

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

STATE TERM CONTRACT

THIS IS THE LAST OF TWO (2) EXTENSION OPTIONS. THIS CONTRACT EXTENDS ACCEPTANCE OF YOUR BID ALONG WITH ALL TERMS AND CONDITIONS THEREIN AND SIGNIFIES THE OFFERER'S KNOWLEDGE AND ACCEPTANCE OF ALL TERMS AND CONDITIONS SET FORTH WITHIN THE ORIGINAL INVITATION FOR BID AND CONTRACT.

BUYER: Kelley Kelley (501-324-9316)

CONTRACT #: SP-09-0183

DESCRIPTION: **Xerographic / Print Shop Paper**
CONTRACT VALUE: \$3,598,844.36
AGENCY CONTACT/PHONE: As Specified on Entity's Purchase Order

CONTRACT TERM: The term of this contract shall be for May 1, 2011 through June 30, 2011.

INVOICE TO:
As Specified on Purchase Order

DELIVER TO:
As Specified on Purchase Order

An itemized invoice addressed to the ordering entity reflecting, entity's purchase order number, quantity, contract number SP-09-0183, description, and unit price is required.

CONTRACT AWARD TO:

Unisource
5800 Lindsey Road
Little Rock, AR 72206

AASIS VENDOR #: 100039868
CONTACT NAME: Mike Freeman
TELEPHONE NO: 800-897-1174, ext. 2482
FAX NO: 800-488-8504
EMAIL: mike.freeman@unisourcelink.com
FEDERAL ID: 13-5369500

STATE OF ARKANSAS OFFICE OF STATE PROCUREMENT

BY: _____ DATE _____

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

QUANTITY: Over 250 different State agencies, boards and commissions, and state supported colleges and universities may order Xerographic paper and print shop papers from this contract. The contract is mandatory for State agencies, if they can meet the minimum order requirements. This contract is non-mandatory for The University of Arkansas PMC Solutions. **This contract requires a vendor to deliver via a state-wide (Arkansas) freight network in order to adequately service this contract.** More than half of State agency orders deliver in central Arkansas to the Little Rock area. In addition, this contract is open for orders by Cooperative Purchasing Program participants (school districts, counties, cities, municipalities) on a non-mandatory basis. Thus, the actual usage, particularly of Group 1, Xerographic stock, is impossible to predict, therefore the quantities set forth are estimates based upon actual purchases during the previous contract.

The State does not guarantee to buy any or all estimated quantities of any specified line item or any total contract dollar amount

PRICING: The total price covers all of the materials and operations necessary for the production of EACH ORDER. This includes but is not limited to paper stock, performance security, packaging and FOB Destination, "Normal Inside Delivery", Freight Paid.

For Unit Prices: See Pricing Sheet.

MINIMUM ORDER AMOUNT: Each purchase order to any one contractor must be a **minimum order amount \$500.00** (excluding sales tax, if applicable). 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.

ON GROUP 1, ITEMS 1-8, MAXIMUM QUANTITY ALLOWED ON A PURCHASE ORDER IS 840 CARTONS (1 truckload). State agencies desiring larger quantities must submit a purchase request for Office of State Procurement to bid. Cooperative purchasing participants may not exceed the 840 carton limit per purchase order.

In the event of a market wide mill shortage or allocation effecting xerographic paper, orders for State agencies will be given priority.

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

SUMMARY REPORTS: The contractor is required to submit online Quarterly Reports reflecting paper usage activity. This report is due the 10th of the month following the quarter's activity. This report shall contain: Contract Reference Number SP-09-0183, Item #, Quantity Ordered, and Total Cost Recycled and Virgin.

DELIVERY LOCATIONS: (FOB Destination, freight paid – Normal Inside Delivery): Various delivery locations within the State of Arkansas will be specified on the purchase order from the ordering entity. All transportation expenses for delivery will be the responsibility of the contractor.

Delivery is LIMITED TO ONE ADDRESS PER PURCHASE ORDER to a delivery location which meets the “Normal inside delivery” definition stated below.

Definition - Normal Inside Delivery: Unit prices quoted include, at no additional charge, the contractor providing “normal inside delivery” service. “Normal inside delivery” is defined in this contract as: “The inside 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.

DELIVERY:

1 – 199 Cartons: Within 15 working days after receipt of entity purchase order
200+ Cartons: Within 21 working days after receipt of entity purchase order

“Working days” are 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.

In the event conditions of paper availability on an industry level change during the contract period, the Office of State Procurement will give consideration to vendor requests for additional delivery time.

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

The contractor will assess and determine, on an individual basis, if the delivery location qualifies for the “free” normal inside delivery service. Exceptions will be noted and the delivery location notified and apprised of “special inside delivery” surcharges. The surcharge may vary with the amount of special handling and labor involved or possibly assessed as a “per carton” up-charge.

Contractors will insure adherence to fair market or industry standard surcharge rates and the Office of State Procurement will routinely monitor surcharge rates for this contract.

Review the “Normal Inside Delivery” definition within the contract to determine how it may apply to your proposed delivery location.

SPECIAL PACKAGING/SPECIAL PALLET REQUIREMENTS: Mill packaged product must include label stating percentage of post-consumer content.

Packaging for reams and cartons shall be of sufficient strength and design to insure delivery to the user in damage free condition. All cartons must be labeled in a manner which clearly indicates carton contents. Some purchase orders may request "special packaging", i.e. wrapped in lots of 250, etc., which results in extra cost. All such additional charges must be approved by ordering agency to be added as a surcharge to vendor's invoice.

Full pallet lots on mill provided pallets of varying sizes are acceptable at the majority of delivery locations as long as the pallet is of standard industry quality and construction.

Two exceptions to this provision are (These restrictions may result in a delivery surcharge by contractor):

1. Revenue Department (Joel Ledbetter Bldg.), 7th Street, Little Rock
These orders must be delivered on 40" x 48" pallets (maximum height 51"). Approximately 10 pallets xerographic paper and approximately 6 pallets of letter size 25% rag bond are involved at this location per contract period. The contractor must adhere to these requirements, including provision of the wood pallet. Attempted deliveries on sub-standard pallets of unacceptable strength to any location by any contractor will be refused.
2. Tower Building, 323 Center Street, Little Rock - location of multiple State agencies
Full pallet loads are prohibited from being brought into the building to prevent damage to the marble flooring. Pallets must be broken outside and individual carton loads hand trucked into the lobby and loaded onto the elevator.

ORDERING PROCEDURE: All purchase orders to be submitted direct to the contractor by: Fax or Email. All orders will be for full carton quantities. No orders for broken cartons will be accepted. Incomplete orders will be returned to entity. This will include those without a specific delivery point, quantity, item number, sizes, and entity contact person with phone number.

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 for the returned item or a maximum of \$1,000 (not including original transportation costs and sales tax). Entities are advised to carefully check item descriptions to avoid incurring restocking fees.

EXTENSION CLAUSE: Any contract awarded from the offering of these specifications will be subject to, after the original expiration date, an extension of two (2) additional times for the original term of the contract. Any extension must be mutually agreed upon by the Office of State Procurement and the contractor. The Office of State Procurement will notify the contractor before expiration of this contract if an extension is requested.

PAPER PRICE CHANGE CLAUSE: All prices shall be firm for the first 90 days (3 months) of this contract. Thereafter, price increases, in the form of mill letters will be honored, however, these letters must be addressed to the merchant network and be reflective of an across the board increase to all distributors. Changes which are granted based upon a mill announced increase, must be authenticated by subsequent mill invoices. In those instances where announced mill increases are not evident on invoices, the State will take the necessary action to readjust unit prices and collect any overpayments.

Mill letters must specify the brand of paper for which an increase is being announced and must relate the increase as a PER HUNDRED WEIGHT, rather than as a flat percentage. This applies to all sections of this contract with the exception of Group 4, Carbonless. The vendor must also provide a list, by item number, of the papers that will be affected by the increase as well as the paper weight per thousand sheets, and the new unit cost. After receipt of required documentation and in the event a price change is authorized thereafter, said paper prices will remain firm for a period of not less than 90 days.

Requested increases will become effective within ten (10) working days after receipt of all required documentation.

Mill invoices will be reviewed regularly by the Office of State Procurement to determine if price decreases are warranted. The contractor will be notified in writing prior to any cost decrease announcement made by this office.

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 in the same or higher GRADE with same or better brightness level. Any delivery of unauthorized substitutions will be considered contract default.

ITEM SPECIFICATIONS

GROUP 1: Xerographic (Copy) Paper

Xerographic (Copy) paper, 20 lb. white, long grain with a medium smooth xerographic finish. Packed in moisture proof packages.

- (A) **Items 1 – 2: Recycled Xerographic (Copy) Paper**, white, minimum target brightness: 92. Must be at least 20% post-consumer content to meet our recycled definition.
- (B) **Items 3 – 5: Virgin Xerographic (Copy) Paper**, white, minimum target brightness: 92.
- (C) **Items 6 – 7: Recycled Xerographic (Copy) Dual Purpose Colors**, Minimum No. 4 Grade, Colors only. BRAND BID MUST INCLUDE COLOR "BLUE".
- (D) **Item 8: Virgin Xerographic (Copy), 8-1/2" x 11" pre-punched (5/16" standard hole)**, white, minimum target brightness: 92.

GROUP 2: Laser, Bond Papers, and Label Stock

- (A) **Item 9: Virgin Laser Print Paper**, white, 24 lb. only, minimum acceptable brightness: 94.
- (B) **Items 10 – 11: Recycled Watermarked Bond, 25% Cotton Fiber, white, Light Cockle finish.** (Recycled brands must contain minimum 20% post-consumer to qualify). Minimum acceptable brightness: 90.
- (C) **Item 12: Virgin Label Stock, Offset, Pressure Sensitive, Permanent Adhesive**, white.

GROUP 3: Board Grades (Uncoated)

- (A) **Items 27 – 30: Virgin Index**, 110#, white and colors, minimum brightness: 90.
- (B) **Items 31 – 32: Virgin Vellum Bristol**, white and colors, minimum brightness – white: 90.
- (C) **Item 33: Recycled Chipboard**, caliper .22- .026, bundles.
- (D) **Items 34 – 37: Recycled Uncoated Cover, Smooth Finish**, 65# cover weight, white and solid colors, BRANDS BID MUST INCLUDE COLORS: LIGHT BLUE AND GRAY.
- (E) **Items 38 – 39: Recycled Uncoated Cover and Text, Fiber Finish**, 80# cover, 70# text, minimum No. 2 Grade. Brands bid must be a "fiber" look finish.
- (F) **Items 40 – 43: Recycled Uncoated Cover and Text, Florescent Colors**, 65# cover, 60# text, minimum No. 2 Grade.
- (G) **Items 44 – 45: Recycled Imitation Parchment, Cover and Text**, white and colors, 65# cover, 60# text. Note: Brand bid requested to include a blue and a tan.

GROUP 4: Carbonless Paper, Carbonless Tag, Pre-collated Carbonless Sets, Padding Compound

- (A) Items 46 – 53: Virgin Carbonless Paper, Chemical Transfer, Black Print, White and Colors.
- (B) Item 54: Virgin Carbonless Tag, CF, white and manila, 7.5 pt., Black print.
- (C) Items 55 – 59: Virgin Pre-Collated Carbonless Sets, reverse or straight sequence, Black print.
- (D) Items 60 – 61: Padding Compound (gallons and quarts) must be compatible with brand of carbonless bid.

GROUP 5: Uncoated Offset (White & Colors)

- (A) Items 13 – 19: Virgin Uncoated Offset White, minimum target brightness: 92.
- (B) Items 20 – 26: Recycled Uncoated Offset Colors, smooth, 60#, 70#, cut sizes.

GROUP 6: Coated Offset

- (A) Items 62 – 69: Virgin Coated Offset Cover & Text, Matte/Dull Finish, white, minimum brightness: 90.
- (B) Items 70 – 77: Virgin Coated Offset Cover & Text, Gloss/Enamel Finish, white, minimum brightness: 90.

CUTTING CHARGE

Item 78: Contractors will be allowed a “per carton” cutting charge.

GENERAL TERMS & CONDITIONS

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

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

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

OUTLINE AGREEMENT AWARD TERMS & CONDITIONS

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

11. **STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.
12. **DEFAULT:** All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Default in promised delivery or failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.
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.