



NYS OFFICE OF GENERAL SERVICES

Serving New York

FOOD PC66474

CONTRACT

between

NEW YORK STATE

OFFICE OF GENERAL SERVICES

And

Metropolitan Foods, Inc., dba Driscoll Foods, Inc.

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APPENDIX D- MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT

STATE OF NEW YORK
OFFICE OF GENERAL SERVICES
AGREEMENT #PC66474
CENTRALIZED CONTRACT FOR THE ACQUISITION OF
FOOD (COMMERCIAL FOR EASTERN REGION)

THIS AGREEMENT (hereinafter the “Contract” or the “Agreement”), by and between the People of the State of New York, acting by and through the Commissioner of the Office of General Services (OGS), whose office is on the 41st Floor, Tower Building, Governor Nelson A. Rockefeller Empire State Plaza, Albany, New York 12242 (hereinafter referred to as the “State” or “OGS”) and Metropolitan Foods d/b/a Driscoll Foods, having its principal place of business at 174 Delawanna Avenue, Clifton, New Jersey, 07014 (hereinafter referred to as the “Contractor”). OGS and the Contractor are collectively referred to as the “Parties.”

WHEREAS, OGS issued a competitive solicitation, referenced as Invitation for Bid (hereinafter “IFB”) #22688, which was advertised in the April 17th, 2013 edition of the New York State Contract Reporter as required by the New York State Economic Development Law.

WHEREAS, OGS conducted a competitive process to identify bidders that will provide the lowest price for the provision of food in two separate lots as set forth in the IFB, as evidenced by achieving the lowest price by responsive and responsible bidders.

WHEREAS, in accordance with State Finance Law §163(3)(b)(x), a decision was made to divide New York State into four regions for the purposes of establishing pricing, and the IFB further provided that the contracts will be awarded to a single bidder by lot and region combination (hereinafter the “Contracts”).

WHEREAS, the State created a market basket for each lot, composed of products historically purchased by the Authorized Users. The products listed in the market baskets were for purposes of evaluating bids only; the market baskets are not necessarily indicative of actual products or pack sizes which will be ordered or which the Contractor will be required to provide.

WHEREAS, the determination of lowest price was made on a “weighted” basis for combined total amounts for NYS Net Delivered Prices for all products listed in a Market Basket with the weighting based on historic sales volumes. Base costs bid were multiplied by the applicable markup percentage and then by historic sales volumes. All line items were totaled to determine total bid for a given Bid Section.

WHEREAS, the State has determined the Contractor submitted a responsive proposal, and had the lowest price for the specified lot/region combination as indicated below. The Contractor is willing to provide the products under the terms set forth herein.

NOW THEREFORE, in consideration of the terms hereinafter mentioned and also the mutual covenants and obligations moving to each Party hereto from the other, the Parties hereby agree as follows:

SECTION 1 SCOPE

- A. The Contract is made under award #22497. This Contract sets forth the terms and conditions for the provision of Food and Non-Food products by Contractor. The Contract is limited to the supply of Commercial Food and Non-Food items within the Eastern Region. Items which are sold by Contractor, but do not fit into these categories are excluded from purchase through this Contract.

The IFB established four regions in the State, as set forth below. Contractor was awarded Eastern Region for Commercial and agrees to supply to all Authorized Users in the awarded region as set forth in APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 3, NYS Region Map with Counties. Contractor acknowledges that it was awarded the Commercial Lot for the Eastern Region of the State.

- B. Regions: The four regions are:

Central Region: Broome, Cayuga, Chenango, Cortland, Delaware, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Otsego, Saint Lawrence, Sullivan, Tioga, and Tompkins counties.

Downstate Region: Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester counties.

Eastern Region: Albany, Clinton, Columbia, Dutchess, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Orange, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Ulster, Warren, and Washington counties.

Western Region: Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming, and Yates counties.

SECTION 2 ESTIMATED QUANTITIES

This is an estimated quantities contract in accordance with Appendix B, §42 "Estimated/Specific Quantity Contracts".

SECTION 3 CONTRACT DOCUMENTS

This Contract is composed of the following documents. Only documents expressly enumerated below shall be deemed a part of this Contract, and references contained in those documents to additional Contractor documents not enumerated below shall be of no force and effect. Conflicts among the documents shall be resolved in the following order of precedence:

- a. Appendix A – Standard Clauses for New York State Contracts (January 2014), attached hereto, is hereby expressly made a part of this Contract as fully as if set forth at length herein.

- b. This document (Base Agreement) - the portion of the Contract preceding the Parties' signatures.
- c. Appendix B – General Specifications (July 2006) attached hereto, is hereby expressly made a part of this Contract as fully as if set forth at length herein, and shall govern any situation not covered by the Base Agreement or Appendix A.
- d. APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS attached hereto, are hereby expressly made a part of this Contract as fully as if set forth at length herein.
 - i. Number 1. Price Guides
 - ii. Number 2. Contractor Information
 - iii. Number 3. NYS Regions Map, Preferred Source and Market Basket Product List
 - iv. Number 4. Report of Contract Usage
 - v. Number 5. Allowance Report
 - vi. Number 6. Contractor Insurance Requirements
 - vii. Number 7. Contract Modification Procedure
- e. Appendix D - Minority and Women-Owned Business Enterprises and Equal Employment Opportunity Policy Statement, attached hereto, is hereby expressly made a part of this Contract as fully as if set forth at length herein.

SECTION 4 APPENDIX B AMENDMENTS

Appendix B is amended as follows:

- A. Section 4, Conflict of Terms, is intentionally omitted.
- B. Section 5 – Definitions, the definition of “Authorized User” is deleted and replaced with the following language:

“Authorized User” shall have the same meaning as set forth in Section 163(1) (k) of the State Finance Law.

- C. Section 56, Assignment, is deleted and replaced with the following language:

§ 56. ASSIGNMENT

The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the contract or its right, title or interest therein, or its power to execute such contract to any other person, company, firm or corporation in performance of the contract without the prior written consent of the Commissioner or Authorized User (as applicable). The Commissioner's or Authorized User's consent shall not be unreasonably withheld. Failure to obtain consent to assignment from the Authorized User shall revoke and annul such Contract. Notwithstanding the foregoing, the State shall not hinder, prevent or affect assignment of money by a Contractor for the benefit of its creditors. Prior to a consent to assignment of monies becoming effective, the Contractor shall file a written notice of such monies assignment(s) with the Comptroller. Prior to a consent to assignment of a Contract, or portion thereof, becoming effective, the Contractor shall submit the request to assignment to the Commissioner and seek written agreement from the Commissioner which will be filed with the Comptroller. The Commissioner reserves the right to reject any proposed assignee in his/her discretion.

- D. Section 62 Contract Billings and Payments, is deleted and replaced with the following language:

§ 62 CONTRACT BILLINGS AND PAYMENTS

I. Billings. Contractor and the dealers/distributors/resellers designated by the Contractor, if any, shall provide complete and accurate billing invoices to each Authorized User in order to receive payment. Billing invoices submitted to an Authorized User must contain all information required by the Contract and the State Comptroller or other appropriate fiscal officer. Submission of an invoice and payment thereof shall not preclude the Commissioner from requesting reimbursement or demanding a price adjustment in any case where the Product delivered is found to deviate from the terms and conditions of the Contract or where the billing was inaccurate.

Contractor shall provide, upon request of the Commissioner, any and all information necessary to verify the accuracy of the billings. Such information shall be provided in the format requested by the Commissioner and in a media commercially available from the Contractor. The Commissioner may direct the Contractor to provide the information to the State Comptroller or to any Authorized User of the Contract.

II. Payment of Contract purchases made by an Authorized User when the State Comptroller is responsible for issuing such payment. The Authorized User and Contractor agree that payments for invoices submitted by the Contractor shall only be rendered electronically unless payment by paper check is expressly authorized by the Commissioner, in the Commissioner's sole discretion, due to extenuating circumstances. Such electronic payments shall be made in accordance with ordinary State procedures and practices. The Contractor shall comply with the State Comptroller's procedures to authorize electronic payments. Authorization forms are available at the State Comptroller website at <http://www.osc.state.ny.us/epay/index.htm> or by e-mail at epayments@osc.state.ny.us. Contractor acknowledges that it will not receive payment on any invoices submitted under this Contract that are payable by the State Comptroller if it does not comply with the State Comptroller's electronic payment procedures, except where the Commissioner has expressly authorized payment by paper check as set forth above. Inquiries relating to OSC's Electronic Payments program should be directed to:

NYS Office of the State Comptroller
Vendor Management Unit
110 State Street Mail Drop 10-4
Albany, NY 12236
Telephone: (855) 233-8363
E-Mail: helpdesk@sfs.ny.gov

III. Payment of Contract purchases made by an Authorized User when the State Comptroller is not responsible for issuing such payment. The Authorized User and Contractor agree that payments for such Contract purchases shall be billed directly by Contractor on invoices/vouchers, together with complete and accurate supporting documentation as required by the Authorized User. Such payments shall be as mandated by the appropriate governing law from the receipt of a proper invoice. Such Authorized User and Contractor are strongly encouraged to establish electronic payments.

E. Section 64, Interest on Late Payments, is deleted and replaced with the following language:

§ 64 INTEREST ON LATE PAYMENTS

a. **State Agencies** Upon acceptance of product or as otherwise provided by Contract, Contractor may invoice for payment. The required payment date shall be thirty (30) calendar days, excluding legal holidays, from the receipt of a proper invoice, as determined in accordance with State Finance Law §179-

f(2) and 2 NYCRR Part 18. The payment of interest on certain payments due and owed by Agency may be made in accordance with State Finance Law §§179-d et. seq. and the implementing regulations (2 NYCRR §18.1 et seq.).

b. **By Non-State Agencies** Upon acceptance of product or as otherwise provided by Contract, Contractor may invoice for payment. The required payment date shall be thirty (30) calendar days, excluding legal holidays, or as mandated by the appropriate governing law from the receipt of a proper invoice. The terms of State Finance Law Article 11-A apply only to procurements by and the consequent payment obligations of Agencies. Neither expressly nor by any implication is the statute applicable to Non-State Authorized Users. Neither OGS nor the State Comptroller is responsible for payments on any purchases made by a Non-State Agency Authorized User.

c. **By Contractor** Should the Contractor be liable for any payments to the State hereunder, interest, late payment charges and collection fee charges will be determined and assessed pursuant to Section 18 of the State Finance Law.

SECTION 5 DEFINITIONS

“Authorized User(s)” shall have the same meaning as set forth in Section 163(1) (k) of the State Finance Law.

“Baked Goods” shall refer to products comprised of fresh bread including, but not limited to, bread loaves, various rolls, pastries and muffins.

“Contractor Supplier Cost” shall consist of the Cost of Product from a Supplier net of any applicable allowances as defined in SECTION 17 ALLOWANCES as granted to the Contractor whether on-invoice or off-invoice, plus Incoming Freight, but shall not include the Percent Markup bid.

“Commercial Lot” shall refer to a group of products comprised of food, household items and sundries.

“Contract” as defined in Appendix B.

“Contractor” shall refer to a responsive and responsible Bidder who has offered the lowest price for a Bid Section and is working under an executed contract with New York State.

“Cost of Product” shall be defined as the cost paid by the Contractor to its supplier/ manufacturer/processor for the product.

“Food” shall refer to products that are edible.

“Incoming Freight” is defined as common or contract carrier charges billed to the Contractor by a third-party vendor or a third-party carrier, or charges billed to the Contractor by a freight management service operated by an affiliated corporation of the Contractor for shipping costs from the supplier to the Contractor’s warehouse.

“Lots” shall refer to several items bid as a single group. For there are two separate lots: Lot 1, Commercial and Lot 2, Retail.

“**May**” denotes the permissive in a contract clause or specification. “May” does not mean “required.” Also see “Shall”, and “Must”.

“**Must**” denotes the imperative in a contract clause or specification. “Must” is synonymous with “required.” Also see “Shall”, and “May”.

“**M/WBE**” shall refer to a business certified with Empire State Development (ESD) as a Minority and/or Women-owned Business Enterprise.

“**New York State Food Product**” shall refer to commodities that are Food, including milk and milk products, grown, produced, or harvested in New York State.

“**n/a**” is a common abbreviation for not applicable or not available, used to indicate when information in a certain field on a table is not provided, either because it does not apply to a particular case in question or because it is not available.

“**Non-Food**” shall refer to products that are not edible but related to the handling, preparing or dispersing of food items.

“**NYS Net Delivered Price**” shall be defined as Contractor Supplier Cost + Incoming Freight – Applicable Allowance + Sub-Lot Percentage Markup.

“**New York State Procurement (NYSPro)**”(formerly known as Procurement Services Group (PSG)) shall mean a division of the New York State Office of General Services which is authorized by law to issue centralized, statewide contracts for use by New York agencies, political subdivisions, schools, libraries and others authorized by law to participate in such contracts. The terms NYSPro and PSG shall be used interchangeably for purposes of this Contract.

“**Preferred Source**” shall refer to National Industries for the Blind. (NIB) and/or New York State Industries for the Disabled (NYSID), and Correctional Industries (Corcraft). NIB and NYSID are both facilitating agencies under the Preferred Source Program.

“**Preferred Source Offering**” shall refer to those commodities or services that have been approved in accordance with State Finance Law §162. For the purpose of this Contract, the term is limited to food and food-related products.

“**Preferred Source Program**” shall refer to the special social and economic goals set by New York State in State Finance Law §162 that require a governmental entity to purchase select commodities and services from designated organizations when the commodities or services meet the "form, function, and utility" requirements of the governmental entity. Under State Finance Law §163, purchases of commodities and services from Preferred Sources are given the highest priority and are exempt from the competitive bidding requirements. The New York State Preferred Sources include: Corcraft; National Industries for the Blind, Inc.; New York State Industries for the Disabled; and the Office of Mental Health. These requirements apply to a state agency, political subdivision and public benefit corporation (including most public authorities).

“**Price Guides**” is a complete product line listing created and maintained by the Contractor. The Price Guide contains “NYS Net Delivered Price” for NYS Authorized Users, and shall be updated as listed herein under SECTION 24 PRICE CHANGES.

“**Related Party**” shall be any affiliate or subsidiary of, or any entity owned, supported, managed or controlled by, the Bidder or Contractor that sells or supplies goods to the Bidder or Contractor.

“**Regions**” for the purposes of the IFB, New York State was divided into four regions: Central, Downstate, Eastern and Western. Further details are set forth in Appendix C FOOD (Commercial: Eastern Region) DOCUMENTS, Number 3 NYS Regions Map and Market Basket Products List.

“**Shall**” denotes the imperative in a contract clause or specification. “Shall” is synonymous with “required.” Also see “Must”, “May”, and “Should”.

“**Sub-Lots**” shall refer to classifications given to each product to define which percent markup is applied within each of the two Lots. Sub-lots for each Lot are detailed in SECTION 15 PERCENT MARKUP.

“**0 (Zero)**” is both a number and the numerical digit used to represent that number in numerals. It is the integer immediately preceding 1 (one).

SECTION 6 QUALIFICATIONS OF CONTRACTOR

Contractor must maintain a business establishment with access to adequate inventories of complete product lines for their awarded lot(s) as identified and contained in all product categories listed herein, and must be capable of processing and shipping large numbers of consolidated orders to various destinations.

Contractor must be able to service all delivery locations in a Region in a timely and efficient manner and in accordance with the requirements of this Contract.

Contractor is responsible for administering contract, resolving problems, etc., for all participating branches/warehouses/distribution centers, etc.

Contractor shall maintain all required contract-specific insurance in this Contract and APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 6 Insurance Requirements.

Contractor shall meet the reporting requirements in SECTION 49 ADMINISTRATIVE AND REPORTING REQUIREMENTS.

OGS’s interpretation of specifications shall be final and binding upon the Contractor.

SECTION 7 QUALITY CONTROL AND SAFETY

Contractor shall have a written quality control program readily available for submission to OGS upon request that ensures all products are handled in a manner that complies with all Hazard Analysis & Critical Control Points (HACCP) regulatory requirements as well as NYS Circular 933 - Good Manufacturing Practices (GMP) a copy of which is available at: <http://www.agriculture.ny.gov/FS/industry/04circs/goodmanufpracticesCIR933.htm>, and Sanitation Standard Operating Procedures (SSOP) which can be found here: http://www.fsis.usda.gov/PDF/SSOP_module.pdf.

Contractor shall verify that all manufacturers supplying product have verifiable HACCP programs in place at their manufacturing facilities. Upon request by OGS, Contractor shall provide documentation regarding the HACCP programs in place.

SECTION 8 RECALLED PRODUCTS

The Contractor shall have the ability to track all products delivered. The Contractor shall have a product recall program that provides for immediate notification to all Authorized User facilities, including OGS and Authorized Users' central offices that have received the recalled products. The Contractor is responsible for picking up

and replacing all products that are subject to recall, and insuring that all manufacturers and suppliers to the Contractor have the same requirements in place. The Authorized User shall not be responsible for the pickup and replacement cost of any recalled product. Subsequent credits must be applied, as applicable. A final report shall be made to OGS and all Authorized Users' central offices stating number of cases shipped, locations and number of returns.

SECTION 9 CONTRACTOR STOCKING AND FURNISHING OF PREFERRED SOURCE PRODUCTS

State Finance Law §162 requires that many governmental entities, including Executive Agencies, afford first priority to the products/services of Preferred Source suppliers such as Correctional Industries (Corcraft), Industries for the Blind of New York State (IBNYS), and NYS Industries for the Disabled (NYSID), when such products/services meet the form, function, and utility of the agency. Some products/services in the resultant contract(s) may be available from one or more Preferred Sources.

A list of current commonly used Preferred Source items which fall within the scope of this Contract can be found in, APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 3 NYS Regions Map, Preferred Source and Market Basket Products List. This list is neither final nor exhaustive.

It shall be the Contractor's responsibility to stock, furnish and invoice for these Preferred Source List items to all Authorized Users. Contractors may experience a need to carry additional inventory due to longer than average lead-time for ordering certain Preferred Source products. Contractors should not anticipate prompt pay discounts when making payments to Preferred Sources. Contractor shall update Price Guides when OGS has granted approval to a Preferred Source item through its regular approval process as discussed further in SECTION 10 PREFERRED SOURCE ITEM ADDITIONS AND DELETIONS.

Authorized Users may purchase products from Preferred Sources either directly from the designated preferred source OR from the Contractor.

Contractor affirms ability to meet these Preferred Source participation requirements and agrees to enter into an agreement with each Preferred Source regarding such participation requirements.

SECTION 10 PREFERRED SOURCE ITEM ADDITIONS AND DELETIONS

Contractor shall include new Preferred Source items in their Price Guides when OGS has granted approval to a Preferred Source item through its regular approval process. Notification of the approval shall be provided by OGS to the Contractor for that item. Contractor shall only be required to add new Preferred Source items to their Price Guides in weekly, monthly and quarterly updates as noted under SECTION 24 PRICE CHANGES.

Preferred Source items can only be deleted from the Price Guides with express written notice from the relevant Preferred Source or if the item is no longer approved by OGS. Contractor shall provide OGS with a copy of Preferred Source's written notification.

SECTION 11 PREFERRED SOURCE NOTE

State Finance Law §162 requires that many governmental entities, including Executive Agencies, afford first priority to the products/services of Preferred Source suppliers such as Correctional Industries (Corcraft), National Industries for the Blind" (NIB) and NYS Industries for the Disabled (NYSID), when such products/services meet the form, function and, utility of the agency. Some products/services in the Contract may be available from one or more Preferred Sources.

Contractor is required to prominently display the following language on all Price Guides and contract updates to agencies relative to the award:

Agencies Note: Some products/services in this contract may be available from one or more Preferred Sources. Agencies are reminded to comply with the statutory requirements under §162 of the State Finance Law and the guidelines issued by the State Procurement Council to afford first priority to products/services available from Preferred Sources which meet your form, function and utility.

SECTION 12 SPECIFIC REQUIREMENTS

1. Ability To Provide Emergency Service

Some Authorized Users may, on occasion, require emergency same-day service either for direct delivery or Authorized User pick-up of products. Contractor shall have staff or an emergency contact available on a 24-hour basis. In the event of a Gubernatorial declared emergency in accordance with Executive Law §28, Contractor shall coordinate with the Authorized Users for emergency contingency plans. The State reserves the right to request proof of such emergency contingency plans.

2. Authorized Distributor

Contractor affirms that they are an authorized distributor for products being offered. The State reserves the right to request proof of authorization.

3. Delivery After Receipt Of Order

Regular delivery days will be scheduled as far as three weeks in advance, but Contractor may be required to add to existing orders or deliver new orders for next business day delivery.

SECTION 13 PRICE

Contractor's Price Guides shall state its prices for products in terms of "NYS Net Delivered Price".

"NYS Net Delivered Price" is computed as follows:

	Contractor Supplier Cost
+	Incoming Freight
-	Applicable Allowance
+	<u>Sub-Lot Percent Markup</u>
=	"NYS Net Delivered Price"

Contractor's distribution center used for each Region is set forth in APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS Number 2 Contractor Information. The Distribution Center(s) shall be used throughout the Contract term.

Prices for Preferred Source items stocked, furnished and invoiced by Contractor will be calculated as follows:

Preferred Source Price

+ Markup on Preferred Source goods will be calculated using the Markup on Commercial Sub-Lots

= Price for Preferred Source Goods stocked, furnished, and invoiced by Contractor.

The same formulas are used for all products in the Price Guides (being the same to each location regardless of shipping point).

SECTION 14 CONTRACTOR'S SUPPLIER COST

When calculating the cost portion of prices charged to the State, Contractor shall calculate cost by applying a weighted average of the Contractor Supplier Cost for product over ALL invoices for a contiguous two month period (e.g. May and June; not May and July). Such two month period must immediately precede the month in which current pricing is established via Price Guides. See also SECTION 54 CONTRACTOR'S COST VERIFICATION.

Contractor Supplier Cost weighted average will be calculated as follows: (Total cost of item from all Invoices for a contiguous two month period + Freight for the 2 month period - total allowance earned during the period for the product) / total number of cases for the period. See also SECTION 17 ALLOWANCES.

Contractor shall not modify its manner and method for deriving costs or determining applicable allowances to the detriment of the State.

Contractor shall be required to aggressively monitor costs (including but not limited to price increases and any applicable rebates, allowances, etc. impacting Contractor Supplier Cost, or NYS Net Delivered Price) in comparison with market conditions, State usage, supplier pricing and Authorized User requests and to negotiate decreases, seek competition, or change suppliers as necessary to ensure the best value for the State in the most efficient, effective procurement manner.

SECTION 15 PERCENT MARKUP

Contractor's Percent Mark-ups are set forth in APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS Number 3 Contractor Information. Percent markup for all items, including Preferred Source, shall not increase during the resultant contract award. A decrease in percent markup is permitted at any time.

SECTION 16 INCOMING FREIGHT

Contractor may be required to demonstrate the reasonableness of the method of freight chosen is the best value for the State. The State reserves the right to determine that the lowest price available should be applied if Contractor selects a shipping methodology that is higher than common carrier published rates charged for similar deliveries.

SECTION 17 ALLOWANCES

Applicable allowances shall include those granted to Contractor and shall be defined as:

- Any manufacturers/suppliers credits, allowances or rebates shown on the invoice to the Contractor that reduce Contractor Supplier Cost, or NYS Net Delivered Price
- Governmental and non-profit promotions, discounts or allowances
- Special negotiated pricing agreements for NY State
- Volume discounts negotiated directly by OGS or Authorized Users

- New York State's proportional allocation of a Contractor's discounts or rebates for aggregate volume or growth programs, or additional reductions based upon size of order and deliveries by Supplier to the Contractor.

The State must directly benefit from any price reductions, credits, refunds or other rebate pass-throughs from all applicable allowances including those obtained by Contractor. If the Contractor is able to capture any allowances due to NY State volume, it is required to use the additional savings to lower "NYS Net Delivered Price" by specifically enumerating the allowances.

Allowances shall not include earned income rebates such as merchandising, freight management, consolidated warehousing distributions, or other value-added logistical, promotional or operational services, etc.

All applicable allowances must be passed through to the State whether or not such allowances are presented in the Contractor's Price Guides.

In the event that the Contractor receives applicable allowances, credits or rebates on products after the product is invoiced to the Authorized User, the contractor is required to apply a credit to a future invoice for the respective purchaser or some other form of reimbursement, in an amount equivalent to the value of the rebate. In the event that a credit is not applied, reimbursement may be made via a year-end payment of applicable allowances. The amount paid would be based on a calculation of the applicable allowance earned but not included as a reduction in cost at the time contract prices were established. The amount an individual entity would be reimbursed is directly related to their portion of spend on the items that qualify for the applicable allowance.

SECTION 18 ROUNDING CALCULATIONS FOR DETERMINING COSTS AND FINAL PRICE

All prices used to determine "NYS Net Delivered Prices" are to be rounded to no more than two decimal places. Any quoted price which goes beyond the allowed decimal place shall be rounded to the second decimal place (i.e. \$6.246 shall be rounded to \$6.25 and \$7.232 shall be rounded to \$7.23).

SECTION 19 REBATES

The State reserves the right to determine the disposition of any rebate settlement, restitution, liquidated damage, etc. which arise from the administration of this Contract.

SECTION 20 PACKAGING/CONTAINER SECURITY REQUIREMENTS FOR SELECTED AUTHORIZED USERS

Correctional facilities, and other self-identified Authorized Users, require packaging and containers that minimize possible security problems (i.e., do not include wire, metal, sharp edges, glass, etc., that may possibly be fashioned into a weapon). Contractor and Authorized User shall mutually agree to modify and/or change packaging and/or containers for delivery to some locations, in order to reduce potential security risks. There shall be no additional charge for Contractor's packaging or containers used to meet security requirements.

SECTION 21 PURCHASES FROM PRICE GUIDES

Authorized Users are to make purchases from the Contractor's Price Guides set forth in APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 1 Price Guides. Prices established in the Price Guides shall be calculated as described in SECTION 13 PRICE using cost as defined therein.

SECTION 22 PRICE GUIDES

Price Guides shall include at least the following fields:

- Product Sub-Lot (i.e., Dairy, Produce, Meat/Poultry/Fish, Frozen, Baked Goods, etc.);
- Sub-Lot Markup;
- Product Stock Number;
- Product Brand or Manufacturer;
- Product Description;
- Pack, Size, Unit;
- “NYS Net Delivered Price” (as defined in SECTION 13 PRICE).

Submission of Price Guides

Contractor shall submit the following Price Guides to the Contract Manager:

1. Weekly Price Guide: which shall only include Dairy, Produce, and ‘fresh’ Meat, Poultry & Fish.
2. Monthly Price Guide: which shall only include products from the Frozen (including frozen meat, poultry, & fish) and Ambient Canned & Dry Sub-Categories.
3. Quarterly Price Guide: which shall only include Baked Goods and Non-Food items.

The price guides shall be submitted in the format as specified in SECTION 23 PRICE GUIDES MAINTENANCE.

OGS will determine the effective dates of the Price Guides being used immediately succeeding contract start date. The effective dates of the weekly Price Guide shall be specified by the Contractor and shall be fixed for a one week period. The monthly prices shall be effective beginning the first day of the month and shall be fixed for the one-month period. The quarterly prices shall be effective beginning the first day of the calendar quarter and shall be fixed for the one-quarter period. Electronic and paper Price Guides shall be effective on the same date. Pricing shall be effective on the date order is delivered.

All prices in the Price Guides distributed to Authorized Users shall be identical for all distribution locations. Additionally all items in the Price Guides shall be available to all Authorized Users in the awarded Region. Ideally, the product numbers (i.e., stock numbers) should be the same for identical items from all participating branches/warehouses/distribution centers, etc. Where products are not numbered identically, Contractor shall be required to submit cross-reference sheets.

The State reserves the right to:

- modify the fields that are to be displayed in the Price Guides; and
- to add or delete products from the Price Guides as deemed necessary.

SECTION 23 PRICE GUIDES MAINTENANCE

Contractor(s) shall submit updated Price Guides to OGS in electronic format to the attention of the individual designated by Contract. The latest Price Guides will then be published to OGS’s website. There may be times when the Contractor has no changes to report in their Price Guides (i.e., no price adjustments or product add/delete). Contractor may elect to continue using the previous quarter’s Price Guides as long as it remains current. When the Contractor elects to use the previous quarter’s Price Guides, Contractor must notify OGS in writing that there were no changes to the Price Guides and Contractor is using the previous quarter’s Price Guides.

At no charge to Authorized Users, the Contractor must prepare, supply, and keep Price Guides current. Identical Price Guides must be made available electronically to Authorized Users and OGS and must be available at least one (1) business day before the effective date of the Price Guides. Pre-approval of Price Guides by OGS is not required. Electronic and/or hard copies of the Price Guides must be submitted to Authorized Users, upon request. All information in all distributed copies of the Price Guides (hard copies, electronic transmittals and web-based pricing) shall be identical. In the event of a discrepancy, it is the Contractor's obligation to notify OGS and Authorized Users of the governing source pricing (hard copy, electronic transmittals, or web based). Prices may be reduced at any time; however, price increases other than those discussed in SECTION 24 PRICE CHANGES shall not be permitted.

Failure to maintain accurate, timely Price Guides may result in contract cancellation.

SECTION 24 PRICE CHANGES

A. Products in Price Guides:

Prices established in the Price Guides shall be calculated as detailed in SECTION 13 PRICE (less applicable allowances etc.). Adjustments (increases or decreases) shall be made as shown below:

Lot	Sub-Lot	Adjustment Frequency
Commercial	Dairy	Weekly
	Produce	Weekly
	Meat, Poultry and Fish	Weekly
	Frozen	Monthly
	Ambient, Canned and Dry	Monthly
	Baked Goods	Quarterly
	Non-food	Quarterly

Adjustments shall be calculated and reflect the reduction from applicable allowances as defined in SECTION 17 ALLOWANCES. All Price Guides created for this Contract are subject to audit by the State.

B. Restrictions on Purchasing

Alcoholic beverages are expressly excluded from the scope of the Contract. Authorized Users shall not seek to purchase alcoholic beverages and Contractor shall not sell alcoholic beverages to Authorized Users under the Contract.

SECTION 25 CONTRACT UPDATES - ADDITION AND DELETION OF PRODUCTS

Product changes to items listed in Contract Price Guides are addressed in the following manner:

Updates/Additions/Deletions include: i) adjusting pricing for Products previously incorporated under the Contract as per SECTION 24 PRICE CHANGES, ii) adding new products within the established, previously approved pricing structure as necessitated by such changes as seasonal availability, manufacturer pack size changes, changing Authorized User needs etc., and iii) deleting Products previously incorporated under the Contract.

For deletions, if requested by the State, Contractor must supply documentation supporting the reason for removal of the product from the Contractor's Price Guides. Removal of any Market Basket item or equivalent substitution by Contractor from its Price Guides requires OGS prior approval. The Market Basket items and equivalent substitutes are set forth in Appendix C FOOD (Commercial: Eastern Region) DOCUMENTS, Number 3 NYS Regions Map, Preferred Source and Market Basket Products List.

SECTION 26 ORDERS

Orders shall be accepted by the Contractor between the hours of 8:00 A.M. through 5:00 P.M. ET, Monday through Friday, except legal holidays. Contractor shall be capable of accepting orders manually, via facsimile, and electronically via e-mail. All orders shall reference contract number, requisition and/or purchase order number as required. Contractor must be able to accept orders via a web based ordering system as described below in SECTION 27 WEB BASED ORDERING SYSTEM . The order entry system shall allow an Authorized User to enter orders and shall have full order inquiring capabilities.

SECTION 27 WEB BASED ORDERING SYSTEM

Information required in the Price Guides shall also be included on the web based ordering system. The web based ordering system shall allow Authorized Users to perform ordering, reporting, tracking, and promotions in a fully secure, real-time system by using the Internet. Web based ordering systems shall acknowledge receipt of a customer's order, allow multiple users at once and allow customer's access to customer's order history. The Contractor must provide software at no charge, if needed by an Authorized User to use the Contractor's web based ordering system. The system shall be capable of designating certain items as available for purchase only with prior authorization as designated by Authorized Users. The system must be capable of processing, controlling, documenting, and reporting on at least the following data elements:

- Product name;
- Product Number
- Quantity Ordered
- Delivered Price
- Extended Total
- Order Total
- Contractor Name and Address;
- Agency/Facility/Political Subdivision, etc.;
- Contract Number;
- Purchase Order/Requisition Numbers; and
- Contact (individual placing order).

Contractor shall have a designated website for Authorized Users' direct access of NYS Price Guides with the ability to download a copy for offline use. The website will be the responsibility of the Contractor to maintain and keep updated. Hard copy Price Guides, either in paper format or electronic format, must be available to all Authorized Users upon request.

SECTION 28 OPPORTUNITY BUYS

The State may utilize drop shipment, spot or opportunity buy, or trailer load incentives when an Authorized User is able to benefit from either the Contractor or third party food vendor. To qualify for the drop shipment, spot or opportunity buy, or trailer load incentive, the order must be greater than \$2,500. The Contractor shall have the right of first refusal to fulfill the Authorized User's request. The Contractor will have 48 hours, from when an Authorized User initiates a drop shipment, spot or opportunity buy, or trailer load request to notify the Authorized User whether Contractor would like to fulfill the Authorized User's request. Should the Contractor be unable to fulfill the request within the 48 hour time period, the Authorized User shall be able to initiate a drop shipment, spot or opportunity buy or trailer load order with a third party vendor. The third party vendor will transport the food order directly to the Authorized User location, bypassing the Contractor from physically handling the food order. In the instance that the Authorized User utilizes a third party for transportation, the Contractor will not be responsible for the actual receiving of the drop shipment at its warehouse or transporting it to the Authorized User facility.

If the Contractor does not process or transport the drop shipment, spot or opportunity buy, or trailer load order the Contractor shall not invoice the Authorized User for any charges for the drop , spot or opportunity buy, or trailer load shipment order.

To process the drop shipment, spot or opportunity buy, or trailer load, the Contractor may add a Percent Markup to the delivered invoiced price of the order not to exceed the applicable Sub-Lot Markup as listed in Appendix C FOOD (Commercial: Eastern Region) DOCUMENTS, Number 2, Contractor Information. Contractor may engage a third party in such a purchase, however, no change from the initial supplier's spot price shall be allowed. Opportunity buy purchases must be identified in the Contractor's regular reporting requirements to OGS. See also SECTION 49 ADMINISTRATIVE AND REPORTING REQUIREMENTS.

SECTION 29 DELIVERY REQUIREMENTS

Contractor directly, or through its subcontractor, shall be able to deliver all items/product categories listed herein with evenly spaced deliveries including weeks with legal holidays to all Authorized Users on a consolidated basis. Delivery shall be made in accordance with instructions on the purchase order from each facility. Deliveries shall be on weekdays during normal business hours, as determined by the facility, except/excluding legal holidays.

Some large Authorized Users may require as many as three deliveries per week.

Some locations (psychiatric and developmental facilities) may accept Saturday delivery. Correctional facilities will not accept Saturday delivery. For some facilities, delivery may be required to more than one building.

After an Authorized User places an order, Contractor shall work with the Authorized User to establish mutually beneficial dates of delivery, to the extent possible. Contractor shall contact Authorized User prior to making delivery if regularly scheduled delivery date is changed. Any deviations from the set delivery schedule must be acceptable to both parties.

SECTION 30 INVOICING

Contractor invoices must include detailed line item information to allow Authorized Users to verify delivered pricing matches current Price Guide pricing for the date of delivery. At a minimum, the following fields must be included on all invoices to Authorized Users:

- Order Date;
- Authorized User's Purchase Order Number or Authorized User's Annual Blanket Purchase Order Number (as such information is provided by the Authorized User);
- SKU Number;
- Description;
- NYS Net Delivered Price separated by order date;
- Contractor's Federal ID Number, and
- NYS Vendor ID Number.

SECTION 31 RESTRICTED DELIVERY

Price includes "restricted" delivery. Delivery to some Authorized Users, particularly Correctional and NYS Office of Mental Health facilities, have "restricted" deliveries, which include restrictions around time or process for delivery. Delivery must be made during certain hours, generally between 8:30 A.M. to 10:30 A.M. and 12:30 P.M. to 2:30 P.M.ET, and must be made only on weekdays (Monday through Friday) except/excluding holidays. Other restrictions, include but are not limited to, thorough inspection of vehicle/trailer and needing security clearances. These restrictions may also apply for deliveries to other Authorized Users. It should be noted that correctional facilities occasionally have "lock downs" during which time there is no exit or entry.

There are certain Authorized Users that require specific delivery schedules due to security concerns. The hours listed herein are "general" hours and it is expected that the resultant contractor and the Authorized Users will come to a mutual agreement on times and days for recurring delivery.

SECTION 32 REFRIGERATION

Contractor must preserve product integrity, wholesomeness, safety, fitness, etc., by maintaining proper temperature with the use of refrigerated/freezer trucks for refrigerated and frozen goods; ambient trailers shall not be used to ship refrigerated/frozen product.

SECTION 33 PALLETIZATION

Contractor shall furnish commodity palletized on either 48" x 40" OR 40" x 32" four way GMA pallets as instructed by the Authorized User. Overall height, commodity plus pallet, shall not exceed 66"; maximum weight not to exceed 2,500 pounds. All shipping units shall have a uniform block and tier. Containers shall be strapped to pallets or shrink-wrapped to prevent movement of the load. Pallet shall be returned or exchanged to Contractor at time of delivery, on subsequent deliveries, or as arranged between the Contractor and the Authorized User.

While Contractor may utilize double palleting in shipping, Authorized Users do not have the ability to unload or handle double pallets. If double palleting is used, Contractor is responsible for unloading and ensuring safe handling.

Mixed loads of dissimilar products are to be avoided, as well as inappropriate stacking of heavy/dense items on top of light items.

Some Authorized Users have limited receiving capabilities. Contractor must provide cart/hand truck delivery when required by Authorized User.

SECTION 34 STRAPPING/SHRINK WRAPPING

Stacked product shall be adequately strapped or shrink wrapped to prevent tipping and other movement during shipping, to ensure prompt unloading, and to avoid the need for restacking, etc.

SECTION 35 MINIMUM ORDER

Minimum order is \$1,500 for delivery to a single location. The \$1,500 minimum is for aggregate total of all products delivered to one location; products may be on more than one purchase order, products may be on more than one invoice.

All orders shall be labeled and packaged adequately to assure safe handling and proper delivery. Authorized Users shall be advised to combine orders to meet the minimum order. Contractor shall not be required to identify and combine multiple orders received from various departments within a single Authorized User in order to meet the minimum.

There shall be no additional charges, fees, delivery costs, etc., for back orders (product previously ordered and not delivered by contractor). Contractor may elect to deliver orders for less than the minimum order.

SECTION 36 OUT OF STOCK/NOT AVAILABLE PRODUCT

Contractor shall inform Authorized User of the availability date of non-filled and partial orders within 24 to 36 hours prior to scheduled delivery. In the event of out of stock/not available product situations, including Preferred Source items stocked and furnished by the Contractor, there shall be no substitution of products ordered without the express authorization of the Authorized User. Such substitutions shall be of same or better grade, quality, etc. Substitutions should not be made on a continuing basis. Explanation of repeated/continued substitutions shall be made to the State. Out-of-stock/not available product situations may be a basis for cancellation of contract and/or charging back for open market purchase or any other appropriate remedies. The Authorized User shall not be liable for unauthorized product substitution.

SECTION 37 UNUSABLE PRODUCT

Any claim that delivered product is unusable (damaged, rotten, non-edible, unacceptable substitution, etc.), shall be resolved by credit, substitution or any other applicable means for resolution within three (3) business days upon written notice from receiving Authorized User. If a satisfactory resolution is not reached between the Authorized User and the Contractor, a decision may be made by OGS that shall be final.

SECTION 38 PRODUCT RETURNS

Products ordered in error by the Authorized User may be assessed a restocking fee. If an authorized user returns a product ordered in error, but still in resalable condition, the Contractor may charge a 5% restocking fee by issuing a revised invoice to the authorized user. Restocking fees will be applied by occurrence.

SECTION 39 PRODUCTS LEFT ON DOCK

Deliveries left on the loading dock without acceptance by the Authorized User shall be considered “abandoned goods” and may be returned at the Contractor’s expense or disposed of at the discretion of the Authorized User.

SECTION 40 FILL RATE

Contractor will use commercially reasonable standards to provide the Authorized User with the requested product in the requested time frame on 98% of all orders, not including preferred source items stocked and furnished as described in SECTION 9 CONTRACTOR STOCKING AND FURNISHING OF PREFERRED SOURCE PRODUCTS.

SECTION 41 FUEL SURCHARGE

The State shall consider the implementation of a fuel surcharge as a result of a national or worldwide catastrophe that causes the "Weekly US On-Highway Diesel Fuel Price" for the Central Atlantic (New York State) region to exceed 1.5 times the price per gallon at the time of bid opening, June 20, 2013. On June 20, 2013 the Weekly US On-Highway Diesel Fuel Price for Central Atlantic region was \$3.91 therefore the price per gallon must exceed \$5.87 per gallon before NYS will consider implementing a fuel surcharge. Prices shall be tracked using information obtained through the Energy Information Administration, United States Department of Energy's (EIA DOE) web site: (<http://tonto.eia.doe.gov/oog/info/gdu/gasdiesel.asp>).

For every twenty (\$.20) cents per gallon that the price exceeds 1.5 times the cost of the referenced diesel fuel price at the time of bid opening, a delivery surcharge of \$1.00 per delivery will be allowed.

For example, if \$4.00 is the price of diesel on the date of bid opening and \$6.20 is the current price, the difference above 1.5 times the price at time of bid opening is \$.20. Therefore, a surcharge of \$1.00 (\$1.00 for every twenty cents) per delivery may be added.

The increase shall be figured in whole increments only. It is the responsibility of the Contractor to notify OGS of any request. All fuel surcharges shall take effect after written approval by OGS. Fuel surcharges will be reviewed (and updated, if necessary) weekly once a fuel surcharge has been implemented.

Once the "Weekly US On-Highway Diesel Fuel Price" for the Central Atlantic (New York State) region drops below 1.5 times the price per gallon threshold based upon the original bid opening date, the fuel surcharges shall be removed.

In the event fuel prices decrease by more than 50% of the price per gallon based upon the price in effect at the time of the bid opening using the "Weekly US On-Highway Diesel Fuel Price" the State shall apply a credit to each invoice as per the above example.

Contractor shall collect only one fuel surcharge per delivery, when applicable. Contractor shall not be allowed to collect additional fuel surcharges if additional delivery to the same site is made due to Contractor error, (i.e. backorder or shortage).

If Contractor is participating in an Opportunity Buy as the distributor, Contractor shall be allowed to charge the fuel surcharge, when applicable. (See SECTION 28 OPPORTUNITY BUYS).

SECTION 42 NEW ACCOUNTS

Contractor may ask State agencies and other Authorized Users to provide information such as documentation of eligibility to use New York State contracts, agency code, name, address, and contact person in order to facilitate the opening of a customer account. Authorized Users shall not be required to complete any credit applications or provide credit references.

SECTION 43 CUSTOMER SERVICE AND TOLL-FREE NUMBERS

The Contractor shall provide a sufficient number of employees who are knowledgeable and responsive to customer needs and who can effectively service the Contract. The Contractor shall designate and maintain a customer service representative for the contract.

Contractor must provide a toll-free telephone number for the Authorized Users' usage. Contractor must staff this toll-free number at a minimum from 9:00 A.M. to 5:00 P.M. ET Monday through Friday. Contractor's designated customer representative and toll free number are set forth in APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 2 Contractor Information.

SECTION 44 STANDARD PACKAGING:

Orders are to be drawn in quantities consistent with the industry standard.

EXCEPTION: See SECTION 20 PACKAGING/CONTAINER SECURITY REQUIREMENTS FOR SELECTED AUTHORIZED USERS.

SECTION 45 DISCREPANCIES

OGS or an Authorized User must notify Contractor of all order and/or invoice discrepancies within five business days from receipt. Contractor shall take all commercially reasonable steps to resolve discrepancies (e.g., shortages etc.) within five (5) business days of notice from OGS or an Authorized User.

SECTION 46 BILLING/ORDERING SYSTEMS

Cost centers or branch offices within an Authorized User may require separate invoicing as specified by each Authorized User. The Contractor's billing system shall be flexible enough to meet the needs of varying ordering systems in use by different Authorized Users.

SECTION 47 OTHER EXPENSES

The Authorized User shall not be liable for any expense incurred by the Contractor as a consequence of any traffic infraction or parking violations attributable to Contractor's contract performance.

SECTION 48 PRODUCT LEAD TIME

In cases where a special order product, such as holiday meals, may have a longer than normal lead time, Contractor shall notify Authorized Users of the additional time needed to fill orders.

SECTION 49 ADMINISTRATIVE AND REPORTING REQUIREMENTS

Contractor shall furnish a certified report of sales volume for all products provided under the Contract during each month, no later than the 10th of the following month starting with the first month after contract inception, in accordance with SECTION 51 AUDIT REPORTING.

Preferred Source List items provided by Contractor and Preferred Source item equivalents purchased when Preferred Source items are not available must be specifically identified as directed in APPENDIX C – FOOD (COMMERCIAL: EASTERN REGION) DOCUMENTS, Number 4, Report of Contract Usage Template.

Purchases by non-state agencies, political subdivisions and others authorized by law shall be reported in the same report and indicated as required.

A template for such report is included herein –APPENDIX C – FOOD (COMMERCIAL: EASTERN REGION) DOCUMENTS, Number 4, Report of Contract Usage.

All fields of information shall be accurate and complete. The report is to be submitted electronically in Microsoft Excel 2003 or newer (or as otherwise directed by OGS), via electronic mail to the attention of the individual designated by the Contract and shall reference the Group Number, the Award Number, Contract Number, Sales Period, Contractor's (or other authorized agent) Name, and all other fields required, using the report template.

Additionally, a certified Allowance Report shall be furnished to OGS every quarter. Such certification shall be in accordance with SECTION 51 AUDIT REPORTING. The certified report shall include all the above-defined applicable allowances, discounts, and special negotiated pricing agreements for New York State. The report must contain the item, description stock number of item, the terms of the agreement and the amount of the allowance. Any change to any allowance, discount or special negotiated pricing agreement shall be reported to OGS at the time of the report.

A template for such report is included herein APPENDIX C – FOOD (COMMERCIAL: EASTERN REGION) DOCUMENTS, Number 5, Allowance Report.

OGS reserves the right to amend the contract usage and allowance report templates.

Additional related sales information may be required by OGS and must be supplied upon request.

PERFORMANCE SURVEYS - Contractor shall be required, upon request, to provide performance surveys to Authorized Users. Contract performance measures may include, but not be limited to, the following: delivery time, fill rate; response time to inquiries; resolution of problems; Contractor's staffs' courtesy; and Contractor's staff knowledge ability. The information reported on the surveys will be used to assess Contractor's performance and may, if necessary, be used to determine continuation or cancellation of the Contract.

The State reserves the right to request monthly documentation of Contractor's fill rate.

SECTION 50 AUTHORIZED USER COMPLAINTS

Authorized Users should notify OGS promptly of quality or delivery issues that should arise.

SECTION 51 AUDIT REPORTING

The State (or the State's designee) shall have the right to verify and audit Supplier Costs, billings, agreements, allowances, promotions, discounts, and rebates identified in Sections 13 through and including Section 20 of the Contract. OGS reserves the right to contact Contractor's supplier(s) and request prices charged to Contractor for specific items.

Contractor shall issue refunds, credits for sums due as a result of any overcharges, incorrect billings, incorrect payments, improperly retained applicable allowances etc. to the Authorized User or as designated by OGS. The requirements in SECTIONS 52 through 55 of the Contract are not intended to be restrictive; the State reserves the right to expand or diminish audit requirements as it deems proper and necessary to preserve the integrity of the contract. The number of products involved and the frequency of requests may be modified for both the bid evaluation and contract audits.

The State further reserves the right to require Contractor to seek alternate pricing from independent suppliers if an OGS audit determines that the Related Party is not providing the most competitive pricing available in the market.

SECTION 52 REQUIRED CERTIFICATION

Contractor shall include the following statement with every invoice or other cost information, including but not limited to sales volumes and allowance reports, provided to the State:

“We certify, to the best of our knowledge, the invoices and other cost information submitted are correct and include all applicable allowances, rebates and discounts available to the State of New York.”

Such statement shall be signed by an authorized representative of the Contractor and shall be dated. The State will also accept an attachment or addendum or monthly report containing the above certification as long as all invoice numbers are listed that Contractor is certifying to be correct.

SECTION 53 CONTRACTOR’S PRICING TO AUTHORIZED USER

The State may perform audits of the contract each month by requesting Contractor invoices or billings for at least 20 products and validating prices charged against the relevant Price Guides. Failure to provide requested information within fourteen (14) calendar days may be the basis to cancel the contract, request a responsibility hearing or initiate other appropriate action.

Contractor must supply Price Guides to OGS electronically in an editable Microsoft Excel 2003 or newer file (or as otherwise directed by OGS), with the frequency described in SECTION 24 PRICE CHANGES.

The selection of items sold will be traced to supporting documentation to confirm cost used to calculate price and auditors will verify that the correct mark-up percentage was applied to calculate the price. The design of the sampling methodology will seek to cover the contract spend, it will be implemented based on comparison of contract pricing to benchmarking of pricing and changes from prior pricing.

SECTION 54 CONTRACTOR’S COST VERIFICATION

The State shall also have the right to verify costs, allowances, incoming freight, billings, etc. Failure of Contractor to provide requested information or to provide their supplier(s) verification of invoice(s)/bid pricing, etc., (when requested) to the State within fourteen (14) calendar days may be the basis to cancel the contract, request a responsibility hearing or initiate other appropriate action.

SECTION 55 ADMINISTRATIVE FEE

In order to assist with the cost of administering and auditing for contract compliance, the Contractor must return to OGS, Office of Financial Administration, in the form of a business check or money order, a fee of 1/4 percent (.0025) of the total sales during each quarter, to be paid no later than thirty (30) calendar days after each calendar quarter. Included with the payment, Contractor must provide a statement listing each invoice on which the fee is based. The State may make use of any available contracts for auditing purposes.

SECTION 56 CONTRACT CANCELLATION

If the Contract is canceled within one year of bid opening, the State reserves the right to pursue an award to the next lowest responsive/responsible Bidder.

SECTION 57 PRODUCT REQUIREMENTS

GENERAL PRODUCT REQUIREMENTS

Product shall be as described in the Price Guides, and shall be the same as furnished to the general trade; meet or exceed USDA, USDC, State, and industry standards and requirements; have a freshness parameter for Authorized Users to have sufficient time from the date of delivery to consume these foods before quality deteriorates; and conform to State, Federal and industry standards with respect to safety. Conformance to standards and requirements shall include, but not be limited to:

- weights;
- measures;
- fill of containers;
- drained weights;
- contamination; or
- condition on delivery.

The Contractor guarantees any product delivered complies in all respects with standards and regulations established by Federal or New York State laws, including the Federal Food, Drug and Cosmetic Act, decisions of the U.S. Department of Agriculture, and decisions of the U.S. Department of Commerce. The Contractor also guarantees any product delivered is not adulterated or misbranded within the meaning of standards and regulations established by Federal or New York State laws. The Contractor may be required to submit a letter of guarantee from the supplier stating their compliance with Federal and/or New York State laws and regulations.

PATHOGENS

No Escherichia coli 0157:H7, or any other pathogens, are permitted in any product.

FROZEN PRODUCT

The maximum time products may be held in a frozen state prior to delivery shall be as follows:

- FRESH FROZEN MEAT (except Ground and Diced Meat) - 90 calendar days
- GROUND & DICED MEATS - 45 calendar days
- CURED & PROCESSED MEAT - 45 calendar days

KOSHER AND PASSOVER CERTIFICATION

Any product designated as "Kosher" shall comply and be labeled with a common accepted Kosher symbol as identified by the Chicago Rabbinical Council and listed on their website: http://www.crcweb.org/agency_list.php and shall meet all the requirements of that certification.

All Baked Goods products delivered shall be Kosher and "PARVE" (prepared without meat, milk, or their derivatives). All Baked Goods products are to be free of pork and pork by-products. Only vegetable oils shall be used in the making of products.

Any product designated as "Passover" shall comply with all requirements for Passover and be labeled with the correct certification.

GRADES & SPECIFICATIONS

Food Contract No. PC66474

All products offered under the Contract shall be grade B or better, unless otherwise specified. For meat products, the State recognizes there are different grades of beef, pork and lamb available in the industry. All products offered under the Contract shall be "USDA Select or Better", unless otherwise specified. For poultry products, Contractor must provide "USDA Grade A" when specified.

OGS and/or Authorized Users have the right on demand, to request verification that the specifications and grades for the food ordered are being provided by the Contractor.

SAMPLES AND TESTING

The State has the right to request samples at no charge and test any product available under the resulting contract in order to determine whether the item is acceptable and meets specifications and grades.

NEW YORK STATE FOOD PRODUCTS

Contractor may be required to designate New York State Food Products in their Price Guides.

State Agencies are expected, and New York state public authorities are strongly encouraged, to purchase New York State Food Products, unless the item does not meet their institutional or programmatic needs.

SECTION 58 DETAILED PRODUCT SPECIFICATIONS

A. MOLD, BACTERIA, ETC.

Products shall adhere to industry and government standards for levels of mold, bacteria, etc..

B. FRESHNESS CODES

Packaging shall contain an easily understood freshness code that contains the last date of use or sale, expressed in terms similar to "fresh thru", "use by", "for sale by" or some other logo easily read or understood by the general public.

C. TRANS FATS

Any food item containing partially hydrogenated vegetable oil, shortening or margarine must contain less than .05 grams of trans fat per serving. Upon request of an Authorized User, and when available from a specification sheet, the actual amount of trans fat per 100 grams of product (0.1 gram increments) shall be provided to the requesting Authorized User.

D. FROZEN VEGETABLES

All frozen vegetables shall be individually quick frozen (IQF), spec bulk pack.

SECTION 59 CONTRACT RENEWALS AND SHORT TERM EXTENSIONS

A. CONTRACT PERIOD AND RENEWALS

The Contract shall commence on December 1st, 2014. Contractor shall commence delivery to Authorized Users on December 1, 2014. The Contract shall be in effect for five years from December 1st, 2014 through and including November 30th, 2019.

If mutually agreed between OGS and the Contractor, the contract may be renewed under the same terms and conditions for an additional one year period as described in Appendix B §71 – Contract Term - Renewal.

Price decreases and percentage mark-up decreases are permitted at any time. Authorized Users are encouraged to negotiate additional discounts, where possible.

B. SHORT TERM EXTENSION

In the event the replacement contract has not been issued, the Contract may be extended unilaterally by the State for an additional period of up to two months upon notice to the Contractor with the same terms and conditions as the original contract including, but not limited to, quantities (prorated for such two month extension), prices, and delivery requirements. With the concurrence of the Contractor, the extension may be for a period of up to three months in lieu of two months. However, this extension terminates should the replacement contract be issued in the interim. See also Appendix B §71, Contract Term – Renewal.

SECTION 60 INSURANCE

Contractor must maintain the required insurances as set forth below and in See APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 6, Contractor Insurance Requirements, during the Contract period and any renewals thereof.

Workers' Compensation Law (WCL) §57 & §220 requires the heads of all municipal and state entities to ensure that businesses applying for permits, licenses or contracts document it has appropriate workers' compensation and disability benefits insurance coverage. These requirements apply to both original contracts and renewals, whether the governmental agency is having the work done or is simply issuing the permit, license or contract. Proof of compliance with Workers' Compensation and Disability Benefits Coverage requirements must comply with the requirements set out in APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 6, Contractor Insurance Requirements.

SECTION 61 NYS VENDOR RESPONSIBILITY

The Contractor shall at all times during the Contract term remain responsible. The Contractor agrees, if requested by the Commissioner of OGS or his or her designee, to present evidence of its continuing legal authority to do business in New York State, integrity, experience, ability, prior performance, and organizational and financial capacity.

The Commissioner of OGS or his or her designee, in his or her sole discretion, reserves the right to suspend any or all activities under this Contract, at any time, when he or she discovers information that calls into question the responsibility of the Contractor. In the event of such suspension, the Contractor will be given written notice outlining the particulars of such suspension. Upon issuance of such notice, the Contractor must comply with the terms of the suspension order. Contract activity may resume at such time as the Commissioner of OGS or her designee issues a written notice authorizing a resumption of performance under the Contract.

Upon written notice to the Contractor, and a reasonable opportunity to be heard with appropriate OGS officials or staff, the Contract may be terminated by the Commissioner of OGS or her designee at the Contractor's

expense where the Contractor is determined by the Commissioner of OGS or her designee to be non-responsible. In such event, the Commissioner of OGS or her designee may complete the contractual requirements in any manner he or she may deem advisable and pursue available legal or equitable remedies for breach.

In no case shall such termination of the Contract by the State be deemed a breach thereof, nor shall the State be liable for any damages for lost profits or otherwise, which may be sustained by the Contractor as a result of such termination.

SECTION 62 EXTENSION OF USE

This Contract may be extended to additional States or governmental jurisdictions upon mutual written agreement between New York State (the lead contracting State) and the contractor. Political subdivisions and other authorized entities within each participating State or governmental jurisdiction may also participate in any resultant contract if such State normally allows participation by such entities. New York State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

SECTION 63 CENTRALIZED CONTRACT MODIFICATIONS

A. OGS, an Authorized User, or the Contractor may suggest modifications to the Centralized Contract or its Appendices. Except as specifically provided herein, modifications to the terms and conditions set forth herein may only be made with mutual written agreement of the Parties. Modifications may take the form of an update or an amendment. "Updates" are changes that do not require a change to the established Centralized Contract terms and conditions. A request to add new products at the same or better price level is an example of an update. "Amendments" are any changes that are not specifically covered by the terms and conditions of the Centralized Contract, but inclusion is found to be in the best interest of the State. A request to change a contractual term and condition is an example of an amendment.

B. Updates to the Centralized Contract and the Appendices may be made in accordance with the contractual terms and conditions to incorporate new products or services, make price level revisions, delete products or services, or to make such other updates to the established Centralized Contract terms and conditions, not resulting in a change to such terms and conditions, which are deemed to be in the best interest of the State.

C. OGS reserves the right to consider modifications which are not specifically covered by the terms of the Centralized Contract, but are judged to be in the best interest of the State. Such modifications are deemed amendments to the Centralized Contract and may require negotiations between Contractor and OGS before execution.

D. All modifications proposed by Contractor, shall be processed in accordance with APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 7, Contract Modification Procedure. The Contractor shall submit all requests in the form and format contained in APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 7, Contract Modification Procedure.

The form contained within APPENDIX C – FOOD (Commercial: Eastern Region) DOCUMENTS, Number 7, Contract Modification Procedure is subject to change at the sole discretion of OGS.

E. Modifications proposed by OGS or an Authorized User, including updates and amendments, shall be processed in accordance with the terms of the Centralized Contract and Appendix B, §40.

SECTION 64 USE OF RECYCLED OR REMANUFACTURED MATERIALS

New York State, as a member of the Council of Great Lakes Governors, supports and encourages vendors to use recycled, remanufactured or recovered materials in the manufacture of products and packaging to the maximum extent practicable without jeopardizing the performance or intended end use of the product or packaging unless such use is precluded due to health or safety requirements or product specifications contained herein. Refurbished or remanufactured components or products are required to be restored to original performance and regulatory standards and functions and are required to meet all other requirements of this bid solicitation. Warranties on refurbished or remanufactured components or products must be identical to the manufacturer's new equipment warranty or industry's normal warranty when remanufacturer does not offer new equipment. See "Remanufactured, Recycled, Recyclable or Recovered Materials" in Appendix B, OGS General Specifications.

SECTION 65 DIESEL EMISSION REDUCTION ACT OF 2006 (NEW REQUIREMENT OF LAW)

On February 12, 2007 the Diesel Emissions Reduction Act took effect as law (the "Law"). Pursuant to new §19-0323 of the N.Y. Environmental Conservation Law ("NYECL") it is now a requirement that heavy duty diesel vehicles in excess of 8,500 pounds use the best available retrofit technology ("BART") and ultra low sulfur diesel fuel ("ULSD"). The requirement of the Law applies to all vehicles owned, operated by or on behalf of, or leased by State agencies and State or regional public authorities. They need to be operated exclusively on ULSD by February 12, 2007. It also requires that such vehicles owned, operated by or on behalf of, or leased by State agencies and State or regional public authorities with more than half of its governing body appointed by the Governor utilize BART.

As a contract vendor the Law may be applicable to vehicles used by contract vendors "on behalf of" State agencies and public authorities. All heavy duty diesel vehicles must have BART by December 31, 2012. The Law also provides a list of exempted vehicles. Regulations currently being drafted will provide further guidance as to the effects of the Law on contract vendors using heavy duty diesel vehicles on behalf of the State. The Law also permits waivers of ULSD and BART under limited circumstances at the discretion of the Commissioner of Environmental Conservation. The Law will also require reporting from State agencies and from contract vendors in affected contracts.

Therefore, the Contractor hereby certifies and warrants that all heavy duty vehicles, as defined in NYECL §19-0323, to be used under this contract, will comply with the specifications and provisions of NYECL §19-0323, and any regulations promulgated pursuant thereto, which requires the use of BART and ULSD, unless specifically waived by NYSDEC. Qualification and application for a waiver under this Law will be the responsibility of the Contractor.

SECTION 66 ENVIRONMENTAL ATTRIBUTES AND NYS EXECUTIVE ORDER 4

New York State is committed to environmental sustainability and endeavors to procure products with reduced environmental impact. One example of this commitment may be found in Executive Order No. 4 (Establishing a State Green Procurement and Agency Sustainability Program), which imposes certain requirements on state agencies, authorities, and public benefit corporations when procuring commodities, services, and technology. More information on Executive Order No. 4, including specifications for offerings covered by this Contract, may be found at <http://ogs.ny.gov/EO/4/Default.asp>. The Executive Order No. 4 specification for single use food containers and single use food service utensils adopted in May 2010, for example, requires all single use food containers, coatings, and single use food service utensils, to the maximum extent practicable, be compostable as defined under the ASTM Standard Specification for Compostable Plastics (D6400-04) and ASTM Standard Specification for Compostable Plastics Used as Coatings on Paper and Other Compostable Substrates (D6868-03) or, if such standard is not applicable, be biodegradable and where possible certified by the

Biodegradable Products Institute (BPI). State entities subject to Executive Order No. 4 are advised to become familiar with the specifications that have been developed in accordance with the Order, and to incorporate them, as applicable, when making purchases under this Contract.

SECTION 67 PERFORMANCE AND BID BONDS

There are no BONDS for this contract. In accordance with Appendix B, Clause 58 “Performance/Bid Bond,” the Commissioner of OGS has determined that no performance, payment or Bid bond, or negotiable irrevocable letter of credit or other form of security for the faithful performance of the Contract shall be required at any time during the Initial Term, or any renewal term, for this Contract.

SECTION 68 PARTICIPATION BY MINORITY GROUP MEMBERS AND WOMEN WITH RESPECT TO STATE CONTRACTS: REQUIREMENTS AND PROCEDURES

I. General Provisions

- A. OGS is required to implement the provisions of New York State Executive Law Article 15-A and 5 NYCRR Parts 142-144 (“MWBE Regulations”) for all State contracts as defined therein, with a value (1) in excess of \$25,000 for labor, services, equipment, materials, or any combination of the foregoing or (2) in excess of \$100,000 for real property renovations and construction.
- B. The Contractor agrees, in addition to any other nondiscrimination provision of the Contract and at no additional cost to OGS, to fully comply and cooperate with OGS in the implementation of New York State Executive Law Article 15-A. These requirements include equal employment opportunities for minority group members and women (“EEO”) and contracting opportunities for New York State Certified minority and women-owned business enterprises (“MWBEs”). Contractor’s demonstration of “good faith efforts” pursuant to 5 NYCRR §142.8 shall be a part of these requirements. These provisions shall be deemed supplementary to, and not in lieu of, the nondiscrimination provisions required by New York State Executive Law Article 15 (the “Human Rights Law”) or other applicable federal, state or local laws.
- C. Failure to comply with all of the requirements herein may result in a finding of non-responsiveness, non-responsibility and/or a breach of contract, leading to the withholding of funds, suspension or termination of the Contract or such other actions or enforcement proceedings as allowed by the Contract.

II. Contract Goals

For purposes of this procurement, OGS conducted a comprehensive search and determined that this contract does not offer sufficient opportunities to set goals for participation by MWBEs as subcontractors, service providers and suppliers to Contractor. Contractor is however encouraged to make every good faith effort to promote and assist the participation of MWBEs on this Contract for the provision of services and materials. To locate MWBEs, the Directory of Certified Businesses can be viewed at: <http://www.esd.ny.gov/MWBE/directorySearch.html>.

III. Equal Employment Opportunity (EEO)

- A. Contractor agrees to be bound by the provisions of New York State Executive Law Article 15-A and the MWBE Regulations promulgated by the Division of Minority and Women's Business Development of the Department of Economic Development (the “Division”). If any of these terms or provisions

conflict with applicable law or regulations, such laws and regulations shall supersede these requirements.

B. Contractor shall comply with the following provisions of Article 15-A:

1. Contractor and Subcontractors shall undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, EEO shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation.
2. The Contractor shall:
 - a. Submit an EEO policy statement to OGS with the bid, or
 - b. If Contractor does not have an existing EEO policy statement, the Contractor shall sign and submit Appendix D Minority and Women-Owned Business Enterprises and Equal Employment Opportunity Policy Statement annexed hereto; or
 - c. Contractor shall certify and affirm that the text set forth in clause 12 of Appendix A, attached hereto and made a part hereof, is Contractor's equal employment opportunity policy.
3. The Contractor's EEO policy statement shall include the following language:
 - a. The Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing EEO programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force.
 - b. The Contractor shall state in all solicitations or advertisements for employees that, in the performance of the contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.
 - c. The Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union, or representative will not discriminate on the basis of race, creed, color, national origin, sex age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein.
 - d. The Contractor will include the provisions of Subdivisions (a) through (c) of this Subsection 3 and Paragraph "E" of this Section II, which provides for relevant provisions of the Human Rights Law, in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with the Contract.

- C. To ensure compliance with this Section, the Contractor shall submit Form EEO 100- Staffing Plan to document the composition of the proposed workforce to be utilized in the performance of the Contract by the specified categories listed, including ethnic background, gender, and Federal occupational categories. Contractor shall complete the Staffing plan form and submit it as part of their contract.
- D. Form EEO 101 - Workforce Employment Utilization Report (“Workforce Report”) Contractor and OGS agree that Contract is unable to separate out the workforce utilized in the performance of the Contract from Contractor’s and/or subcontractor’s total workforce and that the information provided on the previously submitted Staffing Plan is Contractor’s total workforce during the subject time frame, not limited to work specifically under the contract.
- E. Contractor shall comply with the provisions of the Human Rights Law, all other State and Federal statutory and constitutional non-discrimination provisions. Contractor and subcontractors shall not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

SECTION 69 WEB ACCESSABILITY

Responsibility for Content: Contractor is solely responsible for administration, content, intellectual property rights and all materials at Contractor’s website. Contractor is solely responsible for its actions and those of its agents, employees, resellers, subcontractors or assigns, and agrees that neither Contractor nor any of the foregoing has any authority to act or speak on behalf of the State. As applicable, Contractor agrees to comply with the Office of Information Technology Services f/k/a Office for Technology policy NYS-P08-005 Accessibility of Web-Based Information and Applications, as may be amended, the stated purpose of which is to make State Agency web-based Intranet and Internet information accessible for persons with disabilities. In accordance with such policy, the following language is incorporated into this Contract:

Any web-based information and applications development, or programming delivered pursuant to the Contract, will comply with New York State Enterprise IT Policy NYS-P08-005, Accessibility of Web-Based Information and Applications as such policy may be amended, modified or superseded, which requires that state agency web-based information and applications are accessible to persons with disabilities. Web-based information and applications must conform to New York State Enterprise IT Policy NYS-P08-005 as determined by quality assurance testing. Such quality assurance testing will be conducted by (state agency name, contractor or other) and the results of such testing must be satisfactory to (state agency name) before web-based information and applications will be considered a qualified deliverable under the contract or procurement

SECTION 70 ADDITIONAL REQUIREMENTS

- A. For reasons of safety and public policy, in any contract resulting from this procurement, the use of illegal drugs and/or alcoholic beverages by the Contractor or its personnel shall not be permitted while performing any phase of the work herein specified.
- B. The State will not be liable for any expense incurred by the Contractor for any parking fees or as a consequence of any traffic infraction or parking violations attributable to employees of the Contractor.

SECTION 71 NEW YORK STATE STATEWIDE FINANCIAL SYSTEM

The New York State Statewide Financial System (SFS) went live for NYS agencies in April 2012. Future SFS procurement functionality envisions the ability to fully host Contract catalogs or to integrate Contractor-hosted punch-out catalogs. OGS reserves the right to integrate either of these future catalog functions with a

Contractor during the contract period, Contractor agrees to coordinate with SFS for integration if OGS exercises its right to do so. No costs or expenses associated with providing information and integration shall be charged to NYS. Technical Requirements for the data elements, such as data types, maximum field lengths, and cXML element names shall be provided by SFS during integration. Upon completion of integration and activation of an SFS-based catalog ordering system, State agencies shall process their orders through the SFS functionality and the other Authorized Users shall continue to process orders in accordance with Contract terms and conditions, including through any Contractor-hosted web based ordering system; however, Contractor shall continue to be subject to provisions in SECTION 27 WEB BASED ORDERING SYSTEM. For more information on SFS, its use, and its capabilities please visit the SFS website here: <http://www.sfs.ny.gov/>.

SECTION 72 USE OF CONTRACT BY STATE AGENCIES, POLITICAL SUBDIVISIONS AND OTHER AUTHORIZED USERS

A. NON-STATE AGENCIES PARTICIPATION IN CENTRALIZED CONTRACTS

New York State political subdivisions and others authorized by New York State law may participate in contracts. These include, but are not limited to local governments, public authorities, public school and fire districts, public and nonprofit libraries, and certain other nonpublic/nonprofit organizations. See "Participation in Centralized Contracts" in Appendix B, OGS General Specifications. For purchase orders issued by the Port Authority of New York and New Jersey (or any other authorized entity that may have delivery locations adjacent to New York State), the terms of the "Price" clause shall be modified to include delivery to locations adjacent to New York State.

Upon request, all eligible non-State agencies must furnish contractors with the proper tax exemption certificates and documentation certifying eligibility to use State contracts. A list of categories of eligible entities is available on the OGS web site (<http://www.ogs.state.ny.us/purchase/snt/othersuse.asp>). Questions regarding an organization's eligibility to purchase from New York State Contracts may also be directed to OGS Procurement Services Group's Customer Services at (518)474-6717.

B. OVERLAPPING CONTRACT ITEMS

Products available in the Contract may also be available from other New York State contracts. Authorized Users will be advised to select the most cost effective procurement alternative that meets their program requirements and to maintain a procurement record documenting the basis for this selection.

SECTION 73 "OGS OR LESS" GUIDELINES APPLY TO THIS CONTRACT

Purchases of the products included in the Contract are subject to the "OGS or Less" provisions of New York State Finance Law §163(3) (a) (v). This means that State agencies can purchase products from sources other than the Contractor provided that such products are substantially similar in form, function or utility to the products herein and are:

1. lower in price
-and/or-
2. available under terms which are more economically efficient to the State agency (e.g. delivery terms, warranty terms, etc.).

Agencies are reminded that they must provide the State contractor an opportunity to match the non-contract savings at least two business days prior to purchase. In addition, purchases made under "OGS or Less"

flexibility must meet all requirements of law including, but not limited to, advertising in the New York State Contract Reporter, prior approval of the Comptroller's Office and competitive bidding of requirements exceeding the discretionary bid limit. State agencies should refer to Procurement Council Bulletin "OGS or Less Purchases" for complete procedural and reporting requirements.

SECTION 74 DISPUTE RESOLUTION POLICY

It is the policy of the OGS' Procurement Services Group (PSG) to provide vendors with an opportunity to administratively resolve disputes, complaints or inquiries related to PSG bid solicitations or contract awards. PSG encourages vendors to seek resolution of disputes through consultation with PSG staff. All such matters will be accorded impartial and timely consideration. Interested parties may also file formal written disputes. A copy of PSG's Dispute Resolution Procedures for Vendors may be obtained by contacting the person shown on the front of this Invitation for Bids or through the OGS website (www.ogs.ny.gov).

SECTION 75 NOTICES

All notices, demands, designations, certificates, requests, offers, consents, approvals and other instruments given pursuant to this Agreement shall be in writing and shall be validly given when mailed by registered or certified mail, or hand delivered, (is) if to the State, addressed to the State at its address set forth below and (ii) if to Contractor, addressed to Contract Administrator at the address set forth in Appendix C FOOD (Commercial: Eastern Region) DOCUMENTS, Number 2 Contractor Information. The Parties may from time to time, specify any address in the United States as its address for purpose of notices under this Agreement by giving fifteen (15) days written notice to the other party. The Parties agree to mutually designate individuals as their respective representatives for purposes of this Agreement. The New York State Contract Administrator for this Contract is set forth below and will be updated through the P-memo process. The Contractor's Contract Administrator is initially set forth in Appendix C FOOD (Commercial: Eastern Region) DOCUMENTS, Number 2 Contractor Information and will be updated through the P-memo process. All notices sent shall be effective upon actual receipt by the receiving party. The Contractor will be required to forward a copy of the official notice to an Authorized User that is associated with the subject of the notice.

Written notice of any alleged breach by one party to the other shall provide specific facts, circumstances and grounds upon which the breach is being declared.

TO STATE: Phyllis Keeler
Contract Management Specialist I
Corning Tower, Empire State Plaza
38th Floor, New York State Procurement (NYSPRO)
Albany, NY 12242

Telephone: 518-408-6397
E-mail: Phyllis.keeler@ogs.ny.gov

SECTION 76 CAPTIONS

The captions contained in this Contract are intended for convenience and reference purposes only and shall in no way be deemed to define or limit any provision thereof.

SECTION 77 SEVERABILITY

If any provision of this Contract is deemed invalid or unenforceable, such determination shall have no effect on the balance of the Contract, which shall be enforced and interpreted as if such provision was never included in the Contract.

SECTION 78 COUNTERPARTS

This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original, but all of which together shall constitute the same Agreement. Any signature page of any such counterpart may be attached or appended to any counterpart to complete a fully executed counterpart of this Agreement, and shall bind such party.

SECTION 79 ENTIRE AGREEMENT

This Contract and the referenced appendices constitute the entire agreement between the parties thereto and no statement, promise, condition, understanding, inducement or representation, oral or written, expressed or implied, which is not contained herein shall be binding or valid and the Contract shall not be changed, modified or altered in any manner except by an instrument in writing executed by the State and the Contractor, with all necessary approvals. Authorized Users shall not have the authority to modify the terms of the Contract, except as to better terms and pricing for a particular procurement than those set forth herein in accordance with the terms set forth in Appendix B Clauses 40, Modification of Contract Terms, and 44, Purchase Orders.

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above. The parties further hereby certify that original copies of this executed and approved signature page will be affixed, upon final approval, to exact copies of this Agreement being executed simultaneously herewith.

CONTRACTOR

THE PEOPLE OF THE STATE OF NEW YORK

Signature: _____

Signature: _____

Date: _____

Date: _____

Printed Name: _____

Printed Name _____

Title: _____

Title: _____

Company Name: _____

Office of General Services

Federal ID: _____

NYS Vendor ID _____

INDIVIDUAL, CORPORATION, PARTNERSHIP, OR LLC ACKNOWLEDGMENT

STATE OF _____ }

: _____ SS.: _____

COUNTY OF _____ }

On the ____ day of _____ in the year 20 __, before me personally appeared _____, known to me to be the person who executed the foregoing instrument, who, being duly sworn by me did depose and say that he maintains an office at

_____,
Town of _____,
County of _____, State of _____; and further that:

[Check One]

If an individual: _he executed the foregoing instrument in his/her name and on his/her own behalf.

If a corporation): _he is the _____ of _____, the corporation described in said instrument; that, by authority of the Board of Directors of said corporation, _he is authorized to execute the foregoing instrument on behalf of the corporation for purposes set forth therein; and that, pursuant to that authority, _he executed the foregoing instrument in the name of and on behalf of said corporation as the act and deed of said corporation.

If a partnership): _he is the _____ of _____, the partnership described in said instrument; that, by the terms of said partnership, _he is authorized to execute the foregoing instrument on behalf of the partnership for purposes set forth therein; and that, pursuant to that authority, _he executed the foregoing instrument in the name of and on behalf of said partnership as the act and deed of said partnership.

If a limited liability company): _he is a duly authorized member of _____, LLC, the limited liability company described in said instrument; that _he is authorized to execute the foregoing instrument on behalf of the limited liability company for purposes set forth therein; and that, pursuant to that authority, _he executed the foregoing instrument in the name of and on behalf of said limited liability company as the act and deed of said limited liability company.

Notary Public

Registration No.

APPENDIX A

STANDARD CLAUSES FOR NEW YORK STATE CONTRACTS

**PLEASE RETAIN THIS DOCUMENT
FOR FUTURE REFERENCE.**

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STANDARD CLAUSES FOR NYS CONTRACTS

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "the contract" or "this contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a contractor, licenser, licensee, lessor, lessee or any other party):

1. EXECUTORY CLAUSE. In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

2. NON-ASSIGNMENT CLAUSE. In accordance with Section 138 of the State Finance Law, this contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the State's previous written consent, and attempts to do so are null and void. Notwithstanding the foregoing, such prior written consent of an assignment of a contract let pursuant to Article XI of the State Finance Law may be waived at the discretion of the contracting agency and with the concurrence of the State Comptroller where the original contract was subject to the State Comptroller's approval, where the assignment is due to a reorganization, merger or consolidation of the Contractor's business entity or enterprise. The State retains its right to approve an assignment and to require that any Contractor demonstrate its responsibility to do business with the State. The Contractor may, however, assign its right to receive payments without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

3. COMPTROLLER'S APPROVAL. In accordance with Section 112 of the State Finance Law (or, if this contract is with the State University or City University of New York, Section 355 or Section 6218 of the Education Law), if this contract exceeds \$50,000 (or the minimum thresholds agreed to by the Office of the State Comptroller for certain S.U.N.Y. and C.U.N.Y. contracts), or if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amount, or if, by this contract, the State agrees to give something other than money when the value or reasonably estimated value of such consideration exceeds \$10,000, it shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in his office. Comptroller's approval of contracts let by the Office of General Services is required when such contracts exceed \$85,000 (State Finance Law Section 163.6-a). However, such pre-approval shall not be required for any contract established as a centralized contract through the Office of General Services or for a purchase order or other transaction issued under such centralized contract.

4. WORKERS' COMPENSATION BENEFITS. In accordance with Section 142 of the State Finance Law, this

contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

5. NON-DISCRIMINATION REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex (including gender identity or expression), national origin, sexual orientation, military status, age, disability, predisposing genetic characteristics, marital status or domestic violence victim status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex, or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

6. WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor Department in accordance with the Labor Law. Additionally, effective April 28, 2008, if this is a public work contract covered by Article 8 of the Labor Law, the Contractor understands and agrees that the filing of payrolls in a manner consistent with Subdivision 3-a of Section 220 of the Labor Law shall be a condition precedent to payment by the State of any State approved sums due and owing for work done upon the project.

7. NON-COLLUSIVE BIDDING CERTIFICATION. In accordance with Section 139-d of the State Finance Law, if this contract was awarded based upon the submission of bids, Contractor affirms, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further affirms that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to the State a non-collusive bidding certification on Contractor's behalf.

8. INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2NYCRR 105.4).

9. SET-OFF RIGHTS. The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the State agency, its representatives, or the State Comptroller.

10. RECORDS. The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "the Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of the Contractor within the State of New York or, if no such office is

available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The State shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform an appropriate State official, in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discovery in any pending or future litigation.

11. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION. (a) Identification Number(s). Every invoice or New York State Claim for Payment submitted to a New York State agency by a payee, for payment for the sale of goods or services or for transactions (e.g., leases, easements, licenses, etc.) related to real or personal property must include the payee's identification number. The number is any or all of the following: (i) the payee's Federal employer identification number, (ii) the payee's Federal social security number, and/or (iii) the payee's Vendor Identification Number assigned by the Statewide Financial System. Failure to include such number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or Claim for Payment, must give the reason or reasons why the payee does not have such number or numbers.

(b) Privacy Notification. (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law. (2) The personal information requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in the Statewide Financial System by the Vendor Management Unit within the Bureau of State Expenditures, Office of the State Comptroller, 110 State Street, Albany, New York 12236.

12. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN. In accordance with Section 312 of the Executive Law and 5 NYCRR 143, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed

for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then the following shall apply and by signing this agreement the Contractor certifies and affirms that it is Contractor's equal employment opportunity policy that:

(a) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on State contracts and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(b) at the request of the contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein; and

(c) the Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

Contractor will include the provisions of "a", "b", and "c" above, in every subcontract over \$25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict

exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Department of Economic Development's Division of Minority and Women's Business Development pertaining hereto.

13. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

14. GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

15. LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article 11-A of the State Finance Law to the extent required by law.

16. NO ARBITRATION. Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized), but must, instead, be heard in a court of competent jurisdiction of the State of New York.

17. SERVICE OF PROCESS. In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

18. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of Section 165 of the State Finance Law, (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the contractor to establish to meet with the approval of the State.

In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and

provisions regarding use of tropical hardwoods as detailed in §165 State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

19. MACBRIDE FAIR EMPLOYMENT PRINCIPLES. In accordance with the MacBride Fair Employment Principles (Chapter 807 of the Laws of 1992), the Contractor hereby stipulates that the Contractor either (a) has no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165 of the New York State Finance Law), and shall permit independent monitoring of compliance with such principles.

20. OMNIBUS PROCUREMENT ACT OF 1992. It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development
Division for Small Business
Albany, New York 12245
Telephone: 518-292-5100
Fax: 518-292-5884
email: opa@esd.ny.gov

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development
Division of Minority and Women's Business Development
633 Third Avenue
New York, NY 10017
212-803-2414
email: mwbcertification@esd.ny.gov
<https://ny.newnycontracts.com/FrontEnd/VendorSearchPublic.asp>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, Contractors certify that whenever the total bid amount is greater than \$1 million:

(a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the State;

(b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

(c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the State upon request; and

(d) The Contractor acknowledges notice that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

21. RECIPROCITY AND SANCTIONS PROVISIONS. Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. NOTE: As of May 15, 2002, the list of discriminatory jurisdictions subject to this provision includes the states of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii. Contact NYS Department of Economic Development for a current list of jurisdictions subject to this provision.

22. COMPLIANCE WITH NEW YORK STATE INFORMATION SECURITY BREACH AND NOTIFICATION ACT. Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Law Section 208).

23. COMPLIANCE WITH CONSULTANT DISCLOSURE LAW. If this is a contract for consulting services, defined for purposes of this requirement to include analysis, evaluation, research, training, data processing, computer programming, engineering, environmental, health, and mental health services, accounting, auditing, paralegal, legal or similar services, then, in accordance with Section 163 (4-g) of the State Finance Law (as amended by Chapter 10 of the Laws of 2006), the Contractor shall timely, accurately and properly comply with the requirement to submit an annual employment report for the contract to the agency that awarded the contract, the Department of Civil Service and the State Comptroller.

24. PROCUREMENT LOBBYING. To the extent this agreement is a "procurement contract" as defined by State Finance Law Sections 139-j and 139-k, by signing this agreement the contractor certifies and affirms that all disclosures made in accordance with State Finance Law

Sections 139-j and 139-k are complete, true and accurate. In the event such certification is found to be intentionally false or intentionally incomplete, the State may terminate the agreement by providing written notification to the Contractor in accordance with the terms of the agreement.

a contract and appears on the Prohibited Entities list after contract award.

25. CERTIFICATION OF REGISTRATION TO COLLECT SALES AND COMPENSATING USE TAX BY CERTAIN STATE CONTRACTORS, AFFILIATES AND SUBCONTRACTORS.

To the extent this agreement is a contract as defined by Tax Law Section 5-a, if the contractor fails to make the certification required by Tax Law Section 5-a or if during the term of the contract, the Department of Taxation and Finance or the covered agency, as defined by Tax Law 5-a, discovers that the certification, made under penalty of perjury, is false, then such failure to file or false certification shall be a material breach of this contract and this contract may be terminated, by providing written notification to the Contractor in accordance with the terms of the agreement, if the covered agency determines that such action is in the best interest of the State.

26. IRAN DIVESTMENT ACT. By entering into this Agreement, Contractor certifies in accordance with State Finance Law §165-a that it is not on the “Entities Determined to be Non-Responsive Bidders/Offerers pursuant to the New York State Iran Divestment Act of 2012” (“Prohibited Entities List”) posted at:

<http://www.ogs.ny.gov/about/regs/docs/ListofEntities.pdf>

Contractor further certifies that it will not utilize on this Contract any subcontractor that is identified on the Prohibited Entities List. Contractor agrees that should it seek to renew or extend this Contract, it must provide the same certification at the time the Contract is renewed or extended. Contractor also agrees that any proposed Assignee of this Contract will be required to certify that it is not on the Prohibited Entities List before the contract assignment will be approved by the State.

During the term of the Contract, should the state agency receive information that a person (as defined in State Finance Law §165-a) is in violation of the above-referenced certifications, the state agency will review such information and offer the person an opportunity to respond. If the person fails to demonstrate that it has ceased its engagement in the investment activity which is in violation of the Act within 90 days after the determination of such violation, then the state agency shall take such action as may be appropriate and provided for by law, rule, or contract, including, but not limited to, imposing sanctions, seeking compliance, recovering damages, or declaring the Contractor in default.

The state agency reserves the right to reject any bid, request for assignment, renewal or extension for an entity that appears on the Prohibited Entities List prior to the award, assignment, renewal or extension of a contract, and to pursue a responsibility review with respect to any entity that is awarded

APPENDIX B
GENERAL SPECIFICATIONS

PLEASE RETAIN THIS DOCUMENT FOR FUTURE REFERENCE

GENERAL

1. **APPLICABILITY** The terms and conditions set forth in this Appendix B are expressly incorporated in and applicable to the resulting procurement contracts let by the Office of General Services Procurement Services Group, or let by any other Authorized User where incorporated by reference in its Bid Documents. Captions are intended as descriptive and are not intended to limit or otherwise restrict the terms and conditions set forth herein.

2. **GOVERNING LAW** This procurement, the resulting contract and any purchase orders issued hereunder shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise, and actions or proceedings arising from the contract shall be heard in a court of competent jurisdiction in the State of New York.

3. **ETHICS COMPLIANCE** All Bidders/Contractors and their employees must comply with the requirements of Sections 73 and 74 of the Public Officers Law, other State codes, rules, regulations and executive orders establishing ethical standards for the conduct of business with New York State. In signing the Bid, Bidder certifies full compliance with those provisions for any present or future dealings, transactions, sales, contracts, services, offers, relationships, etc., involving New York State and/or its employees. Failure to comply with those provisions may result in disqualification from the Bidding process, termination of contract, and/or other civil or criminal proceedings as required by law.

4. **CONFLICT OF TERMS** Unless otherwise set forth in the procurement or contract documents, conflicts among documents shall be resolved in the following order of precedence:

- a. **Appendix A** (Standard Clauses for NYS Contracts)
- b. **Mini-Bid Project Definition** if applicable and in accordance with the terms and conditions of the Back-Drop Contract.
- c. **Contract and other writing(s)** setting forth the final agreements, clarifications and terms between the Bid Documents and Contractor's Bid. In the latter circumstance, clarifications must specifically note in writing what was offered by the Contractor and what was accepted by the State. If not, such clarifications shall be considered last in the order of precedence under this paragraph.
- d. **Bid Documents** (Other than Appendix A).
 - i. Bid Specifications prepared by the Authorized User.
 - ii. Appendix B (General Specifications).
 - iii. Incorporated Contract Appendices, if any, following the order of precedence as stated for Contract above.
- e. **Contractor's Bid or Mini-Bid Proposal.**
- f. **Unincorporated Appendices** (if any).

5. **DEFINITIONS** Terms used in this Appendix B shall have the following meanings:

AFFILIATE Any individual or other legal entity, (including but not limited to sole proprietor, partnership, limited liability company, firm or corporation) that effectively controls another company in which (a) the Bidder owns more than 50% of the ownership; or (b) any individual or other legal entity which owns more than 50% of the ownership of the Bidder. In addition, if a Bidder owns less than 50% of the ownership of another legal entity, but directs or has the right to direct such entity's daily operations, that entity will be an Affiliate.

AGENCY OR AGENCIES The State of New York, acting by or through one or more departments, boards, commissions, offices or institutions of the State of New York.

ATTORNEY GENERAL Attorney General of the State of New York.

AUTHORIZED USER(S) Agencies, or any other entity authorized by the laws of the State of New York to participate in NYS centralized contracts (including but not limited to political subdivisions, public authorities, public benefit corporations and certain other entities set forth in law), or the State of New York acting on behalf of one or more such Agencies or other entities, provided that each such Agency or other entity shall be held solely responsible for liabilities or payments due as a result of its participation.

BID OR BID PROPOSAL An offer or proposal submitted by a Bidder to furnish a described product or a solution, perform services or means of achieving a practical end, at a stated price for the stated Contract term. As required by the Bid Documents, the Bid or proposal may be subject to modification through the solicitation by the Agency of best and final offers during the evaluation process prior to recommendation for award of the Contract.

BIDDER/OFFERER Any individual or other legal entity (including but not limited to sole proprietor, partnership, limited liability company, firm or corporation) which submits a Bid in response to a Bid Solicitation. The term Bidder shall also include the term "offeror." In the case of negotiated Contracts, "Bidder" shall refer to the "Contractor."

BID DOCUMENTS Writings by the State setting forth the scope, terms, conditions and technical specifications for a procurement of Product. Such writings typically include, but are not limited to: Invitation for Bids (IFB), Request for Quotation (RFQ), Request for Proposals (RFP), addenda or amendments thereto, and terms and conditions which are incorporated by reference, including but not limited to, Appendix A (Standard Clauses for NYS Contracts), Appendix B, (General Specifications). Where these General Specifications are incorporated in negotiated Contracts that have not been competitively Bid, the term "Bid Documents" shall be deemed to refer to the terms and conditions set forth in the negotiated Contract and associated documentation.

BID SPECIFICATION A written description drafted by the Authorized User setting forth the specific terms of the intended procurement, which may include: physical or functional characteristics, the nature of a commodity or construction item, any description of the work to be performed, Products to be provided, the necessary qualifications of the Bidder, the capacity and capability of the Bidder to successfully carry out the proposed Contract, or the process for achieving specific results and/or anticipated outcomes or any other requirement necessary to perform work. Where these General Specifications are incorporated in negotiated Contracts that have not been competitively Bid, the term "Bid Specifications" shall be deemed to refer to the terms and conditions set forth in the negotiated Contract and associated documentation.

COMMISSIONER Commissioner of OGS, or in the case of Bid Specifications issued by an Authorized User, the head of such Authorized User or their authorized representative.

COMPTROLLER Comptroller of the State of New York.

CONTRACT The writing(s) which contain the agreement of the Commissioner and the Bidder/Contractor setting forth the total legal obligation between the parties as determined by applicable rules of law, and which most typically include the following classifications of public procurements:

a. Agency Specific Contracts Contracts where the specifications for a Product or a particular scope of work are described and defined to meet the needs of one or more Authorized User(s).

b. Centralized Contracts Single or multiple award Contracts where the specifications for a Product or general scope of work are described and defined by the Office of General Services to meet the needs of Authorized Users. Centralized Contracts may be awarded through multiple awards or through adoption of another jurisdiction's contract or on a sole source, single source, emergency or competitive basis. Once established, procurements may be made from the selected Contractor(s) without further competition or Mini-Bid unless otherwise required by the Bid Specifications or Contract Award Notification.

c. Back-Drop Contracts Multiple award Centralized Contracts where the Office of General Services defines the specifications for a Product or general scope of work to meet the needs of Authorized Users. Bids may be submitted either at a date and time certain or may be accepted on a continuous or periodic recruitment basis, as set forth in the Bid Specifications. Selection of a Contractor(s) from among Back-Drop contract holders for an actual Product, project or particular scope of work may subsequently be made on a single or sole source basis, or on the basis of a Mini-Bid among qualified Back-Drop contract holders, or such other method as set forth in the Bid Document.

d. Piggyback Contract A Contract let by any department, agency or instrumentality of the United States government, or any department, agency, office, political subdivision or instrumentality of any state or state(s) which is adopted and extended for use by the OGS Commissioner in accordance with the requirements of the State Finance Law.

e. Contract Letter A letter to the successful Bidder(s) indicating acceptance of its Bid in response to a solicitation. Unless otherwise specified, the issuance of a Letter of Acceptance forms a Contract but is not an order for Product, and Contractor should not take any action with respect to actual Contract deliveries except on the basis of Purchase Orders sent from Authorized User(s).

CONTRACT AWARD NOTIFICATION An announcement to Authorized Users that a Contract has been established.

CONTRACTOR Any successful Bidder(s) to whom a Contract has been awarded by the Commissioner.

DOCUMENTATION The complete set of manuals (e.g., user, installation, instruction or diagnostic manuals) in either hard or electronic copy, which are necessary to enable an Authorized User to properly test, install, operate and enjoy full use of the Product.

EMERGENCY An urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk.

ENTERPRISE The total business operations in the United States of Authorized User (s) without regard to geographic location where such operations are performed or the entity actually performing such operations on behalf of Authorized User.

ENTERPRISE LICENSE A license grant of unlimited rights to deploy, access, use and execute Product anywhere within the Enterprise up to the maximum capacity stated on the Purchase Order or in the Contract.

ERROR CORRECTIONS Machine executable software code furnished by Contractor which corrects the Product so as to conform to the applicable warranties, performance standards and/or obligations of the Contractor.

GROUP A classification of Product, services or technology which is designated by OGS.

INVITATION FOR BIDS (IFB) A type of Bid Document which is most typically used where requirements can be stated and award will be made based on lowest price to the responsive and responsible Bidder(s).

LICENSED SOFTWARE Software transferred upon the terms and conditions set forth in the Contract. "Licensed Software" includes error corrections, upgrades, enhancements or new releases, and any deliverables due under a maintenance or service contract (e.g., patches, fixes, PTFs, programs, code or data conversion, or custom programming).

LICENSEE One or more Authorized Users who acquire Product from Contractor by issuing a Purchase Order in accordance with the terms and conditions of the Contract; provided that, for purposes of compliance with an individual license, the term "Licensee" shall be deemed to refer separately to the individual Authorized User(s) who took receipt of and who is executing the Product, and who shall be solely responsible for performance and liabilities incurred. In the case of acquisitions by State Agencies, the Licensee shall be the State of New York.

LICENSE EFFECTIVE DATE The date Product is delivered to an Authorized User. Where a License involves Licensee's right to copy a previously licensed and delivered Master Copy of a Program, the license effective date for additional copies shall be deemed to be the date on which the Purchase Order is executed.

LICENSOR A Contractor who transfers rights in proprietary Product to Authorized Users in accordance with the rights and obligations specified in the Contract.

MINI-BID PROJECT DEFINITION A Bid Document containing project specific Bid Specifications developed by or for an Authorized User which solicits Bids from Contractors previously qualified under a Back-Drop Contract.

MULTIPLE AWARD A determination and award of a Contract in the discretion of the Commissioner to more than one responsive and responsible Bidder who meets the requirements of a specification, where the multiple award is made on the grounds set forth in the Bid Document in order to satisfy multiple factors and needs of Authorized Users (e.g., complexity of items, various manufacturers, differences in performance required to accomplish or produce required end results, production and distribution facilities, price, compliance with delivery requirements, geographic location or other pertinent factors).

NEW PRODUCT RELEASES (Product Revisions) Any commercially released revisions to the licensed version of a Product as may be generally offered and available to Authorized Users. New releases involve a substantial revision of functionality from a previously released version of the Product.

OGS The New York State Office of General Services.

PROCUREMENT RECORD Documentation by the Authorized User of the decisions made and approach taken during the procurement process and during the contract term.

PRODUCT A deliverable under any Bid or Contract which may include commodities, services and/or technology. The term "Product" includes Licensed Software.

PROPRIETARY Protected by secrecy, patent, copyright or trademark against commercial competition.

PURCHASE ORDER The Authorized User's fiscal form or format that is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, electronic Purchase Order, or other authorized instrument).

REQUEST FOR PROPOSALS (RFP) A type of Bid Document that is used for procurements where factors in addition to cost are considered and weighted in awarding the contract and where the method of award is "best value," as defined by the State Finance Law.

REQUEST FOR QUOTATION (RFQ) A type of Bid Document that can be used when a formal Bid opening is not required (e.g., discretionary, sole source, single source or emergency purchases).

RESPONSIBLE BIDDER A Bidder that is determined to have financial and organizational capacity, legal authority, satisfactory previous performance, skill, judgment and integrity, and that is found to be competent, reliable and experienced, as determined by the Commissioner. For purposes of being deemed responsible, a Bidder must also be determined to be in compliance with Sections 139-j and 139-k of the State Finance Law relative to restrictions on contacts during the procurement process and disclosure of contacts and prior findings of non-responsibility under these statutes.

RESPONSIVE BIDDER A Bidder meeting the specifications or requirements prescribed in the Bid Document or solicitation, as determined by the OGS Commissioner.

SINGLE SOURCE A procurement where two or more Bidders can supply the required Product, and the Commissioner may award the contract to one Bidder over the other.

SITE The location (street address) where Product will be executed or services delivered.

SOLE SOURCE A procurement where only one Bidder is capable of supplying the required Product.

SOURCE CODE The programming statements or instructions written and expressed in any language understandable by a human being skilled in the art which are translated by a language compiler to produce executable machine Object Code.

STATE State of New York.

SUBCONTRACTOR Any individual or other legal entity, (including but not limited to sole proprietor, partnership, limited liability company, firm or corporation) who has entered into a contract, express or implied, for the performance of a portion of a Contract with a Contractor.

TERMS OF LICENSE The terms and conditions set forth in the Contract that are in effect and applicable to a Purchase Order at the time of order placement.

VIRUS Any computer code, whether or not written or conceived by Contractor, that disrupts, disables, harms, or otherwise impedes in any manner the operation of the Product, or any other associated software,

firmware, hardware, or computer system (such as local area or wide-area networks), including aesthetic disruptions or distortions, but does not include security keys or other such devices installed by Product manufacturer.

BID SUBMISSION

6. INTERNATIONAL BIDDING All offers (tenders), and all information and Product required by the solicitation or provided as explanation thereof, shall be submitted in English. All prices shall be expressed, and all payments shall be made, in United States Dollars (\$US). Any offers (tenders) submitted which do not meet the above criteria will be rejected.

7. BID OPENING Bids may, as applicable, be opened publicly. The Commissioner reserves the right at any time to postpone or cancel a scheduled Bid opening.

8. BID SUBMISSION All Bids are to be packaged, sealed and submitted to the location stated in the Bid Specifications. Bidders are solely responsible for timely delivery of their Bids to the location set forth in the Bid Specifications prior to the stated Bid opening date/time.

A Bid return envelope, if provided with the Bid Specifications, should be used with the Bid sealed inside. If the Bid response does not fit into the envelope, the Bid envelope should be attached to the outside of the sealed box or package with the Bid inside. If using a commercial delivery company that requires use of their shipping package or envelope, Bidder's sealed Bid, labeled as detailed below, should be placed within the shipper's sealed envelope to ensure that the Bid is not prematurely opened.

All Bids must have a label on the outside of the package or shipping container outlining the following information:

"BID ENCLOSED (bold print, all capitals)

- Group Number
- IFB or RFP Number
- Bid Submission date and time"

In the event that a Bidder fails to provide such information on the return Bid envelope or shipping material, the receiving entity reserves the right to open the shipping package or envelope to determine the proper Bid number or Product group, and the date and time of Bid opening. Bidder shall have no claim against the receiving entity arising from such opening and such opening shall not affect the validity of the Bid or the procurement.

Notwithstanding the receiving agency's right to open a Bid to ascertain the foregoing information, Bidder assumes all risk of late delivery associated with the Bid not being identified, packaged or labeled in accordance with the foregoing requirements.

All Bids must be signed by a person authorized to commit the Bidder to the terms of the Bid Documents and the content of the Bid (offer).

9. FACSIMILE SUBMISSIONS Unless specifically prohibited by the terms of the Bid Specifications, facsimile Bids may be SUBMITTED AT THE SOLE OPTION AND RISK OF THE BIDDER. Only the FAX number(s) indicated in the Bid Specifications may be used. Access to the facsimile machine(s) is on a "first come, first serve" basis, and the Commissioner bears no liability or responsibility and makes no guarantee whatsoever with respect to

the Bidder's access to such equipment at any specific time. Bidders are solely responsible for submission and receipt of the entire facsimile Bid by the Authorized User prior to Bid opening and must include on the first page of the transmission the total number of pages transmitted in the facsimile, including the cover page. Incomplete, ambiguous or unreadable transmissions in whole or in part may be rejected at the sole discretion of the Commissioner. Facsimile Bids are fully governed by all conditions outlined in the Bid Documents and must be submitted on forms or in the format required in the Bid Specifications, including the executed signature page and acknowledgment.

10. AUTHENTICATION OF FACSIMILE BIDS The act of submitting a Bid by facsimile transmission, including an executed signature page or as otherwise specified in the Bid Documents, shall be deemed a confirming act by Bidder which authenticates the signing of the Bid.

11. LATE BIDS For purposes of Bid openings held and conducted by OGS, a Bid must be received in such place as may be designated in the Bid Documents or if no place is specified in the OGS Mailroom located in the Empire State Plaza, Albany, New York 12242, at or before the date and time established in the Bid Specifications for the Bid opening. For purposes of Bid openings held and conducted by Authorized Users other than OGS, the term late Bid is defined as a Bid not received in the location established in the Bid Specifications at or before the date and time specified for the Bid opening.

Any Bid received at the specified location after the time specified will be considered a late Bid. A late Bid shall not be considered for award unless: (i) no timely Bids meeting the requirements of the Bid Documents are received or, (ii) in the case of a multiple award, an insufficient number of timely Bids were received to satisfy the multiple award; and acceptance of the late Bid is in the best interests of the Authorized Users. Bids submitted for continuous or periodic recruitment contract awards must meet the submission requirements associated with their specifications. Delays in United States mail deliveries or any other means of transmittal, including couriers or agents of the Authorized User shall not excuse late Bid submissions. Similar types of delays, including but not limited to, bad weather, or security procedures for parking and building admittance shall not excuse late Bid submissions. Determinations relative to Bid timeliness shall be at the sole discretion of the Commissioner.

12. BID CONTENTS Bids must be complete and legible. All Bids must be signed. All information required by the Bid Specifications must be supplied by the Bidder on the forms or in the format specified. No alteration, erasure or addition is to be made to the Bid Documents. Changes may be ignored by the Commissioner or may be grounds for rejection of the Bid. Changes, corrections and/or use of white-out in the Bid or Bidder's response portion of the Bid Document must be initialed by an authorized representative of the Bidder. Bidders are cautioned to verify their Bids before submission, as amendments to Bids or requests for withdrawal of Bids received by the Commissioner after the time specified for the Bid opening, may not be considered.

13. EXTRANEOUS TERMS Bids must conform to the terms set forth in the Bid Documents, as extraneous terms or material deviations (including additional, inconsistent, conflicting or alternative terms) may render the Bid non-responsive and may result in rejection of the Bid.

Extraneous term(s) submitted on standard, pre-printed forms (including but not limited to: product literature, order forms, license agreements, contracts or other documents) that are attached or referenced with submissions shall not be considered part of the Bid or

resulting Contract, but shall be deemed included for informational or promotional purposes only.

Only those extraneous terms that meet all the following requirements may be considered as having been submitted as part of the Bid:

- a. Each proposed extraneous term (addition, deletion, counter-offer, deviation, or modification) must be specifically enumerated in a writing which is not part of a pre-printed form; and
- b. The writing must identify the particular specification requirement (if any) that Bidder rejects or proposes to modify by inclusion of the extraneous term; and
- c. The Bidder shall enumerate the proposed addition, counter offer, modification or deviation from the Bid Document, and the reasons therefore.

No extraneous term(s), whether or not deemed "material," shall be incorporated into a Contract or Purchase Order unless submitted in accordance with the above and the Commissioner or Authorized User expressly accepts each such term(s) in writing. Acceptance and/or processing of the Bid shall not constitute such written acceptance of Extraneous Term(s).

14. CONFIDENTIAL/TRADE SECRET MATERIALS

a. Contractor Confidential, trade secret or proprietary materials as defined by the laws of the State of New York must be clearly marked and identified as such upon submission by the Bidder. Marking the Bid as "confidential" or "proprietary" on its face or in the document header or footer shall not be considered by the Commissioner or Authorized User to be sufficient without specific justification as to why disclosure of particular information in the Bid would cause substantial injury to the competitive position of the Bidder. Bidders/Contractors intending to seek an exemption from disclosure of these materials under the Freedom of Information Law must request the exemption in writing, setting forth the reasons for the claimed exemption. Acceptance of the claimed materials does not constitute a determination on the exemption request, which determination will be made in accordance with statutory procedures. Properly identified information that has been designated confidential, trade secret, or proprietary by the Bidder will not be disclosed except as may be required by the Freedom of Information Law or other applicable State and federal laws.

b. Commissioner or Authorized User Contractor further warrants, covenants and represents that any confidential information obtained by Contractor, its agents, Subcontractors, officers, distributors, resellers or employees in the course of performing its obligations, including without limitation, security procedures, business operations information, or commercial proprietary information in the possession of the State or any Authorized User hereunder or received from another third party, will not be divulged to any third parties. Contractor shall not be required to keep confidential any such material that is publicly available through no fault of Contractor, independently developed by Contractor without reliance on confidential information of the Authorized User, or otherwise obtained under the Freedom of Information Act or other applicable New York State laws and regulations. This warranty shall survive termination of this Contract. Contractor further agrees to take appropriate steps as to its agents, Subcontractors, officers, distributors, resellers or employees regarding the obligations arising under this clause to insure such confidentiality.

15. RELEASE OF BID EVALUATION MATERIALS Requests concerning the evaluation of Bids may be submitted under the Freedom of Information Law. Information, other than statistical or

factual tabulations or data such as the Bid Tabulation, shall only be released as required by law after Contract award. Bid Tabulations are not maintained for all procurements. Names of Bidders may be disclosed after Bid opening upon request. Written requests should be directed to the Commissioner.

16. FREEDOM OF INFORMATION LAW During the evaluation process, the content of each Bid will be held in confidence and details of any Bid will not be revealed (except as may be required under the Freedom of Information Law or other State law). The Freedom of Information Law provides for an exemption from disclosure for trade secrets or information the disclosure of which would cause injury to the competitive position of commercial enterprises. This exception would be effective both during and after the evaluation process. If the Bid contains any such trade secret or other confidential or proprietary information, it must be accompanied in the Bid with a written request to the Commissioner to not disclose such information. Such request must state with particularity the reasons why the information should not be available for disclosure and must be provided at the time of submission of the Bid. Notations in the header, footer or watermark of the Bid Document will not be considered sufficient to constitute a request for non-disclosure of trade secret or other confidential or proprietary information. Where a Freedom of Information request is made for trademark or other confidential or proprietary information, the Commissioner reserves the right to determine upon written notice to the Bidder whether such information qualifies for the exemption for disclosure under the law. Notwithstanding the above, where a Bid tabulation is prepared and Bids publicly opened, such Bid tabulation shall be available upon request.

17. PREVAILING WAGE RATES - PUBLIC WORKS AND BUILDING SERVICES CONTRACTS If any portion of work being Bid is subject to the prevailing wage rate provisions of the Labor Law, the following shall apply:

a. “Public Works” and “Building Services” - Definitions

i. Public Works Labor Law Article 8 applies to contracts for public improvement in which laborers, workers or mechanics are employed on a “public works” project (distinguished from public “procurement” or “service” contracts). The State, a public benefit corporation, a municipal corporation (including a school district), or a commission appointed by law must be a party to the Contract. The wage and hours provision applies to any work performed by Contractor or Subcontractors.

ii. Building Services Labor Law Article 9 applies to Contracts for building service work over \$1,500 with a public agency, that: (i) involve the care or maintenance of an existing building, or (ii) involve the transportation of office furniture or equipment to or from such building, or (iii) involve the transportation and delivery of fossil fuel to such building, and (iv) the principal purpose of which is to furnish services through use of building service employees.

b. Prevailing Wage Rate Applicable to Bid Submissions A copy of the applicable prevailing wage rates to be paid or provided are annexed to the Bid Documents. Bidders must submit Bids which are based upon the prevailing hourly wages, and supplements in cash or equivalent benefits (i.e., fringe benefits and any cash or non-cash compensation which are not wages, as defined by law) that equal or exceed the applicable prevailing wage rate(s) for the location where the work is to be performed. Bidders may not submit Bids based upon hourly wage rates and supplements below the applicable prevailing wage rates as established by the New York State Department of Labor. Bids that fail to comply with this requirement will be disqualified.

c. Wage Rate Payments / Changes During Contract Term The wages to be paid under any resulting Contract shall not be less than the prevailing rate of wages and supplements as set forth by law. It is required that the Contractor keep informed of all changes in the Prevailing Wage Rates during the Contract term that apply to the classes of individuals supplied by the Contractor on any projects resulting from this Contract, subject to the provisions of the Labor Law. Contractor is solely liable for and must pay such required prevailing wage adjustments during the Contract term as required by law.

d. Public Posting & Certified Payroll Records In compliance with Article 8, Section 220 of the New York State Labor Law:

i. Posting The Contractor must publicly post on the work site, in a prominent and accessible place, a legible schedule of the prevailing wage rates and supplements.

ii. Payroll Records Contractors and Subcontractors must keep original payrolls or transcripts subscribed and affirmed as true under the penalties of perjury as required by law. For public works contracts over \$25,000 where the Contractor maintains no regular place of business in New York State, such records must be kept at the work site. For building services contracts, such records must be kept at the work site while work is being performed.

iii. Submission of Certified Payroll Transcripts for Public Works Contracts Only Contractors and Subcontractors on public works projects must submit monthly payroll transcripts to the Authorized User that has prepared or directs the preparation of the plans and specifications for a public works project, as set forth in the Bid Specifications. For Mini-Bid solicitations, the payroll records must be submitted to the entity preparing the agency Mini-Bid project specification. For “agency specific” Bids, the payroll records should be submitted to the entity issuing the purchase order. For all other OGS Centralized Contracts, such records should be submitted to the individual agency issuing the purchase order(s) for the work. Upon mutual agreement of the Contractor and the Authorized User, the form of submission may be submitted in a specified disk format acceptable to the Department of Labor provided: 1) the Contractor/Subcontractor retains the original records; and, (2) an original signed letter by a duly authorized individual of the Contractor or Subcontractor attesting to the truth and accuracy of the records accompanies the disk. This provision does not apply to Article 9 of the Labor Law building services contracts.

iv. Records Retention Contractors and Subcontractors must preserve such certified transcripts for a period of three years from the date of completion of work on the awarded contract.

Day’s Labor Eight hours shall constitute a legal day’s work for all classes of employees in this state except those engaged in farm and domestic service unless otherwise provided by law.

No laborers, workmen or mechanics in the employ of the Contractor, Subcontractor or other person doing or contracting to do all or part of the work contemplated by the Contract shall be permitted or required to work more than eight hours in any one calendar day or more than five calendar days in any one week except in cases of extraordinary emergency including fire, flood or danger to life or property. “Extraordinary emergency” shall be deemed to include situations in which sufficient laborers, workers and mechanics cannot be employed to carry on public work expeditiously as a result of such restrictions upon the number of hours and days of labor and the immediate commencement or prosecution or completion without undue delay of the public work is necessary in the judgment of the NYS

Commissioner of Labor for the preservation of the Contract site or for the protection of the life and limb of the persons using the Contract site.

18. TAXES

a. Unless otherwise specified in the Bid Specifications or Contract, the quoted Bid price includes all taxes applicable to the transaction.

b. Purchases made by the State of New York and certain non-State Authorized Users are exempt from New York State and local sales taxes and, with certain exceptions, federal excise taxes. To satisfy the requirements of the New York State Sales tax exemption, either the Purchase Order issued by a State Agency or the invoice forwarded to authorize payment for such purchases will be sufficient evidence that the sale by the Contractor was made to the State, an exempt organization under Section 1116 (a) (1) of the Tax Law. Non-State Authorized Users must offer their own proof of exemption upon request. No person, firm or corporation is, however, exempt from paying the State Truck Mileage and Unemployment Insurance or Federal Social Security taxes, which remain the sole responsibility of the Bidder/Contractor.

c. Pursuant to Revised Tax Law 5-a, Contractor will be required to furnish sales tax certification on its behalf and for its affiliates, and subcontractors for Contracts with a value greater than \$100,000 in accordance with provisions of the law.

d. Purchases by Authorized Users other than the State of New York may be subject to certain taxes which were not included in the Bid price, and in those instances the tax should be computed based on the Contract price and added to the invoice submitted to such entity for payment.

19. EXPENSES PRIOR TO CONTRACT EXECUTION The Commissioner and any Authorized User(s) are not liable for any costs incurred by a Vendor, Bidder or Contractor in the preparation and production of a Bid, Mini-Bid or best and final offers or for any work performed prior to Contract execution.

20. ADVERTISING RESULTS The prior written approval of the Commissioner is required in order for results of the Bid to be used by the Contractor as part of any commercial advertising. The Contractor shall also obtain the prior written approval of the Commissioner relative to the Bid or Contract for press or other media releases.

21. PRODUCT REFERENCES

a. “Or Equal” In all Bid Specifications the words “or equal” are understood to apply where a copyrighted, brand name, trade name, catalog reference, or patented Product is referenced. References to such specific Product are intended as descriptive, not restrictive, unless otherwise stated. Comparable Product will be considered if proof of compatibility is provided, including appropriate catalog excerpts, descriptive literature, specifications and test data, etc. The Commissioner’s decision as to acceptance of the Product as equal shall be final.

b. Discrepancies in References In the event of a discrepancy between the model number referenced in the Bid Specifications and the written description of the Products which cannot be reconciled, with respect to such discrepancy, then the written description shall prevail.

22. REMANUFACTURED, RECYCLED, RECYCLABLE OR RECOVERED MATERIALS Upon the conditions specified in the Bid Specifications and in accordance with the laws of the State of New York, Contractors are encouraged to use recycled, recyclable or

recovered materials in the manufacture of Products and packaging to the maximum extent practicable without jeopardizing the performance or intended end use of the Product or packaging unless such use is precluded due to health, welfare, safety requirements or in the Bid Specifications. Contractors are further encouraged to offer remanufactured Products to the maximum extent practicable without jeopardizing the performance or intended end use of the Product and unless such use is precluded due to health, welfare, safety requirements or by the Bid Specifications. Where such use is not practical, suitable, or permitted by the Bid Specifications, Contractor shall deliver new materials in accordance with the “Warranties” set forth below.

Items with recycled, recyclable, recovered, refurbished or remanufactured content must be identified in the Bid or Bidder will be deemed to be offering new Product.

23. PRODUCTS MANUFACTURED IN PUBLIC INSTITUTIONS Bids offering Products that are manufactured or produced in public institutions will be rejected.

24. PRICING

a. Unit Pricing If required by the Bid Specifications, the Bidder should insert the price per unit specified and the price extensions in decimals, not to exceed four places for each item unless otherwise specified, in the Bid. In the event of a discrepancy between the unit price and the extension, the unit price shall govern unless, in the sole judgment of the Commissioner, such unit pricing is obviously erroneous.

b. Net Pricing Unless otherwise required by the Bid Specifications, prices shall be net, including transportation, customs, tariff, delivery and other charges fully prepaid by the Contractor to the destination(s) indicated in the Bid Specifications, subject to the cash discount.

c. “No Charge” Bid When Bids are requested on a number of Products as a Group or Lot, a Bidder desiring to Bid “no charge” on a Product in the Group or Lot must clearly indicate such. Otherwise, such Bid may be considered incomplete and be rejected, in whole or in part, at the discretion of the Commissioner.

d. Educational Pricing All Products to be supplied for educational purposes that are subject to educational discounts shall be identified in the Bid and such discounts shall be made available to qualifying institutions.

e. Third Party Financing If Product acquisitions are financed through any third party financing, Contractor may be required as a condition of Contract Award to agree to the terms and conditions of a “Consent & Acknowledgment Agreement” in a form acceptable to the Commissioner.

f. Best Pricing Offer During the Contract term, if substantially the same or a smaller quantity of a Product is sold by the Contractor outside of this Contract upon the same or similar terms and conditions as that of this Contract at a lower price to a federal, state or local governmental entity, the price under this Contract, at the discretion of the Commissioner, shall be immediately reduced to the lower price.

Price decreases shall take effect automatically during the Contract term and apply to Purchase Orders submitted on or after:

(i) GSA Changes: Where NYS Net Prices are based on an approved GSA Schedule, the date the approved GSA Schedule pricing decreases during the Contract term; or

(ii) Commercial Price List Reductions: Where NYS Net Prices are based on a discount from Contractor’s list prices, the date Contractor

lowers its pricing to its customers generally or to similarly situated government customers during the Contract term; or

(iii) Special Offers/Promotions Generally: Where Contractor generally offers more advantageous special price promotions or special discount pricing to other customers during the Contract term for a similar quantity, and the maximum price or discount associated with such offer or promotion is better than the discount or Net Price otherwise available under this Contract, such better price or discount shall apply for similar quantity transactions under this Contract for the life of such general offer or promotion; and

(iv) Special Offers/Promotions to Authorized Users: Contractor may offer Authorized Users, under either this Contract or any other Contracting vehicle, competitive pricing which is lower than the NYS Net Price set forth herein at any time during the Contract term and such lower pricing shall not be applied as a global price reduction under the Contract pursuant to the foregoing paragraph (iii).

Unless otherwise specified in the Bid Specifications, Contractor may offer lower prices or better terms (see Modification of Contract Terms) on any specific Purchase Order(s) from any Authorized User without being in conflict with, or obligation to comply on a global basis, with the terms of this clause.

g. Best and Final Prices As specified in the Bid Documents and Contract, a Contractor may be solicited at the time of issuance of a Purchase Order or Mini-Bid award for best and final pricing for the Product or service to be delivered to the Authorized User. Contractors are encouraged to reduce their pricing upon receipt of such request.

25. DRAWINGS

a. Drawings Submitted With Bid When the Bid Specifications require the Bidder to furnish drawings and/or plans, such drawings and/or plans shall conform to the mandates of the Bid Documents and shall, when approved by the Commissioner, be considered a part of the Bid and of any resulting Contract. All symbols and other representations appearing on the drawings shall be considered a part of the drawing.

b. Drawings Submitted During the Contract Term Where required to develop, maintain and deliver diagrams or other technical schematics regarding the scope of work, Contractor shall do so on an ongoing basis at no additional charge, and must, as a condition of payment, update drawings and plans during the Contract term to reflect additions, alterations, and deletions. Such drawings and diagrams shall be delivered to the Authorized User's representative.

c. Accuracy of Drawings Submitted All drawings shall be neat and professional in manner and shall be clearly labeled as to locations and type of product, connections and components. Drawings and diagrams are to be in compliance with accepted drafting standards. Acceptance or approval of such plans shall not relieve the Contractor from responsibility for design or other errors of any sort in the drawings or plans, or from its responsibility for performing as required, furnishing product, services or installation, or carrying out any other requirements of the intended scope of work.

26. SITE INSPECTION Where a site inspection is required by the Bid Specifications or Project Definition, Bidder shall be required to inspect the site, including environmental or other conditions for pre-existing deficiencies that may affect the installed Product, equipment, or environment or services to be provided and, which may affect Bidder's ability to properly deliver, install or otherwise provide the required Product. All inquiries regarding such conditions shall be made in writing. Bidder shall be deemed to have knowledge of any deficiencies or conditions which such inspection or inquiry might have disclosed. Bidder must provide a detailed explanation with its Bid if

additional work is required under this clause in order to properly complete the delivery and installation of the required Product or provide the requested service.

27. PROCUREMENT CARD The State has entered into an agreement for purchasing card services. The Purchasing Card enables Authorized Users to make authorized purchases directly from a Contractor without processing a Purchase Order or Purchase Authorizations. Purchasing Cards are issued to selected employees authorized to purchase for the Authorized User and having direct contact with Contractors. Cardholders can make purchases directly from any Contractor that accepts the Purchasing Card.

The Contractor shall not process a transaction for payment through the credit card clearinghouse until the purchased products have been shipped or services performed. Unless the cardholder requests correction or replacement of a defective or faulty Product in accordance with other Contract requirements, the Contractor shall immediately credit a cardholder's account for products returned as defective or faulty.

28. SAMPLES

a. Standard Samples Bid Specifications may indicate that the Product to be purchased must be equal to a standard sample on display in a place designated by the Commissioner and such sample will be made available to the Bidder for examination prior to the opening date. Failure by the Bidder to examine such sample shall not entitle the Bidder to any relief from the conditions imposed by the Bid Specifications.

b. Bidder Supplied Samples The Commissioner reserves the right to request from the Bidder/Contractor a representative sample(s) of the Product offered at any time prior to or after award of a contract. Unless otherwise instructed, samples shall be furnished within the time specified in the request. Untimely submission of a sample may constitute grounds for rejection of Bid or cancellation of the Contract. Samples must be submitted free of charge and be accompanied by the Bidder's name and address, any descriptive literature relating to the Product and a statement indicating how and where the sample is to be returned. Where applicable, samples must be properly labeled with the appropriate Bid or Contract reference.

A sample may be held by the Commissioner during the entire term of the Contract and for a reasonable period thereafter for comparison with deliveries. At the conclusion of the holding period the sample, where feasible, will be returned as instructed by the Bidder, at the Bidder's expense and risk. Where the Bidder has failed to fully instruct the Commissioner as to the return of the sample (i.e., mode and place of return, etc.) or refuses to bear the cost of its return, the sample shall become the sole property of the receiving entity at the conclusion of the holding period.

c. Enhanced Samples When an approved sample exceeds the minimum specifications, all Product delivered must be of the same enhanced quality and identity as the sample. Thereafter, in the event of a Contractor's default, the Commissioner may procure a Product substantially equal to the enhanced sample from other sources, charging the Contractor for any additional costs incurred.

d. Conformance with Sample(s) Submission of a sample (whether or not such sample is tested by, or for, the Commissioner) and approval thereof shall not relieve the Contractor from full compliance with all terms and conditions, performance related and otherwise, specified in the Bid Specifications. If in the judgment of the Commissioner the sample or product submitted is not in accordance with the specifications or testing requirements prescribed in the Bid

Specifications, the Commissioner may reject the Bid. If an award has been made, the Commissioner may cancel the Contract at the expense of the Contractor.

e. Testing All samples are subject to tests in the manner and place designated by the Commissioner, either prior to or after Contract award. Unless otherwise stated in the Bid Specifications, Bidder samples consumed or rendered useless by testing will not be returned to the Bidder. Testing costs for samples that fails to meet Contract requirements may be at the expense of the Contractor.

f. Requests For Samples By Authorized Users Requests for samples by Authorized Users require the consent of the Contractor. Where Contractor refuses to furnish a sample, Authorized User may, in its sole discretion, make a determination on the performance capability of the Product or on the issue in question.

BID EVALUATION

29. BID EVALUATION The Commissioner reserves the right to accept or reject any and all Bids, or separable portions of offers, and waive technicalities, irregularities, and omissions if the Commissioner determines the best interests of the State will be served. The Commissioner, in his/her sole discretion, may accept or reject illegible, incomplete or vague Bids and his/her decision shall be final. A conditional or revocable Bid which clearly communicates the terms or limitations of acceptance may be considered, and Contract award may be made in compliance with the Bidder's conditional or revocable terms in the offer.

30. CONDITIONAL BID Unless the Bid Specifications provides otherwise, a Bid is not rendered non-responsive if the Bidder specifies that the award will be accepted only on all or a specified group of items or Product included in the specification. It is understood that nothing herein shall be deemed to change or alter the method of award contained in the Bid Documents.

31. CLARIFICATIONS / REVISIONS Prior to award, the Commissioner reserves the right to seek clarifications, request Bid revisions, or to request any information deemed necessary for proper evaluation of Bids from all Bidders deemed to be eligible for Contract award. Failure to provide requested information may result in rejection of the Bid.

32. PROMPT PAYMENT DISCOUNTS While prompt payment discounts will not be considered in determining the low Bid, the Commissioner may consider any prompt payment discount in resolving Bids which are otherwise tied. However, any notation indicating that the price is net, (e.g., net 30 days), shall be understood to mean only that no prompt payment discount is offered by the Bidder. The imposition of service, interest, or other charges, except pursuant to the provisions of Article 11-A of the State Finance Law, which are applicable in any case, may render the Bid non-responsive and may be cause for its rejection.

33. EQUIVALENT OR IDENTICAL BIDS In the event two offers are found to be substantially equivalent, price shall be the basis for determining the award recipient. If two or more Bidders submit substantially equivalent Bids as to pricing or other factors, the decision of the Commissioner to award a Contract to one or more of such Bidders shall be final.

34. PERFORMANCE AND RESPONSIBILITY QUALIFICATIONS The Commissioner reserves the right to investigate or inspect at any time whether or not the Product, services,

qualifications or facilities offered by the Bidder/Contractor meet the requirements set forth in the Bid Specifications/Contract or as set forth during Contract negotiations. Contractor shall at all times during the Contract term remain responsible and responsive. A Bidder/Contractor must be prepared, if requested by the Commissioner, to present evidence of legal authority to do business in New York State, integrity, experience, ability, prior performance, organizational and financial capacity as well as where applicable, a statement as to supply, plant, machinery and capacity of the manufacturer or source for the production, distribution and servicing of the Product offered/Bid. If the Commissioner determines that the conditions and terms of the Bid Documents, Bid Specifications or Contract are not complied with, or that items, services or Product proposed to be furnished do not meet the specified requirements, or that the legal authority, integrity experience, ability, prior performance, organization and financial capacity or facilities are not satisfactory, the Commissioner may reject such Bid or terminate the Contract.

35. DISQUALIFICATION FOR PAST PERFORMANCE AND FINDINGS OF NON-RESPONSIBILITY Bidder may be disqualified from receiving awards if Bidder, or anyone in Bidder's employment, has previously failed to perform satisfactorily in connection with public Bidding or contracts or is deemed non-responsive.

36. QUANTITY CHANGES PRIOR TO AWARD The Commissioner reserves the right, at any time prior to the award of a specific quantity Contract, to alter in good faith the quantities listed in the Bid Specifications. In the event such right is exercised, the lowest responsible Bidder meeting Bid Specifications will be advised of the revised quantities and afforded an opportunity to extend or reduce its Bid price in relation to the changed quantities. Refusal by the low Bidder to so extend or reduce its Bid price may result in the rejection of its Bid and the award of such Contract to the lowest responsible Bidder who accepts the revised qualifications.

37. TIMEFRAME FOR OFFERS The Commissioner reserves the right to make awards within sixty (60) days after the date of the Bid opening or such other period of time as set forth in the Bid Documents, during which period, Bids must remain firm and cannot be withdrawn. Pursuant to Section 163(9)(e) of the State Finance Law and Section 2-205 of the Uniform Commercial Code when applicable, where an award is not made within the sixty (60) day period or other time specified as set forth in the Bid Documents, the Bids shall remain firm until such later time as either a Contract is awarded or the Bidder delivers to the Commissioner written notice of the withdrawal of its Bid. Any Bid which expressly states therein that acceptance must be made within a shorter specified time, may at the sole discretion of the Commissioner, be accepted or rejected.

TERMS & CONDITIONS

38. CONTRACT CREATION / EXECUTION Except for contracts governed by Article 11-B of the State Finance Law, subject to and upon receipt of all required approvals as set forth in the Bid Specifications a Contract shall be deemed executed and created with the successful Bidder(s), upon the Commissioner's mailing or electronic communication to the address on the Bid/Contract of: (i) the final Contract Award Notice; (ii) a fully executed Contract; or (iii) a Purchase Order authorized by the Commissioner.

39. PARTICIPATION IN CENTRALIZED CONTRACTS The following shall not limit or inhibit the OGS Commissioner's authority under State Finance Law, Section 163 (10) (e) (Piggybacking):

a. Agencies All State Agencies may utilize and purchase under any state Centralized Contract let by the Commissioner, unless the Bid Documents limit purchases to specific State Agencies.

b. Non-State Agency Authorized Users Authorized Users other than State Agencies are permitted to make purchases through state Centralized Contracts where permitted by law, the Contract or the Commissioner.

c. Voluntary Extension Purchase Orders issued against a State Centralized Contract by any Authorized User not provided for in the Bid Specifications shall be honored by the Contractor at its discretion and only with the approval of the OGS Commissioner and any other approvals required by law. Contractors are encouraged to voluntarily extend service Contracts to those additional entities authorized to utilize commodity Contracts under Section 163 (3) (iv) of the State Finance Law.

d. Responsibility for Performance Participation in state Centralized Contracts by Authorized Users is permitted upon the following conditions: (i) the responsibility with regard to performance of any contractual obligation, covenant, condition or term thereunder by any Authorized User other than State Agencies shall be borne and is expressly assumed by such Authorized User and not by the State; (ii) a breach of the Contract by any particular Authorized User shall neither constitute nor be deemed a breach of the Contract as a whole which shall remain in full force and effect, and shall not affect the validity of the Contract nor the obligations of the Contractor thereunder respecting non-breaching Authorized Users, whether State or otherwise; (iii) for a breach by an Authorized User other than a State Agency, the State specifically and expressly disclaims any and all liability for such breach; and (iv) each non-state agency Authorized User and Contractor guarantees to save the State, its officers, agents and employees harmless from any liability that may be or is imposed by their failure to perform in accordance with its obligations under the Contract.

e. Contract Migration Authorized Users holding individual Contracts with a Contractor at the time that Contractor is awarded a Centralized Contract for the same Products or services shall be permitted to migrate to that Centralized Contract effective with its commencement date. Such migration shall not operate to diminish, alter or eliminate any right that the Authorized User otherwise had under the terms and conditions of their individual Contract.

40. MODIFICATION OF CONTRACT TERMS The terms and conditions set forth in the Contract shall govern all transactions by Authorized User(s) under this Contract. The Contract may only be modified or amended upon mutual written agreement of the Commissioner and Contractor.

The Contractor may, however, offer Authorized User(s) more advantageous pricing, payment, or other terms and conditions than those set forth in the Contract. In such event, a copy of such terms shall be furnished to the Authorized User(s) and Commissioner by the Contractor at the time of such offer.

Other than where such terms are more advantageous for the Authorized User(s) than those set forth in the Contract, no alteration or modification of the terms of the Contract, including substitution of Product, shall be valid or binding against Authorized User(s) unless authorized by the Commissioner or specified in the Contract Award Notification. No such alteration or modification shall be made by unilaterally affixing such terms to Product upon delivery (including, but not limited to, attachment or inclusion of standard pre-printed

order forms, product literature, "shrink wrap" terms accompanying software upon delivery, or other documents) or by incorporating such terms onto order forms, purchase orders or other documents forwarded by the Contractor for payment, notwithstanding Authorized User's subsequent acceptance of Product, or that Authorized User has subsequently processed such document for approval or payment.

41. SCOPE CHANGES The Commissioner reserves the right, unilaterally, to require, by written order, changes by altering, adding to or deducting from the Bid Specifications, such changes to be within the general scope of the Contract. The Commissioner may make an equitable adjustment in the Contract price or delivery date if the change affects the cost or time of performance. Such equitable adjustments require the consent of the Contractor, which consent shall not be unreasonably withheld.

42. ESTIMATED / SPECIFIC QUANTITY CONTRACTS Estimated quantity contracts are expressly agreed and understood to be made for only the quantities, if any, actually ordered during the Contract term. No guarantee of any quantity(s) is implied or given. Purchases by Authorized Users from Contracts for services and technology are voluntary.

With respect to any specific quantity stated in the contract, the Commissioner reserves the right after award to order up to 20% more or less (rounded to the next highest whole number) than the specific quantities called for in the Contract. Notwithstanding the foregoing, the Commissioner may purchase greater or lesser percentages of Contract quantities should the Commissioner and Contractor so agree. Such agreement may include an equitable price adjustment.

43. EMERGENCY CONTRACTS In the event that a disaster emergency is declared by Executive Order under Section 28 of Article 2-B of the Executive Law, or the Commissioner determines pursuant to his/her authority under Section 163 (10) (b) of the State Finance Law that an emergency exists requiring the prompt and immediate delivery of Product, the Commissioner reserves the right to obtain such Product from any source, including but not limited to this Contract(s), as the Commissioner in his/her sole discretion determines will meet the needs of such emergency. Contractor shall not be entitled to any claim or lost profits for Product procured from other sources pursuant to this paragraph. The reasons underlying the finding that an emergency exists shall be included in the procurement record.

44. PURCHASE ORDERS Unless otherwise authorized in writing by the Commissioner, no Product is to be delivered or furnished by Contractor until transmittal of an official Purchase Order from the Authorized User. Unless terminated or cancelled pursuant to the authority vested in the Commissioner, Purchase Orders shall be effective and binding upon the Contractor when placed in the mail or electronically transmitted prior to the termination of the contract period, addressed to the Contractor at the address for receipt of orders set forth in the Contract or in the Contract Award Notification.

All Purchase Orders issued pursuant to Contracts let by the Commissioner must bear the appropriate Contract number and, if necessary, required State approvals. As deemed necessary, the Authorized User may confirm pricing and other Product information with the Contractor prior to placement of the Purchase Order. The State reserves the right to require any other information from the Contractor which the State deems necessary in order to complete any Purchase Order placed under the Contract. Unless otherwise specified, all Purchase Orders against Centralized Contracts will be placed by Authorized Users directly with the Contractor and any discrepancy between the terms stated on the vendor's order form, confirmation or acknowledgment, and the Contract terms shall be resolved in favor of

the terms most favorable to the Authorized User. Should an Authorized User add written terms and conditions to the Purchase Order that conflict with the terms and conditions of the Contract, the Contractor has the option of rejecting the Purchase Order within five business days of its receipt but shall first attempt to negotiate the additional written terms and conditions in good faith with the Authorized User, or fulfill the Purchase Order. Notwithstanding the above, the Authorized User reserves the right to dispute any discrepancies arising from the presentation of additional terms and conditions with the Contractor.

If, with respect to an Agency Specific Contract let by the OGS Commissioner, a Purchase Order is not received by the Contractor within two weeks after the issuance of a Contract Award Notification, it is the responsibility of the Contractor to request in writing that the appropriate Authorized User forward a Purchase Order. If, thereafter, a Purchase Order is not received within a reasonable period of time, the Contractor shall promptly notify in writing the appropriate purchasing officer in OGS. Failure to timely notify such officer may, in the discretion of the OGS Commissioner and without cost to the State, result in the cancellation of such requirement by the OGS Commissioner with a corresponding reduction in the Contract quantity and price.

45. PRODUCT DELIVERY Delivery must be made as ordered to the address specified on the Purchase Order and in accordance with the terms of the Contract or Contract Award Notice. Unless otherwise specified in the Bid Documents, delivery shall be made within thirty calendar days after receipt of a Purchase Order by the Contractor. The decision of the Commissioner as to compliance with delivery terms shall be final. The burden of proof for delay in receipt of Purchase Order shall rest with the Contractor. In all instances of a potential or actual delay in delivery, the Contractor shall immediately notify the Commissioner and the Authorized User, and confirm in writing the explanation of the delay, and take appropriate action to avoid any subsequent late deliveries. Any extension of time for delivery must be requested in writing by the Contractor and approved in writing by the Authorized User. Failure to meet such delivery time schedule may be grounds for cancellation of the order or, in the Commissioner's discretion, the Contract.

46. WEEKEND AND HOLIDAY DELIVERIES Unless otherwise specified in the Bid Specifications or by an Authorized User, deliveries will be scheduled for ordinary business hours, Monday through Friday (excluding legal holidays observed by the State of New York). Deliveries may be scheduled by mutual agreement for Saturdays, Sundays or legal holidays observed by the State of New York where the Product is for daily consumption, an emergency exists, the delivery is a replacement, delivery is late, or other reasonable circumstance in which event the convenience of the Authorized User shall govern.

47. SHIPPING/RECEIPT OF PRODUCT

a. Packaging Tangible Product shall be securely and properly packed for shipment, storage and stocking in appropriate, clearly labeled shipping containers and according to accepted commercial practice, without any extra charges for packing materials, cases or other types of containers. The container shall become and remain the property of the Authorized User unless otherwise specified in the Contract documents.

b. Shipping Charges Unless otherwise stated in the Bid Specifications, all deliveries shall be deemed to be freight on board (F.O.B.) destination tailgate delivery at the dock of the Authorized User. Unless otherwise agreed, items purchased at a price F.O.B. Shipping point plus transportation charges shall not relieve the

Contractor from responsibility for safe and proper delivery notwithstanding the Authorized User's payment of transportation charges. Contractor shall be responsible for ensuring that the Bill of Lading states "charges prepaid" for all shipments.

c. Receipt of Product The Contractor shall be solely responsible for assuring that deliveries are made to personnel authorized to accept delivery on behalf of the Authorized User. Any losses resulting from the Contractor's failure to deliver Product to authorized personnel shall be borne exclusively by the Contractor.

48. TITLE AND RISK OF LOSS Notwithstanding the form of shipment, title or other property interest, risk of loss shall not pass from the Contractor to the Authorized User until the Products have been received, inspected and accepted by the receiving entity. Acceptance shall occur within a reasonable time or in accordance with such other defined acceptance period as may be specified in the Bid Specifications or Purchase Order. Mere acknowledgment by Authorized User personnel of the delivery or receipt of goods (e.g., signed bill of lading) shall not be deemed or construed as acceptance of the Products received. Any delivery of Product that is substandard or does not comply with the Bid Specifications or Contract terms and conditions, may be rejected or accepted on an adjusted price basis, as determined by the Commissioner.

49. RE-WEIGHING PRODUCT Deliveries are subject to re-weighing at the point of destination by the Authorized User. If shrinkage occurs which exceeds that normally allowable in the trade, the Authorized User shall have the option to require delivery of the difference in quantity or to reduce the payment accordingly. Such option shall be exercised in writing by the Authorized User.

50. PRODUCT SUBSTITUTION In the event a specified manufacturer's Product listed in the Contract becomes unavailable or cannot be supplied by the Contractor for any reason (except as provided for in the Savings/Force Majeure Clause) a Product deemed in writing by the Commissioner to be equal to or better than the specified Product must be substituted by the Contractor at no additional cost or expense to the Authorized User. Unless otherwise specified, any substitution of Product prior to the Commissioner's written approval may be cause for cancellation of Contract.

51. REJECTED PRODUCT When Product is rejected, it must be removed by the Contractor from the premises of the Authorized User within ten calendar days of notification of rejection by the Authorized User. Upon notification of rejection, risk of loss of rejected or non-conforming Product shall remain with Contractor. Rejected items not removed by the Contractor within ten calendar days of notification shall be regarded as abandoned by the Contractor, and the Authorized User shall have the right to dispose of Product as its own property. The Contractor shall promptly reimburse the Authorized User for any and all costs and expenses incurred in storage or effecting removal or disposition after the ten-calendar day period.

52. INSTALLATION Where installation is required, Contractor shall be responsible for placing and installing the Product in the required locations. All materials used in the installation shall be of good quality and shall be free from any and all defects that would mar the appearance of the Product or render it structurally unsound. Installation includes the furnishing of any equipment, rigging and materials required to install or place the Product in the proper location. The Contractor shall protect the site from damage for all its work and shall repair damages or injury of any kind caused by the Contractor, its employees, officers or agents. If any alteration, dismantling or excavation, etc. is required to effect installation, the Contractor shall thereafter promptly restore the structure or site. Work shall be

performed to cause the least inconvenience to the Authorized User(s) and with proper consideration for the rights of other Contractors or workers. The Contractor shall promptly perform its work and shall coordinate its activities with those of other Contractors. The Contractor shall clean up and remove all debris and rubbish from its work as required or directed. Upon completion of the work, the building and surrounding area of work shall be left clean and in a neat, unobstructed condition, and everything in satisfactory repair and order.

53. REPAIRED OR REPLACED PARTS / COMPONENTS

Where the Contractor is required to repair, replace or substitute Product or parts or components of the Product under the Contract, the repaired, replaced or substituted Products shall be subject to all terms and conditions for new parts and components set forth in the Contract including Warranties, as set forth in the Additional Warranties Clause herein. Replaced or repaired Product or parts and components of such Product shall be new and shall, if available, be replaced by the original manufacturer's component or part. Remanufactured parts or components meeting new Product standards may be permitted by the Commissioner or Authorized User. Before installation, all proposed substitutes for the original manufacturer's installed parts or components must be approved by the Authorized User. The part or component shall be equal to or of better quality than the original part or component being replaced.

54. ON-SITE STORAGE With the written approval of the Authorized User, materials, equipment or supplies may be stored at the Authorized User's site at the Contractor's sole risk.

55. EMPLOYEES, SUBCONTRACTORS & AGENTS All employees, Subcontractors or agents performing work under the Contract must be trained staff or technicians who meet or exceed the professional, technical and training qualifications set forth in the Bid Specifications or the Bid Documents, whichever is more restrictive, and must comply with all security and administrative requirements of the Authorized User. The Commissioner reserves the right to conduct a security background check or otherwise approve any employee, Subcontractor or agent furnished by Contractor and to refuse access to or require replacement of any personnel for cause based on, including but not limited to, professional, technical or training qualifications, quality of work or change in security status or non-compliance with Authorized User's security or other requirements. Such approval shall not relieve the Contractor of the obligation to perform all work in compliance with the Contract terms. The Commissioner reserves the right to reject and/or bar from the facility for cause any employee, Subcontractor, or agents of the Contractor.

56. ASSIGNMENT The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the contract or its right, title or interest therein, or its power to execute such contract to any other person, company, firm or corporation in performance of the contract without the prior written consent of the Commissioner or Authorized User (as applicable). Failure to obtain consent to assignment from the Authorized User shall revoke and annul such Contract. Notwithstanding the foregoing, the State shall not hinder, prevent or affect assignment of money by a Contractor for the benefit of its creditors. Prior to a consent to assignment of monies becoming effective, the Contractor shall file a written notice of such monies assignment(s) with the Comptroller. Prior to a consent to assignment of a Contract, or portion thereof, becoming effective, the Contractor shall submit the request to assignment to the Commissioner and seek written agreement from the Commissioner which will be filed with the Comptroller. The Commissioner reserves the right to reject any proposed assignee in his/her discretion.

Upon notice to the Contractor, the Contract may be assigned without the consent of the Contractor to another State Agency or subdivision of the State pursuant to a governmental reorganization or assignment

of functions under which the functions are transferred to a successor Agency or to another Agency that assumes OGS responsibilities for the Contract.

57. SUBCONTRACTORS AND SUPPLIERS The Commissioner reserves the right to reject any proposed Subcontractor or supplier for bona fide business reasons, which may include, but are not limited to: they are on the Department of Labor's list of companies with which New York State cannot do business; the Commissioner determines that the company is not qualified; the Commissioner determines that the company is not responsible; the company has previously provided unsatisfactory work or services; the company failed to solicit minority and women's business enterprises (M/WBE) Bidders as required by prior Contracts.

58. PERFORMANCE / BID BOND The Commissioner reserves the right to require a Bidder or Contractor to furnish without additional cost, a performance, payment or Bid bond or negotiable irrevocable letter of credit or other form of security for the faithful performance of the Contract. Where required, such bond or other security shall be in the form prescribed by the Commissioner.

59. SUSPENSION OF WORK The Commissioner, in his/her sole discretion, reserves the right to suspend any or all activities under this Contract, at any time, in the best interests of the Authorized User. In the event of such suspension, the Contractor will be given a formal written notice outlining the particulars of such suspension. Examples of the reason for such suspension include, but are not limited to, a budget freeze or reduction on State spending, declaration of emergency, contract compliance issues or other such circumstances. Upon issuance of such notice, the Contractor is not to accept any Purchase Orders, and shall comply with the suspension order. Activity may resume at such time as the Commissioner issues a formal written notice authorizing a resumption of performance under the Contract.

An Authorized User may issue a formal written notice for the suspension of work for which it has engaged the Contractor for reasons specified in the above paragraph. The written notice shall set forth the reason for such suspension and a copy of the written notice shall be provided to the Commissioner.

60. TERMINATION

a. For Cause: For a material breach that remains uncured for more than thirty (30) days or other specified period after written notice to the Contractor, the Contract or Purchase Order may be terminated by the Commissioner or Authorized User at the Contractor's expense where Contractor becomes unable or incapable of performing, or meeting any requirements or qualifications set forth in the Contract, or for non-performance, or upon a determination that Contractor is non-responsible. Such termination shall be upon written notice to the Contractor. In such event, the Commissioner or Authorized User may complete the contractual requirements in any manner it may deem advisable and pursue available legal or equitable remedies for breach.

b. For Convenience: By written notice, this Contract may be terminated at any time by the State for convenience upon sixty (60) days written notice or other specified period without penalty or other early termination charges due. Such termination of the Contract shall not affect any project or Purchase Order that has been issued under the Contract prior to the date of such termination. If the Contract is terminated pursuant to this subdivision, the Authorized User shall remain liable for all accrued but unpaid charges incurred through the date of the termination. Contractor shall use due diligence and provide any outstanding deliverables.

c. For Violation of the Sections 139-j and 139-k of the State Finance Law: The Commissioner reserves the right to terminate the Contract in the event it is found that the certification filed by the Bidder in accordance with Section 139-k of the State Finance Law was intentionally false or intentionally incomplete. Upon such finding, the Commissioner may exercise its termination right by providing written notification to the Contractor in accordance with the written notification terms of the Contract.

d. For Violation of Revised Tax Law 5a: The Commissioner reserves the right to terminate the contract in the event it is found that the certification filed by the Contractor in accordance with §5-a of the Tax Law is not timely filed during the term of the Contract or the certification furnished was intentionally false or intentionally incomplete. Upon such finding, the Commissioner may exercise its termination right by providing written notification to the Contractor.

61. SAVINGS/FORCE MAJEURE A force majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled. Force majeure includes, but is not limited to, acts of God, acts of war, acts of public enemies, strikes, fires, explosions, actions of the elements, floods, or other similar causes beyond the control of the Contractor or the Commissioner in the performance of the Contract which non- performance, by exercise of reasonable diligence, cannot be prevented. Contractor shall provide the Commissioner with written notice of any force majeure occurrence as soon as the delay is known.

Neither the Contractor nor the Commissioner shall be liable to the other for any delay in or failure of performance under the Contract due to a force majeure occurrence. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages. The existence of such causes of such delay or failure shall extend the period for performance to such extent as determined by the Contractor and the Commissioner to be necessary to enable complete performance by the Contractor if reasonable diligence is exercised after the cause of delay or failure has been removed.

Notwithstanding the above, at the discretion of the Commissioner where the delay or failure will significantly impair the value of the Contract to the State or to Authorized Users, the Commissioner may:

a. Accept allocated performance or deliveries from the Contractor. The Contractor, however, hereby agrees to grant preferential treatment to Authorized Users with respect to Product subjected to allocation; and/or

b. Purchase from other sources (without recourse to and by the Contractor for the costs and expenses thereof) to replace all or part of the Products which are the subject of the delay, which purchases may be deducted from the Contract quantities without penalty or liability to the State; or

c. Terminate the Contract or the portion thereof which is subject to delays, and thereby discharge any unexecuted portion of the Contract or the relative part thereof.

In addition, the Commissioner reserves the right, in his/her sole discretion, to make an equitable adjustment in the Contract terms and/or pricing should extreme and unforeseen volatility in the marketplace affect pricing or the availability of supply. "Extreme and unforeseen volatility in the marketplace" is defined as market circumstances which meet the following criteria: (i) the volatility is due to causes outside the control of Contractor; (ii) the volatility affects the marketplace or industry, not just the particular Contract source of supply; (iii) the effect on pricing or availability of supply is substantial; and (iv) the volatility so affects Contractor's performance

that continued performance of the Contract would result in a substantial loss.

62. CONTRACT BILLINGS Contractor and the distributors/resellers designated by the Contractor, if any, shall provide complete and accurate billing invoices to each Authorized User in order to receive payment. Billings for Authorized Users must contain all information required by the Contract and the State Comptroller. The State Comptroller shall render payment for Authorized User purchases, and such payment shall be made in accordance with ordinary State procedures and practices. Payment of Contract purchases made by Authorized Users, other than Agencies, shall be billed directly by Contractor on invoices/vouchers, together with complete and accurate supporting documentation as required by the Authorized User.

Submission of an invoice and payment thereof shall not preclude the Commissioner from reimbursement or demanding a price adjustment in any case where the Product delivered is found to deviate from the terms and conditions of the Contract or where the billing was inaccurate.

Contractor shall provide, upon request of the Commissioner, any and all information necessary to verify the accuracy of the billings. Such information shall be provided in the format requested by the Commissioner and in a media commercially available from the Contractor. The Commissioner may direct the Contractor to provide the information to the State Comptroller or to any Authorized User of the Contract.

63. DEFAULT – AUTHORIZED USER

a. Breach of Authorized User Not Breach of Centralized Contract. An Authorized User's breach shall not be deemed a breach of the Centralized Contract, rather it shall be deemed a breach of the Authorized User's performance under the terms and conditions of the Centralized Contract.

b. Failure to Make Payment. In the event a participating Authorized User fails to make payment to the Contractor for Products delivered, accepted and properly invoiced, within 60 days of such delivery and acceptance, the Contractor may, upon 10 days advance written notice to both the Commissioner and the Authorized User's purchasing official, suspend additional shipments of Product or provision of services to such entity until such time as reasonable arrangements have been made and assurances given by such entity for current and future Contract payments.

c. Notice of Breach. Notwithstanding the foregoing, the Contractor shall, at least 10 days prior to declaring a breach of Contract by any Authorized User, by certified or registered mail, notify both the Commissioner and the purchasing official of the breaching Authorized User of the specific facts, circumstances and grounds upon which a breach will be declared.

d. It is understood, however, that if the Contractor's basis for declaring a breach is insufficient, the Contractor's declaration of breach and failure to service an Authorized User shall constitute a breach of its Contract and the Authorized User may thereafter seek any remedy available at law or equity.

64. INTEREST ON LATE PAYMENTS

a. State Agencies The payment of interest on certain payments due and owed by Agency may be made in accordance with Article 11-A of the State Finance Law (SFL §179-d et. Seq.) and Title 2 of the New York Code of Rules and Regulations, Part 18 (Implementation of Prompt Payment Legislation -2 NYCRR §18.1 et seq.).

b. By Non-State Agencies The terms of Article 11-A apply only to procurements by and the consequent payment obligations of Agencies. Neither expressly nor by any implication is the statute applicable to Non-State Authorized Users. Neither OGS nor the State Comptroller is responsible for payments on any purchases made by a Non-State Agency Authorized User.

c. By Contractor Should the Contractor be liable for any payments to the State hereunder, interest, late payment charges and collection fee charges will be determined and assessed pursuant to Section 18 of the State Finance Law.

65. REMEDIES FOR BREACH It is understood and agreed that all rights and remedies afforded below shall be in addition to all remedies or actions otherwise authorized or permitted by law:

a. Cover/Substitute Performance In the event of Contractor's material breach, the Commissioner may, with or without formally Bidding: (i) Purchase from other sources; or (ii) If the Commissioner is unsuccessful after making reasonable attempts, under the circumstances then existing, to timely obtain acceptable service or acquire replacement Product of equal or comparable quality, the Commissioner may acquire acceptable replacement Product of lesser or greater quality.

Such purchases may, in the discretion of the Commissioner, be deducted from the Contract quantity and payments due Contractor.

b. Withhold Payment In any case where a question of non-performance by Contractor arises, payment may be withheld in whole or in part at the discretion of the Commissioner. Should the amount withheld be finally paid, a cash discount originally offered may be taken as if no delay in payment had occurred.

c. Bankruptcy In the event that the Contractor files a petition under the U.S. Bankruptcy Code during the term of this Centralized Contract, Authorized Users may, at their discretion, make application to exercise its right to set-off against monies due the Debtor or, under the Doctrine of Recoupment, credit the Authorized User the amounts owed by the Contractor arising out of the same transactions.

d. Reimbursement of Costs Incurred The Contractor agrees to reimburse the Authorized User promptly for any and all additional costs and expenses incurred for acquiring acceptable services, and/or replacement Product. Should the cost of cover be less than the Contract price, the Contractor shall have no claim to the difference. The Contractor covenants and agrees that in the event suit is successfully prosecuted for any default on the part of the Contractor, all costs and expenses expended or incurred by the Authorized User in connection therewith, including reasonable attorney's fees, shall be paid by the Contractor.

Where the Contractor fails to timely deliver pursuant to the guaranteed delivery terms of the Contract, the ordering Authorized User may rent substitute equipment temporarily. Any sums expended for such rental shall, upon demand, be reimbursed to the Authorized User promptly by the Contractor or deducted by the Authorized User from payments due or to become due the Contractor on the same or another transaction.

e. Deduction/Credit Sums due as a result of these remedies may be deducted or offset by the Authorized User from payments due, or to become due, the Contractor on the same or another transaction. If no deduction or only a partial deduction is made in such fashion the Contractor shall pay to the Authorized User the amount of such claim

or portion of the claim still outstanding, on demand. The Commissioner reserves the right to determine the disposition of any rebates, settlements, restitution, liquidated damages, etc., which arise from the administration of the Contract.

66. ASSIGNMENT OF CLAIM Contractor hereby assigns to the State any and all its claims for overcharges associated with this Contract which may arise under the antitrust laws of the United States, 15 USC Section 1, et. seq. and the antitrust laws of the State of New York, General Business Law Section 340, et. seq.

67. TOXIC SUBSTANCES Each Contractor furnishing a toxic substance as defined by Section 875 of the Labor Law, shall provide such Authorized User with not less than two copies of a material safety data sheet, which sheet shall include for each such substance the information outlined in Section 876 of the Labor Law.

Before any chemical product is used or applied on or in any building, a copy of the product label and Material Safety Data Sheet must be provided to and approved by the Authorized User agency representative.

68. INDEPENDENT CONTRACTOR It is understood and agreed that the legal status of the Contractor, its agents, officers and employees under this Contract is that of an independent Contractor, and in no manner shall they be deemed employees of the Authorized User, and therefore are not entitled to any of the benefits associated with such employment. The Contractor agrees, during the term of this Contract, to maintain at Contractor's expense those benefits to which its employees would otherwise be entitled by law, including health benefits, and all necessary insurance for its employees, including worker's compensation, disability and unemployment insurance, and to provide the Authorized User with certification of such insurance upon request. The Contractor remains responsible for all applicable federal, state and local taxes, and all FICA contributions.

69. SECURITY Contractor warrants, covenants and represents that it will comply fully with all security procedures of the Authorized User(s) in performance of the Contract including but not limited to physical, facility, documentary and cyber security rules, procedures and protocols.

70. COOPERATION WITH THIRD PARTIES The Contractor shall be responsible for fully cooperating with any third party, including but not limited to other Contractors or Subcontractors of the Authorized User, as necessary to ensure delivery of Product or coordination of performance of services.

71. CONTRACT TERM - RENEWAL In addition to any stated renewal periods in the Contract, any Contract or unit portion thereof let by the Commissioner may be extended by the Commissioner for an additional period(s) of up to one year with the written concurrence of the Contractor and Comptroller. Such extension may be exercised on a month to month basis or in other stated periods of time during the one year extension.

72. ADDITIONAL WARRANTIES Where Contractor, product manufacturer or service provider generally offers additional or more advantageous warranties than set forth below, Contractor shall offer or pass through any such warranties to Authorized Users. Contractor hereby warrants and represents:

a. Product Performance Contractor warrants and represents that Products delivered pursuant to this Contract conform to the manufacturer's specifications, performance standards and documentation, and the documentation fully describes the proper procedure for using the Products.

b. Title and Ownership Warranty Contractor warrants, represents and conveys (i) full ownership, clear title free of all liens, or (ii) the right to transfer or deliver perpetual license rights to any Products transferred to Authorized User under this Contract. Contractor shall be solely liable for any costs of acquisition associated therewith. Contractor fully indemnifies the Authorized User for any loss, damages or actions arising from a breach of said warranty without limitation.

c. Contractor Compliance Contractor represents and warrants to pay, at its sole expense, for all applicable permits, licenses, tariffs, tolls and fees to give all notices and comply with all laws, ordinances, rules and regulations of any governmental entity in conjunction with the performance of obligations under the Contract. Prior to award and during the Contract term and any renewals thereof, Contractor must establish to the satisfaction of the Commissioner that it meets or exceeds all requirements of the Bid/Contract and any applicable laws, including but not limited to, permits, insurance coverage, licensing, proof of coverage for worker's compensation, and shall provide such proof as required by the Commissioner. Failure to do so may constitute grounds for the Commissioner to cancel or suspend this Contract, in whole or in part, or to take any other action deemed necessary by the Commissioner.

d. Product Warranty Unless recycled or recovered materials are available in accordance with the "Recycled or Recovered Materials" clause, Product offered shall be standard new equipment, current model or most recent release of regular stock product with all parts regularly used with the type of equipment offered; and no attachment or part has been substituted or applied contrary to the manufacturer's recommendations and standard practice.

Contractor further warrants and represents that components or deliverables specified and furnished by or through Contractor shall individually, and where specified and furnished as a system, be substantially uninterrupted or error-free in operation and guaranteed against faulty material and workmanship for the warranty period, or for a minimum of one (1) year from the date of acceptance, whichever is longer ("Project warranty period"). During the Project warranty period, defects in the materials or workmanship of components or deliverables specified and furnished by or through Contractor shall be repaired or replaced by Contractor at no cost or expense to the Authorized User. Contractor shall extend the Project warranty period for individual component(s), or for the System as a whole, as applicable, by the cumulative period(s) of time, after notification, during which an individual component or the System requires servicing or replacement (down time) or is in the possession of the Contractor, its agents, officers, Subcontractors, distributors, resellers or employees ("extended warranty").

Where Contractor, the Independent Software Vendor "ISV," or other third party manufacturer markets any Project Deliverable delivered by or through Contractor with a standard commercial warranty, such standard warranty shall be in addition to, and not relieve the Contractor from, Contractor's warranty obligations during the project warranty and extended warranty period(s). Where such standard commercial warranty covers all or some of the Project warranty or extended warranty period(s), Contractor shall be responsible for the coordination during the Project warranty or extended warranty period(s) with ISV or other third party manufacturer(s) for warranty repair or replacement of ISV or other third party manufacturer's Product.

Where Contractor, ISV or other third party manufacturer markets any Project Deliverable with a standard commercial warranty which goes

beyond the Project warranty or extended warranty period(s), Contractor shall notify the Authorized User and pass through the manufacturer's standard commercial warranty to Authorized User at no additional charge; provided, however, that Contractor shall not be responsible for coordinating services under the third party extended warranty after expiration of the Project warranty and extended warranty period(s).

e. Replacement Parts Warranty If during the regular or extended warranty period's faults develop, the Contractor shall promptly repair or, upon demand, replace the defective unit or component part affected. All costs for labor and material and transportation incurred to repair or replace defective Product during the warranty period shall be borne solely by the Contractor, and the State or Authorized User shall in no event be liable or responsible therefor.

Any part of component replaced by the Contractor under the Contract warranty shall be replaced at no cost to the Authorized User and guaranteed for the greater of: a) the warranty period under paragraph (d) above; or b) if a separate warranty for that part or component is generally offered by the manufacturer, the standard commercial warranty period offered by the manufacturer for the individual part or component.

f. Virus Warranty The Contractor represents and warrants that Licensed Software contains no known viruses. Contractor is not responsible for viruses introduced at Licensee's site.

g. Date/Time Warranty Contractor warrants that Product(s) furnished pursuant to this Contract shall, when used in accordance with the Product documentation, be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) transitions, including leap year calculations. Where a Contractor proposes or an acquisition requires that specific Products must perform as a package or system, this warranty shall apply to the Products as a system.

Where Contractor is providing ongoing services, including but not limited to: i) consulting, integration, code or data conversion, ii) maintenance or support services, iii) data entry or processing, or iv) contract administration services (e.g., billing, invoicing, claim processing), Contractor warrants that services shall be provided in an accurate and timely manner without interruption, failure or error due to the inaccuracy of Contractor's business operations in processing date/time data (including, but not limited to, calculating, comparing, and sequencing) various date/time transitions, including leap year calculations. Contractor shall be responsible for damages resulting from any delays, errors or untimely performance resulting therefrom, including but not limited to the failure or untimely performance of such services.

This Date/Time Warranty shall survive beyond termination or expiration of this contract through: a) ninety (90) days or b) the Contractor's or Product manufacturer/developer's stated date/time warranty term, whichever is longer. Nothing in this warranty statement shall be construed to limit any rights or remedies otherwise available under this Contract for breach of warranty.

h. Workmanship Warranty Contract warrants that all components or deliverables specified and furnished by or through Contractor under the Project Definition/Work Order meet the completion criteria set forth in the Project Definition/Work Order and any subsequent statement(s) of work, and that services will be provided in a workmanlike manner in accordance with industry standards.

i. Survival of Warranties All warranties contained in this Contract shall survive the termination of this Contract.

73. LEGAL COMPLIANCE Contractor represents and warrants that it shall secure all notices and comply with all laws, ordinances, rules and regulations of any governmental entity in conjunction with the performance of obligations under the Contract. Prior to award and during the Contract term and any renewals thereof, Contractor must establish to the satisfaction of the Commissioner that it meets or exceeds all requirements of the Bid and Contract and any applicable laws, including but not limited to, permits, licensing, and shall provide such proof as required by the Commissioner. Failure to comply or failure to provide proof may constitute grounds for the Commissioner to cancel or suspend the Contract, in whole or in part, or to take any other action deemed necessary by the Commissioner. Contractor also agrees to disclose information and provide affirmations and certifications to comply with Sections 139-j and 139-k of the State Finance Law.

74. INDEMNIFICATION Contractor shall be fully liable for the actions of its agents, employees, partners or Subcontractors and shall fully indemnify and save harmless the Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by any intentional act or negligence of Contractor, its agents, employees, partners or Subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the Authorized Users.

75. INDEMNIFICATION RELATING TO THIRD PARTY RIGHTS The Contractor will also indemnify and hold the Authorized Users harmless from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs that may be finally assessed against the Authorized Users in any action for infringement of a United States Letter Patent, or of any copyright, trademark, trade secret or other third party proprietary right except to the extent such claims arise from the Authorized Users gross negligence or willful misconduct, provided that the State shall give Contractor: (i) prompt written notice of any action, claim or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor.

If usage shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion to take action in the following order of precedence: (i) to procure for the Authorized User the right to continue Usage (ii) to modify the service or Product so that Usage becomes non-infringing, and is of at least equal quality and performance; or (iii) to replace said service or Product or part(s) thereof, as applicable, with non-infringing service or Product of at least equal quality and performance. If the above remedies are not available, the parties shall terminate the Contract, in whole or in part as necessary and applicable, provided the Authorized User is given a refund for any amounts paid for the period during which Usage was not feasible.

The foregoing provisions as to protection from third party rights shall not apply to any infringement occasioned by modification by the Authorized User of any Product without Contractor's approval.

In the event that an action at law or in equity is commenced against the Authorized User arising out of a claim that the Authorized User's use of the service or Product under the Contract infringes any patent, copyright or proprietary right, and Contractor is of the opinion that the allegations in such action in whole or in part are not covered by the indemnification and defense provisions set forth in the Contract, Contractor shall immediately notify the Authorized User and the

Office of the Attorney General in writing and shall specify to what extent Contractor believes it is obligated to defend and indemnify under the terms and conditions of the Contract. Contractor shall in such event protect the interests of the Authorized User and secure a continuance to permit the Authorized User to appear and defend its interests in cooperation with Contractor, as is appropriate, including any jurisdictional defenses the Authorized User may have. This constitutes the Authorized User's sole and exclusive remedy for patent infringement, or for infringement of any other third party proprietary right.

76. LIMITATION OF LIABILITY Except as otherwise set forth in the Indemnification Paragraphs above, the limit of liability shall be as follows:

a. Contractor's liability for any claim, loss or liability arising out of, or connected with the Products and services provided, and whether based upon default, or other liability such as breach of contract, warranty, negligence, misrepresentation or otherwise, shall in no case exceed direct damages in: (i) an amount equal to two (2) times the charges specified in the Purchase Order for the Products and services, or parts thereof forming the basis of the Authorized User's claim, (said amount not to exceed a total of twelve (12) months charges payable under the applicable Purchase Order) or (ii) one million dollars (\$1,000,000), whichever is greater.

b. The Authorized User may retain such monies from any amount due Contractor as may be necessary to satisfy any claim for damages, costs and the like asserted against the Authorized User unless Contractor at the time of the presentation of claim shall demonstrate to the Authorized User's satisfaction that sufficient monies are set aside by the Contractor in the form of a bond or through insurance coverage to cover associated damages and other costs.

c. Notwithstanding the above, neither the Contractor nor the Authorized User shall be liable for any consequential, indirect or special damages of any kind which may result directly or indirectly from such performance, including, without limitation, damages resulting from loss of use or loss of profit by the Authorized User, the Contractor, or by others.

77. INSURANCE Contractor shall secure and maintain insurance coverage as specified in the Bid Documents and shall promptly provide documentation of specified coverages to the Authorized User. If specified, the Contractor may be required to add the Authorized User as an additional insured.

**THE FOLLOWING CLAUSES PERTAIN TO
TECHNOLOGY & NEGOTIATED CONTRACTS**

78. SOFTWARE LICENSE GRANT Where Product is acquired on a licensed basis the following shall constitute the license grant:

a. **License Scope** Licensee is granted a non-exclusive, perpetual license to use, execute, reproduce, display, perform, or merge the Product within its business enterprise in the United States up to the maximum licensed capacity stated on the Purchase Order. Product may be accessed, used, executed, reproduced, displayed or performed up to the capacity measured by the applicable licensing unit stated on the Purchase Order (i.e., payroll size, number of employees, CPU, MIPS, MSU, concurrent user, workstation). Licensee shall have the right to use and distribute modifications or customizations of the Product to and for use by any Authorized Users otherwise licensed to use the Product, provided that any modifications, however extensive, shall not diminish Licensor's proprietary title or interest. No license, right or

interest in any trademark, trade name, or service mark is granted hereunder.

b. License Term The license term shall commence upon the License Effective Date, provided, however, that where an acceptance or trial period applies to the Product, the License Term shall be extended by the time period for testing, acceptance or trial.

c. Licensed Documentation If commercially available, Licensee shall have the option to require the Contractor to deliver, at Contractor's expense: (i) one (1) hard copy and one (1) master electronic copy of the Documentation in a mutually agreeable format; (ii) based on hard copy instructions for access by downloading from the Internet (iii) hard copies of the Product Documentation by type of license in the following amounts, unless otherwise mutually agreed:

- Individual/Named User License - one (1) copy per License
- Concurrent Users - 10 copies per site
- Processing Capacity - 10 copies per site

Software media must be in a format specified by the Authorized User, without requiring any type of conversion.

Contractor hereby grants to Licensee a perpetual license right to make, reproduce (including downloading electronic copies of the Product) and distribute, either electronically or otherwise, copies of Product Documentation as necessary to enjoy full use of the Product in accordance with the terms of license.

d. Product Technical Support & Maintenance Licensee shall have the option of electing the Product technical support and maintenance ("maintenance") set forth in the Contract by giving written notice to Contractor any time during the Centralized Contract term. Maintenance term(s) and any renewal(s) thereof are independent of the expiration of the Centralized Contract term and will not automatically renew.

Maintenance shall include, at a minimum, (i) the provision of error corrections, updates, revisions, fixes, upgrade and new releases to Licensee, and (ii) Help Desk assistance with locally accessible "800" or toll free, local telephone service, or alternatively on-line Help Desk accessibility. Contractor shall maintain the Products so as to provide Licensee with the ability to utilize the Products in accordance with the Product documentation without significant functional downtime to its ongoing business operations during the maintenance term.

Authorized User shall not be required to purchase maintenance for use of Product, and may discontinue maintenance at the end of any current maintenance term upon notice to Contractor. In the event that Authorized User does not initially acquire or discontinues maintenance of licensed Product, it may, at any time thereafter, reinstate maintenance for Product without any additional penalties or other charges, by paying Contractor the amount which would have been due under the Contract for the period of time that such maintenance had lapsed, at then current NYS net maintenance rates.

e. Permitted License Transfers As Licensee's business operations may be altered, expanded or diminished, licenses granted hereunder may be transferred or combined for use at an alternative or consolidated site not originally specified in the license, including transfers between Agencies ("permitted license transfers"). Licensee(s) do not have to obtain the approval of Contractor for permitted license transfers, but must give thirty (30) days prior written notice to Contractor of such move(s) and certify in writing that the Product is not in use at the prior site. There shall be no additional

license or other transfer fees due Contractor, provided that: i) the maximum capacity of the consolidated machine is equal to the combined individual license capacity of all licenses running at the consolidated or transferred site (e.g., named users, seats, or MIPS); or ii) if the maximum capacity of the consolidated machine is greater than the individual license capacity being transferred, a logical or physical partition or other means of restricting access will be maintained within the computer system so as to restrict use and access to the Product to that unit of licensed capacity solely dedicated to beneficial use for Licensee. In the event that the maximum capacity of the consolidated machine is greater than the combined individual license capacity of all licenses running at the consolidated or transferred site, and a logical or physical partition or other means of restricting use is not available, the fees due Contractor shall not exceed the fees otherwise payable for a single license for the upgrade capacity.

f. Restricted Use By Outsourcers / Facilities Management, Service Bureaus / or Other Third Parties Outsourcers, facilities management or service bureaus retained by Licensee shall have the right to use the Product to maintain Licensee's business operations, including data processing, for the time period that they are engaged in such activities, provided that: 1) Licensee gives notice to Contractor of such party, site of intended use of the Product, and means of access; and 2) such party has executed, or agrees to execute, the Product manufacturer's standard nondisclosure or restricted use agreement which executed agreement shall be accepted by the Contractor ("Non-Disclosure Agreement"); and 3) if such party is engaged in the business of facility management, outsourcing, service bureau or other services, such third party will maintain a logical or physical partition within its computer system so as to restrict use and access to the program to that portion solely dedicated to beneficial use for Licensee. In no event shall Licensee assume any liability for third party's compliance with the terms of the Non-Disclosure Agreement, nor shall the Non-Disclosure Agreement create or impose any liabilities on the State or Licensee.

Any third party with whom a Licensee has a relationship for a state function or business operation, shall have the temporary right to use Product (e.g., JAVA Applets), provided that such use shall be limited to the time period during which the third party is using the Product for the function or business activity.

g. Archival Back-Up and Disaster Recovery Licensee may use and copy the Product and related Documentation in connection with: i) reproducing a reasonable number of copies of the Product for archival backup and disaster recovery procedures in the event of destruction or corruption of the Product or disasters or emergencies which require Licensee to restore backup(s) or to initiate disaster recovery procedures for its platform or operating systems; ii) reproducing a reasonable number of copies of the Product and related Documentation for cold site storage. "Cold Site" storage shall be defined as a restorable back-up copy of the Product not to be installed until and after the declaration by the Licensee of a disaster; iii) reproducing a back-up copy of the Product to run for a reasonable period of time in conjunction with a documented consolidation or transfer otherwise allowed herein. "Disaster Recovery" shall be defined as the installation and storage of Product in ready-to-execute, back-up computer systems prior to disaster or breakdown which is not used for active production or development.

h. Confidentiality Restrictions The Product is a trade secret, copyrighted and proprietary product. Licensee and its employees will keep the Product strictly confidential, and Licensee will not disclose or otherwise distribute or reproduce any Product to anyone other than as

authorized under the terms of Contract. Licensee will not remove or destroy any proprietary markings of Contractor.

i. Restricted Use by Licensee Except as expressly authorized by the terms of license, Licensee shall not:

- (i) Copy the Product;
- (ii) Cause or permit reverse compilation or reverse assembly of all or any portion of the Product;
- (iii) Export the Licensed Software in violation of any U.S. Department of Commerce export administration regulations.

79. PRODUCT ACCEPTANCE Unless otherwise provided by mutual agreement of the Authorized User and the Contractor, Authorized User(s) shall have thirty (30) days from the date of delivery to accept hardware products and sixty (60) days from the date of delivery to accept all other Product. Where the Contractor is responsible for installation, acceptance shall be from completion of installation. Failure to provide notice of acceptance or rejection or a deficiency statement to the Contractor by the end of the period provided for under this clause constitutes acceptance by the Authorized User(s) as of the expiration of that period. The License Term shall be extended by the time periods allowed for trial use, testing and acceptance unless the Commissioner or Authorized User agrees to accept the Product at completion of trial use.

Unless otherwise provided by mutual agreement of the Authorized User and the Contractor, Authorized User shall have the option to run testing on the Product prior to acceptance, such tests and data sets to be specified by User. Where using its own data or tests, Authorized User must have the tests or representative set of data available upon delivery. This demonstration will take the form of a documented installation test, capable of observation by the Authorized User, and shall be made part of the Contractor's standard documentation. The test data shall remain accessible to the Authorized User after completion of the test.

In the event that the documented installation test cannot be completed successfully within the specified acceptance period, and the Contractor or Product is responsible for the delay, Authorized User shall have the option to cancel the order in whole or in part, or to extend the testing period for an additional thirty (30) day increment. Authorized User shall notify Contractor of acceptance upon successful completion of the documented installation test. Such cancellation shall not give rise to any cause of action against the Authorized User for damages, loss of profits, expenses, or other remuneration of any kind.

If the Authorized User elects to provide a deficiency statement specifying how the Product fails to meet the specifications within the testing period, Contractor shall have thirty (30) days to correct the deficiency, and the Authorized User shall have an additional sixty (60) days to evaluate the Product as provided herein. If the Product does not meet the specifications at the end of the extended testing period, Authorized User, upon prior written notice to Contractor, may then reject the Product and return all defective Product to Contractor, and Contractor shall refund any monies paid by the Authorized User to Contractor therefor. Costs and liabilities associated with a failure of the Product to perform in accordance with the functionality tests or product specifications during the acceptance period shall be borne fully by Contractor to the extent that said costs or liabilities shall not have been caused by negligent or willful acts or omissions of the Authorized User's agents or employees. Said costs shall be limited to the amounts set forth in the Limitation of Liability Clause for any liability for costs incurred at the direction or recommendation of Contractor.

80. AUDIT OF LICENSED PRODUCT USAGE Contractor shall have the right to periodically audit, no more than annually, at Contractor's expense, use of licensed Product at any site where a copy of the Product resides provided that: (i) Contractor gives Licensee(s) at least thirty (30) days advance written notice, (ii) such audit is conducted during such party's normal business hours, (iii) the audit is conducted by an independent auditor chosen on mutual agreement of the parties. Contractor shall recommend a minimum of three (3) auditing/accounting firms from which the Licensee will select one (1). In no case shall the Business Software Alliance (BSA), Software Publishers Association (SPA), Software and Industry Information Association (SIIA) or Federation Against Software Theft (FAST) be used directly or indirectly to conduct audits, or be recommended by Contractor; (iv) Contractor and Licensee are each entitled to designate a representative who shall be entitled to participate, and who shall mutually agree on audit format, and simultaneously review all information obtained by the audit. Such representatives also shall be entitled to copies of all reports, data or information obtained from the audit; and (v) if the audit shows that such party is not in compliance, Licensee shall be required to purchase additional licenses or capacities necessary to bring it into compliance and shall pay for the unlicensed capacity at the NYS Net Price in effect at time of audit, or if none, then at the Contractor's U.S. Commercial list price. Once such additional licenses or capacities are purchased, Licensee shall be deemed to have been in compliance retroactively, and Licensee shall have no further liability of any kind for the unauthorized use of the software.

81. OWNERSHIP/TITLE TO PROJECT DELIVERABLES

a. Definitions

(i) For purposes of this paragraph, "Products." A deliverable furnished under this Contract by or through Contractor, including existing and custom Products, including, but not limited to: a) components of the hardware environment, b) printed materials (including but not limited to training manuals, system and user documentation, reports, drawings), whether printed in hard copy or maintained on diskette, CD, DVD or other electronic media c) third party software, d) modifications, customizations, custom programs, program listings, programming tools, data, modules, components, and e) any properties embodied therein, whether in tangible or intangible form (including but not limited to utilities, interfaces, templates, subroutines, algorithms, formulas, source code, object code).

(ii) For purposes of this paragraph, "Existing Products." Tangible Products and intangible licensed Products that exist prior to the commencement of work under the Contract. Contractor bears the burden of proving that a particular product was in existence prior to the commencement of the Project.

(iii) For purposes of this paragraph, "Custom Products." Products, preliminary, final or otherwise, which are created or developed by Contractor, its Subcontractors, partners, employees or agents for Authorized User under the Contract.

b. Title to Project Deliverables Contractor acknowledges that it is commissioned by the Authorized User to perform the services detailed in the Purchase Order. Unless otherwise specified in writing in the Bid or Purchase Order, the Authorized User shall have ownership and license rights as follows:

(i) Existing Products:

1. Hardware - Title and ownership of Existing Hardware Product shall pass to Authorized User upon Acceptance.

2. Software - Title and ownership to Existing Software Product(s) delivered by Contractor under the Contract that is normally commercially distributed on a license basis by the Contractor or other independent software vendor proprietary owner ("Existing Licensed

Product”), whether or not embedded in, delivered or operating in conjunction with hardware or Custom Products, shall remain with Contractor or the proprietary owner of other independent software vendor(s) (ISV). Effective upon acceptance, such Product shall be licensed to Authorized User in accordance with the Contractor or ISV owner’s standard license agreement, provided, however, that such standard license, must, at a minimum: (a) grant Authorized User a non-exclusive, perpetual license to use, execute, reproduce, display, perform, adapt (unless Contractor advises Authorized User as part of Contractor’s proposal that adaptation will violate existing agreements or statutes and Contractor demonstrates such to the Authorized User’s satisfaction) and distribute Existing Licensed Product to the Authorized User up to the license capacity stated in the Purchase Order or work order with all license rights necessary to fully effect the general business purpose(s) stated in the Bid or Authorized User’s Purchase Order or work order, including the financing assignment rights set forth in paragraph (c) below; and (b) recognize the State of New York as the licensee where the Authorized User is a state agency, department, board, commission, office or institution. Where these rights are not otherwise covered by the ISV’s owner’s standard license agreement, the Contractor shall be responsible for obtaining these rights at its sole cost and expense. The Authorized User shall reproduce all copyright notices and any other legend of ownership on any copies authorized under this paragraph.

(ii.) **Custom Products:** Effective upon creation of Custom Products, Contractor hereby conveys, assigns and transfers to Authorized User the sole and exclusive rights, title and interest in Custom Product(s), whether preliminary, final or otherwise, including all trademark and copyrights. Contractor hereby agrees to take all necessary and appropriate steps to ensure that the Custom Products are protected against unauthorized copying, reproduction and marketing by or through Contractor, its agents, employees, or Subcontractors. Nothing herein shall preclude the Contractor from otherwise using the related or underlying general knowledge, skills, ideas, concepts, techniques and experience developed under a Purchase Order, project definition or work order in the course of Contractor’s business. Authorized User may, by providing written notice thereof to the Contractor, elect in the alternative to take a non-exclusive perpetual license to Custom Products in lieu of Authorized User taking exclusive ownership and title to such Products. In such case, Licensee on behalf of all Authorized Users shall be granted a non-exclusive perpetual license to use, execute, reproduce, display, perform, adapt and distribute Custom Product as necessary to fully effect the general business purpose(s) as stated in paragraph (b)(i)(2), above.

c. **Transfers or Assignments to a Third Party Financing Agent** It is understood and agreed by the parties that a condition precedent to the consummation of the purchase (s) under the Contract may be the obtaining of acceptable third party financing by the Authorized User. The Authorized User shall make the sole determination of the acceptability of any financing proposal. The Authorized User will make all reasonable efforts to obtain such financing, but makes no representation that such financing has been obtained as of the date of Bid receipt. Where financing is used, Authorized User may assign or transfer its rights in Licensed Products (existing or custom) to a third party financing entity or trustee (“Trustee”) as collateral where required by the terms of the financing agreement. Trustee’s sole rights with respect to transferability or use of Licensed Products shall be to exclusively sublicense to Authorized User all of its Licensee’s rights under the terms and conditions of the License Agreement; provided, further, however, in the event of any termination or expiration of such sublicense by reason of payment in full, all of Trustee’s rights in such Licensed Product shall terminate immediately and Authorized User’s prior rights to such Existing Licensed Product shall be revived.

d. **Sale or License of Custom Products Involving Tax-Exempt Financing (i.e., Certificates of Participation - COPS)** The Authorized User’s sale or other transfer of Custom Products which were acquired by the Authorized User using third party, tax-exempt financing may not occur until such Custom Products are, or become, useable. In the event that the Contractor wishes to obtain ownership rights to Custom Product(s), the sale or other transfer shall be at fair market value determined at the time of such sale or other transfer, and must be pursuant to a separate written agreement in a form acceptable to the Authorized User which complies with the terms of this paragraph.

e. **Contractor’s Obligation with Regard to ISV (Third Party) Product** Where Contractor furnishes Existing Licensed Product(s) as a Project Deliverable, and sufficient rights necessary to effect the purposes of this section are not otherwise provided in the Contractor or ISV’s standard license agreement, Contractor shall be responsible for obtaining from the ISV third party proprietary owner/developer the rights set forth herein to the benefit of the Authorized User at Contractor’s sole cost and expense.

82. **PROOF OF LICENSE** The Contractor must provide to each Licensee who places a Purchase Order either: (i) the Product Developer’s certified License Confirmation Certificates in the name of such Licensee; or (ii) a written confirmation from the Proprietary owner accepting Product invoice as proof of license. Contractor shall submit a sample certificate, or alternatively such written confirmation from the proprietary developer. Such certificates must be in a form acceptable to the Licensee.

83. **PRODUCT VERSION** Purchase Orders shall be deemed to reference Manufacturer’s most recently released model or version of the Product at time of order, unless an earlier model or version is specifically requested in writing by Authorized User and Contractor is willing to provide such version.

84. **CHANGES TO PRODUCT OR SERVICE OFFERINGS**

a. **Product or Service Discontinuance** Where Contractor is the Product Manufacturer/Developer, and Contractor publicly announces to all U.S. customers (“date of notice”) that a Product is being withdrawn from the U.S. market or that maintenance service or technical support provided by Contractor (“withdrawn support”) is no longer going to be offered, Contractor shall be required to: (i) notify the Commissioner, each Licensee and each Authorized User then under contract for maintenance or technical support in writing of the intended discontinuance; and (ii) continue to offer Product or withdrawn support upon the Contract terms previously offered for the greater of: a) the best terms offered by Contractor to any other customer, or b) not less than twelve (12) months from the date of notice; and (iii) at Authorized User’s option, provided that the Authorized User is under contract for maintenance on the date of notice, either: provide the Authorized User with a Product replacement or migration path with at least equivalent functionality at no additional charge to enable Authorized User to continue use and maintenance of the Product.

In the event that the Contractor is not the Product Manufacturer, Contractor shall be required to: (i) provide the notice required under the paragraph above, to the entities described within five (5) business days of Contractor receiving notice from the Product Manufacturer, and (ii) include in such notice the period of time from the date of notice that the Product Manufacturer will continue to provide Product or withdraw support.

The provisions of this subdivision (a) shall not apply or eliminate Contractor’s obligations where withdrawn support is being provided by an independent Subcontractor. In the event that such Subcontractor

ceases to provide service, Contractor shall be responsible for subcontracting such service, subject to state approval, to an alternate Subcontractor.

b. Product or Service Re-Bundling In the event that Contractor is the Product manufacturer and publicly announces to all U.S. customers (“date of notice”) that a Product or maintenance or technical support offering is being re-bundled in a different manner from the structure or licensing model of the prior U.S. commercial offering, Contractor shall be required to: (i) notify the State and each Authorized User in writing of the intended change; (ii) continue to provide Product or withdrawn support upon the same terms and conditions as previously offered on the then-current NYS Contract for the greater of: a) the best terms offered by Contractor to any other customer, or b) not less than twelve (12) months from the date of notice; and (iii) shall submit the proposed rebundling change to the Commissioner for approval prior to its becoming effective for the remainder of the Contract term. The provisions of this section do not apply if the Contractor is not the Product manufacturer.

85. NO HARDSTOP/PASSIVE LICENSE MONITORING

Unless an Authorized User is otherwise specifically advised to the contrary in writing at the time of order and prior to purchase, Contractor hereby warrants and represents that the Product and all Upgrades do not and will not contain any computer code that would disable the Product or Upgrades or impair in any way its operation based on the elapsing of a period of time, exceeding an authorized number of copies, advancement to a particular date or other numeral, or other similar self-destruct mechanisms (sometimes referred to as “time bombs,” “time locks,” or “drop dead” devices) or that would permit Contractor to access the Product to cause such disablement or impairment (sometimes referred to as a “trap door” device). Contractor agrees that in the event of a breach or alleged breach of this provision that Authorized User shall not have an adequate remedy at law, including monetary damages, and that Authorized User shall consequently be entitled to seek a temporary restraining order, injunction, or other form of equitable relief against the continuance of such breach, in addition to any and all remedies to which Authorized User shall be entitled.

86. SOURCE CODE ESCROW FOR LICENSED PRODUCT

If Source Code or Source Code escrow is offered by either Contractor or Product manufacturer or developer to any other commercial customers, Contractor shall either: (i) provide Licensee with the Source Code for the Product; or (ii) place the Source Code in a third party escrow arrangement with a designated escrow agent who shall be named and identified to the State, and who shall be directed to release the deposited Source Code in accordance with a standard escrow agreement acceptable to the State; or (iii) will certify to the State that the Product manufacturer/developer has named the State, acting by and through the Authorized User, and the Licensee, as a named beneficiary of an established escrow arrangement with its designated escrow agent who shall be named and identified to the State and Licensee, and who shall be directed to release the deposited Source Code in accordance with the terms of escrow. Source Code, as well as any corrections or enhancements to such source code, shall be updated for each new release of the Product in the same manner as provided above and such updating of escrow shall be certified to the State in writing. Contractor shall identify the escrow agent upon commencement of the Contract term and shall certify annually that the escrow remains in effect in compliance with the terms of this paragraph.

The State may release the Source Code to Licensees under this Contract who have licensed Product or obtained services, who may use such copy of the Source Code to maintain the Product.

FOR NEGOTIATED CONTRACTS THE FOLLOWING CLAUSES ARE RESERVED BECAUSE BIDDING DOES NOT APPLY:

Clauses: 7, 8, 9, 10, 11, 12, 13, 16, 15, 21, 25, 26, 28, 29, 30, 31, 32, 33, 36, 49, 50, 52, 54 and 37

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Appendix C Number 1 Price Guide

Contractor: Metropolitan Foods, Inc. d/b/a Driscoll Foods

Sub-Category	ITEM#	DESCRIPTION	PACK/SIZE	BRAND	NYS NET DELIVERED PRICE
Baked Goods	120800	APPLE DANISH	1/DZ	ROCKLAND	\$ 11.23
Baked Goods	120175	BAGEL CINNAMON RAISIN	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120193	BAGEL EVERYTHING	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120173	BAGEL GARLIC	1/DOZ	ROCKLAND	\$ 3.93
Baked Goods	120342	BAGEL MINI PLAIN	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120168	BAGEL ONION	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120165	BAGEL PLAIN	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120166	BAGEL POPPY	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120167	BAGEL SESAME	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120171	BAGEL WW	1/DOZ	ROCKLAND	\$ 3.93
Baked Goods	120125	BAGELS ASSORTED	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120340	BAGELS MINI ASSORTED	1/DOZEN	ROCKLAND	\$ 3.93
Baked Goods	120662	BREAD 8 GRAIN HOMESTYLE	1/LOAF	ROCKLAND	\$ 4.32
Baked Goods	120111	BREAD BASTONE, PLAIN	1/LOAF	ROCKLAND	\$ 1.83
Baked Goods	12048	BREAD CHALLAH 5#	1/5#	ROCKLAND	\$ 28.94
Baked Goods	120159	BREAD CHALLAH TWIST 1LB	1/1 LB	ROCKLAND	\$ 3.50
Baked Goods	12355	BREAD CHALLAH, 16 SLICE	1/LOAF	ROCKLAND	\$ 4.86
Baked Goods	120146	BREAD CINNAMON RAISIN, SLICED	1/LOAF	ROCKLAND	\$ 5.10
Baked Goods	120647	BREAD FOR STUFFING	1/BOX	ROCKLAND	\$ 13.72
Baked Goods	120108	BREAD FRENCH, PLAIN 29"	1/EACH	ROCKLAND	\$ 1.37
Baked Goods	120339	BREAD GARLIC 14"	1/LOAF	ROCKLAND	\$ 1.94
Baked Goods	120130	BREAD HERO 10"	1/EACH	ROCKLAND	\$ 0.51
Baked Goods	120121	BREAD HERO WW 3"	1/DOZEN	ROCKLAND	\$ 3.04
Baked Goods	120120	BREAD HERO WW, 6"	1/DOZEN	ROCKLAND	\$ 3.07
Baked Goods	120082	BREAD IRISH SODA ROUND 1LB	1/1 LOAF	ROCKLAND	\$ 3.42
Baked Goods	120119	BREAD ITALIAN SLICED, 3LB	1/LOAF	ROCKLAND	\$ 3.89
Baked Goods	120042	BREAD MARBLE RYE 3#	1/1 LOAF	ROCKLAND	\$ 4.90
Baked Goods	120058	BREAD MTG 8 GRAIN SLICED	1/LOAF	ROCKLAND	\$ 4.32
Baked Goods	120683	BREAD POTATO SLICED	1/LOAF	ROCKLAND	\$ 2.83
Baked Goods	120078	BREAD PULLMAN WHEAT	1/LOAF	ROCKLAND	\$ 3.59
Baked Goods	120072	BREAD PULLMAN WHITE	1/1 LOAF	ROCKLAND	\$ 3.55
Baked Goods	120060	BREAD PUMPERNICKEL 3# SLICED	1/LOAF	ROCKLAND	\$ 4.73
Baked Goods	12067	BREAD PUMPERNICKEL 3# UNSLICED	1/LOAF	ROCKLAND	\$ 4.67
Baked Goods	120009	BREAD PUMPERNICKEL COCKTAIL	1/1 LOAF	ROCKLAND	\$ 2.42
Baked Goods	120020	BREAD RYE 2#, 16 SLICE	1/LOAF	ROCKLAND	\$ 3.65
Baked Goods	120023	BREAD RYE 3#, 34 SLICE	1/LOAF	ROCKLAND	\$ 4.73
Baked Goods	120006	BREAD RYE COCKTAIL SLICED	1/1 LOAF	ROCKLAND	\$ 2.42
Baked Goods	120515	BREAD RYE HOMESTYLE SLICED	1/LOAF	ROCKLAND	\$ 4.62
Baked Goods	120504	BREAD RYE SLICED LONG	1/3 LB	ROCKLAND	\$ 5.81
Baked Goods	120081	BREAD SEMOLINA ROUND	1/LOAF	ROCKLAND	\$ 2.08
Baked Goods	120241	BREAD SOURDOUGH 3LB SLICED	1/LOAF	ROCKLAND	\$ 4.11
Baked Goods	120220	BREAD WHEAT LITE WW	1/LOAF	ROCKLAND	\$ 3.24
Baked Goods	120805	BREAD WHEAT SINGLE WRAPPED WW	1/100CT	ROCKLAND	\$ 15.89
Baked Goods	120160	BREAD WHITE BUTTON	1/1LOAF	ROCKLAND	\$ 1.11

Contract No. PC66474

Commercial (Eastern Region)

Appendix C Number 1 Price Guide

Contractor: Metropolitan Foods, Inc. d/b/a Driscoll Foods

Baked Goods	120051	BREAD WHITE, SLICED LONG	1/3 LB	ROCKLAND	\$	5.20
Baked Goods	120223	BREAD WW FRENCH	1/1LOAF	ROCKLAND	\$	1.79
Baked Goods	120512	BREAD WW HOMESTYLE SLICED	1/LOAF	ROCKLAND	\$	4.32
Baked Goods	120184	BUN HAMBURGER 4"	1/DOZEN	ROCKLAND	\$	1.56
Baked Goods	120185	BUN HAMBURGER 4" SEEDED	1/DZ	ROCKLAND	\$	2.05
Baked Goods	120211	BUN HAMBURGER 5" NO SEEDS	1/DOZEN	ROCKLAND	\$	3.06
Baked Goods	120189	BUN HAMBURGER 5" SEEDED	1/12 EACH	ROCKLAND	\$	3.06
Baked Goods	932510	BUN HAMBURGER MINI	1/24CT	ROCKLAND	\$	3.51
Baked Goods	120187	BUN HAMBURGER POTATO	1/8 PACK	ROCKLAND	\$	2.69
Baked Goods	120240	BUN HAMBURGER WHEAT	1/DOZEN	ROCKLAND	\$	1.69
Baked Goods	120300	CROISSANT PLAIN	1/DZ	ROCKLAND	\$	9.43
Baked Goods	120231	CUPCAKE CHOCOLATE	1/12 CT	ROCKLAND	\$	9.57
Baked Goods	120233	CUPCAKE VANILLA	1/12 CT	ROCKLAND	\$	9.57
Baked Goods	120099	DANISH ASSORTED	1/DOZEN	ROCKLAND	\$	11.23
Baked Goods	120302	DANISH MINI ASSORTED FRUIT/CHZ	1/12CT	ROCKLAND	\$	6.31
Baked Goods	120252	DINNER ROLLS WW,IW (DOZEN)	1/DOZEN	ROCKLAND	\$	2.03
Baked Goods	120593	DONUT ASSORTED	1/DZ	ROCKLAND	\$	6.59
Baked Goods	120942	DONUT CHOCOLATE	1/DZ	ROCKLAND	\$	8.35
Baked Goods	120947	DONUT JELLY	12/DZ	ROCKLAND	\$	8.35
Baked Goods	120938	DONUT POWDERED CAKE	1/DZ	ROCKLAND	\$	8.35
Baked Goods	120950	DONUTS APPLE CIDER	1/DOZEN	ROCKLAND	\$	8.35
Baked Goods	120204	DONUTS CHOCOLATE FROSTED W/SPR	1/DOZEN	ROCKLAND	\$	8.35
Baked Goods	120301	DONUTS MINI ASSORTED	1/24CT	ROCKLAND	\$	9.89
Baked Goods	120205	DONUTS VANILLA FROSTED W/SPRNG	1/DOZEN	ROCKLAND	\$	8.35
Baked Goods	12051	ENGLISH MUFFIN WW	2/6CT	ROCKLAND	\$	2.39
Baked Goods	12049	ENGLISH MUFFINS	2/6 CT	ROCKLAND	\$	3.12
Baked Goods	120092	HERO 6 FOOT	1-Jan	ROCKLAND	\$	20.48
Baked Goods	120327	HERO ROLL 12"	1/EACH	ROCKLAND	\$	0.74
Baked Goods	120846	MUFFIN APPLE CINNAMON	12/1 EACH	ROCKLAND	\$	10.08
Baked Goods	120842	MUFFIN BANANA	12/1 EACH	ROCKLAND	\$	10.08
Baked Goods	120298	MUFFIN BLUEBERRY	12/1 EACH	ROCKLAND	\$	10.08
Baked Goods	120254	MUFFIN CARROT	12/1 EACH	ROCKLAND	\$	10.08
Baked Goods	121182	MUFFIN CHOCOLATE CHIP WRAPPED	12/1 EACH	ROCKLAND	\$	14.48
Baked Goods	120297	MUFFIN CORN	12/1 EACH	ROCKLAND	\$	10.08
Baked Goods	120844	MUFFINS LARGE ASSORTED	1/12 CT	ROCKLAND	\$	10.08
Baked Goods	120490	MUFFINS MINI ASSORTED	1/DOZEN	ROCKLAND	\$	6.05
Baked Goods	120244	PREMIUM WHEAT BREAD (1.5#) WW	1/LOAF	ROCKLAND	\$	1.76
Baked Goods	120243	PREMIUM WHITE BREAD(1.5#)	1/LOAF	ROCKLAND	\$	1.76
Baked Goods	120085	ROLL BRIOCHE	1/12 CT	ROCKLAND	\$	7.19
Baked Goods	121556	ROLL CIABATTA	1/DOZ	ROCKLAND	\$	7.10
Baked Goods	120131	ROLL CLUB 6"	1/DOZEN	ROCKLAND	\$	3.20
Baked Goods	120118	ROLL CLUB 6" SLICED	1/DOZ	ROCKLAND	\$	3.42
Baked Goods	120134	ROLL CLUB 8"	1/DOZEN	ROCKLAND	\$	3.65
Baked Goods	120148	ROLL DINNER ASSORTED	1/DZ	ROCKLAND	\$	2.39
Baked Goods	120158	ROLL DINNER PLAIN	1/DZ	ROCKLAND	\$	3.42
Baked Goods	120452	ROLL DINNER SPLIT TOP	1/16 CT	ROCKLAND	\$	2.90
Baked Goods	120248	ROLL HOAGIE 4" SLICED	1/DOZEN	ROCKLAND	\$	3.12

Contract No. PC66474

Commercial (Eastern Region)

Appendix C Number 1 Price Guide

Contractor: Metropolitan Foods, Inc. d/b/a Driscoll Foods

Baked Goods	120247	ROLL HOAGIE 4" SOFT CRUST	12/1DZ	ROCKLAND	\$	3.12
Baked Goods	120183	ROLL HOTDOG	1/DOZEN	ROCKLAND	\$	1.56
Baked Goods	120186	ROLL HOTDOG FOOT LONG	6/12 INCH	ROCKLAND	\$	2.57
Baked Goods	120188	ROLL HOTDOG POTATO	1/8PK	ROCKLAND	\$	2.69
Baked Goods	120402	ROLL KAISER 5" SLICED	1/DOZEN	ROCKLAND	\$	3.12
Baked Goods	120249	ROLL KAISER MEDIUM 4"	1/DOZ	ROCKLAND	\$	2.90
Baked Goods	120250	ROLL KAISER MEDIUM SLICED	1/DZ	ROCKLAND	\$	2.90
Baked Goods	120141	ROLL ONION SMALL	1/12 CT	ROCKLAND	\$	2.39
Baked Goods	120140	ROLL PLAIN SMALL	1/1 DZ	ROCKLAND	\$	2.39
Baked Goods	120814	ROLL PORTUGUESE	1/1 DOZ	ROCKLAND	\$	4.32
Baked Goods	110251	ROLL SPLIT TOP DINNER, WRAPPED	12-Jan	ROCKLAND	\$	3.24
Baked Goods	120161	ROLLS DINNER WW, NOT WRAPPED	1/DOZ	ROCKLAND	\$	2.39
Baked Goods	12055	ROLLS HOT DOG WW	1/DOZEN	ROCKLAND	\$	1.69
Baked Goods	120299	ROLLS KAISER WHEAT WW	12/1EACH	ROCKLAND	\$	2.69
Baked Goods	120772	STRUDEL APPLE LARGE 22"	1/EACH	ROCKLAND	\$	21.79
Baked Goods	120410	WHITE BREAD GTF ZTF	8/14oz	RICH	\$	31.72
Baked Goods	120100	WW SPLIT TOP DINNER ROLLS	1/16 CT	ROCKLAND	\$	2.39

Appendix C, Number 2, Contractor Information; Contract Administrator; Distribution Center; Electronic Access Ordering; Procurement Card; and Sub-Lot Markup Rates

CONTRACTOR: METROPOLITAN FOODS, INC. D/B/A DRISCOLL FOODS

174 Delawanna Ave. Clifton, NJ 07014

Commercial Contract Administrator: Nancy Cook
 Phone: (973) 672-9400 x-161 (M-F 8am-5pm)
 E-Mail: ncook@driscollfoods.com

Mailing Address: Driscoll Foods
174 Delawanna Avenue
Clifton, NJ 07014

Emergency Contact: Ron Pereen
 Phone: (201) 638-0147 (24 hr. emergency)

Alternate Emergency Contact:
 Bill Kenney (914) 329-1944

Service & Delivery, Unresolved Issues:
Bill Kenney
 Phone: (914) 329-1944 (M-F, 8am-5pm)
 E-Mail: wjk2767@cs.com

Toll Free Phone: (866) 246-9329

Phone Orders: (973) 883-8828
 Fax Orders: (866) 246-9255
 Email Orders: ogscommercial@driscollfoods.com,
hforman@driscollfoods.com cc: wjk2767@cs.com
 Online Orders: <http://driscollfoods.com/order.html>

Note: Online ordering requires an initial setup, please contact Bill Kenney (914) 329-1944

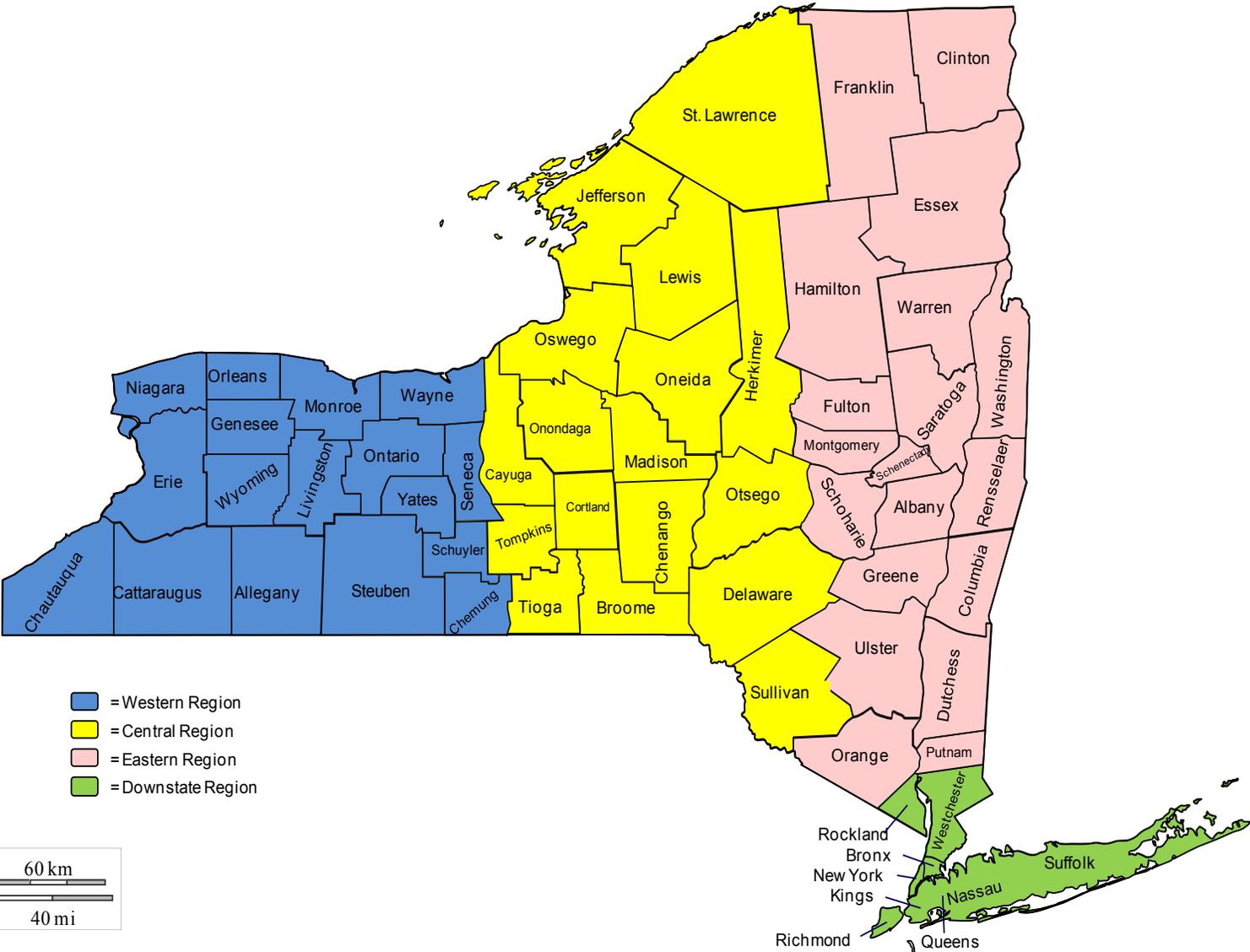
Ordering:

- Contractor offers Electronic Access Ordering (EDI).
- Contractor accepts the NYS Procurement Card for orders not to exceed \$15,000.00. Contractor does not offer additional discounts for purchases made with the NYS Procurement Card.
- Contractor does not offer a prompt payment discount for payment within 15 days and/or receipt of voucher.
- Contractor does not offer a prompt payment discount for payment within 30 days and/or receipt of voucher.

Distribution Center:

-Clifton Warehouse
 174 Delawanna Ave. Clifton NJ, 07014

Commercial (Eastern) Markup by Sub-lot	
Sub-Lot	Markup Percentage
Ambient, Canned, Dry	8.75%
Baked Goods	30.00%
Dairy	8.50%
Frozen	9.50%
Meat, Poultry & Fish	9.00%
Non-food	9.75%
Produce	25.00%



Preferred Source Product List

Sub-Lot	Preferred Source Item Number	Preferred Source	Preferred Source Description	Pack	Size
Ambient, Canned, Dry	16972	NYSID	MARGARINE SPREAD CUP	600	5 GM
Non-Food	U01FSDWD004	CORCRAFT	AUTO DISHWASHER DETERGENT	4	1 GAL
Ambient, Canned, Dry	5761051	NYSID	PIZZA CRUST PARBK	6	18X26
Ambient, Canned, Dry	1420439	NYSID	COFFEE INSTANT REG	30	6OZ
Ambient, Canned, Dry	5110343	NYSID	DRINK MIX ORG	50	.94LB
Ambient, Canned, Dry	5110314	NYSID	DRINK MIX LMNADE	50	.94LB
Non-Food	804.4	IND OF THE BLIND OF NY	GLOVE LARGE SYNTHETIC POWDER FREE	1000	CS
Ambient, Canned, Dry	9311184	NYSID	MIX GRAVY CHKN	8	15OZ
Ambient, Canned, Dry	5109586	NYSID	DRINK MIX GRAPE	50	.94LB
Ambient, Canned, Dry	2927499	NYSID	PUDDING CHOCOLATE INSTANT	6	1.75LB
Ambient, Canned, Dry	5121886	NYSID	DRINK MIX FRUIT PUNCH	50	.94LB
Ambient, Canned, Dry	B2607-FRCH-000	NYSID	DRESSING FRENCH FTFR PKT	125	1.5 OZ
Ambient, Canned, Dry	B2607-ITAL-000	NYSID	DRESSING ITALIAN FTFR	125	1.5 OZ
Non-Food	U01FSDLR004	CORCRAFT	DELIMER MACH LOPHOS LIMAWAY NP	4	1 GAL
Ambient, Canned, Dry	4551461	NYSID	PUDDING MIX RICE	12	28 OZ
Ambient, Canned, Dry	2927648	NYSID	PUDDING VANILLA INSTANT	6	1.75LB
Ambient, Canned, Dry	9311317	NYSID	MIX GRAVY BRN	8	15OZ
Ambient, Canned, Dry	7313398	NYSID	SPICE PEPPER BLK GRND	4	4.4LB
Ambient, Canned, Dry	6769814	NYSID	ICING MIX VAN	12	10 OZ
Non-Food	D4006-SYSC-800	NYSID	TOWEL PAPER ROLL 8""NAT. NON-PERF	6	800 FT
Ambient, Canned, Dry	9311267	NYSID	TEA ICED SWEET INST	12	25OZ
Ambient, Canned, Dry	4551933	NYSID	PUDDING MIX BREAD	12	28 OZ
Ambient, Canned, Dry	6768899	NYSID	ICING MIX CHOC	12	10 OZ
Ambient, Canned, Dry	7335977	NYSID	SOUP BASE BEEF FLVR MTLs	1	25LB
Ambient, Canned, Dry	4355129	NYSID	DRESSING MIX ITAL	8	27.5OZ
Ambient, Canned, Dry	7311236	NYSID	SPICE GARLIC PWDR	4	4.4LB

Appendix C Number 3 NYS Regions map, Preferred Source and Market Basket Products List Driscoll Foods Commercial Eastern Region

	Sub-Lot	Description	Manufacturer Name	NYS Approved Substitute Manufacturer
1	Ambient, Canned, Dry	APPLESAUCE UNSWEETENED	MEET USDA GRADE B OR BETTER	
2	Ambient, Canned, Dry	APPLESAUCE IN JUICE CUP	KNOUSE FOODS	
3	Frozen	BEAN GREEN CUT INDIVIDUAL QUICK FROZEN	MEET USDA GRADE B OR BETTER	
4	Frozen	BEAN GREEN FRENCH CUT INDIVIDUAL QUICK FROZEN	MEET USDA GRADE B OR BETTER	
5	Ambient, Canned, Dry	BEAN KIDNEY DARK RED IN BRINE	FURMANO #10283	
6	Meat, Poultry & Fish	BEEF GROUND BULK FROZEN 81	USDA GUIDE	
7	Meat, Poultry & Fish	BEEF LIVER 4 OZ PORTION	USDA GUIDE	
8	Meat, Poultry & Fish	BEEF PATTY GROUND 80/20 4X1	USDA GUIDE	
9	Meat, Poultry & Fish	BEEF PATTY GROUND 80/20 HOMESTYLE	USDA GUIDE	
10	Meat, Poultry & Fish	BEEF PATTY GRND CHARBROILED W/TEXTURED VEGETABLE PROTEI	MAID RITE	
11	Meat, Poultry & Fish	BEEF PATTY W/VEAL BREADED AND PRE-COOKED	GOOD SOURCE INC #31300-4030	
12	Meat, Poultry & Fish	BEEF TOP ROUND	USDA GUIDE	
13	Frozen	CARROT SLICE FROZEN	MEET USDA GRADE B OR BETTER	
14	Ambient, Canned, Dry	CEREAL CORN FLAKE	HOSPITALITY	
15	Ambient, Canned, Dry	CEREAL INSTANT HOT OATS VARIETY PACK (APPLE & CIN)	QUAKER FOODS AND BEVERAGES	MOM
16	Ambient, Canned, Dry	CEREAL HOT QUICK-COOKING OATS	RAYMOND-HADLEY CORP	GILSTER MARY LEE
17	Dairy	CHEESE AMERICAN WHITE SLICED 120CT	SOMMER MAID CREAMERY #21182-a	PERHAM VALLEY IS BONGARD
18	Dairy	CHEESE VERMONT CHEDDAR EXTRA SHARP WHITE	CABOT CREAMERY	
19	Dairy	CHEESE MOZZARELLA LOW MOISTURE PART SKIM SHREDDED	USDA LMPS SPECIFICATIONS	
20	Meat, Poultry & Fish	CHICKEN BREAST PATTY FULLY-COOKED RS	GOOD SOURCE INC #31300-4030	
21	Meat, Poultry & Fish	CHICKEN BREAST STRIP JULN	WAYNE FARMS	
22	Meat, Poultry & Fish	CHICKEN DRUM PRE-COOKED BREADED OVEN-READY	TYSON FOODS POULTRY #1276-0928	
23	Meat, Poultry & Fish	CHICKEN WHITE MEAT, DICED .5"	TYSON FOODS POULTRY	
24	Meat, Poultry & Fish	CHICKEN PATTY HALAL 3 OZ	HALAL SOURCE	
25	Ambient, Canned, Dry	CHIP POTATO REGULAR IND	FRITO LAY #19846	
26	Meat, Poultry & Fish	COD TAIL INDIVIDUAL QUICK FROZEN 4 OZ	FISHERY PRODUCTS INTL	SEVEN SEAS
27	Non-Food	CONTAINER FOAM (3 COMPARTMENT WITH HINGED LID)	NO BRAND SPECIFIED	
28	Ambient, Canned, Dry	COOKIE CHOC CHIP HOMESTYLE	KRAFT FOODS #001932001322	
29	Ambient, Canned, Dry	COOKIE OATML HOMESTYLE	KRAFT FOODS #001932001320	
30	Ambient, Canned, Dry	COOKIE SUGAR HOMESTYLE	KRAFT FOODS #001932001319	
31	Frozen	CORN WHOLE KERNEL	MEET USDA GRADE B OR BETTER	
32	Ambient, Canned, Dry	CORNBREAD MIX	CONTINENTAL MILLS	CONTINENTAL MILLS
33	Non-Food	CUP FOAM 8 OZ (INSULATED)	NO BRAND SPECIFIED	
34	Non-Food	CUP PAPER, COLD, 9 OZ. (WAX)	SOLO CUPS	MAUI CUP
35	Non-Food	CUP, POLYSTYRENE, HOT, 8 OZ.	SOLO CUPS	MODO CUP
36	Non-Food	DETERGENT LAUNDRY POWDER, TOP LOAD (HIGH ALKALINE)	SEATEX CORP	STARCO
37	Non-Food	DETERGENT LAUNDRY, SOLID, (W/ENZYMES)	NO SPECIFIED BRAND	SWISHER
38	Meat, Poultry & Fish	DINNER MEATLOAF FULLY COOKED	GOOD SOURCE INC	

Appendix C Number 3 NYS Regions map, Preferred Source and Market Basket Products List Driscoll Foods Commercial Eastern Region

39	Dairy	EGG HARD-BOILED WHOLE PEELED	USDA GUIDE	
40	Dairy	EGG SCRAMBLED HEAT / SERVE, FRESH	EGG LOW FARMS INC #54321	
41	Frozen	ENTREE LASAGNA PORTION	EASTSIDE ENTREES	ALFRESCO
42	Frozen	ENTREE PEPPER GREEN STUFFED	CONAGRA FROZEN FOODS	
43	Ambient, Canned, Dry	FLOUR H&R	CONAGRA GRAIN PROCESSING	BAY STATE
44	Non-Food	FOOD WRAP, FILM, PVC ROLL, 18"X 3000', CLEAR	REYNOLDS FOOD PACKAGING LLC	DARNEL
45	Ambient, Canned, Dry	FRUIT COCKTAIL IN PEAR JUICE	PACIFIC COAST PRODUCERS	
46	Ambient, Canned, Dry	FRUIT MIX BOWL IN PEAR JUICE	PACIFIC COAST PRODUCERS	
47	Ambient, Canned, Dry	GELATIN RASPBERRY RED	DIAMOND CRYSTAL SALES LLC	
48	Ambient, Canned, Dry	GREEN COLLARD CHOP	MEET USDA GRADE B OR BETTER	
49	Frozen	HONEY BUN GLAZED INDIVIDUALLY WRAPPED	GOOD SOURCE	
50	Dairy	ICE CREAM CHOCOLATE IN FOAM CUP	BYRNE DAIRY	
51	Dairy	ICE CREAM VANILLA IN FOAM CUP	BYRNE DAIRY	
52	Ambient, Canned, Dry	JELLY GRAPE CONCORD	CARRIAGE HOUSE CO	
53	Ambient, Canned, Dry	JUICE APPLE 100%	APPLE & EVE LLC	
54	Ambient, Canned, Dry	JUICE APPLE PLUS FIBER	NUTRA BALANCE PRODUCTS	
55	Ambient, Canned, Dry	JUICE ORANGE	CLEMENT PAPPAS	
56	Ambient, Canned, Dry	JUICE PRUNE SHELF STABLE	LYONS MAGNUS	
57	Ambient, Canned, Dry	JUICE PUNCH FRUIT 100%	APPLE & EVE LLC	
58	Ambient, Canned, Dry	JUICE PUNCH VERY BERRY 100%	APPLE & EVE LLC	
59	Ambient, Canned, Dry	KETCHUP PACKET	ELWOOD INTERNATIONAL INC #W60	FOUR IN ONE
60	Ambient, Canned, Dry	KIT DIET BLUE 2	BERRY PLASTICS CORP	MAX PACKAGING
61	Produce	LETTUCE SALAD MIX SEPARATE FRESH	TAYLOR FARMS CALIFORNIA	
62	Non-Food	LIDS, PLASTIC (MUST FIT 8 OZ HOT CUPS ABOVE)	NO BRAND SPECIFIED	
63	Non-Food	LIDS, PLASTIC STRAW SLOTTED 12-24 OZ	NO BRAND SPECIFIED	
64	Non-Food	LINER TRASH 24X33, NATURAL (8 MICRON)	NO BRAND SPECIFIED	
65	Non-Food	LINER TRASH 40X46 CLEAR (1.5MIL)	NO BRAND SPECIFIED	
66	Non-Food	LINER TRASH 40X48, NATURAL (17 MICRON)	NO BRAND SPECIFIED	
67	Dairy	MARGARINE SOLID ZERO TRANS FAT	SUPREME OIL CO	
68	Ambient, Canned, Dry	MAYONNAISE PACKET	ELWOOD INTERNATIONAL INC #W-12	FOUR IN ONE
69	Ambient, Canned, Dry	MAYONNAISE, EXTRA HEAVY	SUPREME OIL CO	
70	Ambient, Canned, Dry	MAYONNAISE, LIGHT	HELLMAN'S	
71	Meat, Poultry & Fish	MEATBALL ALL PURP 1 OZ PCKD	CHEF ITALIA	
72	Meat, Poultry & Fish	MEATBALL ALL PURP 1.5 OZ PCKD	MAID RITE STEAK CO #73119-10543	BUONA VITA
73	Dairy	MILK NONFAT 100% LACT CAL ENRCHD	HP HOOD LLC	
74	Ambient, Canned, Dry	MIX BISCUIT BUTTERMILK	CONTINENTAL MILLS #744-2175	CONTINENTAL MILLS
75	Ambient, Canned, Dry	MIX BROWNIE	CONTINENTAL MILLS #744-2115	CONTINENTAL MILLS
76	Ambient, Canned, Dry	MIX CAKE DEVILS FOOD	CONTINENTAL MILLS #744-2105	CONTINENTAL MILLS
77	Ambient, Canned, Dry	MIX CAKE YELLOW	CONTINENTAL MILLS #744-2110	CONTINENTAL MILLS
78	Ambient, Canned, Dry	MUSTARD PACKET	ELWOOD INTERNATIONAL INC #W-50	FOUR IN ONE

Appendix C Number 3 NYS Regions map, Preferred Source and Market Basket Products List Driscoll Foods Commercial Eastern Region

79	Non-Food	NAPKIN, DINNER 15 X 17, (2 PLY 1/8 FOLD)	NO BRAND SPECIFIED	
80	Dairy	OMELET EGG W/CHEESE INDIVIDUAL QUICK FROZEN FOLDED	MICHAEL FOODS	
81	Produce	ORANGE FRESH	MEET USDA GRADE B OR BETTER	
82	Ambient, Canned, Dry	ORANGE MANDARIN SECTIONS IN LIGHT SYRUP	DOLE	RUBY
83	Frozen	PANCAKE HEAT & SERVE	ECHO LAKE FOODS #mf-7000-oh	
84	Ambient, Canned, Dry	PASTA NOODLE EGG MED IMP	PREMIUM	
85	Frozen	PASTA SHELL STUFFED	CAESARS PASTA PROD sc70435sc	
86	Ambient, Canned, Dry	PASTA SPAGHETTI BULK IMP	PREMIUM	ZEREGA
87	Frozen	PEA GREEN FROZEN	MEET USDA GRADE B OR BETTER	
88	Ambient, Canned, Dry	PEACH YC SLI CH LS	MEET USDA GRADE B OR BETTER	
89	Ambient, Canned, Dry	PEANUT BUTTER CREAMY	JOHN B SANFILIPPO & SON INC	SUNSHINE
90	Ambient, Canned, Dry	PEANUT BUTTER IND	ELWOOD INTERNATIONAL INC	FOUR IN ONE
91	Ambient, Canned, Dry	PEAR SLICED CH IN JCE	MEET USDA GRADE B OR BETTER	
92	Produce	PICKLE SPR DILL KOSHER REF	GIELOW PICKLES INC	PATRIOT
93	Ambient, Canned, Dry	PINEAPPLE CRSHD IN JUICE	MEET USDA GRADE B OR BETTER	
94	Non-Food	PLATE PAPER, 8.5" ROUND (HEAVYWEIGHT)	DIXIE	AJM
95	Meat, Poultry & Fish	POLLOCK UNBRD RAW TAIL 4 OZ	NORTH ATLANTIC FISH CO	SEVEN SEAS
96	Meat, Poultry & Fish	PORK LOIN BNLS BRT	USDA GUIDE	
97	Produce	POTATO BAKING FRESH	MEET USDA GRADE B OR BETTER	
98	Frozen	POTATO FRY KK 1/2 OVEN READY	MCCAIN FOODS USA INC #sno63	SIMPLOT
99	Ambient, Canned, Dry	POTATO MASH NO MILK SAFE T CAN	BASIC AMERICAN FOODS #305	IDAHO PACIFIC
100	Frozen	POTATO PUFF	CAVENDISH FARMS #4101	
101	Ambient, Canned, Dry	RICE LONG GRAIN PARBOILED	PRODUCERS RICE	
102	Produce	SALAD FRUIT DICED	SUN RICH FRESH FOODS INC	
103	Ambient, Canned, Dry	SAUERKRAUT SHREDDED	PORT ROYAL	ABEV
104	Dairy	SHERBET ORG FOAM	BYRNE DAIRY	
105	Ambient, Canned, Dry	SODA GINGER ALE DIET	SHASTA SALES	WHITE ROCK
106	Ambient, Canned, Dry	SOUP CHICKEN NOODLE BOWL NO MSG	GEFEN #260132	
107	Ambient, Canned, Dry	SOUP VEG NOODLE BOWL	GEFEN #260133	
108	Ambient, Canned, Dry	SPAGHETTI SAUCE	PREMIUM	ABEV
109	Frozen	SPINACH CHOPPED	MEET USDA GRADE B OR BETTER	
110	Meat, Poultry & Fish	STEAK SALISBURY PTY COOKED	GOOD SOURCE INC	MAIDRITE
111	Ambient, Canned, Dry	SUGAR BROWN LIGHT	DOMINO FOODS INC	
112	Ambient, Canned, Dry	SUGAR GRANULATED EXTRA FINE	DOMINO FOODS INC	
113	Ambient, Canned, Dry	SUGAR PACKET	DIAMOND CRYSTAL SALES LLC	
114	Ambient, Canned, Dry	SUPPLEMENT ENSURE VANILLA	ABBOTT NUTRITION	
115	Ambient, Canned, Dry	SYRUP MAPLE, DIET, CUPS	ELWOOD INTERNATIONAL INC #e-615-1	
116	Ambient, Canned, Dry	SYRUP MAPLE IMIT. IND., CUPS	ELWOOD INTERNATIONAL INC #2020	FOUR IN ONE
117	Ambient, Canned, Dry	TARTAR SAUCE POUCHES	ELWOOD INTERNATIONAL INC #w701	FOUR IN ONE
118	Frozen	TOAST FRENCH HEAT & SERVE	ECHO LAKE FOODS #mf8000	

Appendix C Number 3 NYS Regions map, Preferred Source and Market Basket Products List Driscoll Foods Commercial Eastern Region

119	Non-Food	TOWEL MULTIFOLD 9.5X9.125 WHT (1 PLY)	SCA TISSUE NORTH AMERICA LLC	CASCADES
120	Ambient, Canned, Dry	TUNA TONGOL CAN PK	EMPRESS	RUBY
121	Meat, Poultry & Fish	TURKEY BRST BNLS RAW FOIL (UNNETTED)	PERDUE	BUTTERBALL
122	Frozen	VEGETABLE MIX 4 WAY	MEET USDA GRADE B OR BETTER	
123	Frozen	WAFFLE REGULAR HT&SRV #00019600460091	MRS. BUTTERSWORTH'S	
124	Meat, Poultry & Fish	WHITEFISH BREADED MINCED LOW SODIUM PATTY 4 OZ	NORTH ATLANTIC	
125	Frozen	WHOLE WHEAT BAGEL PLAIN 3.5 OZ SLICED, IQF	FLEISCHERS BAGELS	
126	Dairy	YOGURT BLUEBERRY LIGHT N FIT	DANNON YOGURT CO	
127	Dairy	YOGURT RASPBERRY ORIG	GENERAL MILLS	
128	Dairy	YOGURT STRAW/BAN BLAST TRIX	GENERAL MILLS	
129	Dairy	YOGURT STRAWBERRY	DANNON YOGURT CO	

Contractor's Insurance Requirements

The Contractor shall procure at its sole cost and expense, and shall maintain in force at all times during the term of this Contract, policies of insurance as herein below set forth, written by companies authorized by the New York State Insurance Department to issue insurance in the State of New York ("admitted" carriers) with an A.M. Best Company rating of "A-" Class "VII" or better. If during the term of the policy, a carrier's rating falls below "A-" Class "VII", the insurance must be replaced no later than the renewal date of the policy with an insurer acceptable to the New York State Office of General Services OGS and rated at least "A-" Class "VII" in the most recently published Best's Insurance Report. OGS may, at its sole discretion, accept policies of insurance written by a non-authorized carrier or carriers when Certificates and/or other policy documentation is accompanied by a completed Excess Lines Association of New York (ELANY) Affidavit; provided that nothing herein shall be construed to require OGS to accept insurance placed with a non-authorized carrier under any circumstances.

The Contractor shall deliver to OGS evidence of such policies in a form acceptable to OGS. These policies must be written in accordance with the requirements of the paragraphs below, as applicable. Acceptance and/or approval by OGS does not and shall not be construed to relieve Contractor of any obligations, responsibilities or liabilities under the Contract.

General Conditions

A. Conditions Applicable to Insurance. All policies of insurance required by this Contract must meet the following requirements:

1. Coverage Types and Policy Limits. The types of coverage and policy limits required from the Contractor are specified in Paragraph B *Insurance Requirements* below.

2. Policy Forms. Except as may be otherwise specifically provided herein or agreed to in writing by OGS, policies must be written on an occurrence basis.

3. Certificates of Insurance/Notices. Contractor shall provide a Certificate or Certificates of Insurance, in a form satisfactory to OGS, for Workers' Compensation and Disability Benefits insurance (C. Workers' Compensation Insurance and Disability Benefits Requirements) at the time of bid submission. Contractor shall provide a Certificate or Certificates of Insurance, in a form satisfactory to OGS for all other insurance requirements (B. Insurance Requirements) within twenty (20) business days of request at time of tentative award. Certificates shall reference the Contract Number. **ALL OF THE ABOVE REFERENCED FORMS, EXCEPT CE-200, SI-12 & DB-155 MUST NAME:** The Office of General Services, NYS Procurement (NYSPRO), 38th floor, Corning Tower, Albany NY 12242 as the Entity Requesting Proof of Coverage (Entity being listed as the Certificate Holder). Certificates shall be submitted to the Office of General Services, NYSPRO, Corning Tower- 38th Floor, Empire State Plaza, Albany, NY 12242.

APPENDIX C, Number 6 –Contractor Insurance Requirements

Unless otherwise agreed, policies shall be written so as to include a provision that the policy will not be canceled, materially changed, or not renewed without at least thirty (30) days prior written notice except for non-payment as required by law to OGS. The Contractor shall not take any action, or omit to take any action that would suspend or invalidate any of the required coverages during the period of time such coverages are required to be in effect. Not less than thirty (30) days prior to the expiration date or renewal date, the Contractor shall supply OGS updated replacement Certificates of Insurance, and amendatory endorsements.

Certificates of Insurance shall:

- a. Be in the form approved by OGS.
- b. Disclose any deductible, self-insured retention, aggregate limit or any exclusion to the policy that materially changes the coverage required by the contract.
- c. Specify the Additional Insured and Named Insured as required herein.
- d. Refer to this Contract by number and any other attachments on the face of the certificate,
- e. When coverage is provided by a non-admitted carrier, be accompanied by a completed ELANY Affidavit, and
- f. Be signed by an authorized representative of the insurance carrier or producer.

Only original documents (Certificates of Insurance and other attachments) will be accepted.

4. Primary Coverage. All insurance policies shall provide that the required coverage shall apply on a primary and not on an excess or contributing basis as to any other insurance that may be available to OGS or any Authorized User for any claim arising from the Contractor 's work under this Contract, or as a result of the Contractor's activities. Any other insurance maintained by OGS or any Authorized User shall be excess of and shall not contribute with the Contractor's insurance regardless of the "other insurance" clause contained in OGS or the Authorized User's own policy of insurance.

5. Policy Renewal/Expiration. At least thirty (30) days prior to the expiration of any policy required by this Contract, evidence of renewal or replacement policies of insurance with terms no less favorable to OGS than the expiring policies shall be delivered to OGS in the manner required for service of notice in Paragraph A.3. *Certificates of Insurance/Notices* above. If, at any time during the term of this Contract, the coverage provisions and limits of the policies required herein do not meet the provisions and limits set forth in the Contract or proof thereof is not provided to OGS, the Contractor shall immediately cease work. The Contractor shall not resume work until authorized to do so by OGS. Any delay, time lost, or additional cost incurred as a result of the Contractor not having insurance required by the Contract or not providing proof of same in a form acceptable to OGS, shall not give rise to a delay claim or any other claim against OGS. Should the Contractor fail to provide or maintain any insurance required by this Contract, or proof thereof is not provided, OGS or Authorized Users may withhold further contract payments, treat such failure as a breach or default of the contract.

6. Self-Insured Retention/Deductibles. Certificates of Insurance must indicate the applicable deductible/self insured retention on each policy. Deductibles or self-insured retentions above \$100,000 are subject to approval from OGS. The Contractor shall be solely responsible for all claim expenses and loss payments within the deductible or self-insured retention.

7. Subcontractors. Should the Contractor engage a Subcontractor, the Contractor shall require all Subcontractors, prior to commencement of an agreement between Contractor and the Subcontractor, to secure and keep in force during the term of this contract the insurance requirements of this document on the Subcontractor, as applicable. Required insurance limits should be determined commensurate with the work of the Subcontractor. Proof thereof shall be supplied to OGS.

APPENDIX C, Number 6 –Contractor Insurance Requirements

All insurance required by the Contract shall name The People of the State of New York, its officers, agents, and employees as additional insured hereunder (General Liability Additional Insured Endorsement shall be on Insurance Service Office's (ISO) form number **CG 20 26 11 85** or the equivalent). The additional insured requirement does not apply to Workers Compensation, Disability or Professional Liability coverage.

B. Insurance Requirements: The Contractor, throughout the term of this Contract, or as otherwise required by this Contract, shall obtain and maintain in full force and effect, the following insurance with limits not less than those described below and as required by the terms of this Contract, or as required by law, whichever is greater (limits may be provided through a combination of primary and umbrella/excess policies):

a) Commercial General Liability Insurance with a limit of not less than **\$2,000,000.00** each occurrence. Such liability shall be written on the ISO occurrence form **CG 00 01 01 96**, or a substitute form providing equivalent coverages and shall cover liability arising from premises operations, independent contractors, products-completed operations, broad form property damage, personal & advertising injury, cross liability coverage, liability assumed in a contract (including the tort liability of another assumed in a contract) and explosion, collapse & underground coverage.

1. If such insurance contains an aggregate limit, it shall apply separately on a per job basis.

Policy shall include bodily injury, property damage and broad form contractual liability coverage.

2. General Aggregate \$2,000,000
3. Products – Completed Operations Aggregate \$1,000,000
4. Personal and Advertising Injury \$1,000,000
5. Each Occurrence \$2,000,000

Coverage shall include, but not be limited to, the following:

- premises liability,
- independent contractors,
- blanket contractual liability, including tort liability of another assumed in a contract,
- defense and/or indemnification obligations, including obligations assumed under this contract,
- cross liability for additional insureds
- products/completed operations for a term of no less than 3 years, commencing upon acceptance of the work, as required by the contract
- explosion, collapse, and underground hazards,
- contractor means and methods

The following ISO forms must be endorsed to the policy:

- a. CG 00 01 01 96 or an equivalent – Commercial General Liability Coverage Form
 - b. CG 20 10 11 85 or an equivalent – Additional Insured-Owner, Lessees or Contractors (Form B)
- Limits may be provided through a combination of primary and umbrella/excess liability policies. The CGL aggregate shall be endorsed to apply on a per project basis for construction contracts.

Policies shall name The People of the State of New York and the New York State Office of General Services as Additional Insureds, and such coverage shall be extended to afford Additional Insured status to those entities during the Products/Completed Operations term.

The CGL policy, and any umbrella/excess policies used to meet the “ Each Occurrence” limits specified above, must be endorsed to be primary with respects to the coverage afforded the Additional Insureds, and such polic(ies) shall be primary to, and non-contributing with, any other insurance maintained by OGS. Any other insurance maintained by OGS shall be excess of and shall not contribute with the Contractor’s or Subcontractor’s insurance, regardless of the “Other Insurance” clause contained in either party’s policy of insurance.

b) Comprehensive Business Automobile Liability Insurance with a limit of not less than **\$2,000,000.00** each accident. Such insurance shall cover liability arising out of any automobile including owned, leased, hired and non owned automobiles.

A. Workers’ Compensation Insurance and Disability Benefits Requirements

Workers’ Compensation Law (WCL) §57 & §220 requires the heads of all municipal and state entities to ensure that businesses applying for permits, licenses or contracts document it has appropriate workers’ compensation and disability benefits insurance coverage. These requirements apply to both original contracts and renewals, whether the governmental agency is having the work done or is simply issuing the permit, license or contract. Failure to provide proof of such coverage or a legal exemption will result in a rejection of your bid or renewal.

1. Proof of Compliance with Workers’ Compensation Coverage Requirements:

An ACORD form is NOT acceptable proof of workers’ compensation coverage. In order to provide proof of compliance with the requirements of the Workers’ Compensation Law pertaining to workers’ compensation coverage, a contractor shall:

- A) Be legally exempt from obtaining Workers’ Compensation insurance coverage; or
- B) Obtain such coverage from an insurance carrier; or
- C) Be a Workers’ Compensation Board-approved self-insured employer or participate in an authorized self-insurance plan.

A Contractor seeking to enter into a contract with the State of New York shall provide one of the following forms to the Office of General Services **at the time of bid submission** or shortly after the opening of bids:

- D) Form CE-200, Certificate of Attestation for New York Entities With No Employees and Certain Out of State Entities, That New York State Workers’ Compensation and/or Disability Benefits Insurance Coverage is Not Required, which is available on the Workers’ Compensation Board’s website (www.wcb.state.ny.us); (Reference applicable RFP and Group #s on the form.)
- E) Certificate of Workers’ Compensation Insurance:

- 1) Form C-105.2 (9/07) if coverage is provided by the contractor’s insurance carrier, contractor must request its carrier to send this form to the New York State Office of General Services, or
- 2) Form U-26.3 if coverage is provided by the State Insurance Fund, contractor must request that the State Insurance Fund send this form to the New York State Office of General Services.
- F) Form SI-12, Certificate of Workers’ Compensation Self-Insurance available from the New York State Workers’ Compensation Board’s Self-Insurance Office.
- G) Form GSI-105.2, Certificate of Participation in Workers’ Compensation Group Self-Insurance available from the contractor’s Group Self-Insurance Administrator. Workers’ Compensation Insurance and Disability Benefits Requirements.

2. Proof of Compliance with Disability Benefits Coverage Requirements:

In order to provide proof of compliance with the requirements of the Workers' Compensation Law pertaining to disability benefits, a contractor shall:

- A) Be legally exempt from obtaining disability benefits coverage; or
- B) Obtain such coverage from an insurance carrier; or
- C) Be a Board-approved self-insured employer

A Contractor seeking to enter into a contract with the State of New York shall provide one of the following forms to the Office of General Services at the time of bid submission or shortly after the opening of bids:

A) Form CE-200, Certificate of Attestation for New York Entities With No Employees and Certain Out of State Entities, That New York State Workers' Compensation and/or Disability Benefits Insurance Coverage is Not Required, which is available on the Workers' Compensation Board's website (www.wcb.state.ny.us); (Reference applicable RFP and Group #s on the form.)

B) Form DB-120.1, Certificate of Disability Benefits Insurance. Contractor must request its business insurance carrier to send this form to the New York State Office of General Services; or

C) Form DB-155, Certificate of Disability Benefits Self-Insurance. The Contractor must call the Board's Self-Insurance Office at 518-402-0247 to obtain this form.

ALL OF THE ABOVE REFERENCED FORMS, EXCEPT CE-200, SI-12 & DB-155 MUST NAME: The Office of General Services, NYSPRO, 38th floor, Corning Tower, Albany NY 12242 as the Entity Requesting Proof of Coverage (Entity being listed as the Certificate Holder)

CONTRACT MODIFICATION PROCEDURE

The following guidelines are subject to change at the discretion of OGS. A Contract Amendment requires a formally executed document by mutual agreement of the Parties, to be provided by OGS Contract Administrator, after submission and approval of the Contract Modification Form.

- (1) **TYPES OF CONTRACT MODIFICATIONS:** In order to expedite processing of a contract modification, where proposed changes involve more than one category below, each change should be submitted to OGS as a separate request.
 - a) **UPDATES:** "Updates" are changes that do not require a change to the established Centralized Contract terms and conditions. Updates may include: Centralized Contract changes and updates made in accordance with the previously approved pricing formula (e.g. discount from list price); adding new products or services within the established, previously approved pricing structure; lowering pricing of products or services already on Contract, deleting products or services available through the Centralized Contract, adding product or service that do not fall under the previously established price structure or discounts under the Contract, re-bundled products, and other updates not listed above that are deemed to be in the best interest of the State and do not result in a change to the established Centralized Contract terms and conditions. Updates must be submitted to OGS for review, and must be accompanied by a justification of reasonableness of price if the change results in a change in pricing methodology. OGS will notify Contractor in writing if approved.
 - b) **AMENDMENTS:** "Amendments" are changes that are not specifically covered by the terms and conditions of the Centralized Contract but inclusion is found to be in the best interest of the State. Requests for product changes and other requests that would require changes to the terms and conditions of the Centralized Contract would fall into the Amendments category. Contractor must provide a written justification of reasonableness of the price levels offered in the applicable Program Agreement and a statement explaining why it is in the best interest of the State to approve the requested amendment. Amendments typically require negotiation between OGS and the Contractor. OGS will work directly with the Contractor to obtain the required documentation for each requested amendment and notify Contractor in writing if approved.
- (2) **CONTRACTOR'S SUBMISSION OF CONTRACT MODIFICATIONS:** In connection with any Contract modification, OGS reserves the right to:
 - request additional information
 - reject Contract modifications
 - remove Products from Contract modification requests
 - request additional discounts for new or existing Products
- (3) **PRICE LEVEL JUSTIFICATION – FORMAT:** Contractor is required to submit the Product and price level information for the update in an Excel spreadsheet format electronically via e-mail (and in hard copy if requested by OGS) to the OGS Contract Administrator. The list must be dated. The Product and price level information should include and identify (e.g., by use of separate worksheets or by using italics, bold and/or color fonts):
 - Price level increases
 - Price level decreases
 - Products being added
- (4) **SUPPORTING DOCUMENTATION:** Each modification request must include the current contract pricing discount relevant to the Products included in the update.
- (5) **SUBMITTAL OF MODIFICATION REQUESTS:** A Contract modification request must be accompanied by a completed Contract Modification Form. Contractor should briefly describe the nature and purpose of the update (e.g., update requested in order to reflect a recently approved GSA schedule, to restructure the price level to its customers generally, and/or for new Products which fall

Appendix C Number 7 Contract Modification Procedure

into a new group or category that did not exist at the time of approval of the Contract by OGS). The Contract Modification Form must contain original signatures by an individual authorized to sign on behalf of Contractor and must be notarized.



STATE OF NEW YORK
 EXECUTIVE DEPARTMENT - OFFICE OF GENERAL SERVICES
 Corning Tower – 38th Floor
 Empire State Plaza
 Albany, New York 12242

CONTRACT MODIFICATION FORM	
DATE OF THIS SUBMISSION:	DATE DOCUMENTATION EMAILED:
CONTRACTOR NAME: _____ OGS GROUP #: _____ OGS AWARD #: _____ OGS CONTRACT #: _____	CONTRACTOR CONTACT: Name: _____ Phone #: _____ Email: _____
NOTE: Submission of this FORM does not constitute acceptance by the State of New York until approved by the appropriate New York State representative(s).	

INSTRUCTIONS:

1. This form is to be used for all Contract modifications. The form is to be completed in full, signed and submitted to OGS for final approval. Any submission that is not complete and signed will be rejected.
2. Contractor is required to submit the Product and price level information for the update electronically via e-mail in either an Excel spreadsheet (and in hardcopy if requested by OGS) to the OGS Contract Administrator for this Contract.
3. Price level increase requests must be submitted in accordance with the Centralized Contract.
4. If more than one type of modification is being requested, each type should be submitted as a separate request.
5. The Contract modification request must be accompanied by the relevant current contract pricing discount information.

COMPLETE STATEMENTS 1 THROUGH 5 BELOW:

1. This request is for an: ____ Update ____ Amendment See Contract Modification Procedure for an explanation of these terms.	2. The intent of this submittal is to request: ____ Addition of new products or services ____ Deletion of products or services ____ Change in pricing level ____ Other Update ____ Other Amendment
3. All discounts are:	4. Attached documentation includes:

Appendix C Number 7 Contract Modification Procedure

Signature of Notary Public

Notary Public Registration No.: _____

State of: _____

OGS APPROVAL: Approved _____ Approved as amended _____ Disapproved _____

Signature: _____ Date: _____

Printed Name: _____ Title _____

Appendix D

Minority and Women-Owned Business Enterprises Equal Employment Opportunity Policy Statement

**CONTRACTOR'S EXECUTIVE LAW, ARTICLE 15-A
(M/WBE) REQUIREMENTS**

**MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES
EQUAL EMPLOYMENT OPPORTUNITY POLICY STATEMENT**

I, _____, the _____ (title) of _____
_____(Contractor) agree that _____(Contractor)
has adopted the following policies with respect to Contract Number _____

M/WBE

Contractor will make good faith efforts to achieve the M/WBE contract participations goals set by OGS for that area in which the State-funded project is located, by taking the following steps:

- (1) Actively and affirmatively soliciting bids for subcontracts from qualified State certified MBEs or WBEs, including solicitations to MWBE contractor associations.
- (2) Request a list of State-certified MWBEs from OGS and solicit bids from them directly.
- (3) Ensure that plans, specifications, request for proposals and other documents used to secure bids will be made available in sufficient time for review by prospective M/WBEs.
- (4) Where feasible, divide the work into smaller portions to enhanced participations by MWBEs and encourage the formation of joint venture and other partnerships among MWBE contractors to enhance their participation.
- (5) Document and maintain records of bid solicitation, including those to MWBEs and the results thereof.
- (6) Ensure that progress payments to M/WBEs are made on a timely basis so that undue financial hardship is avoided and provide appropriate support, including waiving bonding and other credit requirements where permissible, to encourage MWBE participation.

Agreed to this _____ day of _____,
20_____
By _____
Print: _____
Title: _____

EEO

- (a) Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, national origin, sex, age, disability or marital status, will undertake or continue existing programs of affirmative action to ensure that minority group members are afforded equal employment opportunities without discrimination, and shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on state contracts.
- (b) Contractor shall state in all solicitation or advertisements for employees that in the performance of the State contract all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex disability or marital status.
- (c) At the request of the contracting agency, Contractor shall request each employment agency, labor union, or authorized representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of Contractor's obligations herein.
- (d) Contractor shall comply with the provisions of the Human Rights Law, all other State and Federal statutory and constitutional non-discrimination provisions. Contractor and subcontractors shall not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.
- (e) Contractor will include the provisions of sections (a) through (d) of this agreement in every subcontract in such a manner that the requirements of the subdivisions will be binding upon each subcontractor as to work in connection with the State contract.