

**LINKING AGREEMENT
BETWEEN
THE CITY OF GLENDALE, ARIZONA
AND
THE W.W. WILLIAMS COMPANY**

THIS LINKING AGREEMENT (this "Agreement") is entered into as of OCTOBER 28, 2014, between the City of Glendale, an Arizona municipal corporation (the "City"), and The W.W. Williams Company, an Ohio corporation, authorized to do business in Arizona, ("Contractor"); collectively, the "Parties."

RECITALS

- A. On **February 4, 2013**, the **State of Arizona** entered into a contract with Contractor to purchase the goods and services described in the **OEM Replacement Parts and Service for Heavy Duty Equipment, Contract No. ADSP013-040710**, which is attached hereto as **Exhibit A**. The **OEM Replacement Parts and Service for Heavy Duty Equipment**, permits its cooperative use by other governmental agencies including the City. The **OEM Replacement Parts and Service for Heavy Duty Equipment** is hereinafter referred as the Cooperative Purchasing Agreement.
- B. Section 2-149 of the City's Procurement Code permits the Materials Manager to procure goods and services by participating with other governmental units in cooperative purchasing agreements when the best interests of the City would be served.
- C. Section 2-149 also provides that Materials Manager may enter into such cooperative agreements without meeting the formal or informal solicitation and bid requirements of City Code Sections 2-145 and 2-146.
- D. The City desires to contract with Contractor for supplies or services identical, or nearly identical, to the supplies or services Contractor is providing other units of government under the Cooperative Purchasing Agreement. Contractor consents to the City's utilization of the Cooperative Purchasing Agreement as the basis of this Agreement, and Contractor desires to enter into this Agreement to provide the supplies and services set forth in this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals, which are incorporated by reference, and the covenants and promises contained in this Linking Agreement, the parties agree as follows:

1. Term of Agreement. The City is purchasing the supplies and/or services from Contractor pursuant to Cooperative Purchasing Agreement. According to the Cooperative Purchasing Agreement award and rate sheet, which are attached hereto as part of **Exhibit B**, purchases can be made by governmental entities from

the date of award, which was **February 4, 2013**, until the date the contract expires on **May 30, 2015**, unless the term of the Cooperative Purchasing Agreement is extended by the mutual agreement of the original contracting parties. The Cooperative Purchasing Agreement, however, may not extend the contract beyond **May 30, 2017**. Renewals are not automatic and shall only occur if the State gives the Contractor notice of its intent to renew. Notwithstanding the State of Arizona Cooperative Purchasing Agreement terms and conditions, this Agreement is for a one (1)-year period and will expire on **November 1, 2015**. There are no renewals or extensions, automatic or otherwise.

2. Scope of Work; Terms, Conditions, and Specifications.

- a) Contractor shall provide City the supplies and/or services identified in the Scope of Work attached hereto as **Exhibit B**.
- b) Contractor agrees to comply with all the terms, conditions and specifications of the Cooperative Purchasing Agreement. Such terms, conditions and specifications are specifically incorporate into and are an enforceable part of this Agreement.

3. Compensation.

- a) City shall pay Contractor compensation at the same rate and on the same schedule as the Cooperative Purchasing Agreement, unless the City and Contractor agree otherwise, as provided in **Exhibit B** hereto.
- b) The total purchase price for the supplies and/or services purchased under this Agreement shall not exceed **\$40,000.00**.

4. Cancellation. This Agreement may be cancelled pursuant to ARIZ. REV. STAT. § 38-511.

5. E-verify. Contractor complies with ARIZ. REV. STAT. § 23-214 and agrees to comply with the requirements of ARIZ. REV. STAT § 41-4401.

6. Notices. Any notices that must be provided under this Agreement shall be sent to the Parties' respective authorized representatives at the address listed below:

City of Glendale
c/o Montana Slack
6210 W. Myrtle Avenue, Suite #111
Glendale, Arizona 85301

and

The W.W. Williams Company
c/o Michael Clinkingbeard
2602 S. 19th Avenue
Phoenix, AZ 85009
(602) 257-0561

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year set forth above.

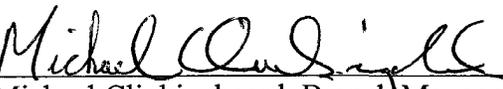
“City”

City of Glendale, an Arizona
Municipal corporation

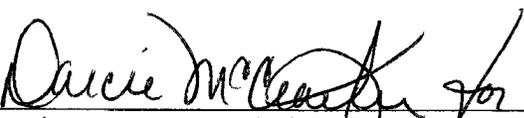
By: 
Brenda S. Fischer, City Manager

“Contractor”

The W.W. Williams Company,
an Ohio corporation

By: 
Michael Clinkingbeard, Branch Manager

ATTEST:


Pamela Hanna, City Clerk (SEAL)

Approved as to Form:


Michael D. Bailey, City Attorney

EXHIBIT A

State of Arizona Contract No. ADSP013-040710 - OEM Replacement Parts and Service for Heavy Duty Equipment

EXHIBIT B

The W.W. Williams Company – Pricing Schedules

State of Arizona - Master Blanket



Master Blanket Purchase Order ADSP013-040710

Header Information

Purchase Order Number:	ADSP013-040710	Release Number:	0	Short Description:	OEM Replacement Parts and Service for Heavy Duty Equipment
Status:	3PS - Sent	Purchaser:	Lori Sherill	Receipt Method:	Quantity
Fiscal Year:	2013	PO Type:	Blanket	Minor Status:	
Organization:	State of Arizona	Location:	STRGC - SPO Strategic	Type Code:	Statewide
Department:	ADSP0 - State Procurement Office	Entered Date:	02/04/2013 07 15 02 AM	Control Code:	
Alternate ID:	ADOT12-024194	Retainage %:	0 00%	Discount %:	0 00%
Days ARO:	1	Release Type:	Direct Release	Pcard Enabled:	Yes
Print Dest Detail:	If Different	Tax Rate:		Actual Cost:	\$0 00
Catalog ID:					
Contact Instructions:	Lori Sherill@azdoa.gov or (602) 542-7144				

Master Blanket/Contract End Date (Maximum): 05/30/2017 11 59 59 PM

Project No.:
Building Code:
Cost Code:
Special Purchase Types:
PIJ NUMBER:
Coop Spend To Date:

Attachments: PO Terms & Conditions, Solicitation File, Restructured Consolidated Contract Document, Pricing, Contract Administration File, Change Order No 5 Contract Extension, Certificate of Insurance

Primary Vendor Information & PO Terms

Vendor: 000025038 - W W Williams Co
 Michael Clinkingbeard
 2602 South 19th Ave
 Phoenix, AZ 85009
 US
 Email: mclinkingbeard@wwwilliams.com
 Phone (602)267-0561

Payment Terms:	Net 30	Shipping Method:	Best Way
Shipping Terms:	F O B , Destination	Freight Terms:	Freight Prepaid and Charged Back

PO Acknowledgements:	Document	Notifications	Acknowledged Date/Time
	Purchase Order	Emailed to mclinkingbeard@wwwilliams.com at 02/19/2013 01 45 19 PM	02/19/2013 02 11 39 PM

SPECIFICATIONS

ARIZONA DEPARTMENT OF TRANSPORTATION
Procurement Group
1739 W. Jackson Street Suite A - MD 100P
Phoenix, Arizona 85007
Phone: (602) 712-7211

SOLICITATION NO. ADOT12-00001334

1. PURPOSE

Pursuant to the provisions of the Arizona Procurement Code, A.R.S. §41-2501et seq., the Arizona Department of Transportation (ADOT), on behalf of the State of Arizona (hereinafter referred to as the State), intends to establish a term statewide contract for the purchase and delivery of **Original Equipment Manufacturer Replacement Parts and Service (including Mechanical Labor, Body Shop Labor and Paint Shop Labor) for Heavy Duty Equipment**; to be utilized by all State of Arizona agencies, accounts, boards and participating political subdivisions (a.k a. eligible agencies) including, but not limited to. Department of Administration, Department of Corrections, Department of Public Safety, etc.

It is the intent of the State to award multiple contracts for entire product lines and services. Contractors will have the capability to offer the State any O.E.M part from their various product lines including labor. The State will award contracts based on the bidder's discounts, delivery times, products, location and hours. Individual orders will be based on the same criteria.

2. DEFINITIONS

Original Equipment Manufacturer (OEM) – Parts manufactured or produced to the specifications of the original manufacturer of the equipment. All parts furnished under this contract shall be Original Equipment Manufacturer (OEM) only

Shop Supplies – Includes shop parts overhead charges for those items not normally charged out on an individual basis

Miscellaneous Charges – Considered the same as Shop Supplies.

Hazardous Materials Disposal – Charges incurred to dispose of hazardous materials directly related to the actual repair, body or painting process completed on vehicles covered under this contract

Sublet – Repairs sent out to a subcontractor. These are limited to those processes where the contractor does not have the necessary tools, equipment or capability to provide.

Warranty deductibles – Charge incurred for warranty work on certain components that includes, but is not limited to, reman transmissions or reman engines where a deductible was part of the original purchase of that component

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3. GENERAL REQUIREMENTS

Heavy Duty OEM replacement parts shall be fabricated according to OEM specifications and be the equivalent in design and workmanship. The State currently owns various Heavy Duty equipment/fleet. (Please reference Paragraph 7, **LISTING OF CURRENT MANUFACTURER**). The State reserves the right to add or delete any manufacturer of heavy-duty equipment/fleet through the term of any resultant contract.

The contractor shall provide Original Equipment Manufacturer (OEM) parts and be an authorized dealer. Normal after-market parts will be purchased on an as needed basis or under a separate contract. The State will be the sole determiner of whether heavy duty OEM and/or after-market parts will be purchased.

All labor performed shall be in accordance with OEM labor policies, specifications and procedures. All repair parts used shall be OEM parts only and be invoiced at the contract price.

Contractor shall provide pick up and delivery service on vehicles sent to the contractor for repair, at no additional cost to the State within a minimum of a 30-mile radius from the contractors location or within the contractors normal service area if greater than 30 miles.

After-market labor will be purchased on an as needed basis or under a separate contract. The State will be the sole determiner of whether OEM or after-market labor will be utilized.

Contractors in current or future pollution attainment areas will be required to provide alternate fuel parts and labor.

At the discretion of the contractor, the State may perform expedient warranty repairs, with prior authorization, with reimbursement for parts and labor from the respective awarded contract parts price and labor.

4. SHOP SUPPLIES

An additional, reasonable charge for "shop supplies" as defined in Paragraph 2 may be allowed.

5. HAZARDOUS MATERIALS DISPOSAL

An additional charge for the disposal of hazardous materials may be allowed. **These charges will only apply to those with prior written authorization and are limited to actual materials requiring disposal that are part of the actual repair, Body or Painting processes on vehicles covered under this contract.** An example of this would be if a vehicle is brought into the shop for a runability problem and the reason for this was found to be fuel contamination. The Contractor would be able to add a line to the invoice for those charges. Charges are to be those that the Contractor actually incurred without any mark-up applied.

6. SUBLET REPAIRS

A reasonable additional charge for the "sublet" repairs as defined in Paragraph 2 may be allowed.

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7. LISTING OF CURRENT MANUFACTURERS

NOTE: THE FOLLOWING LIST DOES NOT REFLECT THE COMPLETE LINE OF HEAVY DUTY EQUIPMENT THAT WILL BE SERVICED UNDER ANY RESULTANT CONTRACT.

Allison	AutoCar	Bluebird Bus	Bobcat	Broce Broom
Case	Clark Forklift	Cummins	Eaton	Elgin Sweeper
Freightliner Truck	Fuller	Hyster Forklift	International/Navistar	John Deere
Komatsu	Kubota	Mack Truck	Mitsubishi Forklift	Mobile Sweeper
Peterbilt Truck	Rosco	Sterling Truck	Superior Broom	Vermeer
Volvo Truck	White Truck			

List regarding Manufacturer, Equipment Type, Model and other information, please reference Exhibit 2, Listing of Current Equipment.

SPECIAL TERMS AND CONDITIONS

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SOLICITATION NO. ADOT12-00001334

1. TERM OF CONTRACT

The term of any resultant contract shall commence on the effective day of award and shall continue for a period of twelve (12) months thereafter, unless terminated, cancelled or extended as otherwise provided herein

2. CONTRACT EXTENSION

By mutual written contract amendment, any resultant contract may be extended for supplemental periods of up to a maximum of forty-eight (48) months

The State reserves the right to unilaterally extend the period of any resultant contract for thirty-one (31) days beyond the stated expiration date

3. CHANGES

The State reserves the right to revise the delivery and schedule; and to make other changes within the general Scope of Work as may be deemed necessary to best serve the interest of the State. All changes shall be documented by formal amendments to the contract

4. ELIGIBLE AGENCIES

This contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible universities, political subdivisions and nonprofit educational or public health institutions may participate at their discretion. In order to participate in this contract, a university, political subdivision, or nonprofit educational or public health institution shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes 41-2632

5. NON-EXCLUSIVE CONTRACT

Any contract resulting from this solicitation shall be awarded with the understanding and agreement that it is for the sole convenience of the State. The State reserves the right to obtain like goods or services from another source when necessary. Off-Contract Purchase Authorization may only be approved by the Chief Procurement Officer. Approval shall be at the discretion of the Chief Procurement Officer and shall be conclusive, however, approval shall be granted only after a proper review and when deemed to be appropriate. Off-contract procurement shall be consistent with the Arizona Procurement Code

6. ORDERING PROCESS

Upon award of a contract, the Arizona Department of Transportation Procurement Group or any designated Agency may procure the specific material and/or service awarded by the issuance of a contract purchase order to the appropriate contractor. Each contract purchase order must cite the correct contract number. The award of a contract shall be in accordance with the Arizona Procurement Code and all transactions and procedures required by the Code for public bidding shall be complied with. A contract purchase order for the awarded material and/or service that cites the correct contract number is the only document required for the using agency to order and the contractor to deliver the material and/or service

Any attempts to represent any material and/or service not specifically awarded as being under contract is a violation of the contract and the Arizona Procurement Code. Any such action is subject to the legal and contractual remedies available to the State inclusive of but not limited to contract cancellation, suspension and/or debarment of the contractor

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7. SHIPPING TERMS

Prices shall be F O B Destination to any State Agency and participating entity as defined in paragraph 4, Eligible Agencies of this section Contractor shall retain title and control of all goods until they are delivered and the contract of coverage has been completed All risk of transportation and all related charges shall be the responsibility of the contractor All claims for visible or concealed damage shall be filed by the contractor The State will notify the contractor promptly of any damaged goods and shall assist the contractor in arranging for inspection.

8. DELIVERY

Delivery is required within five (5) days after receipt of order (ARO)

Exhibit 2 is a sampling of the State's various statewide delivery locations The locations listed in Exhibit 2 do not reflect a complete list of delivery locations The state reserves the right to add or delete locations at any time during the term of any resulting contract

9. ACCEPTANCE

Each item delivered shall be subject to a complete inspection by Equipment Services Inspection criteria shall include, but not be limited to, conformity to the specifications, workmanship, quality and materials

If the delivered product is returned to the contractor for corrective action prior to acceptance for any reason, an additional period of fifteen (15) calendar days shall be allowed for inspection when subsequent deliveries occur

The contractor shall be fully responsible for the transport of the material from and to the State, for installation and/or for the correction of items or workmanship not in compliance with the specifications

Product returned to the contractor for corrective action may delay payment Invoices will be processed for payment only after the product is accepted by the State.

10. INVOICING and PAYMENT

Separate invoices are required for each shipment of product or delivery of service and shall include at a minimum

- Description and listing of quantities or services
- Date the items were shipped to the Department
- Department contract number and purchase order number
- Price per unit and total per unit
- Applicable taxes
- Total of invoice

Invoices not sent to the proper address, or not containing the necessary and required information may delay payment to the contractor A contractor whose payments are delayed due to improper invoicing shall make no claim against the Department or the State for late or finance charges

The Department will make every effort to process payment for the purchase of product within thirty (30) calendar days after the Department has conducted the necessary reviews, and inspections as described herein DELIVERY OF THE PRODUCT TO THE DEPARTMENT DOES NOT CONSTITUTE ACCEPTANCE, THEREFORE, ONLY THE DEPARTMENT ACCEPTANCE DATE WILL BE A VALID DATE FOR STARTING THE THIRTY (30) CALENDAR DAY PAYMENT PERIOD

Payment due dates, including discount periods, will be computed from the date of acceptance or date of correct invoice (which ever is later) to the date the State's warrant is mailed

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11. ESTIMATED QUANTITIES

This solicitation references quantities as a general indication of the needs of the State. The State anticipates considerable activity resulting from contracts that will be awarded as a result of this solicitation, however, the quantities shown are estimates only and the State reserves the right to increase or decrease any quantities actually acquired. No commitment of any kind is made concerning quantities and each potential contractor should take that fact into consideration.

12. PRICE REDUCTIONS

Price reductions may be submitted to the state for consideration at any time during the contract period. The contractor shall offer the state a price reduction on the contract product(s) concurrent with a published price reduction made to other customers. The state, at its own discretion, may accept a price reduction. The contractor shall request, in writing, a price reduction and provide the following:

1. A formal announcement from the manufacturer that the cost of the contract product has been reduced.
2. Documentation, i.e., published cost lists, from the manufacturer showing, to the satisfaction of the state, the actual cost reduction.
3. Documentation showing that the published cost reductions have been offered to other distributors.

13. PRICE ADJUSTMENT

The State will review **fully documented** requests for price increase after any contract has been in effect for twelve (12) months. Fully documented means that the request shall present detailed information and calculations that make it clear how the claimed increase has an impact on the contract unit prices. All assumptions regarding cost factors that have an impact on the requested increase shall also be clearly identified and justified. The requested price increase must be based upon a cost increase that was clearly unpredictable at the time of the offer and can be shown to directly affect the price of the item concerned. Any price increase adjustment will only be made at the time of contract extension and will be a factor in the extension review process. The State will determine whether the requested price increase or an alternate option, is in the best interest of the State.

14. SAFETY STANDARDS

All items and services supplied under this contract shall comply with the current applicable Occupational Safety and Health Standards of the State of Arizona Industrial Commission, the National Electric Code, the National Fire Protection Association Standards and the Department of Environmental Quality.

15. WARRANTY

The bidder warrants:

1. That all services performed hereunder shall conform to the requirements of this contract and shall be performed by qualified personnel in accordance with the highest professional standards.
2. That all items furnished hereunder shall conform to the requirements of this contract and shall be free from defects in design, materials and workmanship.
3. The warranty period on workmanship and materials shall be based on a minimum of twelve (12) months from the time of delivery.

All bidders shall indicate on a separate written sheet that is submitted with their bid the exact conditions, limitations and duration of their warranty. As a minimum the warranty provided shall conform to the requirements stated herein.

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16. CURRENT PRODUCTS

All offers submitted in response to this solicitation shall be in current and ongoing production, shall have been formally announced for general marketing purposes; shall be a model or type currently functioning in a user (paying customer) environment and capable of meeting or exceeding all specifications and requirements set forth in this solicitation

17. PRODUCT DISCONTINUANCE

In the event that the manufacturer discontinues a product or model, the State at its sole discretion may allow the contractor to provide a substitute for the discontinued item. The contractor shall request permission to substitute a new product or model and provide the following

- 1 A formal announcement from the manufacturer that the product or model has been discontinued
- 2 Documentation from the manufacturer that names the replacement product or model
- 3 Documentation that provides clear and convincing evidence that the replacement meets or exceeds all specifications required by the original solicitation
- 4 Documentation that provides clear and convincing evidence that the replacement will be compatible with all the functions or uses of the discontinued product or model
5. Documentation confirming that the price for the replacement is the same as or less than the discontinued product or model

18. VENDOR REGISTRATION

Prior to issuance of a Purchase Order and subsequent payment, the Contractor must be registered in the State of Arizona's ProcureAZ on-line system, <https://procure.az.gov/bsol/>.

19. CONTRACT ADMINISTRATION

For information regarding the Uniform and Special Terms and Conditions, and Specifications referenced in this Solicitation contact, Joseph Graves – Senior Procurement Specialist at (602) 712-8407

Following award the Contractor shall contact the Arizona Department of Transportation (ADOT) Procurement Group for guidance or direction in matters of contract interpretation or problems regarding the terms, conditions or scope of the contract. Only the Procurement Officer or his/her authorized designee is authorized to change or amend the specific terms, conditions or provisions of the agreement

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20. NOTICES

All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provisions collectively called "Notices"), shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party or parties to receive such notice as follows:

a If intended for the State, to

**Arizona Department of Transportation, Procurement Group
1739 W. Jackson Street, Suite A MD-100P
Phoenix, Arizona 85007-3276
Attention: Joseph Graves – Senior Procurement Specialist**

b If intended for the contractor, to:

The contractor Name, Address, City, State, Zip, Attention

Or to such other address as either party may from time to time furnish in writing to the other by notice hereunder. Any notice so mailed shall be deemed to have been given as of the date such notice is received as shown on the return receipt. Furthermore, such notice may be given by delivering personally such notice, if intended for the State, to the Arizona Department of Transportation, Chief Procurement Officer and, if intended for the contractor, to the person named on the Offer & Contract Award of this contract, or to such other person as either party may from time to time furnish in writing to the other by notice hereunder. Any notice so delivered shall be deemed to have been given as of the date such notice is personally delivered to the other party.

21. CANCELLATION FOR POSSESSION OF WEAPONS ON ADOT PROPERTY

This contract may be cancelled if contractor or any subcontractors or others in the employ or under the supervision of the contractor or subcontractors is found to be in possession of weapons.

Possession of weapons (firearms, explosive device, knife or blade of more than three inches, or any other instrument designed for lethal or disabling use) is prohibited on ADOT property pursuant to ADOT Policy, PER 6 04, "Weapons in the Workplace." Such property includes ADOT owned or leased office building, yards, parking lots, construction sites or state owned vehicles.

Further, if the contractor or any subcontractors or others in the employ or under the supervision of the contractors or subcontractors are asked by an ADOT official to leave the ADOT property, they are advised that failure to comply with such a request shall result in cancellation of the contract and anyone who refuses, whether armed or not, is subject to prosecution under A R S § 13-1502, "Criminal trespass in the third degree, classification."

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22. INDEMNIFICATION CLAUSE

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

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

23. INSURANCE

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

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

Within five (5) days of notification, the offeror shall submit a copy of the attached **Certificate of Insurance, Exhibit 1**, or a State approved alternate form showing insurance in the following amounts to

Arizona Department of Transportation, Procurement Group
Attention: Joseph Graves
1739 W. Jackson Suite A - MD 100P
Phoenix, Arizona 85007

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SOLICITATION NO. ADOT12-00001334

A. MINIMUM SCOPE AND LIMITS OF INSURANCE:

Contractor shall provide coverage with limits of liability not less than those stated below.

1 Commercial General Liability – Occurrence Form

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability for garage operations, covered autos and operations necessary and incidental to the garage business

• General Aggregate	\$2,000,000
• Premises and Operations	\$1,000,000
• Products – Completed Operations Aggregate	\$1,000,000
• Personal and Advertising Injury	\$1,000,000
• Blanket Contractual Liability – Written and Oral	\$1,000,000
• Fire Legal Liability	\$ 50,000
• Each Occurrence	\$1,000,000
• Garagekeepers Legal Liability - Direct Primary Coverage	
Each Auto	\$ 500,000
Each Occurrence	\$1,000,000

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

2 Automobile Liability

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

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

- a. The policy shall be endorsed to include the following additional insured language **“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees, shall be named as additional insured with respect to liability arising out of the activities performed by or on behalf of the Contractor”.**
- b. *Automobile Liability should be required only if the commodity is being delivered to the State of Arizona by the vendor. If the commodity is being shipped by common carrier, automobile liability will not be required and the contractor shall provide written verification.*

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3 Worker's Compensation and Employers' Liability

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

a Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor

b This requirement shall not apply to Separately, EACH contractor or subcontractor exempt under A R S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form

B. ADDITIONAL INSURANCE REQUIREMENTS:

The policies shall include, or be endorsed to include, the following provisions

- 1 The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- 2 The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 3 Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract

C. NOTICE OF CANCELLATION:

Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona Such notice shall be sent by certified mail, return receipt requested and shall be sent directly to

Arizona Department of Transportation, Procurement Group
Attention: Joseph Graves – Senior Procurement Specialist
1739 W. Jackson Suite A – MD 100P
Phoenix, AZ 85007

D. ACCEPTABILITY OF INSURERS:

Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an "A M Best" rating of not less than A- VII The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Contractor from potential insurer insolvency

SPECIAL TERMS AND CONDITIONS

ARIZONA DEPARTMENT OF TRANSPORTATION
Procurement Group
1739 W Jackson Street Suite A - MD 100P
Phoenix, Arizona 85007
Phone (602) 712-7211

SOLICITATION NO. ADOT12-00001334

E. VERIFICATION OF COVERAGE:

Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to.

Arizona Department of Transportation, Procurement Group
Attention: Joseph Graves
1739 W. Jackson Suite A – MD 100P
Phoenix, AZ 85007

The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

F. SUBCONTRACTORS:

Contractors' certificate(s) shall include all subcontractors, as insured under its policies or Contractor shall furnish to the State of Arizona separate certificates and endorsements for each subcontractor. All coverage for subcontractors shall be subject to the minimum requirements identified above.

G. APPROVAL:

Any modification or variation from the *insurance requirements* in this Contract shall be made by the Department of Administration, Risk Management Section, whose decision shall be final. Such action will not require a formal Contract amendment, but may be made by administrative action.

H. EXCEPTIONS

In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university, none of the above shall apply.

24. SUSPENSION OR DEBARMENT CERTIFICATION

By acknowledging and accepting the Offer and Acceptance page, the bidder or offeror certifies that the firm, business or person submitting the bid or offer has not been debarred, suspended or otherwise lawfully precluded from participating in any public procurement activity with any Federal, State or Local Government. Signing the offer section without disclosing all pertinent information about a debarment or suspension shall result in rejection of the bid or offer or cancellation of a contract. The State also may exercise any other remedy available by law.

25. CATALOGS / CONTRACT PRICE LISTING

The contractor shall provide a comprehensive selection of products and pricing through established catalog/price lists. Pricing for these items shall be based on a single fixed discount from list price (baseline pricing). As applicable, the contractor(s) shall be required to furnish to all requesting agencies and eligible political subdivisions, catalogs at no cost which will outline contract prices.

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26. REVISED OR REPLACEMENT CATALOG / PRICE LISTS

The State may review a fully documented request to incorporate a revised or replacement catalog/price list. The request shall be submitted in writing and shall be supplemented with the following information. Failure to supply any of the following information with the request may result in the state not considering the request.

A declaration that affirms that the proposed catalog/price lists is one that is

- A replacement or revision to the original, containing the same item groups as originally awarded
- A regularly maintained by a manufacturer, distributor or contractor
- Either published or otherwise available for inspection by customers
- One that states prices at which sales are currently or were last made to a significant number of any categories of buyers or buyers constituting the general buying public for the materials or services involved

Pricing information, existing versus proposed, electronic and hardcopy formats that

- Identifies all products, by part number, SKU number, description and manufacturer that will experience increases from existing prices
- Displays a side-by-side comparison of pricing, existing vs proposed increases
- Details the factors that were clearly unpredictable at the time of the original offer and that have a direct affect on the proposed increase. Newly published or revised catalog/price lists submitted without supplemental information may not be considered
- Identifies all products, by part number, SKU number, description and manufacturer that will experience decreases from existing prices
- Displays a side by side comparison of pricing, existing vs proposed decreases
- The contractor shall also be obligated to pursue price decreases in accordance with the price decrease provision contained herein

Product Information (deletions/additions) existing versus proposed, electronic and hardcopy formats that

- Identifies all discontinued products, by part number, SKU number, description and manufacturer that are either no longer being manufactured or are no longer available to the contractor
- Identifies all proposed product additions, by part number, SKU number, description and manufacturer
- When pursuing product deletions or additions the contractor shall also supplement the request as required under product discontinuance new product provisions contained herein

The State reserves the right to approve and entire catalog/price list, portions thereof or to exercise an alternate option, whichever is deemed in the best interest of the state. Approval shall be done in the form of a contract amendment, and shall become effective on the date specified in the amendment. Upon approval by the State, the contractor shall make available all electronic and hard copy catalog/price list updates to the state and all contract customers at no additional cost to the state.

27. SERIAL NUMBERS

The contract is for product on which the original manufacturers' serial number has not been altered in any way. Throughout the contract term, the state reserves the right to reject any altered products.

28. PACKING SLIP

Each shipment shall include a packing slip showing the contract number, item, price, and the quantity shipped.

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29. DEFECTIVE PRODUCTS

All defective products shall be replaced and exchanged by the contractor. The cost of transportation, unpacking, inspection, repacking, reshipping or other like expenses shall be paid by the vendor. All replacement products must be received by the state within seven (7) days of initial notification.

30. SALES PROMOTIONS

In addition to decreasing contract pricing in accordance with the provision entitled price reductions, the contractor may conduct sales promotions involving specific products or groups of products specified herein for specified time periods. If electing to exercise this provision the contractor shall submit:

1. A formal request that identifies the affected contract product or product groups,
2. The promotional price vs. the existing contract price.
3. The start and end date of the sales promotion,

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

31. INVENTORY

The State of Arizona has an ongoing requirement for the material indicated in this solicitation. It is an express condition of any award that a contractor shall maintain a reasonable stock on hand for delivery to the requesting agency. Failure to maintain such a stock may result in contract cancellation.

32. RETURN POLICY

For reasons other than Fault or Error of the Contractor

In the event ordered and delivered items are returned to the supplier due solely to a management decision by the ordering agency and not due to any fault or error by the supplier, the supplier shall be entitled to payment for restocking at 10% of the invoiced cost of the returned items plus the cost of transportation from the ordering agency to the supplier. The transportation charges shall not exceed the least expensive rate by common carrier for the category and weight of the items returned. In addition, the freight cost for the return of the items plus any cost necessary to insure receipt of the returned items by the supplier shall be paid by the ordering agency. Items returned under this provision will be shipped back to the supplier by the ordering agency, unused in the original packaging including any instruction manuals or other material accompanying the initial shipment.

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33. CONTRABAND

Any person who takes into or out of, or attempts to take into or out of a correctional facility or the grounds belonging to adjacent to a correctional facility, any item not specifically authorized by the correctional facility shall be prosecuted under the provisions of the Arizona Revised Statutes. All persons, including employees and visitors, entering upon these confines are subject to routine searches of their person, vehicles, property of packages

DEFINITION – A R S §13-2501

Contraband means any dangerous drug, narcotic drug, intoxication liquor of any kind, deadly weapon, dangerous instrument, explosive or any other article whose use or possession would endanger the safety, security, or preservation of order in a correctional institution or any person therein (Any other article includes any substance which could cause abnormal behavior, i e marijuana, nonprescription medication, etc)

PROMOTING PRISON CONTRABAND – A R S §13-2505

A person, not otherwise authorized by law, commits promoting prison contraband.

- 1 By knowingly taking contraband into a correctional facility or the grounds of such a facility, or
- 2 By knowingly conveying contraband to any person confined in a correctional facility, or
- 3 By knowingly making, obtaining or possessing contraband while being confined in a correctional facility.
- 4 Promoting prison contraband is a Class 5 felony

EXHIBIT B

The W.W. Williams Company – Pricing Schedules

