following affiliate entities:

Subsidiaries	Jurisdiction of incorporation	Functional currency	Proportion of ownership interest held by the Company at period-end	
			2021	2020
2202690 Alberta ULC	Canada	USO	100%	100%
2393813 Ontario Inc.	Canada	USO	63.25%	63.25%
Bluum Technology Canada, Inc.	Canada	USO	63.25%	63.25%
Bluum (US) Corporation	United States	USO	100%	100%
Lifespan International Inc.	United States	USO	100%	100%
Bluum Holdco, Inc.	United States	USO	100%	100%
Bluum USA, Inc.	United States	USO	100%	100%
Bluum Intearation, LLC	United States	USO	100%	100%
Bluum of Texas, LLC	United States	USO	100%	100%
Bluum of Minnesota, LLC	United States	USO	100%	-

All intercompany transactions and balances with subsidiaries have been eliminated.

Non-controlling interests ("NCI") are initially measured at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. When the Parent loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost and accounted for as an equity transaction.

3. Significant accounting policies

i) Business combinations

The Company accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Parent. In determining whether a particular set of activities and assets is a business, the Company assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any gain on a bargain purchase is recognized in the consolidated statement of income immediately. Transaction costs are expenses as incurred, except if related to the issue of debt or equity securities.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognized in the statement of operations.

ii) Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the respective entity, using the exchange rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are recognized in the statement of operations.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

iii) Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, short-term certificates of deposit and money market investment accounts with an initial maturity of three months or less. Cash equivalents includes investments in an interest-bearing overnight trust investment account.

iv) Inventories

Inventories consists of computers and audio/visual equipment and related parts and accessories. Inventories are initially valued at cost, and subsequently at the lower of cost and net realizable value, using the first-in, first-out method. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs to sell. On an on-going basis, the Company reviews inventories for obsolete, redundant and slow-moving goods and any such inventories identified are written down to net realizable value.

v) Revenue recognition

The Company determines revenue recognition through the following steps: a) identification of the contract with a customer; b) identification of the performance obligations in the contract; c) determination of the transaction price; d) allocation of the transaction price for the performance obligations in the contract; and e) recognition of revenue when the Company satisfies a performance obligation.

Revenue is recognized when control of the promised goods or services is transferred to the customers, in an amount that reflects the consideration receivable in exchange for those goods or services, net of discounts and sales taxes. The following indicators are evaluated in determining when control has passed to the customer (i) the entity has a right to payment for the product or service, (ii) the customer has legal title to the product, (iii) the entity has transferred physical possession of the product to the customer, (iv) the customer has the significant risk and rewards of ownership of the product and (v) the customer has accepted the product.

The Company's products can be delivered to customers in a variety of ways, including (i) as physical product shipped from the Company's warehouse, (ii) via drop-shipment by the vendor or supplier or (iii) via electronic delivery of software licenses. The Company's shipping terms typically allow for the Company to recognize revenue upon delivery.

Drop-shipment arrangements

The Company leverages drop-shipment arrangements with many of its vendors and suppliers to deliver products to its customers without having to physically hold the inventory at its warehouses. The Company is the principal in the transaction and recognizes revenue for drop-shipment arrangements on a gross basis.

Hardware products

Revenues from the sales of hardware products are recognized on a gross basis as the Company is acting as a principal in these transactions, with the selling price to the customer recorded as sales and the acquisition costs of the product recorded as cost of sales.

Warranties

The Company's vendor partners warrant most of the products the Company sells. These manufacturer warranties are assurance-type warranties and are not considered separate performance obligations. The warranties are not sold separately and only provide assurance that products will conform with the manufacturer's specifications. The Company also offers an extended service warranty on certain products for one to five years beyond the initial one-year assurance warranty. In some transactions, a third party will provide the customer with an extended warranty. These extended warranties are sold separately and provide the customer with a service in addition to the assurance that the product will function as expected. The Company considered these warranties to be separate performance obligations from the underlying product. For extended warranties provided by a third party, the Company is arranging for those services to be provided by the third party and therefore is acting as an agent in the transaction and records revenue on a net basis at the point of sale.

Software licenses

Revenue from most software license sales are recognized as a single performance obligation on a gross basis as the Company is acting as a principal in these transactions at the point the software license is delivered to the customer.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

v) Revenue recognition (continued)

Integration services

The Company provides integration services, which include recommending, designing and implementing audio/visual presentation solutions. Some system integration projects include multiple performance obligations such as sale of visual equipment, installation service, and professional development training. For these types of contracts, the Company separately identifies the transaction price for each distinct performance obligation and recognizes revenue based on when the transfer of control passes to the customer or the customer receives the benefit of the service provided.

The Company recognizes revenue from professional development services at a point in time, when the customer attends the training seminar and receives the benefit of the service.

Other system integration projects include a single performance obligation. Revenue from these integration services projects are recognized proportionately as costs are incurred for what is generally fixed fee project work. The Company believes costs incurred closely correspond with its performance under the contract and the transfer of control to the customer.

The Company also provides asset disposition services under fixed fee arrangements, under which revenue is recognized at the point in which all the goods are disposed. Services are performed by the Company personnel or sub-contracted to other service providers. As the Company is the principal in service transactions, it recognizes service revenues and costs on a gross basis in sales and costs of sales, respectively.

Bundled contract arrangements

The Company also sells some of its products and services as part of bundled contract arrangements containing multiple deliverables that represent a distinct performance obligation, total arrangement consideration is allocated based upon the standalone selling prices of each performance obligation.

The following table represents the Company's disaggregated revenue by sales channel:

	2021	2020
Hardware	\$ 531,828,848	\$ 457,572,691
Software	36,776,128	30,728,322
Services	45,174,227	33,247,008
Total revenue	\$ 613,779,203	\$ 521,548,021
Revenue recognized at a point in time	\$ 568,604,976	\$ 488,301,013
Revenue recognized over time	45,174,227	33,247,008
Total revenue	\$ 613,779,203	\$ 521,548,021

vi) Rebates

The Company earns rebates from certain vendors based on achieving certain purchase volumes or other criteria. Based upon historical experience and agreements for the current programs in place, management estimates the amounts earned and due from vendors. The Company recorded a \$8,717,912 (2020 - \$3,882,617) reduction to costs of sales for rebates earned during the year ended December 31, 2021 and accrued \$2,201,890 (2020 - \$1,073,973) at December 31, 2021 in prepaid expenses and other current assets for rebates due and receivable from vendors.

vii) Cooperative advertising program

The Company receives cooperative advertising consideration from certain vendors based on achieving certain purchase volumes and expending funds to advertise the vendors' products. Based upon historical experience and agreements for the current programs in place, management estimates the amounts earned and due from vendors. The Company recorded a \$3,899,964 (2020 - \$1,988,089) reduction against operating expense for cooperative advertising earned during the year ended December 31, 2021 and deferred in accrued expenses \$570,711 (2020 - \$359,078) in cooperative advertising funds received in excess of amounts earned at December 31, 2021.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

viii) Provisions

Provisions represent liabilities of the Company for which the amount or timing is uncertain. Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Where material, provisions are measured at the present value of the expected expenditures to settle the obligation using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

The Company's vendor partners warrant most of the products the Company sells. These manufacturer warranties are assurance-type warranties and are not considered separate performance obligations. The warranties are not sold separately and only provide assurance that products will conform with the manufacturer's specifications.

For certain computer equipment and resold by the Company, a warranty is provided to cover all product defects in design, materials and workmanship. In addition, the Company provides extended warranties as well as warranties for accidental damage protection. Accruals for these warranties are recorded at the time of shipment of products to customers. The Company accrues a provision for estimated future warranty costs based upon the historical relationship of warranty claims to sales. The Company periodically reviews the adequacy of its product warranties and adjusts, if necessary, the warranty percentage and accrued warranty reserve for actual experience.

ix) Property and equipment

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of individual assets (with the exception of the conveyer equipment) or in the case of leasehold improvements over the term of the related lease if shorter than the estimated useful life. The estimated useful lives of the Company's property and equipment are as follows:

Computer equipment	2-5 years
Other equipment, furniture and fixtures	2-7 years
Automotive	3-5 years
Leasehold improvements	2-7 years

The conveyer equipment is depreciated using the declining balance method at a rate of 30% of the net book value of the asset.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost can be measured reliably. Repairs and maintenance costs are charged to the statement of income and comprehensive income during the period in which they are incurred.

An asset's residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted if appropriate. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Depreciation of property and equipment commences when the asset is available for use.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of the item and are recognized in profit or loss.

x) Intangible assets

Intangible assets with finite lives that are acquired separately are measured on initial recognition at cost, which comprises its purchase price plus any directly attributable costs of preparing the asset for its intended use. Intangible assets consist of computer software, tradename, and customer relationships. Following initial recognition, such intangible assets are carried at cost less any accumulated amortization on a straight-line basis over the following periods:

Computer software	4-6 years
Customer relationships	7 - 10 years
Tradename	10-20 years

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

xi) Goodwill

Goodwill represents the excess of the acquisition cost in a business combination over the fair value of the Company's share of the identifiable net-assets acquired.

xii) Impairment testing of goodwill and long-lived assets

For purposes of assessing impairment under IFRS, assets are grouped at the lowest levels for which there are largely independent cash inflows (cash-generating units). The Company's cash generating units to which goodwill has been assigned and intangible assets that are not yet available for use are tested for impairment at least annually. All other long-lived assets and finite life intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount, which is the higher of fair value less costs of disposal or value-in-use. To determine the value-in-use, management estimates expected future cash flows from the cash-generating unit and determines a suitable pre-tax discount rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors have been determined for the cash-generating units and reflect its risk profile as assessed by management.

Impairment losses for the cash-generating units reduce first the carrying amount of any goodwill allocated to that cash-generating unit, with any remaining impairment loss charged pro rata to the other assets in the cash-generating unit. In allocating an impairment loss, the Company does not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal or its value in use and zero. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist. An impairment charge is reversed if the assets' recoverable amount exceeds its carrying amount only to the extent the new carrying amount does not exceed the carrying value of the asset had it not originally been impaired.

xiii) Leases

The Company assesses whether a contract is or contains a lease at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is a lessee, except for short-term leases (defined as leases with lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognizes the leases as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are assumed.

Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

Lease payments included in the measurement of the lease liability comprises:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

xiii) Leases (continued)

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) when:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payment using a revised discount rate.
- The lease payments change due to changes in the index or rate or a change in expected payment under a guaranteed residual value, in which the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

Right-of-use assets

The right-of-use assets comprises the initial measurements of the corresponding lease liability, lease payments made at or before commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognized and measured under IAS 37 *Provisions, Contingent Liabilities and Contingent Assets*. The costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects the Company's expectation to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

xiv) Income taxes

Income taxes are calculated using the liability method, which requires the recognition of deferred tax assets and liabilities based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. The Company calculates taxes on an individual entity basis for its wholly-owned subsidiaries. As a result, the Company's consolidated effective tax rate may fluctuate from period to period based on the relative mix of earnings and losses within the taxing jurisdictions in which the subsidiaries operate during their respective periods.

Deferred tax assets are recognized to the extent it is probable that the underlying tax loss or deductible temporary difference will be utilized against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss or credit. If the amount of taxable temporary difference is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profit improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used. In the ordinary course of business, the Company and its subsidiaries may be examined by various federal, state, and foreign tax authorities. The Company regularly assesses the potential outcomes of these examinations and any future examinations or the current or prior years in determining the adequacy of its provision for income taxes.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

xv) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes party to the contractual provisions of the financial instrument. All financial instruments are initially measured at fair value adjusted for transaction costs (where applicable).

Financial assets

On initial recognition, financial assets are classified as subsequently measured at "amortized cost", "fair value through other comprehensive income" ("FVOCI") or "fair value through profit or loss" ("FVTPL"). The classification is determined based on the Company's business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Financial assets are measured at amortized cost if they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding. These assets are recorded initially at fair value and subsequently measured at amortized cost using the effective interest rate method. Interest and realized gains or losses are included in the consolidated statements of loss and comprehensive loss. Financial assets measured at amortized cost are comprised of cash and accounts receivable.

The Company derecognizes a financial asset when its contractual rights to the cash flows from the financial asset expire.

Financial liabilities

Financial liabilities are initially classified as 'subsequently measured at amortized cost' or 'financial liabilities at fair value through profit or loss'. Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs, unless designated as a financial liability at fair value through profit or loss.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities for which the Company has elected to measure at fair value through profit or loss, which are carried subsequently at fair value with gains or losses recognized in profit or loss.

All interest related charges and, if applicable, changes in a financial liability's fair value that are reported in profit or loss are included within finance expenses, net.

Financial liabilities are derecognized when they are extinguished or there is a substantial modification of the terms of an existing financial liability. The difference between the carrying amount of the financial liability extinguished and consideration paid, or financial liability assumed, is recognized in profit and loss.

The Company's financial liabilities which are classified and measured at amortized cost include accounts payable and accrued liabilities, revolving line of credit facility and long-term debt. The Class A Special shares and Class A Exchangeable shares are classified and measured at FVTPL.

Impairment

The Company recognizes a loss allowance for the expected credit losses associated with its financial assets, other than financial assets measured at fair value through profit or loss. Expected credit losses are measured to reflect a probability-weighted amount, the time value of money, and reasonable and supportable information regarding past events, current conditions and forecasts of future economic conditions. The Company applies the simplified approach for trade receivables. Using the simplified approach, the Company records a loss allowance equal to the expected credit losses resulting from all possible default events over the assets' contractual lifetime.

The Company assesses whether a financial asset is credit-impaired at the reporting date. Regular indicators that a financial instrument is credit-impaired include significant financial difficulties as evidenced through borrowing patterns or observed balances in other accounts and breaches of borrowing contracts such as default events or breaches of borrowing covenants. For financial assets assessed as credit-impaired at the reporting date, the Company continues to recognize a loss allowance equal to lifetime expected credit losses.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

3. Significant accounting policies (continued)

xv) Financial instruments (continued)

For financial assets measured at amortized cost, loss allowances for expected credit losses are presented in the consolidated statements of financial position as a deduction from the gross carrying amount of the financial asset. Financial assets are written off when the Company has no reasonable expectations of recovering all or any portion thereof.

xvi) Fair value

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date.

Fair value measurement for invested assets are categorized into levels within a fair value hierarchy based on the nature of the valuation inputs (Levels 1, 2 or 3). The three levels are defined based on the observability of significant inputs to the measurement, as follows;

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly;
- Level 3: unobservable inputs for the asset or liability

When one is available, the Company measured the fair value of an instrument using the quoted price in an active market for that instrument.

A market is regarded as "active" if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

xvii) Compound financial instruments

Compound financial instruments are those that contain both a liability and equity instrument. The liability component is initially recognized at fair value based on the present value of the shares. The equity component is initially recognized as the difference between the fair value of the instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component is measured at amortized cost using the effective interest method. The equity component is not remeasured. Interest related to the financial liability is recognized in the consolidated statements of income (loss) and comprehensive income (loss).

xviii) Accounting standards issued but not effective

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place at the end of the reporting period;
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

4. Critical accounting estimates and judgements

The preparation of consolidated financial statements in accordance with IFRS requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and notes to the consolidated financial statements. These estimates are based on management's best knowledge of current events and actions the Company may undertake in the future. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to the accounting estimates are recognized in the period in which the estimates are revised. Significant areas requiring the Company to make estimates include goodwill impairment testing and recoverability of assets, business combinations, income taxes, estimated useful life of long-lived assets and the determination of whether a financial instrument is or contains a financial liability. These estimates and judgments are further discussed below:

Goodwill impairment testing and recoverability of assets

The Company has multiple cash-generating units and reviews the recoverable amount compared to the carrying value both in total and for each of the individual assets. The recoverable amount of the cash-generating units was estimated based on fair value less costs of disposal using an income approach. The approach uses a discounted cash flow to determine the recoverable amount. Refer to Note 9.

Business combinations

In a business combination, all identifiable assets, liabilities and contingent liabilities acquired are recorded at their fair values. One of the most significant estimates relates to the determination of the fair value of these assets and liabilities.

For any intangible asset identified, depending on the type of intangible asset and the complexity of determining its fair value, an independent valuation expert or management may develop the fair value, using appropriate valuation techniques, which are generally based on a forecast of the total expected future net cash flows. The evaluations are linked closely to the assumptions made by management regarding the future performance of the assets concerned and any changes in the discount rate applied. All acquisitions have been accounted for using the acquisition method. Refer to Note 5.

Income taxes

Deferred tax assets, including those arising from tax loss carry-forwards, require management to assess the likelihood that the Company will generate sufficient taxable earnings in future periods in order to utilize recognized deferred tax assets. Assumptions about the generation of future taxable profits depend on the Company's estimates of future cash flows. In addition, future changes in tax laws could limit the ability of the Company to obtain tax deductions in future periods. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the net deferred tax assets recorded at the reporting date could be impacted. Refer to Note 20.

Estimated useful lives of long-lived assets

Management reviews useful lives of depreciable assets at each reporting date. Management assesses that the useful lives represent the expected utilization in terms of duration of the assets to the Company. Actual utilization, however, may vary due to technical obsolescence, particularly relating to software. Refer to Note 3 (ix) and (x) and Note 9.

Liability versus equity classification for financial instruments

The Company has issued certain financial instruments that have various characteristics that are either similar to a financial liability or an equity instrument. Management is required to exercise judgment in determining whether each characteristic translates to a contractual obligation of the Company. Where a contractual obligation exists, management has separated the financial liability component from its equity instrument by first valuing the liability. Refer to Note 3 (xvii).

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

5. Acquisition of Bluum of Minnesota, LLC

On April 23, 2021, the Company acquired Bluum of Minnesota, LLC (formerly known as Tierney Brothers Inc.) ("Tierney"). Tierney is a provider of digital projectors and flat panel displays, systems integration, large format printers, graphics and engineering supplies, and audio and visual communications solutions to customers in the US. The acquisition served to broaden the Company's product offerings and geographic reach throughout the US and Canada.

The Company acquired all the controlling equity share interests consisting of 10,000 common shares, of Tierney for a total purchase price of \$68,843,872. The purchase price consisted of cash consideration of \$61,843,872 and equity interests with a value of \$7,000,000 in Bluum Majority Parent, LLC ("Majority Parent"), a parent of the Company.

The Company funded the purchase with \$68,000,000 in proceeds on the long-term credit facility described in Note 11. The Company expensed \$1,466,992 of acquisition-related costs to the consolidated statements of income (loss) and comprehensive income (loss) in 2021 related to this transaction.

The purchase price has been allocated to the acquired tangible and identifiable intangible assets assumed, based on fair values as of the date of acquisition, as follows:

Net assets acquired		
Cash	\$	826,814
Accounts receivable		16,116,334
Inventory		3,474,767
Prepaid expenses and other current assets		645,228
Other assets		303,828
Property and equipment		1,237,000
Right-of-use assets		3,782,545
Intangible assets		38,100,000
Accounts payable and accrued expenses		(8,391,731)
Other current liabilities		(87,874)
Deferred revenue		(3,550,966)
Lease liabilities		(5,079,545)
Long-term liabilities		(185,489)
Deferred tax liability		(566,520)
Total identifiable net assets acquired		46,624,391
Goodwill arising on acquisition		22,219,481
Total net assets acquired	\$	<u>~~68,843,872~~</u>
Consideration		
Cash	\$	61,843,872
Rollover units		7,000,000
	\$	<u>~~68,843,872~~</u>

The excess of purchase price over net identifiable assets acquired, and the liabilities assumed resulted in goodwill of \$22,219,481, which is largely attributable to the assembled workforce acquired and the synergies from combining operations. Goodwill will not be deductible for tax purposes.

From the date of acquisition, Tierney contributed \$126,765,764 of revenue and \$12,276,415 to income before taxes in 2021. If the combination had taken place at the beginning of the year, revenue would have been \$650,430,949 and income before income taxes would have been \$15,212,138.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

6. Accounts receivable

	<u>2021</u>	<u>2020</u>
Trade accounts billed to customers	\$ 96,407,968	\$ 68,899,414
Other receivables	2,474,221	-
Allowance for expected credit losses	<u>(642,119)</u>	<u>(766,267)</u>
Net accounts receivable	\$ <u>98,240,070</u>	\$ ~~68,133,147~~

7. Inventory

	<u>2021</u>	<u>2020</u>
Raw materials	\$ 503,879	\$ 785,787
Work in progress	4,899,892	1,965,152
Finished goods	<u>62,053,710</u>	<u>41,860,503</u>
Total inventories	\$ <u>67,457,481</u>	\$ ~~44,611,442~~

During the year ended December 31, 2021, inventories of \$572,029,108 (2020 - \$603,953,668) were recognized as an expense during the year and included in cost of sales on the consolidated statements of income (loss) and comprehensive income (loss).

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

8. Property and equipment

	Note	Computer equipment	Conveyer Equipment	Other equipment, furniture and fixtures	Automotive	Leasehold improvements	Total
Cost							
Balance at January 1 2020		\$ 2,321,708	\$ -	\$ 3,578,432	\$ 241,594	\$ 1,800,301	\$ 7,942,035
Additions		352,968	485,123	2,892,397	12,119	69,297	3,811,904
Balance at December 31 2020		\$ 2,674,676	\$ 485,123	\$ 6,470,829	\$ 253,713	\$ 1,869,598	\$ 11,753,939
Acquired in a business combination	5	76,000	-	602,000	48,000	511,000	1,237,000
Additions		539,743	-	663,268	-	68,440	1,271,451
Balance at December 31 2021		\$ 3,290,419	\$ 485,123	\$ 7,736,097	\$ 301,713	\$ 2,449,038	\$ 14,262,390
Accumulated depreciation							
Balance at January 1 2020		\$ 1,412,371	\$ -	\$ 2,376,629	\$ 91,922	\$ 1,541,802	\$ 5,422,724
Depreciation		312,156	213,310	812,275	37,139	98,680	1,473,560
Balance at December 31 2020		\$ 1,724,527	\$ 213,310	\$ 3,188,904	\$ 129,061	\$ 1,640,482	\$ 6,896,284
Depreciation		476,083	220,420	948,730	44,336	243,150	1,932,719
Balance at December 31 2021		\$ 2,200,610	\$ 433,730	\$ 4,137,634	\$ 173,397	\$ 1,883,632	\$ 8,829,003
Carrying Amount							
At December 31, 2020		\$ 950,149	\$ 271,813	\$ 3,281,925	\$ 124,652	\$ 229,116	\$ 4,857,655
At December 31, 2021		\$ 1,089,809	\$ 51,393	\$ 3,598,463	\$ 128,316	\$ 565,406	\$ 5,433,387

Bluum Holdings, LLC

Notes to the consolidated financial statements

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For the years ended December 31, 2021 and 2020

9. Goodwill and intangible assets

	Note	Goodwill	Computer Software	Customer Relationships	Tradename	Other	Total
Cost							
Balance at January 1 2020		\$ 24,214,787	\$ 8,504,586	\$ 36,958,000	\$ 12,238,400	\$ -	\$ 81,915,773
Additions		-	1,610,748	-	-	-	1,610,748
Balance at December 31 2020		\$ 24,214,787	\$ 10,115,334	\$ 36,958,000	\$ 12,238,400	\$ -	\$ 83,526,521
Acquired in a business combination	5	22,219,481	1,100,000	30,000,000	7,000,000	-	60,319,481
Additions		-	1,914,286	-	-	201,034	2,115,320
Balance at December 31 2021		\$ 46,434,268	\$ 13,129,620	\$ 66,958,000	\$ 19,238,400	\$ 201,034	\$ 145,961,322
Accumulated depreciation							
Balance at January 1 2020		\$ -	\$ 4,862,405	\$ 10,832,927	\$ 3,588,042	\$ -	\$ 19,283,374
Depreciation		-	1,099,284	5,153,012	918,844	-	7,171,140
Balance at December 31 2020		\$ -	\$ 5,961,689	\$ 15,985,939	\$ 4,506,886	\$ -	\$ 26,454,514
Depreciation		-	1,893,935	5,936,347	7,856,157	2,234	15,688,673
Balance at December 31 2021		\$ -	\$ 7,855,624	\$ 21,922,286	\$ 12,363,043	\$ 2,234	\$ 42,143,187
Carrying Amount							
At December 31, 2020		\$ 24,214,787	\$ 4,153,645	\$ 20,972,061	\$ 7,731,514	\$ -	\$ 57,072,007
At December 31, 2021		\$ 46,434,268	\$ 5,273,996	\$ 45,035,714	\$ 6,875,357	\$ 198,800	\$ 103,818,135

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

9. Goodwill and intangible assets (continued)

During the year ended December 31, 2021, the Company decided to re-brand its name from "Trax + Tierney" to "Bluum". In addition, the Company decided to develop a new enterprise resource planning ("ERP") system that will lead to the decommissioning of certain ERP systems currently in use. As a result, the Company reassessed the useful lives of its Tradename and certain computer software held. The change in useful lives is a change in estimate that resulted in additional amortization of \$7,779,758.

Goodwill is subject to impairment testing on an annual basis. The annual impairment test date is December 31.

For the years ended December 31, 2021 and 2020, the recoverable amount of the Company's group of cash-generating units ("CGUs") was determined using multiple valuation techniques. The income approach was used based on discounted cash flows and the market approach based on a multiple of EBITDA of comparable companies. The results of each approach were evaluated and weighted, as appropriate, to determine the Company's recoverable amount.

Income Approach

	Discount Rate		Growth Rate	
	2021	2020	2021	2020
Bluum Entities	21.5%	21%	3% - 10%	3% - 10%

Market Approach

	Multiple		EBITDA (in thousands)	
	2021	2020	2021	2020
Bluum Entities	6.5 - 7	7.5 - 8	\$49,082 - \$61,361	\$48,907 - \$59,502

Sensitivity to changes in assumptions EBITDA

The Company's group of CGUs recoverable amount was determined to be more than its carrying amount. No reasonable changes to the key assumptions resulted in a recoverable amount below the carrying amount.

10. Warranty liability

In relation to the provision of new devices and computing devices refurbished and resold, the Company provides a warranty for all product defects in design, materials and workmanship. The change in the Company's warranty liability was as follows:

	2021	2020
Balance, beginning of year	\$ 984,103	\$ 565,304
Additions	2,487,927	1,810,089
Charges incurred	(2,171,927)	(1,391,290)
Balance, end of year	\$ 1,300,103	\$ 984,103

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For the years ended December 31, 2021 and 2020

11. Long-term debt

Subsequent to initial approval of the consolidated financial statements, the applicable interest rate and the debt maturity information of the Facility were amended to reflect the interest rates and terms existing at December 31, 2021 with the disclosures and maturity table updated accordingly.

To fund its operations and the acquisition described in Note 5, the Company entered into a secured credit agreement (the "Facility"). The Facility provides for term loan and revolver loan commitments through a July 2024 maturity of \$146.0 million and \$15.0 million, respectively. The Facility is secured by a guarantee and security agreement covering all assets of certain subsidiaries of the Company.

The balance of the Facility at December 31, 2021 and 2020 is as follows:

	2021	2020
Term loan	\$ 143,540,000	\$ 76,830,000
Revolver loan	12,000,000	10,000,000
Net credit facility borrowings	155,540,000	86,830,000
Less: finance fees, net of amortization	(4,242,058)	(1,603,394)
	151,297,942	85,226,606
Less: current portion	(1,460,000)	(780,000)
Long-term portion of credit facility borrowings	\$ 149,837,942	\$ 84,446,606

The Facility requires quarterly installment payments of principal. Remaining debt maturities for years ending December 31 are as follows:

2022	\$ 1,460,000
2023	1,460,000
2024	152,620,000
\$	155,540,000

Under the terms of the Facility, at 125 days past the conclusion of each calendar year end, the term loan is subject to a mandatory excess cash flow prepayment of principal (the "ECF Provision"). The ECF Provision requires a portion of excess cash generated from operations to be applied as a prepayment against outstanding term loan obligations. The amounts payable under the ECF Provision would serve to reduce, on a pro rata basis, the amount due under the remaining term loan installment and maturity payments. Under the terms of the ECF Provision no prepayments were due in 2022 or 2021 for the excess cash flow generated for the years ended December 31, 2021 and 2020, respectively.

Under the terms of the Facility, the Company can elect that the loans comprising each borrowing bear interest generally at a rate equal to (i) the greater of the London Interbank Offer Rate ("LIBOR") or 1.00% plus a LIBOR Rate Margin or (ii) the greater of the prime rate or 2.50% plus a Base Rate Margin ("LIBOR Rate Loans" and "Base Rate Loans", respectively). The margin for LIBOR Rate Loans and Base Rate Loans was stated to be various rates determined by the Company's total net leverage ratio, measured and adjusted quarterly, as follows:

	Base Rate Margin	LIBOR Rate Margin
Total net leverage greater than 4.60 to 1.00	6.00%	7.00%
Total net leverage less than or equal to 4.60 to 1.00	5.50%	6.50%

As of December 31, 2021, the entire term loan obligation and \$10,000,000 of the revolving loan obligation were comprised of LIBOR rate loans that accrued interest at 8.00% per annum, and the remaining \$2,000,000 was comprised of a Base rate loan that accrued interest at 9.25%.

As of December 31, 2020, the entire term loan obligation was comprised entirely of a single LIBOR Rate Loan that accrued interest at 7.50% per annum, and the entire revolving loan obligation was comprised entirely of a single Base Rate Loan that accrued interest at 8.75% per annum.

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

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11. Long-term debt (continued)

Under the terms of the Facility, the Company also pays an unfunded commitment fee at a rate of 0.50% on the balance of the revolving loan that remains undrawn from time to time. The unfunded commitment fee is reflected as interest on long-term debt in the consolidated statement of income (loss) and comprehensive income (loss).

The Facility also provided for the issuance of letters of credit up to \$2,500,000. Under the facility, outstanding letters of credit are considered borrowings under the revolver loan. There were no outstanding letters of credit at December 31, 2021 or 2020.

The Facility contains customary representations, warranties, and affirmative/negative concerns, including the following, which if not met would trigger an event of default:

- Fixed charge coverage ratio is greater than 1.10 to 1.00
- Total net leverage ratio is less than as outlined in the agreement, ranging from 3.50 to 6.50 to 1.00

As of December 31, 2021, and 2020, the Company was in compliance with these covenants.

Debt financing costs of \$2,960,882 and \$nil were incurred in connection with the Facility in 2021 and 2020, respectively. The Company defers financing costs and presents them in the consolidated statements of financial position as an offset to long-term debt.

12. Leases

The Company makes the use of leasing arrangements principally for the provision of office space. The rental contracts for offices are typically negotiated for terms between 3 and 20 years and some of these have extension terms. The Company does not enter into sale and leaseback arrangements. All the leases are negotiated on an individual basis and contain a wide variety of different terms and conditions such as purchase options and escalation clauses.

The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognized on the consolidated statement of financial position:

	Number of right-of-use leased assets	Range of remaining term	Average remaining lease term	Number of leases with extension options
Property	10	0.33 - 18.33 years	6.76	6

There were no active leases that included an option to purchase, variable payments linked to an index or termination options. As at December 31, 2021 and 2020, the Company did not have any short-term leases (leases with an expected term of 12 months or less) or leases of low value assets.

Right-of-use Assets

Additional information on the right-of-use asset balances is as follows:

	2021	2020
Balance, beginning of the year	\$ 5,029,949	\$ 2,544,779
Additions to right-of-use assets	2,349,655	3,553,759
Acquired in a business combination	3,782,545	-
Depreciation charge for the year	(1,088,466)	(1,068,589)
Derecognition of right-of-use assets (i)	(598,501)	-
Balance, end of the year	\$ 9,475,182	\$ 5,029,949

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

12. Leases (continued)

- (i) On March 23, 2021, the Company entered into an agreement with its landlord to cancel its existing lease arrangement for the rental of office space at 130 South Town Centre Boulevard, Markham Ontario, effective March 31, 2021. The original lease was set to expire on December 31, 2022. Under the agreement, the Company made a cash payment of \$231,280 inclusive of applicable sales taxes to cancel the lease. As at the effective date of cancellation the amortized cost of the associated right of use asset was \$598,501, and the corresponding lease liability was \$653,660. The Company derecognized both the right-of-use asset and the corresponding lease liability in exchange for the cash payment made and recognized a loss on early lease termination in the amount of \$149,514, which is included in other expenses for the year ended December 31, 2021.

Lease Liability

Lease liabilities are presented in the consolidated statements of financial position as follows:

	<u>2021</u>	<u>2020</u>
Current	\$ 1,161,266	\$ 971,847
Non-Current	<u>10,119,513</u>	<u>4,467,535</u>
Total lease liability	\$ <u>11,280,779</u>	\$ ~~5,439,382~~

The following table outlines the cash outflow and interest expense related to lease liabilities:

	<u>2021</u>	<u>2020</u>
Cash outflow	\$ 1,518,054	\$ 1,229,963
Interest expense	\$ 569,606	\$ 463,788

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be paid after the reporting date.

	<u>2021</u>	<u>2020</u>
< 1 year	\$ 1,828,228	\$ 1,413,546
1-2 years	1,446,915	1,234,765
2-3 years	1,491,062	397,191
3-4 years	1,537,499	406,608
4-5 years	1,585,736	416,773
> 5 years	<u>9,445,193</u>	<u>6,655,474</u>
Total undiscounted payments	17,334,633	10,524,357
Less: financing charges	<u>{6,053,854}</u>	<u>{5,084,975}</u>
	\$ <u>11,280,779</u>	\$ <u>5,439,382</u>

Bluum Holdings, LLC

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For the years ended December 31, 2021 and 2020

13. Class A Special Shares and Class A Exchangeable Shares

The Company's subsidiary 2393813 Ontario Inc. has authorized an unlimited amount of Class A and Class B common shares as well as Class A Preference, Class A Special and Class A Exchangeable shares. The holders of non-controlling interests in the Company, exclusively hold all the issued and outstanding shares in the Class A Special shares and Class A Exchangeable shares in 2393813 Ontario Inc.

As at December 31, 2021 and 2020 there were 19,346,558 Class A special shares with no par value and 36,750,000 Class A Exchangeable shares with a par value of \$0.01, issued and outstanding.

The Class A Special shares and Class A Exchangeable shares are non-voting and at the option of the holder, are convertible into interests of an entity affiliated with the Company. Each class of shares was determined to hold certain characteristics of a debt instrument and have therefore been classified as a liability in the consolidated statements of financial position.

A summary of the preferred share liability is as follows:

	Class A Special Shares	Class A Exchangeable Shares	Total
Balance, January 1, 2020	\$ 7,545,158	\$ 13,965,000	\$ 21,510,158
Fair-value adjustment	10,060,210	19,477,500	29,537,710
Balance, December 31, 2020	\$ 17,605,368	\$ 33,442,500	\$ 51,047,868
Fair-value adjustment	{2,128,122}	{4,042,500}	{6,170,622}
Balance, December 31, 2021	\$ 15,477,246	\$ 29,400,000	\$ 44,877,246

14. Share capital

Member Units

The Company was formed as a limited liability Company by its sole member. In each year, the total profit or loss is allocated entirely to the member. The member has the right to cash distributions from time to time as it so determines.

a) Authorized

The Company is authorized to issue 100 member units with no par value.

a) Issued

As at December 31, 2021 and 2020, the Company had 100 member units issued and outstanding to its sole member, Bluum Intermediate LLC.

15. Supplemental cash flow information

Non-cash transactions	2021	2020
Contribution of Tierney shares by Majority Parent	\$ 7,000,000	\$ -
Additions of right of use assets through lease arrangements	\$ 2,349,656	\$ 3,553,759

Bluum Holdings, LLC

Notes to the consolidated financial statements

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For the years ended December 31, 2021 and 2020

16. Operating expenses

Total operating expense is composed as follows:

	<u>2021</u>	<u>2020</u>
Sales commission expense	\$ 22,182,553	\$ 21,128,420
Salaries, wages and employee benefits	24,806,848	18,963,706
Other selling, general and administrative expenses	16,406,746	8,020,732
Depreciation of property and equipment	1,932,719	1,473,560
Amortization of intangible assets	15,688,673	7,171,139
Amortization of right-of use-asset	1,088,465	1,068,589
	<u>\$ 82,106,004</u>	<u>\$ — — 57,826,146</u>

17. Capital management

The Company's objectives in managing capital are to safeguard the Company's assets, to ensure sufficient liquidity to sustain the future development of the business via organic growth and acquisition, to conservatively manage financial risk and to maximize investor, creditor and market confidence. The Company considers its capital structure to include its shareholders' equity and operating facilities and loans which was \$152,402,941 at December 31, 2021 (2020 - \$72,120,024). Working capital is optimized via stringent cash flow policies surrounding disbursement, foreign currency exchange and investment decision-making. There have been no changes in the Company's approach to capital management during the year and the Company is subject to capital requirements imposed by its lenders as disclosed in Note 11.

18. Employee benefits

The Company sponsors the a 401 (k) Profit Sharing Plan (the "Bluum Retirement Plan"), which is a defined contribution 401 (k) plan that covers all full-time employees of the Company subject to certain other eligibility conditions. Under the Bluum Retirement Plan, as amended, participants may elect to contribute a portion of their compensation on a pre-tax basis up to the maximum amount allowed by the law. The Company may make discretionary matching and profit-sharing contributions on behalf of eligible participants who have completed one year and 1,000 hours of service. No matching or profit-sharing contributions were authorized for 2021 or 2020.

The Company also sponsors the Bluum of Minnesota, LLC 401 (k) profit sharing plan (the "Tierney Plan") which covers substantially all full-time employees meeting certain minimum eligibility requirements. The Tierney Plan allows employees to contribute a percentage of their eligible compensation and provides for a discretionary matching employer contribution to the extent authorized by the Board of Directors. The discretionary employer match was 30% of the first 6% of employee compensation for the years ended December 31, 2021.

19. Contingencies

Litigation

The Company from time to time is involved in legal matters that arise in the normal course of business. While the ultimate results of claims and litigation cannot be determined, the Company does not expect that the resolution of all legal matters will have a material adverse effect on its consolidated financial position, results from operations or cash flows.

Bluum Holdings, LLC

Notes to the consolidated financial statements

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20. Income taxes

Income tax (recovery) expense is comprised of the following:

	2021	2020
Current tax expense	\$ 1,711,543	\$ 5,501,348
Deferred tax expense (recovery)		
Origination and reversal of temporary differences	(1,523,684)	525,078
Change in unrecognized temporary differences		(58,329)
Other		-
Income tax expense	<u>\$ 187,859</u>	<u>\$ - - - 5,968,097</u>

The actual income tax provision differs from the expected amount calculated by applying the United States combined federal and state corporate tax rates to income before tax. These differences result from the following:

	2021	2020
	\$	\$
Income (loss) before tax	7,527,278	(7,088,114)
Statutory income tax rate	25%	25%
Income tax expense (recovery) based on statutory rate	1,881,819	(1,772,028)
Increase (decrease) resulting from:		
Non-taxable items	(1,695,449)	8,809,964
Foreign exchange	124,862	16,770
Change in unrecognized deductible temporary differences	-	(58,329)
Change in tax rates and rate differences	82,505	(1,080,293)
Other	(205,878)	52,013
Income tax expense	<u>\$ 187,859</u>	<u>\$ 5,968,097</u>

The statutory tax rate was 25% for the years ended December 31, 2021 and 2020. The statutory income tax rates differ from the federal rate of 21 % established by the US Tax Cuts and Jobs Act, because of the effects of the state income taxes.

Significant components of deferred tax assets and liabilities at December 31, 2021 and 2020 are as follows:

	2021	2020
Deferred tax assets		
Tax reserves	\$ 1,457,417	\$ 1,773,965
Lease liabilities	2,994,729	1,441,436
Deferred finance costs	197,087	297,396
Inventory	721,384	-
Loss carryforwards	1,709,160	2,879,528
Deferred tax assets	<u>\$ 7,079,777</u>	<u>\$ 6,392,325</u>
Set-off of tax	(7,079,777)	(6,392,325)
Total deferred tax assets	<u>\$ -</u>	<u>\$ -</u>
Deferred tax liabilities		
Intangible assets	\$ (4,200,382)	\$ (6,492,278)
Property and equipment	(1,443,748)	(599,551)
Right-of-use assets	(2,510,923)	(1,332,936)
Deferred tax liability	<u>\$ (8,155,053)</u>	<u>\$ (8,424,765)</u>
Set-off of tax	7,079,777	6,392,325
Net deferred income (liability) asset	<u>\$ (1,075,276)</u>	<u>\$ (2,032,440)</u>

Bluum Holdings, LLC

Notes to the consolidated financial statements

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For the years ended December 31, 2021 and 2020

20. Income taxes (continued)

The following table summarizes the movement in deferred tax assets and liabilities:

	Balance December 31, 2020	Comprehensive income (loss)	Acquired in a business combination (Note 5)	Balance December 31, 2021
Tax reserves	\$ 1,773,965	\$ (338,673)	\$ 22,125	\$ 1,457,417
Lease liabilities	1,441,436	207,214	1,346,079	2,994,729
Deferred finance costs	297,396	(100,309)	-	197,087
Inventory	-	721,384	-	721,384
Loss carryforwards	2,879,528	(1,170,368)	-	1,709,160
Intangible assets	(6,492,278)	3,234,972	(943,076)	(4,200,382)
Property and equipment	(599,551)	(854,923)	10,726	(1,443,748)
Right-of-use assets	(1,332,936)	(175,613)	(1,002,374)	(2,510,923)
Net deferred tax asset (liability)	\$ (2,032,440)	\$ 1,523,684	\$ (566,520)	\$ (1,075,276)

	Balance December 31, 2019	Comprehensive income (loss)	Acquired in a business combination	Balance December 31, 2020
Tax reserves	\$ 478,332	\$ 1,295,634	\$ -	\$ 1,773,965
Lease liabilities	700,691	740,745	-	1,441,436
Deferred finance costs	389,872	(92,477)	-	297,396
Loss carryforwards	4,450,768	(1,571,240)	-	2,879,528
Intangible assets	(6,480,001)	(12,277)	-	(6,492,278)
Property and equipment	(430,987)	(168,563)	-	(599,551)
Right-of-use assets	(674,366)	(658,570)	-	(1,332,936)
Net deferred tax asset (liability)	\$ (1,565,691)	\$ (466,748)	\$ -	\$ (2,032,440)

The following tables summarize the components of unrecognized temporary differences:

	2021	2020
Net operating losses	\$ 74,563	\$ 74,563
Total unrecognized temporary differences	\$ 74,563	\$ -

Federal and state laws impose substantial restrictions on the utilization of net operating loss carryforwards in the event of an "ownership change" for tax purposes, as defined in Section 382 of the Internal Revenue Code. In general, an ownership change is deemed to occur if the percentage of stock of a loss corporation owned (actually constructively and, in some cases, deemed) by one or more 5% shareholders has increased by more than 50% over the lowest percentage of such stock owned during a three-year testing period. There have been no ownership change events since the conversion from a partnership to a corporation that would impose limitations on the net operating losses as of December 31, 2021 as discussed further in Note 1.

Bluum Holdings, LLC

Notes to the consolidated financial statements

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21. Related party transactions

Consultant Agreements

The Company has entered into certain transaction services and professional services agreements (the "Consultant Agreements") with H.I.G Capital, L.L.C ("HIG"), an affiliate of the majority shareholder of the Company, where HIG has been engaged to provide certain transaction, consultant and management services to the Company under the terms of Consultant Agreements which were amended and restated in 2021. HIG provided certain investment banking and management services in connection with the acquisition described in Note 5. The Company accrued \$1,470,000 in fees and reimbursable expenses for those services rendered and recorded the fee as a transaction cost in the consolidated statements of income (loss) and comprehensive income (loss). The Company is also required to pay a fee and reimbursable expenses to HIG for recurring management services at a rate of \$300,000 per annum for the pre-acquisition period and \$850,000 per annum for the period subsequent to the acquisition. For the respective years ended December 31, 2021 and 2020, the Company recognized \$862,015 and \$850,000 of Consultant Agreement expense, which was included in selling, general and administrative expenses in the consolidated statements of income.

As at December 31, 2021, a total of \$1,470,000 (2020 - \$nil) relating to amounts owing to HIG for services rendered under the Consultant Agreement is included in accounts payable and accrued liabilities on the statement of financial position.

Key management personnel

Key management of the Company are its Board of Directors and members of executive management. Key management personnel remuneration includes the following payments:

	<u>2021</u>	<u>2020</u>
Salaries and benefits	\$ 2,004,851	\$ 4,712,871
Board remuneration and expenses	<u>203,309</u>	<u>217,745</u>
	<u>\$ 2,208,160</u>	<u>\$ - - - - 4,930,616</u>

Other related party transactions

From time to time, the Company either receives or provides unsecured and non-interest bearing loans to certain related parties. At December 31, 2021, \$194,436 (2020 - \$nil) was owing from the Company's parent, Bluum Majority Parent, LLC.

In addition to the unsecured loans described above, the Majority Parent also makes contributions to the Company which is included in contributed surplus when received. The total contributions received for the year ended December 31, 2021 amounted to \$7,000,000 (2020- \$nil). See Note 5.

22. Financial instruments

Subsequent to initial approval of the consolidated financial statements, this note was amended to reflect the remaining debt maturities existing at December 31, 2021 in the liquidity risk section of this note (also see note 11).

The Company is exposed to various risks through its financial instruments. The following analysis provides a measure of the Company's risk exposure at the consolidated statement of financial position date.

Fair value

Financial instruments recorded at fair value in the consolidated statement of financial position are classified using a fair value hierarchy that reflects the observability of significant inputs used in making the measurements.

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Bluum Holdings, LLC

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22. Financial instruments (continued)

The carrying values of cash, accounts receivables, receivable from related parties, accounts payables and accrued liabilities approximate their fair value due to their short-term to maturity and fair values of long-term debt approximate their carrying values due to variable interest rates which represent market value.

The following table provides information about how the fair values the Company's other financial instruments are determined:

The Company's financial instruments at December 31, 2021:

	<u>Level1</u>	<u>Level2</u>	<u>Level3</u>	<u>Total</u>
Class A Special Shares and Class A Exchangeable shares	\$ -	\$ 44,877,246	\$ -	\$ 44,877,246

The Company's financial instruments at December 31, 2020:

	<u>Level1</u>	<u>Level2</u>	<u>Level3</u>	<u>Total</u>
Class A Special Shares and Class A Exchangeable shares	\$ -	\$ 51,047,868	\$ -	\$ 51,047,868

The key inputs used in determining the fair value of the Class A Special Shares and Class A Exchangeable shares are as follows:

	<u>2021</u>	<u>2020</u>
<i>Key observable inputs</i>		
Discount rate	21.5%	21%
Growth rate	3% - 10%	3% - 10%
Multiple	6.5 - 7	7.5 - 8
Risk-free rate	0.35%	0.09%

Key unobservable inputs

EBITDA (in thousands)	\$49,082 - \$61,361	\$48,907 - \$59,502
Volatility	50%	65%
Discount for lack of marketability	10%	20%
Strike price	\$0 - \$223,468,364	\$0 - \$100,292,777

Measurement of fair value of financial instruments

The Class A Special and Class A Exchangeable shares can be converted into equity interests of Bluum Parent, LLC. As such, the fair value of the Class A Special Share and Class A Exchangeable Share liabilities were determined based on the fair value of the equity interests of Bluum Parent, LLC. The fair value of the equity interests was determined using multiple valuation techniques. The income approach was used based on discounted cash flows and the market approach based on a multiple of EBITDA of comparable companies. The results of each approach were then evaluated and weighted, as appropriate, to determine the fair value of Bluum Parent, LLC.

The total equity value was then allocated among the outstanding equity interests of Bluum Parent, LLC using the Black-Scholes option-pricing model. The life of the option, the volatility of the underlying interest, the strike price, the dividend payout capacity and the level of interest rates were all considered under this option-pricing model. The calculated market value of the equity interests was then adjusted to reflect its lack of liquidity and ready market.

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22. Financial instruments (continued)

Credit risk

Credit risk arises from deposits with banks and outstanding trade receivables. For trade receivables, the Company does not hold any collateral as security but mitigates this risk through its credit insurance policy and by dealing with counterparts that management believes to be financially sound and, accordingly, does not anticipate significant loss due to non-performance. The maximum exposure to credit risk as at December 31, 2021 approximates \$102,185,130 (2020 - \$76,618,978) of cash and accounts receivables in the consolidated statement of financial position. The Company has no significant concentration of credit risk from trade receivable.

The Company's aging of receivables was as follows:

	2021	2020
0-60 day	\$ 66,010,877	\$ 64,563,382
61-120 days	30,397,091	4,336,032
Gross receivables	96,407,968	68,899,414
Less: allowance for expected credit losses	(642,119)	(766,267)
	<u>\$ — — 96,765,849</u>	<u>\$ 68,133,147</u>

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to cash flow risk on its floating rate debt. However, exposure to such interest rates is not considered material to the Company.

Currency risk

Currency risk is the risk that the fair value or future cash of a financial instrument will fluctuate because of changes in foreign exchange rates. Most of the Company's transactions are carried out in USO. Exposure to currency exchange rates arise from the operations of the Bluum Entities which are denominated in Canadian Dollars (CAD). The Company does not have significant exposure to foreign currency and does not use derivative financial instruments to reduce the risks associated with changes in foreign currency exchange rates.

The sensitivity of the Company's profit or loss to a change in the exchange rate between the Canadian dollar and the United States dollar at December 31, 2020 would change the Company's comprehensive income by \$82,059 (2020 - \$79,996) as a result of a 10% change in the CAD exchange rate relative to the USO.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by reviewing on an ongoing basis its capital requirements. As at December 31, 2021 the Company had \$3,945,060 (2020 - \$8,485,831) of cash and working capital of \$88,153,926 (2020 - \$61,800,418).

The Company is obligated to the following contractual maturities of undiscounted cash flows at December 31, 2021:

	Carrying amount	Contractual cash flows	2022	2023	2024	2025	2026	Thereafter
Accounts payable and accrued liabilities	\$ 87,890,053	\$ 87,890,053	\$ 87,890,053	\$ -	\$ -	\$ -	\$ -	-
Long-term debt	151,297,942	155,540,000	1,460,000	1,460,000	152,620,000	-	-	-
Lease liabilities	11,280,779	17,334,633	1,828,228	1,446,915	1,491,062	1,537,499	1,585,736	9,445,193
Total	\$ 250,468,774	\$ 260,764,686	\$ 91,178,281	\$ 2,906,915	\$ 154,111,062	\$ 1,537,499	\$ 1,585,736	\$ 9,445,193

Bluum Holdings, LLC

Notes to the consolidated financial statements

(in United States dollars)

For the years ended December 31, 2021 and 2020

23. Subsequent events

Credit agreements

On March 31, 2022 and April 8, 2022, the Company amended the terms of its credit facility pursuant to a third amendment to credit agreement (the "third amendment") and a fourth amendment to credit agreement (the "fourth amendment"), respectively (collectively referred to as the "Amendments").

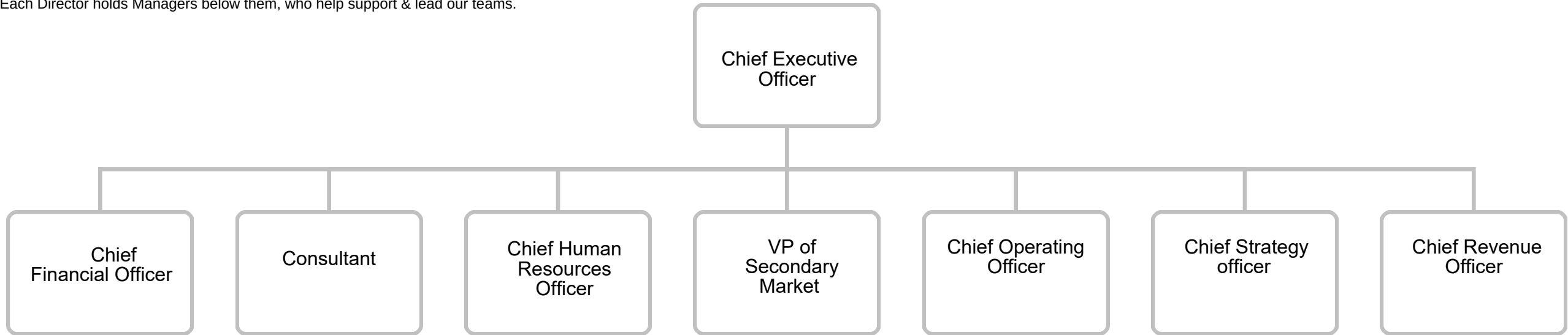
Under the Amendments, all outstanding LIBOR loans are converted to secured overnight financing rate ("SOFR") loans with an interest period of one month. There were no LIBOR breakage costs paid in association with the SOFR conversion.

The margin for SOFR Rate Loans and Base Rate Loans is determined by the Company's total net leverage ratio, measured and adjusted quarterly. The amended margin under the amendments is as follows:

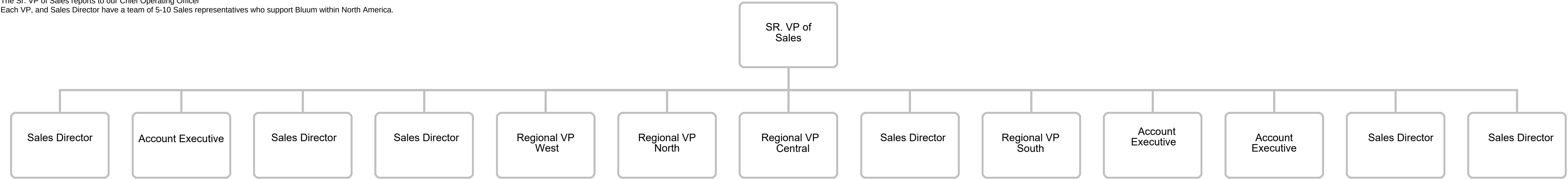
	Base Rate Margin	SOFR Rate Margin
Total net leverage greater than or equal to 4.00 to 1.00	6.75%	7.75%
Total net leverage less than 4.00 to 1.00	6.25%	7.25%

The customary representations, warranties, and affirmative/negative concerns, which includes the fixed charge coverage ratio and the total net leverage ratio, which if not met would trigger an event of default, remains unchanged under the amendments.

Each C-Level Officer or Vice President have a team of Directors below them to support their segment.
Each Director holds Managers below them, who help support & lead our teams.



The Sr. VP of Sales reports to our Chief Operating Officer
Each VP, and Sales Director have a team of 5-10 Sales representatives who support Bluum within North America.



Association of Educational Purchasing Agencies
Tabulation Report IFB #024-C - Digital Resources &
Instructional Materials
Vendor: Bluum USA, Inc.

General Comments:

General Attachments: AEPA 024-C Part A Terms and Conditions - Digital Resources - Instructional Materials.pdf
AEPA 024-C Part B Specifications - Digital Resources - Instructional Materials.pdf
AEPA 024-C Part C Member Agency (State) Ts Cs Bluum-- Digital Resources Instructional Materials
Final.pdf
AEPA 024-C Part E Signature Forms - Bluum - Digital Resoure - Instructional Materials.pdf
AEPA 024-C Part F Discount Pricing Workboo-Bluum - Digital Resources - Instructional
Materials_Final.xlsx
AEPA 024-H Part D Questionnaire Bluum USA- Digital Resources - Insturctional Materials.pdf