

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

**STATE TERM CONTRACT**

THIS IS A **TERM CONTRACT** ISSUED BY THE OFFICE OF STATE PROCUREMENT. THIS DOES NOT REPRESENT YOUR AUTHORITY TO SHIP. THE ORDERING AGENCY WILL ISSUE A PURCHASE ORDER TO AUTHORIZE SHIPMENT. THIS CONTRACT CONSTITUTES ACCEPTANCE OF YOUR BID ALONG WITH ALL TERMS AND CONDITIONS THEREIN AND SIGNIFIES THE OFFERER'S KNOWLEDGE AND ACCEPTANCE OF ALL TERMS AND CONDITIONS SET FORTH WITHIN THE INVITATION FOR BID.

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BUYER: Kelley Kelley (501-324-9316)

**AWARD #: SP-11-0294**  
**AASIS Document #: 4600022166**

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DESCRIPTION: **Copy & Print Shop Paper**  
Section C: Group 5 - Uncoated Offset  
Group 6 - Coated Offset

CONTRACT VALUE: \$134,604.82

AGENCY CONTACT/PHONE: As Specified on Entity's Purchase Order.

CONTRACT PERIOD: The term of this contract shall be for a period of 12 months beginning **July 1, 2011 through June 30, 2012** with option to renew in six (6) one (1) year increments or a portion thereof upon mutual agreement.

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

**FOB DELIVERY LOCATION:**  
As specified on Purchase Order

An itemized invoice addressed to the ordering entity reflecting entity's purchase order number, quantity, contract number SP-11-0294, description, and unit price is required.

**CONTRACT AWARD TO:**  
Xpedx  
6901 Scott Hamilton Drive  
Little Rock, AR 72209

AASIS VENDOR #: 100000169  
CONTACT NAME: Ronnie Wilson  
TELEPHONE NO: 866-211-4857  
FAX NO: 800-336-6590  
EMAIL: ronnie.wilson@ipaper.com  
FEDERAL ID: 13-0872805

STATE OF ARKANSAS OFFICE OF STATE PROCUREMENT

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

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

**SCOPE:** This is a TERM CONTRACT to provide Copy Paper and Print Shop Paper for All State Agencies and Cooperative Purchasing Program participants within Arkansas.

**QUANTITY:** The quantities stated within were estimated for bidding purposes only. The State may order more or less as is required during the term of the contract.

**PRICING:** The unit price covers all of the materials and operations necessary for the production and delivery of items specified. This includes but is not limited to quality assurance, packaging, and **FOB destination, normal inside delivery, freight paid.**

**NOTE:** Refer to Contract Instructions dated 8/17/11)

**MINIMUM ORDER AMOUNT:** Each purchase order to any one contractor must be a minimum order amount of \$500.00, excluding sales tax, if applicable, unless any contractor agrees to waive this restriction at the time of contract award. All items from all sections the contractor holds may be combined on the purchase order to satisfy the minimum order amount. Purchase orders for amounts under the minimum order amount will be subject to a \$50.00 handling charge added to the contractor invoice.

**ORDERING PROCEDURE:** All orders placed against this contract shall be in the form of an agency issued purchase order on an as-required basis. Orders must be placed for full carton quantities only.

Agency purchase orders are to clearly indicate "Inside Delivery", if required. Purchase orders with no indication of "inside delivery" requirements are to be delivered according to "Normal Delivery" definition stated below. (See "Notice to STATE Agencies and Cooperative Purchasing Participants", "Inside Delivery Definition", and "Normal Delivery Definition".)

Note: In the event of a shortage of paper stock, orders from this contract by State Agencies will be given priority.

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**DELIVERY:** Deliver for orders of 199 cartons or fewer within 10 working days and orders of 200 cartons or more within 20 working days after receipt of entity purchase order.

"Working days" shall be defined as Monday through Friday of each week exclusive of all official State holidays. Delivery shall be made during agency work hours only (8:00 AM to 4:30 PM) unless prior approval for other delivery has been obtained from agency.

**DELIVERY LOCATIONS (FOB Destination, freight paid – Normal Delivery):**

*This contract requires vendor to deliver via a state-wide (Arkansas) freight network in order to adequately service this contract.*

Various delivery locations within the State of Arkansas will be specified on the purchase order from the ordering agency. All transportation expenses for delivery will be the responsibility of the contractor.

Delivery is limited to ONE DELIVERY LOCATION per purchase order.

NOTE: Agencies should review the "Normal Delivery" definition within this contract to determine how it may apply to the proposed delivery location.

**NOTICE TO STATE AGENCIES AND COOPERATIVE PURCHASING PARTICIPANTS:** Due to labor costs of delivery, if your location requires delivery services other than the "Normal Delivery" definition outlined in this contract, an additional delivery charge may be applicable. Agencies are to notify the vendor at the time of the order of any special delivery conditions.

NOTE: Agencies should review the "Normal Delivery" and "Inside Delivery" definitions within this contract to determine how it may apply to the proposed delivery location. Agencies are encouraged to check with the vendor prior to ordering to ascertain any possible additional delivery charge amounts.

**DEFINITION - NORMAL DELIVERY:** Unit prices include, at no additional charge, the contractor providing "Normal Delivery" service. "Normal Delivery" is defined in this contract as "Delivery to a building with an accessible dock to one specific room or area by use of material handling equipment without breaking shipping container to hand truck deliver individual cartons."

Delivery locations falling in the perimeters of this definition will not be subject to additional delivery charges. Agencies are encouraged to check with the vendor prior to ordering to ascertain any possible additional delivery charge amounts.

**DEFINITION - INSIDE DELIVERY:** Unit prices include, at no additional charge, the contractor providing "Inside Delivery" service. "Inside Delivery" is defined in this contract as: "Delivery to a building with or without an accessible dock and breaking shipping container to hand truck deliver individual cartons to multiple specific rooms or areas."

NOTE: Refer to Contract Instructions dated 8/17/11)

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**SPECIAL PACKAGING / PALLET REQUIREMENTS:** Mill packaged product must indicate if virgin stock or recycled stock. Labels for recycled stock must indicate percentage of post-consumer content. Packaging for reams, cartons, and skids shall be of sufficient strength and design so as to protect contents from damage during shipment, handling and storage. Same sized cartons with consistent markings on the outside indicating the SIZE, QUANTITY, AND BRAND of paper stock contained within. Attempted deliveries on sub-standard pallets of unacceptable strength to any location by any contractor will be refused.

**NOTE:** Agency *MUST* notify vendor at the time of order of any special requirements for a specific pallet size.

An additional fee per pallet may be applied. Additional delivery time may be required. Agency is to verify delivery time with vendor.

**RE-STOCKING FEES AND LIABILITY OF AGENCIES:** Users of this contract are advised that returned orders may be subject to a re-stocking fee of varying amounts which may be passed from the mill to the paper distributor. This charge, at the option of the contractor, may be applied to those orders for papers which are returned to the mill. The re-stocking fee will be limited to 20% of the invoice amount (not including sales tax) for the returned item plus freight both ways. Orders must be returned to vendor within 60 days of order.

Agencies are advised to carefully check item descriptions to avoid incurring restocking fees.

**PRICE CHANGE CLAUSE:** All prices bid shall be firm for the first 120 days, of this contract. Thereafter, a request for increase must be submitted in writing to the Office of State Procurement with supporting documentation indicating brand of paper, percentage of increase or increase as a per hundred weight and effective date. This increase must be addressed to the merchant network and be reflective of an increase to all distributors, not to this contract alone.

After receipt of required documentation and in the event a price change is authorized thereafter, requested increases will become effective within twenty (20) working days.

The State further reserves the right to reject any proposed price increase, cancel the contract and re-bid if determined to be in the best interest of the State. After receipt of required documentation and in the event a price change is authorized thereafter, said prices will remain firm for a period of not less than 120 days.

The Price Change Clause will remain in effect for any agreed upon periods of extension.

In the event of a general price decrease, the State shall be guaranteed full benefit of the price reduction for all undelivered purchase orders on the effective date of the decrease and thereafter.

The State of Arkansas may monitor reductions by requesting the manufacturer to provide cost comparison data at any time after the first six months of the contract to reflect base cost (at time of award) to current cost (at time of request).

**SUMMARY REPORTS:** The contractor is required to submit ONLINE Quarterly Reports reflecting usage activity. This report is due the 10<sup>th</sup> of the month following the quarter's activity. The report shall contain: Contract Number SP-11-0294, Item #, Quantity Ordered, and Total Cost per Line Item for Recycled and Virgin Stock. Information shall be provided for both state agencies and cooperative entities.

The current reporting form (Paper/Printing Quarterly Summary) is available for review on the OSP website <http://www.dfa.arkansas.gov/offices/procurement/Pages/forms.aspx>. This form is located under the "Vendor Reporting" section.

Failure to provide this information in a timely manner may be grounds for exclusion from participation in the next contract due to a non-responsible bidder.

## ITEM SPECIFICATIONS

"Recycled paper," as it applies to "coated stock", shall mean any paper that contains not less than 10 percent (10%) postconsumer material by fiber weight; as it applies to "uncoated stock", it shall mean any paper that contains not less than 20 percent (20%) post-consumer material by fiber weight.

### SECTION C: GROUPS 5 & 6

#### GROUP 5: Uncoated Offset (White & Colors)

- A. Virgin Uncoated Offset White, 50#, 60#, 70#, minimum brightness: 92.
- B. Recycled Uncoated Offset Colors, smooth, 60#, 70#, cut sizes

#### GROUP 6: Coated Offset

- A. Virgin Coated Offset Cover & Text, Matte/Dull Finish, white, minimum brightness: 90.
- B. Virgin Coated Offset Cover & Text, Gloss/Enamel Finish, white, minimum brightness: 90.

### CUTTING CHARGE

Contractors will be allowed a per hundred weight cutting charge.

## GENERAL INFORMATION

**SUBSTITUTION OF BRAND:** Any substitutions of brand under this contract after award must be approved in writing by the Office of State Procurement prior to delivery. Brand substitutes must be the same or higher GRADE with same or better brightness level. Any delivery of unauthorized substitutions will be considered contract default.

**CANCELLATION:** In the event the State no longer needs the service or commodity specified in the contract or purchase order due to program changes, changes in laws, rules, or regulations, relocation of offices, or lack of appropriated funding, the State may cancel the contract or purchase order by giving the contractor written notice of such cancellation 30 days prior to the date of cancellation.

## OUTLINE AGREEMENT AWARD TERMS AND CONDITIONS

1. GENERAL: All terms and conditions stated in the invitation for bid govern this contract.
2. PRICES: Prices are firm and not subject to escalation, unless otherwise specified in the invitation for bid.
3. DISCOUNTS: All cash discounts offered will be taken if earned.
4. TAXES: Most state agencies must pay state sales tax. Before billing, the contractor should contact the ordering agency to find out if that agency must pay sales tax. Itemize state sales tax when applicable on invoices.
5. BRAND NAME REFERENCES: The contractor guarantees that the commodity delivered is the same as specified in the bid.
6. GUARANTY: All items delivered are to be newly manufactured, in first- class condition, latest model and design, including, where applicable, containers suitable for shipment and storage unless otherwise indicated in the bid invitation. The contractor guarantees that everything furnished hereunder will be free from defects in design, workmanship, and material; that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which furnished. The contractor further guarantees that if the items furnished hereunder are to be installed by the contractor, such items will function properly when installed. The contractor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling, and registration. The

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contractor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified in the invitation for bid.

7. AWARD: This contract award does not authorize shipment. Shipment against this contract is authorized by the receipt of a purchase order from the ordering agency. A written purchase order mailed or otherwise furnished to the contractor results in a binding obligation without further action by either party.

8. DELIVERY: The term of the contract is shown on the face of the contract award. The contractor is required to supply the state's needs during this term. The number of days required to place the commodity in the receiving agency's designated location under normal conditions is also shown. Consistent failure to meet delivery without a valid reason may cause removal from the bidders' list or suspension of eligibility for award.

9. BACK ORDERS OR DELAY IN DELIVERY: Back orders or failure to deliver within the time required may be default of the contract. The contractor must give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. If the reason is not acceptable, the contractor is in default. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere.

10. DELIVERY REQUIREMENTS: No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during agency work hours only, 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.

11. STORAGE: The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.

12. DEFAULT: All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Default in promised delivery or failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.

13. VARIATION IN QUANTITY: The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified herein.

14. INVOICING: The contractor shall submit an original and two copies of an itemized invoice showing the bid number and purchase request number when itemized in the invitation for bid. Invoices must be sent to "Invoice to" point shown on the purchase order.

15. STATE PROPERTY: Any specifications, drawing, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for the use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized, and be returned at the contractor's expense to the F.O.B. point, properly identifying what is being returned.

16. ASSIGNMENT: This contract is not assignable nor the duties hereunder delegable by either party without the written consent of the other party to the contract.

17. OTHER REMEDIES: In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.

18. LACK OF FUNDS: The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.

19. QUANTITIES: The state may order more or less than the estimated quantity in the invitation for bid.

20. DISCLOSURE: Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.