

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.

BUYER: Janet Quattlebaum (501-324-9316)

AWARD #: SP-14-0126R
OA # 4600032353

DESCRIPTION: **COPY PAPER AND PRINTSHOP PAPER**

CONTRACT VALUE: \$1,188,000.00

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

CONTRACT PERIOD: The term of this contract shall be for a period of 12 months beginning **July 1, 2017 through June 30, 2018** with options to renew in three (3) one (1) year increments or a portion thereof upon mutual agreement.

June 9, 2017 Contract Changes

* Please note new negotiated pricing on line items 3, 4, 10, 11 and 12.

** Please note new negotiated Optional Delivery Terms.

*** Please note expanded definitions for Normal and Inside Delivery.

INVOICE TO:
As specified on Purchase Order

FOB DELIVERY LOCATION:
Specified on Purchase Order

CONTRACT AWARD TO:

PRINTING PAPERS, INC.
6101 Patterson Road
Little Rock, AR 72209

CONTACT NAME: Bell Todd
PHONE: 501-455-5555
FAX: 501-455-8885
EMAIL: bell@printingpapersinc.com
AASIS Vendor #: 10001745

STATE OF ARKANSAS OFFICE OF STATE PROCUREMENT

BY: _____ DATE _____

SECTION 1 - GENERAL INFORMATION

1.1 **INTRODUCTION**

This is a TERM CONTRACT to provide **COPY PAPER AND PRINT SHOP PAPER** for All State Agencies and Cooperative Purchasing Program Participants within Arkansas.

1.2 **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.

1.3 **QUANTITIES**

The quantities stated within were estimated. The State may order more or less as is required during the term of the contract.

1.4 **PAYMENT AND INVOICE PROVISIONS**

All invoices **shall** be forwarded to the ordering agency.

Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance by the Agency. The State may not be invoiced in advance of delivery and acceptance of any equipment, service or commodity. Payment will be made only after the contractor has successfully satisfied the ordering agency as to the goods purchased.

Vendors should invoice ordering agency by an itemized list of charges. Purchase Order Number and/or Contract Number should be referenced on each invoice.

1.5 **RECORD RETENTION**

The Contractor **shall** be required to maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and other procedures specified by the State of Arkansas. Access will be granted upon request, to State or Federal Government entities or any of their duly authorized representatives.

Financial and accounting records **shall** be made available, upon request, to the State of Arkansas' designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.

1.6 **PRIME CONTRACTOR RESPONSIBILITY**

The vendor **will** be required to assume prime contractor responsibility for the contract and will be the sole point of contact with regard to all commodities, services and support.

1.7 **CONTRACT INFORMATION**

1. The State of Arkansas may not contract with another party:
 - a. Upon default, to pay all sums to become due under a contract.
 - b. To pay damages, legal expenses or other costs and expenses of any party.
 - c. To conduct litigation in a place other than Pulaski County, Arkansas
 - d. To agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.
2. A party wishing to contract with the State of Arkansas should:
 - a. Remove any language from its contract which grants to it any remedies other than:

- i. The right to possession.
- ii. The right to accrued payments.
- b. Include in its contract that the laws of the State of Arkansas govern the contract.
- c. Acknowledge that contracts become effective when awarded by the State Procurement Official.

1.8 CONDITIONS OF CONTRACT

The vendor shall at all times observe and comply with federal and State laws, local laws, ordinances, orders, and regulations existing at the time of or enacted subsequent to the execution of this contract which in any manner affect the completion of the work. The vendor and surety shall indemnify and save harmless the agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the vendor.

1.9 STATEMENT OF LIABILITY

The State will demonstrate reasonable care but shall not be liable in the event of loss, destruction, or theft of contractor-owned items to be delivered or to be used in the installation of deliverables. The vendor is required to retain total liability until the deliverables have been accepted by the "authorized agency official." At no time will the State be responsible for or accept liability for any vendor-owned items.

1.10 DELEGATION AND/OR ASSIGNMENT

The vendor shall not assign the contract in whole or in part or any payment arising there from without the prior written consent of the State Procurement Official. The vendor shall not delegate any duties under this contract to a subcontractor unless the State Procurement Official has given written consent to the delegation.

1.11 COST

Pricing includes all associated cost for the items including, but not limited to, production, quality assurance, packaging, and FOB destination, normal delivery, freight paid.

1.12 PRICE CHANGE CLAUSE

All prices awarded 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).

1.13 DELIVERY: FOB DESTINATION

Delivery of orders of 199 cartons or fewer is within 10 working days and orders of 200 cartons or more is within 20 working days after receipt of agency's purchase order. All deliveries must be made during normal state work hours and within the agreed upon number of days unless otherwise arranged and coordinated with the agency. The vendor shall give the agency immediate notice of any anticipated delays or plant shutdowns that will affect the delivery requirement.

Loss or damage that occurs during shipping, prior to the order being received by the agency, is the vendor's responsibility. All orders should be properly packaged to prevent damage during shipping.

"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.

NOTES:

- If an agency's 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.
- 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.
- Under Normal delivery driver delivers pallet/skid at physical address.
- Under Inside delivery driver delivers pallet/skid at physical address but agency request driver dispense cartons either by hand carried or hand carted to offices within the physical address. If Inside delivery requested, vendor will charge the agency an additional delivery charge of \$1.32 per carton.
- Agencies should specify on Purchase Order(s) whether Normal or Inside Delivery is required and be aware of the difference.

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.

DEFINITION - INSIDE DELIVERY: "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 a specific room(s) or area(s)." Delivery locations falling in the perimeters of this definition may be subject to additional delivery charges.

Agency purchase orders are to clearly indicate "Inside Delivery Required", if applicable. Purchase orders with no indication of inside delivery requirements are to be delivered according to "Normal Delivery" definition.

1.14 FOB DELIVERY LOCATION

When an "Inside Delivery" requirement is indicated on agency's purchase order, the state-wide freight network selected by vendor MUST provide "Inside Delivery". (Refer to 1.13 Delivery: "Definition - Inside Delivery").

The contractor on this contract must work with selected carrier to ensure understanding of "Inside Delivery" requirement and to ensure all requirements for Inside Delivery are met.

Various delivery locations within the State of Arkansas will be specified on the purchase order from the ordering agency. Delivery is limited to ONE DELIVERY LOCATION per purchase order.

NOTE: Agencies should review the "Normal Delivery" and "Inside Delivery" definitions within this contract to determine how they may apply to the proposed delivery location.

1.15 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.

SECTION 2 - SPECIFIC REQUIREMENTS

2.1 **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.

2.2 **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 Required", if applicable. Purchase orders with no indication of "Inside Delivery" requirements are to be delivered according to "Normal Delivery" definition. (Refer to 1.13 Delivery)

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

2.3 **MINIMUM ORDER AMOUNT**

Each purchase order to any one (1) contractor must be a minimum order amount of \$500.00, excluding sales tax. 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.

Agencies with orders under the \$500.00 minimum order requirement of this contract may elect to place orders as follows.

1. Order may be placed using this contract with \$50.00 handling charge applied.

To avoid an additional \$50.00 handling charge you may choose one of the two (2) options below:

Option 1: Small orders (under the \$500 minimum) to the following cities; Little Rock, North Little Rock, Benton, Conway, Fayetteville, Springdale, Fort Smith, Hot Springs, Jonesboro, Texarkana and Russellville will be charged the item price plus a \$1.50 per carton for "below minimum charge".

Option 2: Small orders (under the \$500 minimum) to all other locations will be charged the item price plus FEDX delivery charge.

2. Order may be placed using the office supply contract.
3. Contact OSP for guidance when items cannot be purchased from office supply contract.

NOTE: Agencies are encouraged to compare prices of the five (5) purchasing methods listed above to ensure the best interests of the state are met.

2.4 **MAXIMUM ORDER QUANTITY (Section A, Group 1)**

There is no maximum order quantity on this contract. Agency and Vendor are **required** to negotiate lower unit prices for quantities exceeding one truckload of any one item as described below. Delivery is limited to ONE DELIVERY LOCATION per purchase order.

One (1) truckload is approximately:

- 8-1/2" x 11" paper = 840 cartons
- 8-1/2" x 14" paper = 630 cartons
- 11" x 17" paper = 840 cartons

2.5 SPECIAL PACKAGING / PALLET REQUIREMENTS

Mill packaged product must indicate if virgin 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:** Special Pallet Requirements: 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 for non-standard pallet size may be required. Agency is to verify delivery time with vendor.*

2.6 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.

2.7 REPORTING REQUIREMENTS

The contractor is required to submit QUARTERLY REPORTS reflecting usage activity.

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

The quarterly report is due the 15th of the month following the quarter's activity. The minimum information the report shall contain is: Contract Number SP-14-0126R, Contract Line Item Number, Quantity Ordered, and Total Cost per Line Item. Information shall be provided for both state agencies and cooperative entities. Information for state agencies and cooperative entities may be submitted on one report; however information shall be shown separately. The State of Arkansas reserves the right to require reporting by individual agency.

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

2.8 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.

2.9 MISCELLANEOUS CHARGES/ALLOWANCES

Prior to any work being performed under this contract that will result in additional costs, written authorization must be obtained from the Office of State Procurement. Any other costs incurred in production and not provided for in these instructions and specifications may be invoiced at the "fair market price" as established by the Office of State Procurement.

SECTION 3 – 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 A: GROUP 1

GROUP 1: Copy Paper / Recycled and Virgin, White and Colors

20#, White and Colors, long grain with a medium smooth finish. Minimum brightness (white stock) 92. Reams wrapped 500 sheets to a package in moisture barrier packaging. Must be branded papers; job lots or seconds are unacceptable. Brands must provide good run-ability in all types of copiers. Brands must be Domestically Manufactured paper.

- A. **Recycled Copy Paper, 8-1/2" x 11" and 8-1/2" x 14", White**
- B. **Virgin Copy Paper, 8-1/2" x 11" and 8-1/2" x 14", White**
- C. **Recycled or Virgin Paper, 11" x 17", White**
- D. **Recycled or Virgin Copy Paper Dual Purpose Colors, 8-1/2" x 11" and 8-1/2" x 14", Minimum No. 4 Grade. Brand must include color "blue".**
- E. **Recycled or Virgin Copy Paper, 8-1/2" X 11" 3-Hole Pre-Punched (5/16" standard hole), white**

SECTION B: GROUPS 2, 3, 4,5,6

GROUP 2: Laser Bond and Label Stock

- A. **Recycled or Virgin Laser Bond Paper, White, 24#, Minimum Brightness: 94.**
- B. **Recycled or Virgin Watermarked Bond, 25% Cotton Fiber, 24#, White, Light Cockle Finish, Minimum Brightness: 90.**
- C. **Recycled or Virgin Label Stock, Offset, Pressure Sensitive, Permanent Adhesive, 60#, White.**

GROUP 3: Board Grades (Uncoated)

- A. **Recycled or Virgin No. 4 Index, 110#, white and colors, minimum brightness (white stock): 90.**
- B. **Recycled or Virgin Vellum Bristol, 67#, white and colors, minimum brightness (white stock): 90.**
- C. **Recycled or Virgin Chipboard, caliper .022-.026, bundles.**
- D. **Recycled or Virgin Uncoated Cover, Smooth Finish, 65# cover weight, white, minimum brightness: 90.**
- E. **Recycled or Virgin Uncoated Cover and Text, Fiber Finish, 80# cover, 70# text, minimum No. 2 Grade.**
- F. **Recycled or Virgin Uncoated Cover and Text, Florescent Colors, 65# cover, 60# text, minimum No. 2 Grade.**
- G. **Recycled or Virgin Imitation Parchment, Cover and Text, white and colors, 65# cover, 60# text. Brand should include blue and tan.**

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

- A. **Virgin Carbonless Paper, Chemical Transfer, Black Print**, white and colors.
- B. **Virgin Carbonless Tag, CF**, white and manila, 7.5 pt., Black print.
- C. **Virgin Pre-Collated Carbonless Sets**, reverse or straight sequence, Black print.
- D. **Padding Compound** (gallons and quarts). MUST be compatible with brand of carbonless stock bid.

GROUP 5: Uncoated Offset (White & Colors)

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

GROUP 6: Coated Offset

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

CUTTING CHARGE: Contractor will be allowed a per hundred weight cutting charge.

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 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.