

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Public Works *okm*

BOARD AGENDA # *C-3

Urgent Routine

AGENDA DATE October 5, 2010

CEO Concurs with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Approval to Enter into a Contract with Pape Machinery for the Purchase of Two (2) 2011 John Deere 670G Interim Tier 4 Motor Graders, Two (2) 2011 John Deere 644K Interim Tier 4 Loaders 4 Yd, One (1) 2011 John Deere 644K Interim Tier 4 Loader 3Yd with Hooks, and One (1) 2011 John Deere 410J Tier 3 Backhoe

STAFF RECOMMENDATIONS:

- 1) Award a contract in the amount of \$1,151,743.11 to Pape Machinery for the purchase of two (2) 2011 John Deere 670G Interim Tier 4 Motor Graders, two (2) 2011 John Deere 644K Interim Tier 4 Loaders 4 Yd, one (1) 2011 John Deere 644K Interim Tier 4 Loader 3Yd with hooks, and one (1) 2011 John Deere 410J Tier 3 Backhoe.
- 2) Authorize the Purchasing Agent/General Services Agency Director to sign the contract with Pape Machinery.

FISCAL IMPACT:

The cost of the Graders, Loaders, and Backhoe will be 100% funded by Congestion Mitigation and Air Quality (CMAQ) grant funds awarded to the Department of Public Works for the purchase of alternative fueled vehicles. These vehicles will be fueled by bio-diesel, which falls under the CMAQ definition of alternative fuel. The Public Works Morgan Shop Fiscal Year budget 2010-2011 reflects the CMAQ grant and purchase of these alternative fueled vehicles. Therefore, sufficient funds are available in the Public Works Morgan Shop budget to cover the cost of the two (2) Graders, three (3) Loaders, and one (1) Backhoe.

BOARD ACTION AS FOLLOWS:

No. 2010-626

On motion of Supervisor O'Brien, Seconded by Supervisor Monteith
and approved by the following vote,

Ayes: Supervisors: O'Brien, Chiesa, Monteith, DeMartini, and Chairman Grover

Noes: Supervisors: None

Excused or Absent: Supervisors: None

Abstaining: Supervisor: None

1) X Approved as recommended

2) _____ Denied

3) _____ Approved as amended

4) _____ Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

Approval to Enter into a Contract with Pape Machinery for the Purchase of Two (2) 2011 John Deere 670G Interim Tier 4 Motor Graders, Two (2) 2011 John Deere 644K Interim Tier 4 Loaders 4 Yd, One (1) 2011 John Deere 644K Interim Tier 4 Loader 3Yd with Hooks, and One (1) 2011 John Deere 410J Tier 3 Backhoe

DISCUSSION:

The Department of Public Works Morgan Shop Division provides and maintains equipment for the Road and Bridge Operations and Maintenance Division. The Fiscal Year 2010-2011 budget approved the purchase of in-use-off-road alternative fueled equipment to fulfill the Roads and Bridges Division's need for two (2) new Graders, three (3) new Loaders, one (1) new Backhoe, and to continue to meet compliance with California Air Resource Board's adopted the Fleet Rule, Title 13, Article 4.8, Chapter 9, California Code of Regulations (CCR), to reduce diesel particulate matter (PM) and criteria pollutant emissions from in-use-off-road diesel-fueled vehicles.

The graders play an important role to the Roads and Bridges Division in asphalt preparation when chip sealing, and the performance of shoulder work. The loaders load large capacity material like rocks, asphalt, sand, and chips into various types of construction equipment. The loader with hooks is also used in conjunction with a shoulder machine to backfill shoulders to prevent drop-offs. The backhoe is used to load smaller amounts of the large capacity material, digging trenches, covering trenches with metal plates, and pulling out and putting in drainage pipes. Overall the graders, loaders, and backhoe save project time, reduce expenses, protect the public from road hazards, and help to protect Road Maintenance Workers from injuries caused by extensive lifting and digging. There has been an increase in road surface and shoulder repair projects in recent years. The new equipment is needed to help meet the demand of the increased repair projects while keeping up the quality and safety of the roads and drainage systems.

The two (2) 2011 John Deere 670G Interim Tier 4 Motor Graders, two (2) 2011 John Deere 644K Interim Tier 4 Loaders 4 Yd Loaders, one (1) 2011 John Deere 644K Interim Tier 4 Loader 3Yd with hooks, and one (1) 2011 John Deere 410J Tier 3 Backhoe are currently not in stock at Pape Machinery. The Graders and Loaders are manufactured in Davenport, Iowa and will be shipped to Pape Machinery. The Backhoe is manufactured in Dubuque, Iowa and will also be shipped to Pape Machinery. Pape Machinery is responsible for loss during shipping and for all equipment until it is received by the Department Public Works. The shipping is included in the purchase price. Payment to Pape Machinery will be made once the equipment is in Public Works' possession. The Department of Public Works is expected to receive the (3) three Loaders and one (1) Backhoe from Pape Machinery approximately March of 2011 and the two (2) Graders from Pape Machinery approximately April of 2011. Pape Machinery is a California business operating out of French Camp, California.

On June 15, 2008, the California Air Resource Board's adopted the Fleet Rule, Title 13, Article 4.8, Chapter 9, California Code of Regulations (CCR), to reduce diesel particulate matter (PM) and criteria pollutant emissions from in-use off-road diesel-fueled vehicles. Target dates to meet compliance of this rule are predetermined by NOX (nitrates of oxide) and PM (particulate matters). There are annual reduction compliance targets through the year 2020, and the purchase of the above-mentioned equipment will help the Department meet the target date of March 1, 2011 and March 1, 2012.

Approval to Enter into a Contract with Pape Machinery for the Purchase of Two (2) 2011 John Deere 670G Interim Tier 4 Motor Graders, Two (2) 2011 John Deere 644K Interim Tier 4 Loaders 4 Yd, One (1) 2011 John Deere 644K Interim Tier 4 Loader 3Yd with Hooks, and One (1) 2011 John Deere 410J Tier 3 Backhoe

The requested contract was obtained through the California Multiple Award Schedules (CMAS) program. The CMAS contracts are awarded and administered by the State of California, Department of General Services, Procurement Division in accordance with Public Contract Code (PCC) Sections 10290 et seq. and Section 12101.5. The CMAS contracts are established using products, services and prices from already existing competitively assessed and cost compared multiple award contracts.

POLICY ISSUES:

This action is consistent with the Board's priorities of providing A Safe Community, A Healthy Community and A Well Planned Infrastructure System by adequately maintaining the County's road maintenance fleet while assisting to meet compliance with the State's diesel emission standards.

STAFFING IMPACT:

There is no staffing impact associated with this item.

CONTACT PERSON:

Mel Eslinger, Public Works Manager III. Telephone: 209-525-4130.

ME/TB:ot
M:\Morgan Shop\Morgan\Board Items\Board Item_Combined_10-10



STANISLAUS COUNTY

Purchasing Division

1010 TENTH ST, SUITE 5400
MODESTO, CALIFORNIA 95353
TEL: (209) 525-6319
FAX: (209) 525-7787

SHIP TO

PUBLIC WORKS-MORGAN SHOP
OLIVIA TANNER (209) 525-4193
1716 MORGAN ROAD
MODESTO, CA 95358

BILL TO

PUBLIC WORKS-MORGAN SHOP
OLIVIA TANNER (209) 525-4193
1716 MORGAN ROAD
MODESTO, CA 95358

Purchase Order

PURCHASE ORDER NO. REVISION PAGE

97194 1 1

THIS PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS, CARTONS AND CORRESPONDENCE RELATED TO THIS ORDER.

DATE OF ORDER BUYER
08-OCT-10 C Blair

DATE OF REVISION BUYER
11-OCT-10 C Blair

VENDOR: PAPE MACHINERY
PAPE MACHINERY
8621 S EL DORADO ST
FRENCH CAMP, CA 95231

CUSTOMER ACCT NO.	VENDOR NO.	PAYMENT TERMS	FREIGHT TERMS	F.O.B.	SHIP VIA
	62266	30 NET	PREPAID	DESTINATION	COMMON CARRIER
CONFIRM TO/TELEPHONE			REQUESTOR / DELIVER TO Tanner, Olivia		

Line	PART NUMBER / DESCRIPTION	DELIVERY DATE	QUANTITY	UNIT	UNIT PRICE	EXTENSION	TAX
1	All prices and amounts on this order are expressed in: US dollar PURCHASE ORDER FY 2010-2011 PURCHASE OF JOHN DEERE EQUIPMENT TWO (2) NEW 670G INTERIM TIER 4 MOTOR GRADERS, TWO (2) NEW 644K INTERIM TIER 4 LOADERS 4 YD, ONE (1) NEW 410J TIER 3 BACKHOE LOADER CMAS CONTRACT #4-08-23-0022A 5121-42100-84750 o SHIP TO: Address at top of page	NEEDED: 15-APR-11	938,396.08	DOLL	1	938,396.08	N

2011 OCT 11 P 2:16
BOARD OF SUPERVISORS

Total 938,396.08

By accepting this purchase order you agree to the County's terms and conditions found at: <http://www.stancounty.com/purchasing/>

AUTHORIZED SIGNATURE

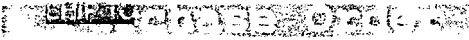
Board item C-3 (10/5/10)



STANISLAUS COUNTY

Purchasing Division

1010 TENTH ST, SUITE 5400
 MODESTO, CALIFORNIA 95353
 TEL: (209) 525-6319
 FAX: (209) 525-7787



PUBLIC WORKS-MORGAN SHOP
 OLIVIA TANNER (209) 525-4193
 1716 MORGAN ROAD
 MODESTO, CA 95358

BILL TO

PUBLIC WORKS-MORGAN SHOP
 OLIVIA TANNER (209) 525-4193
 1716 MORGAN ROAD
 MODESTO, CA 95358

Purchase Order

PURCHASE ORDER NO. REVISION PAGE

97195 2 1

THIS PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS, CARTONS AND CORRESPONDENCE RELATED TO THIS ORDER.

DATE OF ORDER BUYER
 08-OCT-10 C Blair

DATE OF REVISION BUYER
 14-DEC-10 C Blair

VENDOR: PAPE MACHINERY
 PAPE MACHINERY
 8621 S EL DORADO ST
 FRENCH CAMP, CA 95231

CUSTOMER ACCT NO.	VENDOR NO.	PAYMENT TERMS	FREIGHT TERMS	F.O.B.	SHIP VIA
	62266	30 NET	PREPAID	DESTINATION	COMMON CARRIER
ONFIRM TO/TELEPHONE	REQUESTOR / DELIVER TO Tanner, Olivia				

line	PART NUMBER / DESCRIPTION	DELIVERY DATE	QUANTITY	UNIT	UNIT PRICE	EXTENSION	TAX
1	All prices and amounts on this order are expressed in: US dollar PURCHASE ORDER FY 2010-2011 ONE (1) JOHN DEERE 644K INTERIM TIER 4 LOADER 3 YD W/HOOKS CMAS CONTRACT #4-08-23-0022A 5121-42100-84750 o SHIP TO: Address at top of page	NEEDED: 15-MAR-11	213,347.03	DOLL	1	213,347.03	N

Total

Continued

By accepting this purchase order you agree to the County's terms and conditions found at: <http://www.stancounty.com/purchasing/>.

Don Blair
 AUTHORIZED SIGNATURE



STANISLAUS COUNTY

Purchasing Division

1010 TENTH ST, SUITE 5400
 MODESTO, CALIFORNIA 95353
 TEL: (209) 525-6319
 FAX: (209) 525-7787

SHIP TO
 PUBLIC WORKS-MORGAN SHOP
 OLIVIA TANNER (209) 525-4193
 1716 MORGAN ROAD
 MODESTO, CA 95358

BILL TO
 PUBLIC WORKS-MORGAN SHOP
 OLIVIA TANNER (209) 525-4193
 1716 MORGAN ROAD
 MODESTO, CA 95358

Purchase Order

PURCHASE ORDER NO. REVISION PAGE
 97195 2 2

THIS PURCHASE ORDER NUMBER MUST APPEAR ON ALL INVOICES, PACKING LISTS, CARTONS AND CORRESPONDENCE RELATED TO THIS ORDER.

DATE OF ORDER BUYER
 08-OCT-10 C Blair

DATE OF REVISION BUYER
 14-DEC-10 C Blair

VENDOR: PAPE MACHINERY
 PAPE MACHINERY
 8621 S EL DORADO ST
 FRENCH CAMP, CA 95231

CUSTOMER ACCT NO. VENDOR NO. PAYMENT TERMS FREIGHT TERMS F.O.B. SHIP VIA
 62266 30 NET PREPAID DESTINATION COMMON CARRIER

ONFIRM TO/TELEPHONE REQUESTOR / DELIVER TO
 Tanner, Olivia

line	PART NUMBER / DESCRIPTION	DELIVERY DATE	QUANTITY	UNIT	UNIT PRICE	EXTENSION	TAX
2	PLEASE INCREASE PO 97195 FOR PAPE MACHINERY VENDOR #62266 BY \$9,270.00. 5121-42100-84750 CMAS CONTRACT #4-08-23-0022A o SHIP TO: Address at top of page	NEEDED: 14-DEC-10	9,270.00	DOLL	1	9,270.00	N

Total 222,617.03

By accepting this purchase order you agree to the County's terms and conditions found at: <http://www.stancounty.com/purchasing/>

[Signature]
 AUTHORIZED SIGNATURE



Department of General Services
Procurement Division
707 Third Street, 2nd Floor, MS 202
West Sacramento, CA 95605-2811

State of California
MULTIPLE AWARD SCHEDULE
Pape' Machinery, Inc

4-08-23-0022A - Brand-John Deere
Construction Equip-Backhoe
Construction Equip-Bulldozer
Construction Equip-Excavator
Construction Equip-Grader
Construction Equip-Loader
Construction Equipment
Construction Equip-Scraper
Fire Fighting-Equipment
Lawn/Ag Equip-Backhoe
Lawn/Ag Equ-Skid Steer Loader

(Above descriptions for marketing purposes only. Review contract for products/services available.)

CONTRACT NUMBER: 4-08-23-0022A

CMAS TERM DATES: 5/30/2008 through 6/30/2013

DISTRIBUTION: STATEWIDE

NOTICE: Products and/or services on this CMAS contract may be available on a mandatory Strategically Sourced (CSSI) Contract. If this is the case, the use of this CMAS contract is restricted unless the State agency has an approved exemption pursuant to MM 05-11, and as further explained in the CSSI Contract User Instructions. Information regarding CSSI contracts can be obtained at the website: www.pd.dgs.ca.gov/stratsourcing. This requirement is not applicable to local government entities.

The most current Ordering Instructions and Special Provisions and CMAS Terms and Conditions, products and/or services and pricing are included herein. All purchase orders issued under this contract incorporate the following Ordering Instructions and Special Provisions and CMAS Terms and Conditions dated July 2006.

Agency non-compliance with the requirements of this contract may result in the loss of delegated authority to use the CMAS program.

Contractor non-compliance with the requirements of this contract may result in contract termination.

Effective Date: **5/30/2008**

WALTER W. SABORIO, Program Analyst, California Multiple Award Schedules Unit



October 23, 2009

RECEIVED

OCT 27 2009

RECEIVED OCT 26 2009

ROBERT RIECKE
PAPE MACHINERY INC
2850 EL CENTRO ROAD,
SACRAMENTO, CA 95833-

RE: Contractor Pays 1% Incentive Fee for Local Agency CMAS Sales

Dear CMAS Contractor:

Introduction The Department of General Services, Procurement Division (DGS-PD) is implementing a new policy specific to the payment of administrative fees for sales/services provided to local government agencies via any Leveraged Procurement Agreement, including CMAS contracts. Current practice has the DGS-PD billing local government agencies an administrative fee equal to 2.06% of the total order value.

New Policy → Effective January 1, 2010, all CMAS contractors, including certified Small Businesses and Disabled Veteran Business Enterprises, will be required to pay DGS-PD a new 1% incentive fee for all orders placed by local government agencies via a CMAS contract. This incentive fee is in lieu of the above referenced administrative fee. This policy change however, does not affect orders placed by State government offices. State agencies will continue to be billed the applicable administrative use fee by the DGS-PD.

*Address *
on Back*

Local Government Definition A local government agency is any California city, county, district, or other local governmental body, including the California State University (CSU) and University of California (UC) systems, K-12 public schools, and community colleges empowered to expend public funds.

Quarterly Reports The CMAS Quarterly Business Activity Report form has been modified with a 1/1/2010 revision date to facilitate this new process. This report separates sales to State and local government agencies. The first quarter covers January, February, and March, and is due in the CMAS Unit by 4/15/2010. A report is still required for every quarter, even if the contractor received no new purchase orders in that quarter.

Starting with the first quarter of 2010, all CMAS contractors must use the business activity report with a revision date of 1/1/2010. The new CMAS Quarterly Business Activity Report form will be available at the CMAS website in late December of 2009.

Incentive Fee Each contractor is required to remit to the DGS-PD an incentive fee equal to 1% of the total of all local government agency orders (excluding sales tax and freight) placed against their CMAS contract(s) for the applicable quarter.

The check covering this fee shall be made payable to the Department of General Services, CMAS Unit, and be attached to the supporting CMAS Quarterly Report. Mail report and check to:

Department of General Services
Procurement Division, CMAS Unit
Quarterly Report Processing
PO Box 989052, MS 2-202
West Sacramento, CA 95798-9052

CMAS Quarterly Reports which include a check made payable to the DGS-CMAS Unit must be mailed via hard-copy, and cannot be accepted via facsimile or e-mail.

Contractor Options

All existing CMAS contracts will be modified to incorporate this new process.

CMAS contractors have the option of either

1. Accepting this new requirement effective 1/1/2010 on all of their CMAS contracts, or
2. Choosing to make their CMAS contract available for State agencies only and no longer accept CMAS orders from local government agencies so no incentive fees will be due, or
3. Requesting that their CMAS contract(s) be terminated effective 12/31/2009.

Contractor Action

To facilitate the modification to existing CMAS contracts, all CMAS contractors must complete the attached form, and return it with this letter with original signature by 11/12/2009 to:

Department of General Services
Procurement Division, CMAS Unit
Attn: Lenaya Salman
PO Box 989052, MS 2-202
West Sacramento, CA 95798-9052

Questions

If you have any questions regarding this letter, you may contact the CMAS Unit at (916) 375-4363 or cmas@dgs.ca.gov.

Sincerely,



MARY GILBERT
CMAS Program Manager



DGS

State of California • Arnold Schwarzenegger, Governor
State and Consumer Services Agency
DEPARTMENT OF GENERAL SERVICES
Procurement Division

707 Third Street • West Sacramento, CA 95605 • (916) 375-4400 • Fax (916) 375-4505 • www.pd.dgs.ca.gov

1% Incentive Fee for CMAS Local Agency Sales

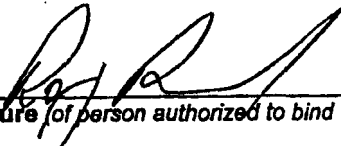
Per the directions on page 2 of this letter, complete and sign this form and return it with the letter by 11/12/2009.

Company Name: PAPE MACHINERY INC

CMAS Contract Number(s): #4-08-23-0022A

Instructions: Select only one of the three options below:

- My company agrees to pay the DGS-PD a 1% incentive fee for all CMAS orders from local government agencies effective 1/1/2010.
- My company will accept CMAS orders from State of California agencies only and no orders from local government agencies effective 1/1/2010 (so a 1% incentive fee is not is required).
- My company no longer wishes to hold any CMAS contracts, and we request our CMAS contract(s) listed above be terminated effective 12/31/2009.


Signature (of person authorized to bind this company to this form)

11/09/09
Date

Robert J. Riecke
Name (please print)

Vice President
Title (please print)

**JOHN DEERE CONSTRUCTION RETAIL SALES
GS-30F-0013U**

DISCOUNT SUMMARY		
SPECIAL ITEM NUMBER	MACHINE MODEL	DISCOUNT FROM LIST
271-101	310J	35.20%
271-101	310SJ	35.80%
271-101	410J	35.89%
271-101	710J	33.80%
271-101	450J	23.58%
271-101	550J	23.31%
271-101	650J	23.50%
271-101	700J	23.59%
271-101	750J	24.52%
271-101	850J	24.54%
271-101	950J	25.38%
271-101	1050J	19.57%
271-101	244J	22.51%
271-101	304J	28.75%
271-101	344J	31.29%
271-101	444J	33.22%
271-101	544J	34.07%
271-101	624J	35.41%
271-101	644J	35.14%
271-101	724J	33.28%
271-101	744J	32.41%
271-101	824J	32.27%
271-101	844J	33.27%
271-101	870D	39.93%
271-101	872D	40.20%
271-101	770D	41.28%
271-101	772D	41.40%
271-101	870D	40.55%
271-101	872D	41.03%
271-101	17D	22.23%
271-101	27D	21.84%
271-101	35D	22.28%
271-101	50D	23.13%
271-101	120C	28.94%
271-101	180D LC	30.17%
271-101	200D LC	34.10%
271-101	75C	28.46%
271-101	80C	27.76%
271-101	240D LC	32.76%
271-101	270D LC	28.42%
271-101	135C RTS	29.12%
271-101	180C W	35.10%
271-101	225D LC	33.00%
271-101	210C W	34.94%
271-101	313	25.32%
271-101	315	25.32%
271-101	317	25.32%
271-101	320	25.85%
271-101	325	25.77%
271-101	328	26.02%
271-101	332	25.84%
271-101	CT322	21.91%
271-101	CT332	22.65%



State of California • Arnold Schwarzenegger, Governor
State and Consumer Services Agency
DEPARTMENT OF GENERAL SERVICES
Procurement Division

707 Third Street • West Sacramento, CA 95605 • (916) 375-4400 • Fax (916) 375-4505 • www.pd.dgs.ca.gov

May 30, 2008

Mr. Robert J. Riecke
Pape' Machinery, Inc.
2850 El Centro Road
Sacramento, CA 95833

Subject: Pape' Machinery Inc.'s California Multiple Award Schedule (CMAS)

CMAS #4-08-23-0022A
GSA #GS-30F-0013U

Contract Term: May 30, 2008 through June 30, 2013

Brand-John Deere
Construction Equip-Backhoe
Construction Equip-Bulldozer
Construction Equip-Excavator
Construction Equip-Grader
Construction Equip-Loader
Construction Equipment
Construction Equip-Scraper
Fire Fighting-Equipment
Lawn/Ag Equip-Backhoe
Lawn/Ag Equ-Skid Steer Loader

The State of California is pleased to accept your firm's offer to establish a California Multiple Award Schedule (CMAS) contract, which we have assigned the above CMAS contract number for the term identified on page one of the contract. This contract number must be shown on each invoice rendered. Additionally, this letter shall not be construed as a commitment to purchase any or all of the State's requirements from your firm.

Agencies may procure their products and/or services from your firm during the term of this contract. This acceptance letter, the attached CMAS contract pages including ordering instructions and special provisions as well as CMAS Terms and Conditions, and the applicable product/services catalog or listing shall be considered part of the CMAS contract.

It is your firm's responsibility to furnish, upon request, copies of the CMAS contract to state and local agencies. A complete CMAS contract includes the following: 1) CMAS cover pages (signature page, ordering instructions and special provisions as prepared by the CMAS Unit), Std. 204 Payee Data Record, and any attachments or exhibits as prepared by the CMAS Unit, 2) CMAS Terms and Conditions, 3) Federal terms and conditions, and 4) product/service listing and prices. The CMAS Unit strongly recommends to all government agencies to place orders with suppliers who provide ALL of the contract elements described above.

Contractors are required to submit a detailed report quarterly (refer to CMAS Terms and Conditions, General Provisions) to the DGS Procurement Division, CMAS Unit, 707 Third Street, 2nd Floor, MS 202, West Sacramento, CA 95605-2811, Attention: Quarterly Report Processing. A separate report is required for each contract, as differentiated by alpha suffix and shall include the activity of the contractor's respective authorized CMAS resellers when applicable. This report is required within two weeks after the end of March, June, September, and December of each calendar year. A report is required even when there is no activity.

Mr. Robert J. Riecke

-2-

May 30, 2008

To facilitate collection of administrative fees, copies of local government agency purchase orders must accompany the CMAS quarterly report.

**THE FIRST QUARTERLY REPORT DUE FOR THIS CONTRACT IS Q2-2008 (APRIL-JUNE),
DUE BY JULY 15, 2008.**

If your firm has an electronic Bulletin Board System (BBS) available to state departments for on-line inquiry of current catalog or listing updates, or your catalog(s) or listing(s) are available on CD ROM, please inform our agencies of how they may avail themselves of these options.

Upon award of your CMAS Contract, a "Tool Kit" is available for your use in marketing your products and/or services to state and local government agencies, school districts, utilities and other entities authorized to expend public funds. The Tool Kit can be accessed through the CMAS website at www.dgs.ca.gov/pd by selecting CMAS; Suppliers/Contractors; CMAS Marketing Tool Kit. The CMAS logo icons, "Approved CMAS Contractor", are only available to approved CMAS contract holders for display at conferences or on other marketing material. A login and password is required in order to download the logo. At the prompt, enter the login: "cmassupplier" and the password: "cmas010194". If you need assistance during this process, please call me.

We remind you that prior approval is required from the state for all news releases regarding this contract. Also, it is not acceptable to include any products or services on CMAS which are not approved for the federal GSA award schedule referenced in your CMAS contract.

Should you have any questions, please contact me at 916/375-7438. Thank you for your continued cooperation.

Walter W. Saborio

WALTER W. SABORIO, Program Analyst
California Multiple Award Schedules Unit

Attachments



Department of General Services
Procurement Division
707 Third Street, 2nd Floor, MS 202
West Sacramento, CA 95605-2811

State of California
MULTIPLE AWARD SCHEDULE
Pape' Machinery, Inc

4-08-23-0022A - Brand-John Deere
Construction Equip-Backhoe
Construction Equip-Bulldozer
Construction Equip-Excavator
Construction Equip-Grader
Construction Equip-Loader
Construction Equipment
Construction Equip-Scraper
Fire Fighting-Equipment
Lawn/Ag Equip-Backhoe
Lawn/Ag Equ-Skid Steer Loader

(Above descriptions for marketing purposes only. Review contract for products/services available.)

CONTRACT NUMBER:	4-08-23-0022A
CMAS TERM DATES:	5/30/2008 through 6/30/2013
DISTRIBUTION:	STATEWIDE

NOTICE: Products and/or services on this CMAS contract may be available on a mandatory Strategically Sourced (CSSI) Contract. If this is the case, the use of this CMAS contract is restricted unless the State agency has an approved exemption pursuant to MM 05-11, and as further explained in the CSSI Contract User Instructions. Information regarding CSSI contracts can be obtained at the website: www.pd.dgs.ca.gov/stratsourcing. This requirement is not applicable to local government entities.

The most current Ordering Instructions and Special Provisions and CMAS Terms and Conditions, products and/or services and pricing are included herein. All purchase orders issued under this contract incorporate the following Ordering Instructions and Special Provisions and CMAS Terms and Conditions dated July 2006.

Agency non-compliance with the requirements of this contract may result in the loss of delegated authority to use the CMAS program.

Contractor non-compliance with the requirements of this contract may result in contract termination.

Walter W. Saborio

Effective Date: 5/30/2008

WALTER W. SABORIO, Program Analyst, California Multiple Award Schedules Unit

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

AVAILABLE PRODUCTS AND/OR SERVICES

This contract provides for the purchase and warranty of hardware.

Only products from the manufacturer listed below are available within the scope of this contract:

John Deere

EXCLUDED PRODUCTS AND/OR SERVICES

SERVICES SUCH AS INSTALLATION, MAINTENANCE, REPAIR, AND TRAINING are not available under this contract.

CMAS BASE CONTRACT

This CMAS contract is based on some or all of the products and/or services and prices from GSA #GS-30F-0013U (John Deere Construction Retail Sales) with a GSA term of 3/20/2008 through 3/19/2013. The term of this CMAS contract incorporates an extension of three months beyond the expiration of the base GSA contract, and is shown in the "CMAS Term Dates" on page 1.

Replace "John Deere Construction Retail Sales" with "Pape' Machinery, Inc." where "John Deere Construction Retail Sales" is referenced in the federal GSA multiple award Contract Terms and Conditions.

ISSUE PURCHASE ORDER TO:

Agency purchase orders must be mailed to the following address, or faxed to 916/922-4532:

Pape' Machinery, Inc.
2850 El Centro Road
Sacramento, CA 95833
Attn: David Conger

Agencies with questions regarding products and/or services may contact the contractor as follows:

Phone: 916/922-7181
E-mail: dconger@papemachinery.com

PRIOR APPROVAL

In accordance with State Administrative Manual (SAM) Section 4110, State agencies must get approval from Fleet Administration prior to placing the order. For approval, send the original Std. 65 to:

DEPT. OF GENERAL SERVICES
OFFICE OF FLEET ADMINISTRATION
802 Q STREET
SACRAMENTO, CA 95814
ATTN: STEVE NIELSEN
(916) 653-7017

Local governments are not required to adhere to these guidelines.

INSPECTION

In accordance with State Administrative Manual (SAM) Section 4113, equipment must be inspected by a Fleet Inspector prior to delivery at the Contractor's site. Contact Fleet as shown above to arrange for the inspection.

CALIFORNIA SELLER'S PERMIT

Pape' Machinery, Inc.'s California Seller's Permit No. is 100533464. Agencies can verify that this permit is still valid at the following website: www.boe.ca.gov.

When issuing an order to an authorized reseller on a CMAS contract, it is the agency's responsibility to ensure that the reseller holds a valid California Seller's Permit.

WARRANTY

For warranties, see the federal GSA schedule and the CMAS Terms and Conditions, General Provisions, CMAS Warranty.

DELIVERY

150 days after receipt of order, or as negotiated between agency and contractor and included in the purchase order, or as otherwise stipulated in the contract.

PURCHASING AUTHORITY DOLLAR THRESHOLD

No CMAS order may be executed by a State agency that exceeds that agency's CMAS purchasing authority threshold or the CMAS maximum order limit, whichever is less.

MAXIMUM ORDER LIMITS (Local Governments are Exempt)

The order limits for orders placed against CMAS contracts are as follows:

Information Technology Goods & Services: \$500,000
Non-Information Technology Services: \$250,000
(DGS-PD prior approval required if over \$50,000. See further below.)
Non-Information Technology Goods: \$100,000

These transactions are subject to the following requirements:

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

- State agencies must solicit a minimum of 3 contractors including 1 small business and/or DVBE (if available) and document responses. This is not a bid transaction so small business preference, protest language, intents to award, evaluation criteria, advertising, etc. are not applicable.
- If less than 3 offers received, state agencies must document their files with the reasons why the other suppliers solicited did not respond with an offer.
- If only one source is known (competing offers cannot be obtained), the non-competitive bid (NCB) contract process must be followed. See the latest Management Memo (currently MM 03-10 including supplements), or whichever Management Memo is in effect at the time a purchase order is issued, for NCB guidelines. Exceptions to NCB process are also addressed in MM 03-10.
- Evaluation and award may be based on best value, as applicable, and not restricted to lowest cost.
- For CMAS transactions under \$5,000 only one offer is required if the state agency can establish and document that the price is fair and reasonable.
- Orders for Information Technology Goods and Services exceeding \$250,000 require additional documentation. See the latest Management Memo (currently MM 03-10) for specific information on these additional requirements.
- Exemptions to the CMAS order limits are not allowed.
- Local governments set their own order limits, and are not bound by the above order limits and requirements.

SPLITTING ORDERS

Splitting orders to avoid any monetary limitations is prohibited.

Do not circumvent normal procurement methods by splitting purchases into a series of delegated purchase orders (SAM 3572).

Splitting a project into small projects to avoid either fiscal or procedural controls is prohibited (SAM 4819.34).

MINIMUM ORDER LIMITATION

The minimum dollar value of an order to be issued under this contract is \$100.00.

ORDERING PROCEDURES

1. Order Form

State agencies shall use a Contract/Delegation Purchase Order (Std. 65) for purchases and services.

Local governments shall, in lieu of the State's Purchase Order (Std. 65), use their own purchase order document.

Electronic copies of the State Standard Forms can be found at the Office of State Publishing web site: <http://www.dgs.ca.gov/osp> (select Standard Forms). The site provides information on the various forms and use with the Adobe Acrobat Reader. Beyond the Reader capabilities, Adobe Acrobat advanced features may be utilized if you have Adobe Business Tools or Adobe Acrobat 4.0 installed on your computer. Direct link to the Standard Form 65: <http://www.osp.dgs.ca.gov/pdf/std065.pdf>

2. Purchase Orders

The agency is required to forward a copy of each purchase order to the Department of General Services (DGS), Procurement Division, Data Management, 707 Third Street, 2nd Floor, MS 203, West Sacramento, CA 95605-2811 (IMS# Z-1).

The agency is required to complete and distribute the order form. For services, the agency shall modify the information contained on the order to include the service period (start and end date), and the monthly cost (or other intermittent cost), and any other information pertinent to the services being provided. The cost for each line item should be included in the order, not just system totals. **See the CMAS Services Guide at www.dgs.ca.gov/pd (click on CMAS) for guidelines pertaining to all orders for services.**

The contractor must immediately reject orders that are not accurate. Discrepancies are to be negotiated and incorporated into the order prior to the products and services being delivered.

3. Service and Delivery after Contract Expiration

The purchase order must be issued before the CMAS contract end term expires. However, delivery of the products or completion of the services may be after the contract end term expires (unless otherwise specifically stated in the contract), but must be as provided for in the contract and as specified in the purchase order.

Also, purchase order amendments cannot be issued to add products or services if the CMAS contract end term has expired.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

4. Multiple Contracts on STD. 65 Order Form

Agencies may include multiple CMAS contracts from the same contractor on a single Std. 65 Contract/Delegation Purchase Order. For guidelines, see the Purchasing Authority Manual, Chapter 6.B4.1.

5. Amendments to Department's Purchase Orders

Management Memo 03-10 provides the following direction regarding amendments to department purchase orders:

Orders for IT Goods & Services or Non-IT Goods: Original orders, which include options for changes (e.g., quantity or time), that were evaluated and considered in the selection for award during the Request for Offers process, may be amended consistent with the terms of the original order, provided that the original order allowed for amendments. If the original order did not evaluate options, then the NCB process must be followed for the amendment.

Orders for Non-IT Services:

Original orders, which do not include options for changes (e.g., quantity or time), may be amended. This only applies to the first amendment, the time shall not exceed one year, or add not more than 30% of the original order value, not to exceed \$250,000. The original contract must have permitted amendments. Outside of these conditions, the NCB process must be followed.

Also see the Purchasing Authority Manual, Chapter 6, Topic 7, for more information on amending purchase orders.

CONTRACT PRICES

Contract prices for products and/or services are maximums. The ordering agency is encouraged to negotiate lower prices.

CONTRACTOR OWNERSHIP INFORMATION

Pape' Machinery, Inc. is a large business enterprise.

SMALL BUSINESS MUST BE CONSIDERED

Prior to placing orders under the CMAS program, state agencies shall whenever practicable first consider offers from small businesses that have established CMAS contracts [GC Section 14846(b)]. NOTE: The Department of General Services auditors will request substantiation of compliance with this requirement when agency files are reviewed.

The following website lists CMAS Small Business and Disabled Veteran Partners:

www.pd.dgs.ca.gov
(click on CMAS click on State Agencies)

In response to our commitment to increase participation by small businesses, the Department of General Services waives the administrative fee (a fee currently charged to customer agencies to support the CMAS program) for orders to certified small business enterprises.

See the current fees in the DGS Price Book at:
<http://www.ofs.dgs.ca.gov/Price+Book/P/Purchasing.htm>

SMALL BUSINESS/DVBE - TRACKING

State agencies are able to claim subcontracting dollars towards their small business or DVBE goals whenever the Contractor subcontracts a commercially useful function to a certified small business or DVBE. The Contractor will provide the ordering agency with the name of the small business or DVBE used and the dollar amount the ordering agency can apply towards its small business or DVBE goal.

SMALL BUSINESS/DVBE - SUBCONTRACTING

1. The amount an ordering agency can claim towards achieving its small business or DVBE goals is the dollar amount of the subcontract award made by the Contractor to each small business or DVBE.
2. The Contractor will provide an ordering agency with the following information at the time the order is quoted:
 - a. The Contractor will state that, as the prime Contractor, it shall be responsible for the overall execution of the fulfillment of the order.
 - b. The Contractor will indicate to the ordering agency how the order meets the small business or DVBE goal, as follows:
 - List the name of each company that is certified by the Office of Small Business and DVBE Certification that it intends to subcontract a commercially useful function to; and
 - Include the small business or DVBE certification number of each company listed, and attach a copy of each certification; and
 - Indicate the dollar amount of each subcontract with a small business or DVBE that may be claimed by the ordering agency towards the small business or DVBE goal; and

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

- Indicate what commercially useful function the small business or DVBE subcontractor will be providing towards fulfillment of the order.
3. The ordering agency's purchase order must be addressed to the prime Contractor, and the purchase order must reference the information provided by the prime Contractor as outlined above.

ELECTRONIC WASTE RECYCLING

The Electronic Waste Recycling Act of 2003 requires retailers to collect a recycling fee from consumers on covered electronic devices starting January 1, 2005. California Public Resources Code, Section 42463(f) defines a "covered electronic device" as a video display device containing a screen greater than four inches measured diagonally. See the code identified above for more information and exceptions to this definition.

The Integrated Waste Management Board is implementing this new legislation, and the Board of Equalization is responsible for collecting these recycling fees from retailers. See the following two websites for more information on this topic:

<http://www.ciwmb.ca.gov/Electronics/Act2003/>

<http://www.boe.ca.gov/sptaxprog/ewaste.htm>

The electronic waste recycling fee must be shown as a line item on the agency purchase order before the Contractor can include it on their invoice.

SERVICES EXCLUDED ON THE CMAS PROGRAM

The following services are not available on the CMAS Program:

1. Architectural, Construction, Engineering and Environmental Services

Services are not allowed on CMAS that are required by law to be performed by a licensed architect, licensed registered engineer, licensed landscape architect, construction project manager, licensed land surveyor, or environmental services as defined in Government Code 4525. If you have questions about these types of transactions, the Department of General Services (DGS), Real Estate Services Division (RESD) can be contacted at 916/376-1752.

2. Legal Services

Contracting for legal services by state agencies is controlled by statutes (GC 11040) that require Attorney General approval prior to entering into contracts with outside counsel.

Additionally, Article VII of the California Constitution requires that state legal work be performed by state employees, absent limited exceptions (Government Code 19130). There are also policy-based approval requirements for all Executive Branch agencies that control the use of private counsel.

3. Other Excluded Services

Also, services involving financial audits, facility planning, registered nursing, and security guards are not available on the CMAS Program.

OPEN MARKET/INCIDENTAL, NON-SCHEDULE ITEMS

The only time that open market/incidental, non-schedule items may be included in a CMAS order is when they fall under the parameters of the Not Specifically Priced (NSP) Items provision. If the NSP provision is not included in the schedule, or the products and/or services required do not qualify under the parameters of the NSP provision, the products and/or services must be procured separate from CMAS.

NOT SPECIFICALLY PRICED (NSP) ITEMS

Contractors must be authorized providers of the hardware, software and/or services they offer under the Not Specifically Priced (NSP) Items provision.

Agency and contractor use of the NSP provision is subject to the following requirements:

1. Purchase orders containing only NSP items are prohibited.
2. A purchase order containing NSP items may be issued only if it results in the lowest overall alternative to the State.
3. NSP items shall be clearly identified in the order. Any product or service already specifically priced and included in the contract may not be identified as an NSP item.
4. Maximum Order Limitation: For orders \$250,000, or less, the total dollar value of all NSP items included in a purchase order shall not exceed \$5,000. For orders exceeding \$250,000, and at the option of the contractor, the total dollar value of all NSP items in a purchase order shall not exceed 5% of the total cost of the order, or \$25,000 whichever is lower.
5. An NSP item included in an order issued against a contract is subject to all of the terms and conditions set forth in the contract.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

6. Trade-ins, upgrades, involving the swapping of boards, are permissible, where the contract makes specific provisions for this action. In those instances where it is permitted, the purchase order must include the replacement item and a notation that the purchase involves the swapping of a board.

The following NSP items ARE SPECIFICALLY EXCLUDED from any order issued under this contract:

1. Items not intended for use in directly supporting the priced items included in the same order. An NSP item must be subordinate to the specifically priced item that it is supporting. For example, a cable, which is not otherwise specifically priced in the contract, is subordinate to a specifically priced printer or facsimile machine, and is eligible to be an NSP item subject to that cable meeting the remaining NSP requirements. However, a printer or facsimile machine, which is not otherwise specifically priced in the contract, is not subordinate to a specifically priced cable, and is not eligible to be an NSP item.
2. Supply type items, except for the minimum amount necessary to provide initial support to the priced items included in the same order.
3. Items that do not meet the Productive Use Requirements for information technology products. (SAM Section 5203)
4. Any other item or class of items specifically excluded from the scope of this contract.
5. Public Works components NOT incidental to the overall project requirements.
6. Products or services the contractor is NOT factory authorized or otherwise certified or trained to provide.
7. Follow-on consultant services that were previously recommended or suggested by the same contractor.

The contractor is required to reject purchase orders containing NSP items that do not conform to the above requirements. The contractor will promptly notify the agency issuing the non-conforming order of its non-acceptance and the reasons for its non-acceptance.

STATE AND LOCAL GOVERNMENTS CAN USE CMAS

State and local government agency use of CMAS contracts is optional. A local government is any city, county, city and county, district or other local governmental body or corporation, including UC, CSU, K-12 schools and community colleges, that is empowered to expend public funds. While the state makes this contract available, each local government agency should make its own determination whether the CMAS program is consistent with their procurement policies and regulations.

UPDATES AND/OR CHANGES

A CMAS amendment is not required for updates and/or changes once the update and/or change becomes effective for the federal GSA schedule, except as follows:

- A CMAS amendment is required when the contract is based on products and/or services from another contractor's multiple award contract and the contractor wants to add a new manufacturer's products and/or services.
- A CMAS amendment is required for new federal contract terms and conditions that constitute a material difference from existing contract terms and conditions. A material change has a potentially significant effect on the delivery, quantity or quality of items provided, the amount paid to the contractor or on the cost to the State.
- A CMAS amendment is required for changes to contracts that require Prison Industry Authority (PIA) approval.

A CMAS amendment is required to update and/or change terms and conditions and/or products and services based on a non-federal GSA multiple award contract.

SELF-DELETING FEDERAL GSA TERMS AND CONDITIONS

Instructions, or terms and conditions that appear in the Special Items or other provisions of the Federal GSA and apply to the purchase, license, or rental (as applicable) of products or services by the U.S. Government in the United States, and/or to any overseas location shall be self-deleting. (Example: "Examinations of Records" provision).

Federal regulations and standards, such as Federal Acquisition Regulation (FAR), Federal Information Resources Management Regulation (FIRMR), Federal Information Processing Standards (FIPS), General Services Administration Regulation (GSAR), or Federal Installment Payment Agreement (FIPA) shall be self-deleting. Federal blanket orders and small order procedures are not applicable.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

ORDER OF PRECEDENCE

The CMAS Terms and Conditions shall prevail if there is a conflict between the terms and conditions of the contractor's Federal GSA (or other multiple award contract), packaging, invoices, catalogs, brochures, technical data sheets or other documents (see CMAS Terms and Conditions, CONFLICT OF TERMS).

APPLICABLE CODES, POLICIES AND GUIDELINES

All California codes, policies and guidelines are applicable. THE USE OF CMAS DOES NOT REDUCE OR RELIEVE STATE AGENCIES OF THEIR RESPONSIBILITY TO MEET STATEWIDE REQUIREMENTS REGARDING CONTRACTING OR THE PROCUREMENT OF GOODS OR SERVICES. Most procurement and contract codes, policies, and guidelines are incorporated into CMAS contracts. Notwithstanding this, there is no guarantee that "every" possible requirement that pertains to all the different and unique state processes has been included.

STATEWIDE PROCUREMENT REQUIREMENTS

Agencies must carefully review and adhere to all statewide procurement requirements in the Purchasing Authority Manual, such as:

- Automated Accounting System requirements of State Administrative Manual (SAM) Section 7260-62
- Productive Use Requirements of SAM Section 5203
- SAM Sections 4819.41 and 4832 certifications for information technology procurements and compliance with policies.
- Services may not be paid for in advance.
- Agencies are required to file with the Department of Fair Employment and Housing (DFEH) a Contract Award Report Std. 16 for each order over \$5,000 within 10 days of award, including supplements that exceed \$5,000.
- Pursuant to Public Contract Code Section 10359 state agencies are to report all Consulting Services Contract activity for the preceding fiscal year to DGS and the six legislative committees and individuals that are listed on the annual memorandum from DGS.

- Pursuant to Unemployment Insurance Code Section 1088.8, state and local government agencies must report to the Employment Development Department (EDD) all payments for services that equal \$600 or more to independent sole proprietor contractors. See the contractor's Std. Form 204, Payee Data Record, in the CMAS contract to determine sole proprietorship. All inquiries regarding this subject should be forwarded to EDD: Technical questions: 916/651-6945 or Information and forms: 916/657-0529.
- Annual small business and disabled veteran reports.
- Post evaluation reports. Public Contract Code 10369 requires state agencies to prepare post evaluations on form STD 4 for all completed consulting services contracts of more than \$5,000. Copies of negative evaluations must be sent to the DGS Office of Legal Services. The Bureau of State Audits requires state agencies annually to certify compliance with these requirements.

ETHNICITY/RACE/GENDER REPORTING REQUIREMENT

Effective July 1, 2002, in accordance with Public Contract Code 10116, state agencies are to capture information on ethnicity, race, and gender of business owners (not subcontractors) for all awarded contracts, including CAL-Card transactions. Each department is required to independently report this information to the Governor and the Legislature on an annual basis.

Agencies are responsible for developing their own guidelines and forms for collecting and reporting this information.

Contractor participation is voluntary.

PAYMENTS AND INVOICES

1. Payment Terms

Payment terms for this contract are net 45 days.

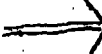
Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government Code Section 927 et. seq. Unless expressly exempted by statute, the Act requires state agencies to pay properly submitted, undisputed invoices not more than 45 days after (i) the date of acceptance of goods or performance of services; or (ii) receipt of an undisputed invoice, whichever is later.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

2. Payee Data Record (Std. 204)

Each state accounting office must have a copy of the attached Payee Data Record (Std. 204) in order to process payment of invoices. Agencies should forward a copy of the Std. 204 to their accounting office(s). Without the Std. 204, payment may be unnecessarily delayed.

3. DGS Administrative Fee

*  The Department of General Services (DGS) will bill each state and local agency directly an administrative fee for use of CMAS contracts. The administrative fee should NOT be included in the order total, nor remitted before an invoice is received from DGS. This fee is waived for purchase orders to California certified small businesses.

See the current fees in the DGS Price Book at:
<http://www.dgs.ca.gov/Price+Book/P/Purchasing.htm>

4. Contractor Invoices

Unless otherwise stipulated, the contractor must send their invoices to the agency address set forth in the purchase order. Invoices shall be submitted in triplicate and shall include the following:

- Contract number
- Agency purchase order number
- Agency Bill Code
- Line item number
- Unit price
- Extended line item price
- Invoice total

State sales tax and/or use tax shall be itemized separately and added to each invoice as applicable.

The company name on the CMAS contract, purchase order and invoice must match or the State Controller's Office will not approve payment.

5. Advance Payments

Advance payment is allowed for services only under limited, narrowly defined circumstances, e.g., between specific departments and certain types of non-profit organizations, or when paying another government agency (GC 11256 - 11263 and 11019).

It is NOT acceptable to pay in advance, except software maintenance and license fees, which are considered a subscription, may be paid in advance if a provision addressing payment in advance is included in the purchase order.

Warranty upgrades and extensions may also be paid for in advance, one time.

6. Credit Card

Pape' Machinery, Inc. does not accept the State of California credit card (CAL-Card).

7. Lease/Purchase Analysis

State agencies must complete a Lease/Purchase Analysis (LPA) to determine best value when contemplating a lease/rental, and retain a copy for future audit purposes (SAM 3700). Approval by the Department of General Services is not required.

8. Leasing

Except for Federal Lease to Own Purchase (LTOP) and hardware rental provisions with no residual value owed at end term (\$1 residual value is acceptable), Federal GSA Lease provisions are NOT available through CMAS because the rates and contract terms and conditions are not acceptable or applicable to the State.

SEAT Management financing options are NOT available through this contract.

As an alternative, agencies may consider financing through the State's financial marketplace GS \$Mart™. All terms and conditions and lenders are pre-approved for easy financing. The GS \$Mart™ internet address is www.dgs.ca.gov/od then click on GS \$Mart™. Buyers without internet access may contact the GS \$Mart™ Administrator, Pat Mullen by phone at 916/375-4617 or via e-mail at pat.mullen@dgs.ca.gov for further information.

9. Maintenance Tax

The Board of Equalization has ruled that in accordance with Section 1655 of the Sales and Use Tax Regulations of the Business Taxes Law Guide, that whenever optional maintenance contracts include consumable supplies, such supplies are subject to sales tax.

Generally, the State has two options:

1. For contracts that provide for only maintenance services (i.e. the furnishing of labor and parts necessary to maintain equipment), the charges for the provision of maintenance services are not taxable.
2. For contracts that provide for both maintenance services and consumable supply items (i.e. toner, developer, and staples, for example), the provision of the consumable supplies is considered a taxable sale of tangible personal property.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

Therefore, state agencies awarding optional maintenance contracts are responsible for paying the applicable sales tax on the consumable supplies utilized during the performance period of the maintenance contract.

The contractor will be required to itemize the consumables being taxed for state accounting purposes.

CONTRACTOR QUARTERLY REPORTS

Contractors are required to submit a detailed report quarterly to the DGS Procurement Division, CMAS Unit, 707 Third Street, 2nd Floor, MS 202, West Sacramento, CA 95605-2811, Attention: Quarterly Report Processing. A separate report is required for each contract, as differentiated by alpha suffix (if applicable). Contractors with resellers are responsible for reporting reseller ordering activity. Any report that does not follow the required format or that excludes information will be deemed incomplete and returned to the contractor.

To facilitate collection of administrative fees, copies of local government agency purchase orders must accompany the CMAS quarterly report. This new requirement is effective beginning the second quarter of 2005, for reports due in the CMAS office within two weeks after the end of June 2005.

New contracts for contractors with existing contracts, and extensions or renewals of existing contracts, will be approved ONLY if the contractor has submitted to the CMAS Unit all quarterly reports due. Each quarterly report is required within two weeks of the end of March, June, September, and December of each calendar year. A report is required even when there is no activity.

The report must include the agency name, purchase order number, purchase order date, agency billing code, pre-tax total order cost, agency contact name, address and phone number, and total dollars for the quarter. Tax must NOT be included in the quarterly report, even if the agency includes tax on the purchase order.

A sample quarterly report indicating required format and information is attached for your reference (Attachment A).

CONTRACTOR PROVIDES COPY OF THE CONTRACT AND SUPPLEMENTS

CMAS contractors are required to provide the entire contract that consists of the following:

- ✓ • Cover pages with DGS logo and CMAS analyst's signature, and Ordering Instructions and Special Provisions.
- ✓ • Payee Data Record (Std. 204).
- ✓ • California CMAS Terms and Conditions.
- ✓ • Federal GSA Terms and Conditions (unless otherwise stipulated in the CMAS contract).
- ✓ • Federal GSA products, services, and price list (unless otherwise stipulated in the CMAS contract).
- Supplements, if applicable. *N/A*

It is important for the agency to confirm that the required products, services, and prices are included in the contract and are at, or below, contract rates. To streamline substantiation that the needed items are in the contract, the agencies should ask the contractor to identify the specific pages from the contract that include the required products, services, and prices. Agencies should save these pages for their file documentation.

CONTRACTORS ACTING AS FISCAL AGENTS ARE PROHIBITED

When a subcontractor ultimately provides all of the products or performs all of the services that a contractor has agreed to provide, and the prime contractor only handles the invoicing of expenditures, then the prime contractor's role becomes that of a fiscal agent because it is merely administrative in nature, and does not provide a commercially useful function. It is unacceptable to use fiscal agents in this manner because the agency is paying unnecessary administrative costs.

AGENCY RESPONSIBILITY

Agencies must contact contractors to obtain copies of the contracts and compare them for a best value purchasing decision.

Each agency is responsible for its own contracting program and purchasing decisions, including use of the CMAS program and associated outcomes.

This responsibility includes, but is not necessarily limited to, ensuring the necessity of the services, securing appropriate funding, complying with laws and policies, preparing the purchase order in a manner that safeguards the State's interests, obtaining required approvals, and documenting compliance with Government Code 19130.b (3) for outsourcing services.

It is the responsibility of each agency to consult as applicable with their legal staff and contracting offices for advice depending upon the scope or complexity of the purchase order.

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
PAPE' MACHINERY, INC.
CMAS NO. 4-08-23-0022A**

If you do not have legal services available to you within your agency, the DGS Office of Legal Services is available to provide services on a contractual basis.

CONFLICT OF INTEREST

Agencies must evaluate the proposed purchase order to determine if there are any potential conflict of interest issues.

For guidelines, see the CMAS Services Guide, Attachment B.

FEDERAL DEBARMENT

When federal funds are being expended, the agency is required to obtain (retain in file) a signed "Federal Debarment" certification from the contractor before the purchase order is issued.

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants; responsibilities. The regulations were published as Part VII of the May 26, 1988 Federal Register (pages 19160-19211).

LIQUIDATED DAMAGES FOR LATE DELIVERY

The value of the liquidated damages must be included in the purchase order to be applicable, mutually agreed upon by agency and contractor, and cannot be a penalty.

ACCEPTANCE TESTING CRITERIA

If the agency wants to include acceptance testing for all newly installed technology systems, and individual equipment, and machines which are added or field modified (modification of a machine from one model to

another) after a successful performance period; the test criteria must be included in the purchase order to be applicable.

SHIPPING INSTRUCTIONS

F.O.B. (Free On Board) Destination. Seller pays the freight charges.

AMERICANS WITH DISABILITY ACT (ADA)

Section 504 of the Rehabilitation Act of 1973 as amended; Title VI and VII of the Civil Rights Act of 1964 as amended; Americans with Disabilities Act, 42 USC 12101; California Code of Regulations, Title 2, Title 22; California Government Code, Sections 11135, et seq.; and other federal and state laws, and Executive Orders prohibit discrimination. All programs, activities, employment opportunities, and services must be made available to all persons, including persons with disabilities. See Attachment B for Procurement Division's ADA Compliance Policy of Nondiscrimination on the Basis of Disability.

Individual government agencies are responsible for self-compliance with ADA regulations.

Contractor sponsored events must provide reasonable accommodations for persons with disabilities.

DGS PROCUREMENT DIVISION CONTACT AND PHONE NUMBER

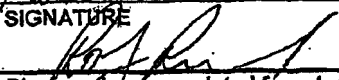
Department of General Services
Procurement Division, CMAS Unit
707 Third Street, 2nd Floor, MS 202
West Sacramento, CA 95605-2811

Phone # 916/375-4363 Calnet # 8/480-4363
Fax # 916/375-4663

PAYEE DATA RECORD (Std. 204)

STATE OF CALIFORNIA DEPARTMENT OF FINANCE
PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9)
 STD. 204 (Rev. 6-2003)

1	INSTRUCTIONS: Complete all information on this form. Sign, date, and return to the State agency (department/Office) address shown at the bottom of this page. Prompt return of this fully completed form will prevent delays when processing payments. Information provided in this form will be used by State agencies to prepare Information Returns (1099). See reverse side for more information and Privacy Statement. NOTE: Governmental entities, federal, State, and local (including school districts), are not required to submit this form.		
2	PAYEE'S LEGAL BUSINESS NAME (Type or Print) PAPE MACHINERY, INC.		
	SOLE PROPRIETOR - ENTER NAME AS SHOWN ON SSN (Last, First, M.I.)		E-MAIL ADDRESS
	MAILING ADDRESS 355 GOODPASTURE BLAND RD		BUSINESS ADDRESS 2850 EL CENTRO RD
	CITY, STATE, ZIP CODE EUGENE, OR 97401		CITY, STATE, ZIP CODE SACRAMENTO, CA 95833
3	ENTER FEDERAL EMPLOYER IDENTIFICATION <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> ESTATE OR TRUST <input type="checkbox"/> INDIVIDUAL OR SOLE PROPRIETOR CHECK ONE BOX ONLY		CORPORATION: <input type="checkbox"/> MEDICAL (e.g., dentistry, psychotherapy, chiropractic, etc.) <input type="checkbox"/> LEGAL (e.g., attorney services) <input type="checkbox"/> EXEMPT (nonprofit) <input checked="" type="checkbox"/> ALL OTHERS <input type="checkbox"/> ENTER SOCIAL SECURITY NUMBER: [] [] - [] [] - [] [] [] [] <small>(SSN required by authority of California Revenue and Tax Code Section 48646)</small>
NOTE:	Payment will not be processed without an accompanying taxpayer I.D. number.		
4	<input checked="" type="checkbox"/> California resident - Qualified to do business in California or maintains a permanent place of business in California <input type="checkbox"/> California nonresident (see reverse side) - Payments to nonresidents for services may be subject to State income tax withholding <input type="checkbox"/> No services performed in California. <input type="checkbox"/> Copy of Franchise Tax Board waiver of State withholding attached.		
PAYEE RESIDENCY STATUS			
5	I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the State agency below.		
	AUTHORIZED PAYEE REPRESENTATIVE'S NAME (Type or Print) ROBERT J. RIECKE		TITLE VICE PRESIDENT
	SIGNATURE 	DATE 5/5/09	TELEPHONE (541) 341-3341
6	Please return completed form to: Department/Office: DEPT. OF GENERAL SERVICES PROCUREMENT DIVISION Unit/Section: CMAS SECTION Mailing Address: 707 3RD ST. 2ND FLOOR City/State/Zip: W. SAC CA 95805 Telephone: 916-375-4365 Fax: 916 375-4363 E-mail Address: CMAS@dgs.ca.gov		

**CALIFORNIA CMAS
TERMS AND CONDITIONS**

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GENERAL PROVISIONS - NON-IT COMMODITIES**

1. **DEFINITIONS:** The following terms shall be given the meaning shown, unless context requires otherwise or a unique meaning is otherwise specified.
 - a) "Business entity" means any individual, business, partnership, joint venture, corporation, S-corporation, limited liability corporation, limited liability partnership, sole proprietorship, joint stock company, consortium, or other private legal entity recognized by statute.
 - b) "Buyer" means the State's authorized contracting official.
 - c) "Contract" means this Contract or agreement (including any purchase order), by whatever name known or in whatever format used.
 - d) "Contractor" means the Business Entity with whom the State enters into this contract. Contractor shall be synonymous with "supplier," "vendor" or other similar term.
 - e) "Goods" (commodities) means all types of tangible personal property, including but not limited to materials, supplies, and equipment (including computer equipment and telecommunications).
 - f) "State" means the government of the State of California, its employees and authorized representatives, including without limitation any department, agency, or other unit of the government of the State of California.
2. **CONTRACT FORMATION:** If this Contract results from a Letter of Offer, then Contractor's offer is deemed a firm offer and this Contract document is the State's acceptance of that offer.
3. **COMPLETE INTEGRATION:** This contract, including any documents incorporated herein by express reference, is intended to be a complete integration and there are no prior or contemporaneous different or additional agreements pertaining to the subject matter of the contract.
4. **SEVERABILITY:** The contractor and the State agree that if any provision of this contract is found to be illegal or unenforceable, such term or provision shall be deemed stricken and the remainder of the contract shall remain in full force and effect. Either party having knowledge of such term or provision shall promptly inform the other of the presumed non-applicability of such provision.
5. **INDEPENDENT CONTRACTOR:** Contractor and the agents and employees of contractor, in the performance of this contract, shall act in an independent capacity and not as officers or employees or agents of the State.
6. **APPLICABLE LAW:** This contract shall be governed by and shall be interpreted in accordance with the laws of the State of California; venue of any action brought with regard to this contract shall be in Sacramento County, Sacramento, California. The United Nations Convention on Contracts for the International Sale of Goods shall not apply to this contract.
7. **COMPLIANCE WITH STATUTES AND REGULATIONS:**
 - a) Contractor warrants and certifies that in the performance of this contract, it will comply with all applicable statutes, rules, regulations and orders of the United States and the State of California and agrees to indemnify the State against any loss, cost, damage or liability by reason of contractor's violation of this provision.
 - b) If this contract is in excess of \$500,000, it is subject to the requirements of the World Trade Organization (WTO) Government Procurement Agreement (GPA).
8. **CONTRACTOR'S POWER AND AUTHORITY:** The contractor warrants that it has full power and authority to grant the rights herein granted and will hold the State harmless from and against any loss, cost, liability, and expense (including reasonable attorney fees) arising out of any breach of this warranty. Further, contractor avers that it will not enter into any arrangement with any third party which might abridge any rights of the State under this contract.
 - a) The State will notify Contractor of any such claim in writing and tender the defense thereof within a reasonable time; and
 - b) Contractor will have sole control of the defense of any action on such claim and all negotiations for its settlement or compromise; provided that (i) when substantial principles of government or public law are involved, when litigation might create precedent affecting future State operations or liability; or when involvement of the State is otherwise mandated by law, the State may participate in such action at its own expense with respect to attorneys' fees and costs (but not liability); (ii) the State will have the right to approve or disapprove any settlement or compromise, which approval will not unreasonably be withheld or delayed; and (iii) the State will reasonably cooperate in the defense and in any related settlement negotiations.
9. **CMAS - ASSIGNMENT:** This contract shall not be assignable by the contractor in whole or in part without the written consent of the State. For the purpose of this paragraph, State will not unreasonably prohibit Contractor from freely assigning its right to payment, provided that Contractor remains responsible for its obligations hereunder.

Should the State desire financing of the assets provided hereunder through GS \$Mart, the State's financial marketplace, the Contractor agrees to assign to a State-designated lender its right to receive payment from the State for the assets in exchange for payment by the lender of the cash purchase price for the assets. Upon notice to do so from the State-designated lender at any time prior to payment by the State for the assets, the Contractor will execute and deliver to the State-designated lender an assignment agreement and any additional documents necessary for the State selected financing plan. The State-designated lender will pay the Contractor according to the terms of the Contractor's invoice upon acceptance of the assets by the State.
10. **WAIVER OF RIGHTS:** Any action or inaction by the State or the failure of the State on any occasion, to enforce any right or provision of the contract, shall not be construed to be a waiver by the State of its rights hereunder and shall not prevent the State from enforcing such provision or right on any future occasion. The rights and remedies of the State herein are cumulative and are in addition to any other rights or remedies that the State may have at law or in equity.
11. **CMAS - ORDER OF PRECEDENCE:** In the event of any inconsistency between the articles, attachments, specifications or provisions which constitute this Contract, the following order of precedence shall apply:
 - a) these General Provisions - Non-IT Commodities;
 - b) contract form, i.e., Purchase Order STD 65, etc., and any amendments thereto;
 - c) federal GSA (or other multiple award) terms and conditions;

**CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS)
GENERAL PROVISIONS - NON-IT COMMODITIES**

- d) statement of work, including any specifications incorporated by reference herein;
- e) special terms and conditions; and
- f) all other attachments incorporated in the contract by reference.
- 12. PACKING AND SHIPMENT:**
- a) All goods are to be packed in suitable containers for protection in shipment and storage, and in accordance with applicable specifications. Each container of a multiple container shipment shall be identified to:
- show the number of the container and the total number of containers in the shipment; and
 - the number of the container in which the packing sheet has been enclosed.
- b) All shipments by contractor or its subcontractors must include packing sheets identifying the State's contract number; item number; quantity and unit of measure; part number and description of the goods shipped; and appropriate evidence of inspection, if required. Goods for different contracts shall be listed on separate packing sheets.
- c) Shipments must be made as specified in this contract, as it may be amended, or otherwise directed in writing by the State's Transportation Management Unit within the Department of General Services, Procurement Division.
- 13. TRANSPORTATION COSTS AND OTHER FEES OR EXPENSES:** No charge for delivery, drayage, express, parcel post, packing, cartage, insurance, license fees, permits, cost of bonds, or for any other purpose will be paid by the State unless expressly included and itemized in the contract.
- Contractor must strictly follow contract requirements regarding Free on Board (F.O.B.), freight terms and routing instructions. The State may permit use of an alternate carrier at no additional cost to the State with advance written authorization of the buyer.
 - If "prepay and add" is selected, supporting freight bills are required when over \$50, unless an exact freight charge is approved by the Transportation Management Unit within the Department of General Services Procurement Division and a waiver is granted.
 - On "F.O.B. Shipping Point" transactions, should any shipments under the contract be received by the State in a damaged condition and any related freight loss and damage claims filed against the carrier or carriers be wholly or partially declined by the carrier or carriers with the inference that damage was the result of the act of the shipper such as inadequate packaging or loading or some inherent defect in the equipment and/or material, contractor, on request of the State, shall at contractor's own expense assist the State in establishing carrier liability by supplying evidence that the equipment and/or material was properly constructed, manufactured, packaged, and secured to withstand normal transportation conditions.
- 14. TIME IS OF THE ESSENCE:** Time is of the essence in this contract.
- 15. DELIVERY:** Contractor shall strictly adhere to the delivery and completion schedules specified in this contract. Time, if stated as a number of days, shall mean calendar days unless otherwise specified. The quantities specified herein are the only quantities required. If contractor delivers in excess of the quantities specified herein, the State shall not be required to make any payment for the excess goods, and may return them to contractor at contractor's expense or utilize any other rights available to the State at law or in equity.
- 16. SUBSTITUTIONS:** Substitution of goods may not be tendered without advance written consent of the buyer. Contractor shall not use any specification in lieu of those contained in the contract without written consent of the buyer.
- 17. INSPECTION, ACCEPTANCE AND REJECTION:**
- Contractor and its subcontractors will provide and maintain a quality assurance system acceptable to the State covering goods and services under this contract and will tender to the State only those goods that have been inspected and found to conform to this contract's requirements. Contractor will keep records evidencing inspections and their result, and will make these records available to the State during contract performance and for three years after final payment. Contractor shall permit the State to review procedures, practices, processes and related documents to determine the acceptability of Contractor's quality assurance system or other business practices related to performance of the contract.
 - All goods may be subject to inspection and test by the State or its authorized representatives.
 - Contractor and its subcontractors shall provide all reasonable facilities for the safety and convenience of inspectors at no additional cost to the State. Contractor shall furnish to inspectors all information and data as may be reasonably required to perform their inspection.
 - All goods to be delivered hereunder may be subject to final inspection, test and acceptance by the State at destination, notwithstanding any payment or inspection at source.
 - The State shall give notice of rejection of goods delivered or services performed hereunder within a reasonable time after receipt of such goods or performance of such services. Such notice of rejection will state the respects in which the goods do not substantially conform to their specifications. If the State does not provide such notice of rejection within thirty (30) days of delivery, such goods and services will be deemed to have been accepted. Acceptance by the State will be final and irreversible, except as it relates to latent defects, fraud, and gross mistakes amounting to fraud. Acceptance shall not be construed to waive any warranty rights that the State might have at law or by express reservation in this contract with respect to any nonconformity.
- 18. SAMPLES:**
- Samples of items may be required by the State for inspection and specification testing and must be furnished free of expense to the State. The samples furnished must be identical in all respects to the products offered and/or specified in the contract.
 - Samples, if not destroyed by tests, may, upon request made at the time the sample is furnished, be returned at contractor's expense.
- 19. CMAS - WARRANTY:** The following warranty language is in addition to the warranty language provided in the federal GSA Multiple Award Schedule or other base contract used to establish this CMAS Contract. When there is a conflict between the language, the following warranty language overrides.

CALIFORNIA MULTIPLE AWARD SCHEDULE (CMAS) GENERAL PROVISIONS - NON-IT COMMODITIES

Unless otherwise specified, the warranties contained in this contract begin after acceptance has occurred.

- a) Contractor warrants that goods and services furnished hereunder will conform to the requirements of this contract (including all descriptions, specifications and drawings made a part hereof), and such goods will be merchantable, fit for their intended purposes, free from all defects in materials and workmanship and to the extent not manufactured pursuant to detailed designs furnished by the State, free from defects in design. The State's approval of designs or specifications furnished by contractor shall not relieve the contractor of its obligations under this warranty.
- b) All warranties, including special warranties specified elsewhere herein, shall inure to the State, its successors, assigns, customer agencies and users of the goods or services.

20. SAFETY AND ACCIDENT PREVENTION: In performing work under this contract on State premises, contractor shall conform to any specific safety requirements contained in the contract or as required by law or regulation. Contractor shall take any additional precautions as the State may reasonably require for safety and accident prevention purposes. Any violation of such rules and requirements, unless promptly corrected, shall be grounds for termination of this contract in accordance with the default provisions hereof.

21. INSURANCE: When performing work on property in the care, custody or control of the State, contractor shall maintain all commercial general liability insurance, workers' compensation insurance and any other insurance the State deems appropriate under the contract. Contractor shall furnish an insurance certificate evidencing required insurance coverage acceptable to the State. Upon request by the buyer, the contractor may be required to have the State shown as an "additional insured" on selected policies.

22. TERMINATION FOR NON-APPROPRIATION OF FUNDS:

- a) If the term of this contract extends into fiscal years subsequent to that in which it is approved, such continuation of the contract is contingent on the appropriation of funds for such purpose by the Legislature. If funds to effect such continued payment are not appropriated, contractor agrees to take back any affected goods furnished under this contract, terminate any services supplied to the State under this contract, and relieve the State of any further obligation therefor.
- b) STATE AGREES THAT IF PARAGRAPH (a) ABOVE IS INVOKED, GOODS SHALL BE RETURNED TO THE CONTRACTOR IN SUBSTANTIALLY THE SAME CONDITION IN WHICH DELIVERED TO THE STATE, SUBJECT TO NORMAL WEAR AND TEAR. STATE FURTHER AGREES TO PAY FOR PACKING, CRATING, TRANSPORTATION TO CONTRACTOR'S NEAREST FACILITY AND FOR REIMBURSEMENT TO THE CONTRACTOR FOR EXPENSES INCURRED FOR THEIR ASSISTANCE IN SUCH PACKING AND CRATING.

23. TERMINATION FOR THE CONVENIENCE OF THE STATE:

- a) The State may terminate performance of work under this contract for its convenience in whole or, from time to time, in part, if the Department of General Services, Deputy Director, Procurement Division, or designee, determines that a termination is in the State's interest. The Department of General Services, Deputy Director, Procurement Division, or

designee, shall terminate by delivering to the contractor a Notice of Termination specifying the extent of termination and the effective date thereof. The parties agree that, as to the terminated portion of the contract, the contract shall be deemed to remain in effect until such time as the termination settlement, if any, is concluded and the contract shall not be void.

- b) After receipt of a Notice of Termination, and except as directed by the State, the contractor shall immediately proceed with the following obligations, as applicable, regardless of any delay in determining or adjusting any amounts due under this clause. The Contractor shall:
 - i) Stop work as specified in the Notice of Termination.
 - ii) Place no further subcontracts for materials, services, or facilities, except as necessary to complete the continued portion of the contract.
 - iii) Terminate all subcontracts to the extent they relate to the work terminated.
 - iv) Settle all outstanding liabilities and termination settlement proposals arising from the termination of subcontracts; the approval or ratification of which will be final for purposes of this clause.

24. TERMINATION FOR DEFAULT:

- a) The State may, subject to the Force Majeure paragraph contained herein, by written notice of default to the contractor, terminate this contract in whole or in part if the contractor fails to:
 - i) Deliver the goods or to perform the services within the time specified in the contract or any amendment thereto;
 - ii) Make progress, so as to endanger performance of this contract (but see subparagraph (b) below); or
 - iii) Perform any of the other provisions of this contract (but see subparagraph (b), below).
- b) The State's right to terminate this contract under subparagraphs (a)(i) and (a)(ii) above, may be exercised if the contractor does not cure such failure within the time frame stated in the cure notice issued by the buyer.
- c) If the State terminates this contract in whole or in part, it may acquire, under the terms and in the manner the buyer considers appropriate, goods or services similar to those terminated, and the contractor will be liable to the State for any excess costs for those goods or services. However, the contractor shall continue the work not terminated.
- d) If the contract is terminated for default, the State may require the contractor to transfer title and deliver to the State, as directed by the buyer, any:
 - i) Completed goods, and
 - ii) Partially completed goods and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively referred to as "manufacturing materials" in this clause) that the contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the buyer, the contractor shall also protect and preserve property in its possession in which the State has an interest.
- e) The State shall pay contract price for completed goods delivered and accepted. The contractor and buyer shall agree on the amount of payment for manufacturing materials delivered and accepted for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause. The State may withhold from these amounts any sum the buyer determines to be