

Form C**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**Company Name: Volvo Construction Equipment North America, LLC

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by Sourcewell or included in the final contract. Sourcewell will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	Sourcewell ACCEPTS

Proposer's Signature:

*Cole Rubin*Date: 3/11/2019**Sourcewell's clarification on exceptions listed above:**

No exceptions noted.



Contract Award
RFP #032019



FORM D

Formal Offering of Proposal
(To be completed only by the Proposer)

HEAVY CONSTRUCTION EQUIPMENT WITH RELATED ACCESSORIES, ATTACHMENTS, AND SUPPLIES

In compliance with the Request for Proposal (RFP) for HEAVY CONSTRUCTION EQUIPMENT WITH RELATED ACCESSORIES, ATTACHMENTS, AND SUPPLIES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Volvo Construction Equipment North America,
Company Name: LLC Date: 3/11/2019

Company Address: 312 Volvo Way

City: Shippensburg State: PA Zip: 17257

CAGE Code/DUNS: 1X0J7 / 109016329

Contact Person: Kathy Tedone Title: Government Buying Contract Specialist

Authorized Signature: Cole Renken, Director of Government Sales & Key Account Operations
(Name printed or typed)

FORM E**CONTRACT ACCEPTANCE AND AWARD**

(Top portion of this form will be completed by Sourcewell if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

Sourcewell Contract #: 032119-VCE

Proposer's full legal name: Volvo Construction Equipment North America, LLC

Based on Sourcewell's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be May 13, 2019 and will expire on May 13, 2023 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:

COFD2A139D08489...
SOURCEWELL DIRECTOR OF OPERATIONS AND
PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by:

7E42BBF817A84CC...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coauette
(NAME PRINTED OR TYPED)

Awarded on May 10, 2019

Sourcewell Contract # 032119-VCE

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Volvo Construction Equipment North America LLC

Authorized Signatory's Title VP Finance

VENDOR AUTHORIZED SIGNATURE

Krister Persson
(NAME PRINTED OR TYPED)

Executed on May 16, 2019

Sourcewell Contract # 032119-VCE



Form F

PROPOSER ASSURANCE OF COMPLIANCE

Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to Sourcewell members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of Sourcewell, or any person, firm, or corporation under contract with Sourcewell, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to Sourcewell Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that Sourcewell will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify Sourcewell for reasonable measures that Sourcewell takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: Volvo Construction Equipment North America, LLC

Address: 312 Volvo Way

City/State/Zip: Shippensburg, PA 17257

Telephone Number: 1 828 551 5860

E-mail Address: cole.renken@volvo.com

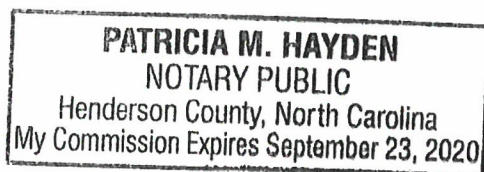
Authorized Signature: *Cole Renken*

Authorized Name (printed): Cole Renken

Title: Director, Government Sales & Key Account Operations

Date: 3/13/19

Notarized



Subscribed and sworn to before me this 13 day of March, 20 19

Notary Public in and for the County of Henderson State of NC

My commission expires: September 23, 2020

Signature: *Patricia M. Hayden*



Form P

PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Volvo Construction Equipment North America, LLC

Questionnaire completed by: Kathy Tedone, Government Buying Contract Specialist

Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

Payment terms are Net 30 unless extended by our individual dealers.

2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

VCE, through its dealership network, offers its governmental and education customers the ability to lease or rent its products.

VCE and its dealership network are partnered with National Cooperative Leasing, a company which holds its own awarded Sourcewell contract and Baystone Government Finance, a division of KS State Bank.

National Cooperative Leasing (NCL) has specialized in government leasing and financing for over 20 years and has many programs available and customize every solution to meet the needs of government agencies.

KS State Bank is a full-service community bank located in Manhattan, KS. Since 1987, they have originated and successfully funded millions of dollars in municipal obligations throughout the United States.

VCE is working collaboratively with NCL to incorporate a financing and leasing section to its existing Government Buying Contract Sales Training as described in Form A.

Additionally, VCE provides its municipal customers, through its dealership network, the ability to rent to own our equipment to assist in meeting budget constraints they may have.

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to Sourcewell. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.

VCENA's entire dealer network is included in this proposal, please see copy of **Dealer Directories under Form P**, for verification purposes.

- Dealer creates quote to customer using standardized Sourcewell Quote Form/Tool created by VCE Contract Specialist– **See Addendum under Form P**
- Dealer forwards to Government Buying VCE Contract Specialist for review to ensure contract pricing/discounts and to logging and record
- Dealer provides customer with contract quote
- Customer issues purchase order to dealer
- Dealer submits copy of customer purchase order to VCE Government Buying Contract Specialist who keeps on file (for internal auditing purposes).
- Dealer also maintains copies of customer quote and purchase order
- Dealer places order with VCE
- Dealer delivers machine to customer
- Dealer invoices customer (forwards copy to VCE Government Buying Contract Specialist)
- Government Buying Contract Specialist submits quarterly report, along with check for administrative fees, on a quarterly basis on behalf of all dealers for units that delivered in that quarter.
- Government Buying Contract Specialist audits dealers on a monthly basis to follow up on pending quotes, orders and machine delivery to ensure all contract sales are reported. Additionally, VCE has an internal Open Orders report that is cross-referenced monthly.

	NJPA 2015 Fees Paid	NJPA 2016 Fees Paid	NJPA 2017 Fees Paid	NJPA/Sourcewell 2018 Fees Paid
Q1		\$ 19,478.36	\$ 55,585.46	\$ 55,004.75
Q2		\$ 40,400.85	\$ 65,959.08	\$ 30,599.60
Q3	\$ 13,487.24	\$ 32,289.18	\$ 55,124.23	\$ 96,441.16
Q4	\$ 22,389.48	\$ 48,332.03	\$ 81,308.00	\$ 91,123.98
	\$ 35,876.72	\$ 140,500.41	\$ 257,976.77	\$ 273,169.49

4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?

No

Warranty

5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

- **Do your warranties cover all products, parts, and labor?**

VCE's standard government warranty covers all products. The standard warranty shall include labor costs to accomplish the repair or replacement of the defective part provided that the repair or replacement was performed by an authorized VCE Dealer.

- **Do your warranties impose usage restrictions or other limitations that adversely affect coverage?**

No restrictions other than those specified in the Warranty for Governmental/Municipalities as stated below and in the attached Warranty for Governmental/Municipalities.

- **Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?**

Travel time and mileage are not included in the standard government warranty. Customers have an option to include travel time and mileage in their extended coverage policies.

- **Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?**

All areas of the United States and Canada, including Hawaii and Alaska, can be provided certified technicians to perform warranty repairs through servicing dealers.

- **Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?**

VCE does not cover other manufacturer items.

- **What are your proposed exchange and return programs and policies?**

Through the standard warranty program, VCE may request some parts and major components to be returned for further inspection on failure analysis. Major components are returned as part of the remanufactured program that VCE offers dealers. Remanufactured parts offer customers options vs new for large, high dollar value components like transmissions, axles and engines.

Please see attached addendum, **VCE Governmental Warranty Certificate under Form P** for all Volvo Construction Equipment (VCE) Products. Claims are filed electronically through servicing dealers on behalf of customers.

VCE has an Inspection Program required with machine delivery. The "Inspection Program Delivery Instructions" is to be used for checking the machine with the customer/owner and for presenting the machine to the customer/owner at time of delivery. A Report Checklist of machine operation, safety and maintenance must be completed at time of customer delivery and the signed Delivery Instructions must be submitted as a pre-condition for a valid machine warranty. A copy of a Delivery Inspection Form can be provided upon request for every model. The warranty period commences immediately following the delivery of said product to customer/owner.

Subject to the exceptions and limitations set forth below, Volvo CE or Dealer will repair or replace any part of a new Machine or new Part which proves to be defective in material or workmanship during the following periods (the "Warranty Period"):

Volvo Wheel Loaders

- 12 months/2500 hours

Volvo Articulated Haulers

- 12 months/2500 hours

Volvo Hydraulic Excavators

- 12 months/2500 hours

Volvo Pavers (ABG)

- 12 months/2500 hours

Volvo Compact Hydraulic Excavators (less than 11 metric tons)

- 12 months/unlimited hours

Volvo Compact Wheel Loaders (up to 100 net hp.)

- 12 months/unlimited hours

Volvo Skid Steer Loaders

- 12 months/unlimited hours
- Lifetime arm (original owner only)

Volvo Compactors

- 24 month unlimited hours

Volvo Pavers (Blaw-Knox)

- 24 month unlimited hours

Volvo Attachments

- 12 months

Volvo Parts

- 6 months/1500 hours from original purchase date or install date if a VCE dealer completed the install.

Volvo Remanufactured Components

- 12 months/2500 hours from purchase date or install date if a VCE dealer completed the install.

Extended warranty policies are available to meet our customers need through our Extended Service Protection Plan (ESPP). These extended coverage's are specifically designed to meet individual customers' needs. Extended policies are optional for all machines.

VCE ESPP covers parts and labor at various coverage levels up to 84 months.

VCE ESPP also offers optional coverage for travel, time and mileage at an additional cost.

VCE ESPP covered repairs must be performed by an authorized Volvo dealer in the US or Canada.

6) Describe any service contract options for the items included in your proposal.

VCE offers 2 - 4 levels of Customer Support Agreements (CSAs) to include tools and service designed to meet our customers' specific needs. With each agreement customer has access to a factory trained Volvo technician that is trained on and knows that specific machine. Customers will come to trust this person with the maintenance of their investment and how to make the best use of their VCE for the maximum efficiency. Please refer to **Customer Support Agreement Brochure addendum under Form P** or visit: <https://www.volvoce.com/united-states/en-us/services/agreements/>

Customer Support Agreements increase efficiency and maximize uptime and includes:

- Maintenance according to Volvo Service Program
- Service performed by a trained Volvo Service Technician
- Genuine Volvo Parts
- Volvo lubricants and Volvo coolants
- Service history documentation
- Fixed price of preventive maintenance and flexible payment solutions
- Analysis tools and services like CareTrack, Oil Analysis and MATRIS can be included. These services monitor the status of the machine, providing early indications, which can help maximize the uptime potential of the machine.

With an extended warranty agreement and a customer support agreement, a customer is protected against most unexpected costs allowing for improved budget and financial planning.

Pricing, Delivery, Audits, and Administrative Fee

7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

Volvo Construction Equipment is a major international company that engineers, manufactures, markets and sells equipment for construction, road and related industries and offers a comprehensive range of wheel loaders, hydraulic and wheeled excavators, articulated haulers, soil and asphalt compactors, pavers, skid steer and compact track loaders and specialty built products for the demolition, waste and recycling industry segments.

VCE does not just sell machines, we also offer a wide range of aftermarket products and services that enhance the customer's experience and satisfaction, called Customer Solutions. Customer Solutions is a key contributor to VCE's Business. Customer Solutions is the part of the organization that creates products to engage customers throughout the entire machine lifecycle. Together, our products and services enhance the customers' experience and satisfaction. VCE's products and services are expanded upon within this RFP response.

8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

VCE uses the same pricing matrix and has in place a standard government discount program for all of our government contracts. In determining our Sourcewell discount Off List price, VCE begins with its standard government discount and incorporates any contract costs (1.5% fee) and applies a dealer margin capped at 8%.

Please see attached PDF **Sourcewell VCE Price Catalogue under Pricing folder**, bookmarked by Product Category and Model. The discount Off List price matrix is referenced on the second page. VCE's price pages begin with base list price for each model followed by all standard and additional options at list price. Sourcewell contract discount Off List is applied to the fully speced machine and is applied to everything line itemed within the VCE price catalogue.

9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

The discount Off List for VCE ranges from 35.4% - 42.9% Off List depending on VCE product category and model, with the exception of SDLG wheel loaders at 11.7% Off List and the LC450H at 24.9% Off List.

The LC450H Landfill Compactor was introduced to the North America market in late 2018 to meet demand in the waste and recycling segment. The discount Off List will change in 2019.

See Sourcewell product/discount Off List matrix, second page of **VCE Price Catalogue under Pricing folder**.

10) The pricing offered in this proposal is

_____ **a. the same as the Proposer typically offers to an individual municipality, university, or school district.**

 X **b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.**

_____ **c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.**

_____ **d. other than what the Proposer typically offers (please describe).**

VCE offers its best pricing and discounts to its governmental and municipal customers via our national cooperative purchasing contracts (Sourcewell and HGAC) and strives to keep pricing/discounts aligned between these contracts.

With cooperative purchasing contracts, VCE defines several requirements for the dealers that provide

very competitive pricing for government customers. VCE also includes some program options for our dealers to protect current customer and conquest to new customers through our Defend and Grow program. Overall, these program options for dealers ensures consistent and competitive pricing on VCE products.

11) Describe any quantity or volume discounts or rebate programs that you offer.

VCE uses the guideline of an additional 1% discount on 2-5 units, an additional 2% on 6-10 units; an additional 3% discount on 10 units or more for government contracts.

12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.

VCE proposes a cap at a dealer margin cap of 10% above cost for “Open Sourced Product/Equipment”. Dealer will quote these as “Sourced Options” and provide cost of the option/attachment on the Sourcewell quote to customer. These “Sourced Options” will not be subject to the Sourcewell discount Off List to customer or the Sourcewell Administrative Fee. VCE instructs the dealer to retain copies of other manufacturer invoices for any possible customer audit.

In some limited situations, dealer may choose not to quote as a Sourced Options and quote the option/attachment to customer as a “Non-Contracted Item”.

In terms of “Sourced” and “Non-contracted” items – due diligence will be left upon customer in determining spending thresholds and comfort level in purchasing via the contract.

13) Identify any total cost of acquisition costs that are NOT included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

Pre Delivery Inspection (PDI) costs are associated with the local dealer to provide a required comprehensive inspection and preparation of the machine once it arrives at dealer location from manufacturing plant before delivery to the customer. Parameters are defined for our dealers on PDI costs. These costs are not included in machine pricing and will be provided at time of quotation and are typically between 0.5% and 1.0% of the transaction price dependent upon the complexity of the machine and whether Sourced or Non-Sourced options or attachments must be installed. The dealer reserves right to include additional labor or installation charges for Sourced and/or Non Contracted options and attachments.

14) If travel expense, delivery or shipping is an additional cost to the Sourcewell Member, describe in detail the complete shipping and delivery program.

Freight from manufacturing facility/Port to the local dealer location is included in VCE list pricing

All machines are shipped from VCE to freight on board (F.O.B.) dealer location throughout U.S., Canada, Hawaii, and Alaska. VCE has the ability to ship products wherever there is a dealer location throughout the U.S., Canada, Alaska, and Hawaii. List pricing for all VCE equipment includes freight from factory / port to the local dealer branch location specified.

Freight from dealer branch to customer – charged to customer

Dealer arranges local freight to the customer location from the dealership branch on customer's behalf, if requested. Freight charges to customers are not inflated and dealer will provide a quote, if requested, for local freight when quoting the unit. A copy of the freight quote can be provided to the customer, if requested, at the time the customer is issuing a purchase order.

15) Specifically describe those travel expense, shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Please refer to Question 14. Customer is responsible for freight charges from dealership branch.

16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

No difference in process to ship to these areas. In areas such as Alaska, occasionally equipment is shipped to remote areas by barge. This arrangement is worked out between dealer and customer.

17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to Sourcewell.

VCE's Government Buying Contract Specialist requires its dealerships to adhere to a strict quotation/procurement process as outlined in its Government Buying Contract Sales Training. This position works one-on-one daily with dealership sales managers and representatives to ensure processes, procedures, and the terms and conditions of the contract are being met. The Contract Specialist conducts a periodic, internal audit to ensure the process is followed. VCE reserves the right to suspend any dealer from utilizing the contract if dealers are not upholding the contract requirements.

VCE has a dedicated Sourcewell Quote Tool/Form that all dealers are required to utilize to ensure contract pricing/discounts are utilized and a **Required Sourcewell Reference Guide (addendums attached under Form P folder)**. All quotes by the VCE dealer network must be forwarded to the Government Buying Contract Specialist for contract price/discount verification and logging/filing. This position keeps a detailed log of all quoting and confirmed order activity and requires copies of customer quotes, purchase orders, and invoices to customers on file as back up of transaction and for reporting purposes. This position submits the quarterly sales report to Sourcewell and pay fees on behalf of all

VCE dealers. Please see Question 3, Form P for details of Order/Process Flow and below snapshot of Table of Contents for VCE's Required Sourcewell Reference Guide.

TABLE OF CONTENTS	
GENERAL INFO	3
VCE REQUIREMENTS FOR DEALER TO PARTICIPATE	3
CONTRACT PRICING, DISCOUNTS, QUOTING	4
SPECIAL DISCOUNT TO CUSTOMERS	4
OTHER MANUFACTURER ITEMS & FREIGHT CHARGES	4
CUSTOMER PURCHASE ORDER REQUIREMENTS.....	5
INVOICING REQUIREMENTS	5
QUOTATION & PROCUREMENT PROCESS	5
MEMBER SIGN UP and VERIFICATION	6
USED EQUIPMENT	6
HOW TO PREPARE SOURCEWELL QUOTES	7
THE DEFEND AND GROW PROGRAM AND SPECIAL DEALER DISCOUNTS TO CUSTOMERS	8

18) Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

VCE proposes a 1.5% administrative fee to be charged against the machine price.

Industry-Specific Questions

19) Describe any industry-specific quality management system certifications obtained by your organization.

VCE is certified in ISO 9001: 2015 (Quality), ISO 14001:2015 (Environmental) and OHSAS 18001:2007 (Safety) – **Please see attached ISO Certification Addendum under Form P**

21) Describe any preventative maintenance programs that your organization offers for the solutions you are proposing in your response.

VCE offers Customer Support Agreements (CSA's) that include preventative maintenance programs and optional repair agreements.

Customer Support Agreements increase efficiency and maximize uptime and includes:

- Maintenance according to Volvo Service Program
- Service performed by a trained Volvo Service Technician
- Genuine Volvo Parts
- Volvo lubricants and Volvo coolants
- Service history documentation
- Fixed price of preventive maintenance and flexible payment solutions
- Analysis tools and services like CareTrack, Oil Analysis and MATRIS can be included. These services monitor the status of the machine, providing early indications, which can help maximize the uptime potential of the machine.

With an extended warranty agreement and a customer support agreement, a customer is protected against most unexpected costs allowing for improved budget and financial planning.

Signature:



Date:

March 13, 2019



SOURCEWELL – PARTICIPATION AGREEMENT

Sourcewell Master Agreement No.:	032119-VCE
Contract Category:	Heavy Construction Equipment With Related Accessories, Attachments, and Supplies
Awarded Contractor:	Volvo Construction Equipment North America, LLC
Washington Master Contract No.:	01020

This Participation Agreement for the above referenced Sourcewell Master Agreement (“Participation Agreement”) is made and entered into by and between the State of Washington acting by and through the Department of Enterprise Services, a Washington State governmental agency (“Enterprise Services”) and Volvo Construction Equipment North America, LLC, a Delaware corporation, (“Contractor”) and is dated and effective as of August 1, 2020.

RECITALS

- A. Pursuant to Legislative direction codified in RCW 43.19.005 and RCW chapter 39.26, Enterprise Services, on behalf of the State of Washington, is authorized to provide goods and services to support state agencies and to enter into agreements with other governmental entities to furnish such goods and services as deemed appropriate by both parties.
- B. Pursuant to Washington law, Enterprise Services is authorized, on behalf of the state, to participate in cooperative purchasing agreements for any goods or services. *See* RCW 39.26.060(1). Any such cooperative purchasing must be done in accordance with an agreement entered into between the participants. *See* RCW 39.26.060(1). Enterprise Services, through a participation agreement or similar authorization may authorize specified eligible purchasers to utilize the Washington State master contract resulting from Enterprise Services’ participation in the cooperative purchasing agreement.
- C. Sourcewell is a State of Minnesota local government unit and service cooperative created by the Minnesota legislature under the laws of the State of Minnesota (Minnesota Statutes Section 123A.21). *See* Minn. Const. art. XII, sec. 3. Under its enabling statute, Sourcewell is authorized to provide cooperative purchasing services to eligible members. Minn. Stat. § 123A.21 Subd. 7(23). Sourcewell follows the competitive contracting law process to solicit, evaluate, and award cooperative purchasing contracts for goods and services (Sourcewell Master Agreements). Sourcewell Master Agreements are made available through the joint exercise of powers law to eligible agencies. Minn. Stat. § 471.59 (2019).
- D. Pursuant to an Interagency Joint Powers Agreement between Enterprise Services and Sourcewell, Enterprise Services may participate in and authorize participation in competitively procured Sourcewell Master Agreements.

- E. In regard to the above-referenced Sourcewell Master Agreement, Enterprise Services timely provided public notice, through Washington's Electronic Business Solutions (WEBS) system, of the competitive solicitation process conducted by Sourcewell.
- F. Sourcewell, as part of its competitive solicitation process, evaluated all responses to its procurement and identified Contractor as an apparent successful proposer/bidder and awarded a Sourcewell Master Agreement to Contractor.
- G. Enterprise Services has determined that participating in this Sourcewell Master Agreement is in the best interest of the State of Washington.
- H. The purpose of this Participation Agreement is to enable eligible purchasers, as defined herein, to utilize the Sourcewell Master Agreement as conditioned by this Participation Agreement.

A G R E E M E N T

NOW THEREFORE, in consideration of the mutual promises, covenants, and conditions set forth herein, the parties hereto hereby agree as follows:

1. **SCOPE**: This Participation Agreement covers the above-referenced contract category for the above-referenced Sourcewell Master Agreement with the above-referenced awarded Contractor.
2. **PARTICIPATION**: Pursuant to this Participation Agreement and the Interagency Joint Powers Agreement between Enterprise Services and Sourcewell, the above-referenced Sourcewell Master Agreement may be utilized by the following, each of which is an authorized eligible purchaser ("Purchaser"):
 - (a) WASHINGTON STATE AGENCIES. All Washington state agencies, departments, offices, divisions, boards, and commissions.
 - (b) WASHINGTON STATE INSTITUTIONS OF HIGHER EDUCATION (COLLEGES). Any the following specific institutions of higher education in Washington:
 - State universities – i.e., University of Washington & Washington State University;
 - Regional universities – i.e., Central Washington University, Eastern Washington University, & Western Washington University
 - Evergreen State College;
 - Community colleges; and
 - Technical colleges.
 - (c) MCUA PARTIES. The Sourcewell Master Agreement also may be utilized by any of the following types of entities that have executed a Master Contract Usage Agreement (MCUA) with Enterprise Services:
 - Political subdivisions (e.g., counties, cities, school districts, public utility districts, ports) in the State of Washington;
 - Federal governmental agencies or entities;
 - Public-benefit nonprofit corporations (i.e., § 501(c)(3) nonprofit corporations that receive federal, state, or local funding); and
 - Federally-recognized Indian Tribes located in the State of Washington.

By placing an order under this Participation Agreement, each Purchaser agrees to be bound by the terms and conditions of this Participation Agreement, including the Sourcewell Master Agreement. Each Purchaser is responsible for its compliance with such terms and conditions.

3. **STATE OF WASHINGTON MODIFICATIONS OR ADDITIONS TO THE SOURCEWELL MASTER AGREEMENT:**

- 3.1. **WASHINGTON’S ELECTRONIC BUSINESS SOLUTIONS (WEBS) SYSTEM:** Within seven (7) days of execution of this Participation Agreement, Contractor shall register in the Washington State Department of Enterprise Services’ Electronic Business Solutions (WEBS) System at [WEBS](#). Contractor shall ensure that all of its information therein is current and accurate and that, throughout the term of the Sourcewell Master Agreement, Contractor shall maintain an accurate profile in WEBS.
- 3.2. **WASHINGTON’S STATEWIDE PAYEE DESK:** To be paid for contract sales, Contractor must register with Washington’s Statewide Payee Desk. Washington state agencies cannot make payments to a contractor until it is registered. Registration materials are available here: [Receiving Payment from the State](#).
- 3.3. **CONTRACT SALES REPORTING:** Contractor shall report total contract sales quarterly to Enterprise Services, as set forth below.
- (a) **REPORTING.** Contractor shall report quarterly Contract sales in Enterprise Services’ [Contract Sales Reporting System](#). Enterprise Services will provide Contractor with a login password and a vendor number.
- (b) **DATA.** Each sales report must identify every authorized Purchaser by name as it is known to Enterprise Services and its total combined sales amount invoiced during the reporting period (i.e., sales of an entire agency or political subdivision, not its individual subsections). The “Miscellaneous” option may be used only with prior approval by Enterprise Services. Upon request, Contractor shall provide contact information for all authorized Purchasers specified herein during the term of this Participation Agreement, which term shall run from the effective date of this Participation Agreement until the end of the Sourcewell Master Agreement; Provided, however, that Enterprise Services may terminate this Participation Agreement earlier by written notice. Refer sales reporting questions to the Primary Contact set forth below. If there are no contract sales during the reporting period, Contractor must report zero sales.
- (c) **DUE DATES FOR CONTRACT SALES REPORTING.** Quarterly Contract Sales Reports must be submitted electronically by the following deadlines for all sales invoiced during the applicable calendar quarter:

For Calendar Quarter Ending	Contract Sales Report Due
March 31	April 30
June 30	July 31
September 30	October 31
December 31	January 31

- 3.4. **VENDOR MANAGEMENT FEE:** Contractor shall pay to Enterprise Services a vendor management fee (“VMF”) of 1.5 percent on the purchase price for all contract sales (the purchase price is the total invoice price less applicable sales tax) authorized by this Participation Agreement.

- (a) The sum owed by Contractor to Enterprise Services as a result of the VMF is calculated as follows:

Amount owed to Enterprise Services = Total contract sales invoiced (not including sales tax) x .0150.

- (b) The VMF must be rolled into Contractor's current pricing. The VMF must not be shown as a separate line item on any invoice unless specifically requested and approved by Enterprise Services.
- (c) Enterprise Services will invoice Contractor quarterly based on contract sales reported by Contractor. Contractor shall not remit payment until it receives an invoice from Enterprise Services. Contractor's VMF payment to Enterprise Services must reference the following:
- This Washington Master Contract No.: **01020**
 - The Sourcewell Master Agreement No.: **032119-VCE**
 - The year and quarter for which the VMF is being remitted, and
 - Contractor's name as set forth above, if not already included on the face of the check.
- (d) Contractor's failure accurately and timely to report total net sales, to submit usage reports, or remit payment of the VMF to Enterprise Services, may be cause for suspension or termination of this Participation Agreement or the exercise of any other remedies as provided by law.
- (e) Enterprise Services reserves the right, upon thirty (30) days advance written notice, to increase, reduce, or eliminate the VMF for subsequent purchases.
- (f) For purposes of the VMF, the parties agree that the initial management fee is included in the pricing. Therefore, any increase or reduction of the management fee must be reflected in contract pricing commensurate with the adjustment.

3.5. CONTRACTOR REPRESENTATIONS AND WARRANTIES: Contractor makes each of the following representations and warranties as of the effective date of this Participation Agreement and at the time any order is placed pursuant to the above-referenced Master Contract. If, at the time of any such order, Contractor cannot make such representations and warranties, Contractor shall not process any orders and shall, within three (3) business days notify Enterprise Services, in writing, of such breach.

- (a) **WAGE VIOLATIONS.** Contractor represents and warrants that, during the term of this Participation Agreement and the three (3) year period immediately preceding this Participation Agreement, it is not determined, by a final and binding citation and notice of assessment issued by the Washington Department of Labor and Industries or through a civil judgment entered by a court of limited or general jurisdiction, to be in willful violation of any provision of Washington state wage laws set forth in RCW chapters 49.46, 49.48, or 49.52.
- (b) **PAY EQUALITY.** Contractor represents and warrants that, among its workers, similarly employed individuals are compensated as equals. For purposes of this provision, employees are similarly employed if the individuals work for the same employer, the performance of the job requires comparable skill, effort, and responsibility, and the jobs are performed under similar working conditions. Job titles alone are not determinative of whether employees are similarly employed. Contractor may allow

differentials in compensation for its workers based in good faith on any of the following: a seniority system; a merit system; a system that measures earnings by quantity or quality of production; a bona fide job-related factor or factors; or a bona fide regional difference in compensation levels. A bona fide job-related factor or factors may include, but not be limited to, education, training, or experience that is: consistent with business necessity; not based on or derived from a gender-based differential; and accounts for the entire differential. A bona fide regional difference in compensation level must be consistent with business necessity; not based on or derived from a gender-based differential; and account for the entire differential. Notwithstanding any provision to the contrary, upon breach of warranty and Contractor's failure to provide satisfactory evidence of compliance within thirty (30) days, Enterprise Services may suspend or terminate this Participation Agreement and Master Contract and any Purchaser hereunder similarly may suspend or terminate its use of the Master Contract and/or any agreement entered into pursuant to this Participation Agreement.

- (c) EXECUTIVE ORDER 18-03 – WORKERS' RIGHTS (MANDATORY INDIVIDUAL ARBITRATION). Contractor represents and warrants, that Contractor does NOT require its employees, as a condition of employment, to sign or agree to mandatory individual arbitration clauses or class or collective action waivers. Contractor further represents and warrants that, during the term of this Participation Agreement, Contractor shall not, as a condition of employment, require its employees to sign or agree to mandatory individual arbitration clauses or class or collective action waivers.

3.6. **COMPLIANCE WITH LAW; TAXES, LICENSES, & REGISTRATION:** Contractor shall comply with all applicable law. Prior to making any sales hereunder, if Contractor is not already registered, Contractor shall register to conduct business in the State of Washington and promptly acquire and maintain all necessary licenses and registrations and pay all applicable taxes and fees. In addition, for all sales to Purchasers in the State of Washington, if Contractor does not currently do so, Contractor shall calculate, collect, and remit, as appropriate, the applicable state and local sales tax on all invoices.

3.7. **CONTRACTOR'S SALES AUTHORITY; PURCHASE ORDERS; & INVOICES:**

- (a) CONTRACTOR'S SALES AUTHORITY. Pursuant to this Participation Agreement, Contractor is authorized to provide only those goods and/or services set forth in the above-referenced contract category for the above-referenced Sourcewell Master Agreement as conditioned by this Participation Agreement. Contractor shall not represent to any Purchaser hereunder that it has any authority to sell any other goods and/or services.
- (b) PURCHASE ORDERS. To utilize the Sourcewell Master Agreement, each order must include the following information and be submitted to an authorized dealer for Contractor:
 - 1. Sourcewell Master Agreement No. **032119-VCE**;
 - 2. Washington Master Contract No. **01020**;
 - 3. Purchase Order amount; and
 - 4. Purchaser's contact information (i.e., name, address, telephone number, email).
- (c) INVOICES. Contractor must provide a properly completed invoice to Purchaser. All

invoices are to be delivered to the address indicated in the purchase order. Each invoice must include the following:

1. Sourcewell Master Agreement No. **032119-VCE**;
2. Washington Master Contract No. **01020**;
3. Contractor's statewide vendor registration number assigned by the Washington State Office of Financial Management (OFM);
4. Applicable Purchaser's order number;
5. Invoices must be prominently annotated by the Contractor with all applicable volume discount(s).

4. **LEASE AGREEMENTS:** The above-referenced Sourcewell Master Agreement, at Section 5.4 Pricing, enables Contractor to sell or lease equipment included within the above-referenced contract category to a Purchaser. Notwithstanding any provision to the contrary, Purchasers that are Washington state agencies must comply with rules and guidelines for capital leases established by the Washington State Treasurer's Office.
5. **PRIMARY CONTACTS:** The primary contacts for this Participation Agreement are as follows (or their named successors):

Contractor

Volvo Construction Equipment North
America, LLC
312 Volvo Way
Shippensburg, PA 17257

Attn: Tom Schanz
Tel: 717-530-6164
Email: tom.schanz@volvo.com

State of Washington

State of Washington
Department of Enterprise Services
Contracts & Procurement Division
P.O. Box 41411
Olympia, WA 98504-1411

Attn: Ashly McBunch - Team Cypress
Tel: (360) 407- 2889
Email: DESContractsTeamCypress@des.wa.gov

6. **CONTRACTOR'S AUTHORIZED DISTRIBUTORS:** Contractor shall provide the goods/services through its Authorized Distributors. For purposes of the Sourcewell Master Agreement and this Participation Agreement, Contractor's Authorized Distributors for the State of Washington are those firms provided by the Vendor Contact listed on the Sourcewell website for this Sourcewell Master Agreement. Contractor shall ensure that each of its Authorized Distributors perform in accordance with the terms and conditions set forth in the Sourcewell Master Agreement and this Participation Agreement.

- (a) **DIRECT PAYMENT OF ANY SUBCONTRACTORS (E.G., RESELLERS, DISTRIBUTORS, FULFILLMENT PARTNERS):** Except for subcontracts with Contractor's designated resellers/distributors/fulfillment partners ("Designated Subcontractors"), Contractor shall not subcontract, assign, or otherwise transfer its obligations under the Sourcewell Master Agreement and this Participation Agreement without Enterprise Services' prior written consent. Violation of this condition shall constitute a material breach establishing grounds for termination of this Participation Agreement.

1. **SUBCONTRACTOR AUTHORIZATION.** Contractor is authorized, without additional consent, to utilize its Designated Subcontractors to provide sales and service support to Purchasers hereunder; *provided*, however, that such participation shall be in accordance with the terms and conditions set forth in the Sourcewell Master

Agreement and this Participation Agreement. Contractor shall maintain a list of such Designated Subcontractors utilized for this Participation Agreement, and, upon request, promptly provide Enterprise Services with such list and any updates.

2. **CONTRACTOR RESPONSIBILITY FOR SUBCONTRACTORS.** Contractor shall be responsible to ensure that all requirements of the Sourcewell Master Agreement (including, but not limited to, insurance requirements, indemnification, Washington State business registration, etc.) flow down to any and all Designated Subcontractors. In no event shall the existence of a subcontract between Contractor and its subcontractor operate to release or reduce Contractor's liability to Enterprise Services or any Purchaser for any breach of the Sourcewell Master Agreement or this Participation Agreement. As to Enterprise Services and Purchasers hereunder, Contractor shall have full and complete responsibility and liability for any act or omission by Contractor's Designated Subcontractors.
3. **PURCHASER PAYMENT REGARDING CONTRACTOR'S DESIGNATED SUBCONTRACTORS.** Notwithstanding any provision to the contrary, the parties understand and agree that for any contract sales or service provided pursuant to the Sourcewell Master Agreement and this Participation Agreement, Purchaser payment shall be made directly to Contractor as the awarded vendor pursuant to the competitive procurement; *provided*, however, that, in the event any such sales or services are performed by a Designated Subcontractor for Contractor, Contractor may instruct such Purchaser to make payment for such sales or services to Contractor's identified Designated Subcontractor. Regardless of whether Contractor instructs a Purchaser to make such payment to Contractor's Designated Subcontractor, Contractor shall remain responsible for performance.
4. **CONTRACT SALES REPORTING.** Notwithstanding any provision to the contrary, Contractor shall report to Enterprise Services total contract sales, delineated by purchaser, made by each individual Designated Subcontractor and also report total contract sales, delineated by purchaser, on a consolidated Contractor 'roll-up' basis. Contractor shall maintain records supporting such reports in accordance with the Sourcewell Master Agreement's records retention requirements.
7. **ORDERS:** Unless the parties to the Order agree in writing that another contract or agreement applies to such order, any Order placed by a Purchaser for any good and/or service in the above-referenced contract category for the above-referenced Sourcewell Master Agreement shall be deemed to be a sale under (and governed by the prices and other terms and conditions of) the Sourcewell Master Agreement as conditioned by this Participation Agreement.
8. **GENERAL:**
 - (a) **PUBLIC INFORMATION:** This Participation Agreement, all related documents, and all records created as a result of the Participation Agreement and Master Contract, are subject to public disclosure as required by Washington's Public Records Act, RCW chapter 42.56. Consistent with the Public Records Act, to the extent that any such Contractor document or record – in whole or in part – includes information exempted or protected from disclosure by the Public Records Act, Contractor may mark such document or record – the exempted or protected portions only – with the specific basis for protection under the Public Records Act. In the event that Enterprise Services receives a public records disclosure request that pertains to

such properly marked documents or records, Enterprise Services shall notify Contractor of such disclosure request and of the date that the records will be released to the requester unless Contractor, at Contractor's sole expense, timely obtains a court order enjoining such disclosure. In the event Contractor fails to file a motion for a court order enjoining such disclosure, Enterprise Services shall release the requested documents on the date specified. Contractor's failure properly to identify exempted or protected information or timely respond after notice of request for public disclosure has been given shall be deemed a waiver by Contractor of any claim that such materials are protected or exempt from disclosure.

- (b) **INTEGRATED AGREEMENT; MODIFICATION.** This Participation Agreement and Sourcewell Master Agreement, together with its exhibits, set forth the entire agreement and understanding of the Parties with respect to the subject matter and supersedes all prior negotiations and representations. This Participation Agreement may not be modified except in writing signed by the Parties.
- (c) **AUTHORITY.** Each party to this Participation Agreement, and each individual signing on behalf of each party, hereby represents and warrants to the other that it has full power and authority to enter into this Participation Agreement and that its execution, delivery, and performance of this Participation Agreement has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
- (d) **ELECTRONIC SIGNATURES.** A signed copy of this Participation Agreement or any other ancillary agreement transmitted by facsimile, email, or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original executed copy of this Participation Agreement or such other ancillary agreement for all purposes.
- (e) **COUNTERPARTS.** This Participation Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which counterparts together shall constitute the same instrument which may be sufficiently evidenced by one counterpart. Execution of this Participation Agreement at different times and places by the parties shall not affect the validity thereof so long as all the parties hereto execute a counterpart of this Participation Agreement.

EXECUTED as of the date and year first above written.

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

By: 
Corinna Cooper
Its: Chief Procurement Officer

VOLVO CONSTRUCTION EQUIPMENT NORTH AMERICA,
LLC

A DELAWARE CORPORATION

By:  4  8/28/2020
Tom Schanz
Its: Senior Government Sales Manager






01020_VCE_PA

Final Audit Report

2020-08-31

Created:	2020-08-31
By:	Ashly McBunch (Ashly.mcbunch@des.wa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAABrhfSZ4_CJ0T4StkFo9I8TSxNQwgToCH

"01020_VCE_PA" History

-  Document created by Ashly McBunch (Ashly.mcbunch@des.wa.gov)
2020-08-31 - 10:49:23 PM GMT- IP address: 198.238.242.30
-  Document emailed to Corinna Cooper (corinna.cooper@des.wa.gov) for signature
2020-08-31 - 10:49:51 PM GMT
-  Email viewed by Corinna Cooper (corinna.cooper@des.wa.gov)
2020-08-31 - 10:50:23 PM GMT- IP address: 198.238.242.26
-  Document e-signed by Corinna Cooper (corinna.cooper@des.wa.gov)
Signature Date: 2020-08-31 - 10:50:40 PM GMT - Time Source: server- IP address: 198.238.242.26
-  Signed document emailed to Corinna Cooper (corinna.cooper@des.wa.gov) and Ashly McBunch (Ashly.mcbunch@des.wa.gov)
2020-08-31 - 10:50:40 PM GMT



CONTRACT EXTENSION

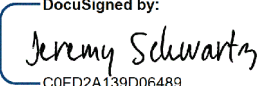
Contract Number: #032119-VCE

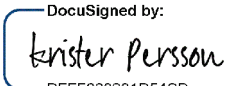
Sourcewell, 202 12th Street Northeast, P.O. Box 219, Staples, MN 56479 (Sourcewell) and Volvo Group North America, LLC, 7900 National Service Road, Greensboro, NC 27409 have entered into Contract #032119-VCE for the procurement of Heavy Construction Equipment with Related Accessories, Attachments and Supplies. The Contract has an expiration date of May 13, 2023, but the parties may extend the Contract by mutual consent.

Sourcewell and Vendor acknowledge that extending the Contract benefits the Vendor, Sourcewell and Sourcewell's Members. Vendor and Sourcewell agree to extend the Contract listed above for an additional period, with a new Contract expiration date of May 13, 2024. All other terms and conditions of the Contract remain in full force and effect.

Sourcewell

Volvo Group North America, LLC

DocuSigned by:

By: C0FD2A139D06489...
Jeremy Schwartz
Title: Chief Procurement Officer
Date: 12/1/2022 | 1:47 PM CST

DocuSigned by:

By: DFFF633231D54CB...
Krister Persson
Title: VP Finance
Date: 12/1/2022 | 1:48 PM CST