

## **MASTER CONTRACT**

No. 04616

## ILLUMINATION TRAFFIC SIGNALS & INTELLIGENT TRANSPORTATION SYSTEMS EQUIPMENT

For Use by Eligible Purchasers

By and Between

STATE OF WASHINGTON
DEPARTMENT OF ENTERPRISE SERVICES

and

**CUBIC ITS, INC.** 

Dated July 12, 2021

#### MASTER CONTRACT

## No. 04616

## **ILLUMINATION TRAFFIC SIGNALS & INTELLIGENT TRANSPORTATION SYSTEMS EQUIPMENT**

This Master Contract ("Master Contract") 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 Cubic ITS, Inc., a Texas corporation ("Contractor") and is dated and effective as of July 12, 2021.

#### RECITALS

- A. Pursuant to Legislative direction codified in RCW chapter 39.26, Enterprise Services, on behalf of the State of Washington, is authorized to develop, solicit, and establish master contracts for goods for general use by Washington state agencies and certain other entities (eligible purchasers).
- B. On behalf of the State of Washington, Enterprise Services, as part of a competitive governmental procurement, issued Competitive Solicitation No. 04616 dated October 19, 2016 regarding Illumination, Traffic Signal and Intelligent Transportation Systems Equipment. Pursuant to Competitive Solicitation No. 04616, Enterprise Services awarded Master Contracts to 19 contractors December 23, 2016 and 12 contractors August 14, 2017.
- C. Competitive Solicitation No. 04616 was solicited, in significant measure, to establish a cost-effective and efficient procurement solution to enable eligible purchasers to procure specified Illumination, Traffic Signal and Intelligent Transportation Systems Equipment. The intent of this acquisition is to make available to state contract purchasers products from the one hundred seventeen (117) mandatory/required manufacturers from Exhibit D, in the eighty (80) categories listed in Exhibit E at a discount from posted list/catalog prices. In addition to the products made available on contract is the service, installation and commissioning of systems and sub systems by the selling contractor.
- D. Pursuant to Competitive Solicitation No. 04616, both Gridsmart Technologies, Inc., a Delaware corporation ("Gridsmart"), and Advanced Traffic Solutions, Inc., a Delaware corporation doing business as Trafficware ("Trafficware") were identified product manufacturers on the resulting Master Contracts awarded by Enterprise Services.
- E. On October 24, 2018, Cubic ITS, Inc., a Texas corporation, that is wholly-owned by Cubic Corporation, a Delaware corporation, acquired Trafficware. Subsequently, on January 2, 2019, Cubic ITS, Inc. acquired Gridsmart.
- F. Pursuant to RCW 39.26.125(4), Enterprise Services, exercising its procurement authority, determined that direct negotiations with specified product manufacturers identified in the Competitive Solicitation would be the most efficient and cost-effective solution to establish a Master Contract procurement solution and that such direct negotiations were in the best interest of the state.
- G. The contract pricing set forth herein is consistent with contract pricing for Master Contracts awarded pursuant to Competitive Solicitation No. 04616.
- H. Enterprise Services has determined that entering into this Master Contract will meet the identified needs and be in the best interest of the State of Washington.

I. The purpose of this Master Contract is to enable eligible purchasers to purchase Illumination, Traffic Signal and Intelligent Transportation Systems Equipment as set forth herein.

## AGREEMENT

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

- 1. TERM. The term of this Master Contract is twenty (20) months commencing July 12, 2021 and ending January 31, 2023; Provided, however, that if Contractor is not in default, Enterprise Services may extend the term of the Master Contract, by written amendment, for up to twenty-four (24) additional months
- **2. ELIGIBLE PURCHASERS.** This Master Contract may be utilized by any of the following types of entities ("Purchaser"):
  - 2.1. WASHINGTON STATE AGENCIES. All Washington state agencies, departments, offices, divisions, boards, and commissions.
  - 2.2. WASHINGTON STATE INSTITUTIONS OF HIGHER EDUCATION (COLLEGES). Any the following 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.
  - 2.3. MCUA PARTIES. 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)
       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.
  - 2.4. While use of the Master Contract is optional for political subdivisions and public benefit nonprofit corporations authorized by the MCUA, these entities' use of the Master Contract can increase Master Contract use significantly. Enterprise Services accepts no responsibility for orders or payments by MCUA entities.
- 3. Scope Included Goods/Services and Price.
  - 3.1. Contract Scope. Pursuant to this Master Contract, Contractor is authorized to sell only those goods set forth in *Exhibit E Bid Price* (discount off list) categories from mandatory manufacturers for the listed discounted terms. Contractor shall not represent to any Purchaser under this Master Contract that Contractor has contractual authority to sell any

- goods beyond those set forth in Exhibit E Bid Price (discount off list) categories from mandatory manufacturers.
- 3.2. State's Ability to Modify Scope of Master Contract. Subject to mutual agreement between the parties, Enterprise Services reserves the right to modify the goods included in this Master Contract; *Provided*, however, that any such modification shall be effective only upon thirty (30) days advance written notice; and *Provided further*, that any such modification must be within the scope of this Master Contract.
- 3.3. ECONOMIC ADJUSTMENT. Contractor(s) will maintain their discount(s) off manufacturers catalogue/list which they bid throughout the life of the contract. Price adjustment will only be through manufacturers catalogue/list pricing changes/updates on annual basis after the contract has been in effect for one year.
- 3.4. PRICE CEILING. Although Contractor may offer lower prices to Purchasers, during the term of this Master Contract, Contractor guarantees to provide the Goods at the discount off prices set forth in *Exhibit E Bid Price (discount of list) categories from mandatory manufacturers* (subject to economic adjustment as set forth herein).
- 3.5. MASTER CONTRACT INFORMATION. Enterprise Services shall maintain and provide information regarding this Master Contract, including scope and pricing, to eligible Purchasers.
- **4. CONTRACTOR REPRESENTATIONS AND WARRANTIES.** Contractor makes each of the following representations and warranties as of the effective date of this Master Contract and at the time any order is placed pursuant to this 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.
  - 4.1. QUALIFIED TO DO BUSINESS. Contractor represents and warrants that it is in good standing and qualified to do business in the State of Washington, that it is registered with the Washington State Department of Revenue and the Washington Secretary of State, that it possesses and shall keep current all required licenses and/or approvals, and that it is current, in full compliance, and has paid all applicable taxes owed to the State of Washington.
  - 4.2. Suspension & Debarment. Contractor represents and warrants that neither it nor its principals or affiliates presently are debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in any governmental contract by any governmental department or agency within the United States.
  - 4.3. QUALITY OF GOODS OR SERVICES.
    - a) Hardware Warranty Contractor Processors & Bell Cameras shall be warranted to be free of defects in material and workmanship for a period of three (3) years and 90 days beginning automatically on the ship date. The warranty period has been extended by 90 days to allow for time between shipment and installation.
    - b) This hardware warranty provides free repair or replacement of properly installed faulty equipment. The Purchaser will be responsible for returning the product per the below guidelines, and Contractor will provide an evaluation of the product and any repairs covered by the warranty at no cost to the customer.
    - c) No Aim, No Focus Guarantee The Contractor Bell Camera features a No Aim, No Focus Guarantee. This guarantee assures the Purchaser that, following successful installation and configuration by Contractor trained and certified installers (based on the start date of the warranty), the camera will not require aiming or focusing for the product's useable life.

- Under this guarantee, if it is determined by Contractor that the camera requires aiming or focusing, Contractor will bear the expense. This excludes any changes required due to lane shifts, due to extraordinary impact, due to mounting hardware failures or infrastructure warping, or duress on the camera.
- d) Software Contractor will provide free releases for the Purchaser's purchased version of the software application, as well as free updates to the core detection algorithms during the warranty period. Contractor will also provide telephone support for the operation of the software product.
- e) Contractor will endeavor to resolve known software bugs based on classification of the bug as Critical or Major (e.g., severely impacts functionality immediately work to resolve); Normal (e.g., only minor impact or there exists a "work around" fix will be provided in a later release); or Minor (e.g., cosmetic defect may or may not be resolved in a future release).
- f) What is Not Covered by the Warranty The warranty does not cover the travel expenses associated with a required site visit, nor expenses to retrieve or ship the product from its installed location. The warranty does not include unauthorized service or parts, loss of data, or equipment damaged by the Purchaser or due to a Force Majeure event such as acts of God, acts of a public enemy, fires, floods, hurricanes, wars, civil disturbances, acts of terrorism, etc. The warranty does not cover parts that have been improperly installed, according to published Contractor instructions, nor does it cover parts damaged as the result of other improperly installed parts.
- g) Reasons for Voiding a Warranty Any one of the following actions taken by the customer or on behalf of the customer may result, based solely on Contractor's discretion, in the warranty being canceled and legally null and void:
- (a) Use of any accessory, other than those sold or approved by Contractor, that are in the processor-to-camera connection chain.
- (b) Any unauthorized modifications or alterations to any Contractor product.
- (c) Installation of any software or drivers not provided by Contractor onto any Contractor product, intentional or accidental.
- (d) Use of the products for any purpose(s) other than their intended use.
- (e) Accessing Contractor camera feeds other than through the Contractor API.
- (f) Installing the system outside of Contractor recommended and prescribed specifications.
- 4.4. WAGE VIOLATIONS. Contractor represents and warrants that, during the term of this Master Contract and the three (3) year period immediately preceding the award of the Master Contract, 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.
- 4.5. 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 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 Master Contract.

- 4.6. PROCUREMENT ETHICS & PROHIBITION ON GIFTS. Contractor represents and warrants that it complies fully with all applicable procurement ethics restrictions including, but not limited to, restrictions against Contractor providing gifts or anything of economic value, directly or indirectly, to Purchasers' employees.
- 4.7. WASHINGTON'S ELECTRONIC BUSINESS SOLUTION (WEBS). Contractor represents and warrants that it is registered in Washington's Electronic Business Solution (WEBS), Washington's contract registration system and that, all of its information therein is current and accurate and that throughout the term of this Master Contract, Contractor shall maintain an accurate profile in WEBS.
- 4.8. STATEWIDE PAYEE DESK. Contractor represents and warrants that it is registered with the Statewide Payee Desk, which registration is a condition to payment.
- 4.9. MASTER CONTRACT PROMOTION; ADVERTISING AND ENDORSEMENT. Contractor represents and warrants that it shall use commercially reasonable efforts both to promote and market the use of this Master Contract with eligible Purchasers and to ensure that those entities that utilize this Master Contract are eligible Purchasers. Contractor understands and acknowledges that neither Enterprise Services nor Purchasers are endorsing Contractor's goods or suggesting that such goods are the best or only solution to their needs. Accordingly, Contractor represents and warrants that it shall make no reference to Enterprise Services, any Purchaser, or the State of Washington in any promotional material without the prior written consent of Enterprise Services.
- 4.10. MASTER CONTRACT TRANSITION. Contractor represents and warrants that, in the event this Master Contract or a similar contract, is transitioned to another contractor (e.g., Master Contract expiration or termination), the Contractor will submit a proposal to assist Enterprise Services for a mutually agreed level of assistance for a period of sixty (60) days to effectuate a smooth transition to another contractor to minimize disruption of service and/or costs to the State of Washington.

#### 5. Using the Master Contract – Purchases.

- 5.1. Ordering Requirements. Eligible Purchasers shall order goods from this Master Contract, consistent with the terms hereof and by using any ordering mechanism agreeable both to Contractor and Purchaser but, at a minimum, including the use of a purchase order. When practicable, Contractor and Purchaser also shall use email orders, web-based orders, and similar procurement methods (collectively "Purchase Order"). All order documents must reference the Master Contract number. The terms of this Master Contract shall apply to any Purchase Order and, in the event of any conflict, the terms of this Master Contract shall prevail. Notwithstanding any provision to the contrary, in no event shall any 'click-agreement,' software or web-based application terms and conditions, or other agreement modify the terms and conditions of this Master Contract.
- 5.2. Delivery Requirements. Contractor must ensure that delivery of goods will be made as required by this Master Contract, the Purchase Order used by Purchasers, or as otherwise mutually agreed in writing between the Purchaser and Contractor. The following apply to all deliveries:
  - (a) Contractor shall make all deliveries to the applicable delivery location specified in the Purchase Order. Such deliveries shall occur during Purchaser's normal work hours and within the time period mutually agreed in writing between Purchaser and Contractor.
  - (b) Contractor shall ship all goods purchased pursuant to this Master Contract, freight charges prepaid by Contractor, FOB Purchaser's specified destination with all transportation and handling charges included. Contractor shall bear all risk of loss, damage, or destruction of the goods ordered hereunder that occurs prior to delivery, except loss or damage attributable to Purchaser's fault or negligence.
  - (c) All packing lists, packages, instruction manuals, correspondence, shipping notices, shipping containers, and other written materials associated with this Master Contract shall be identified by the Master Contract number set forth on the cover of this Master Contract and the applicable Purchaser's Purchase Order number. Packing lists shall be enclosed with each shipment and clearly identify all contents and any backorders.
- 5.3. RECEIPT AND INSPECTION OF GOODS. Goods purchased under this Master Contract are subject to Purchaser's inspection, testing, and approval at Purchaser's destination. Purchaser reserves the right to reject and refuse acceptance of goods that are not in accordance with this Master Contract and Purchaser's Purchase Order. If there are any apparent defects in the goods at the time of delivery, Purchaser will notify Contractor within thirty (30) days after receipt of the goods of the defects, and in the absence of any defects, acceptance will be deemed granted on the 31<sup>st</sup> day following the goods being delivered to Purchaser. At Purchaser's option, and without limiting any other rights, Purchaser may require Contractor to repair or replace, at Contractor's expense, any or all of the damaged goods or, at Purchaser's option, Purchaser may note any damage to the goods on the receiving report, decline acceptance, and deduct the cost of rejected goods from final payment. Payment for any goods under such Purchase Order shall not be deemed acceptance of the goods.
- 5.4. ON SITE REQUIREMENTS. While on Purchaser's premises, Contractor, its agents, employees, or subcontractors shall comply, in all respects, with Purchaser's physical, fire, access, safety, and other security requirements as provided to Contractor.

#### 6. INVOICING & PAYMENT.

- 6.1. CONTRACTOR INVOICE. Contractor shall submit to Purchaser's designated invoicing contact properly itemized invoices. Such invoices shall itemize the following:
  - (a) Master Contract No. 04616
  - (b) Contractor name, address, telephone number, and email address for billing issues (i.e., Contractor Customer Service Representative)
  - (c) Contractor's Federal Tax Identification Number
  - (d) Date(s) of delivery
  - (e) Invoice amount; and
  - (f) Payment terms, including any available prompt payment discounts.

Contractor's invoices for payment shall reflect accurate Master Contract prices. Invoices will not be processed for payment until receipt of a complete invoice as specified herein.

- 6.2. PAYMENT. Payment is the sole responsibility of, and will be made by, the Purchaser. Payment is due within thirty (30) days of invoice. If Purchaser fails to make timely payment(s), Contractor may invoice Purchaser in the amount of one percent (1%) per month on the amount overdue or a minimum of \$1. Payment will not be considered late if a check or warrant is mailed within the time specified.
- 6.3. OVERPAYMENTS. Contractor promptly shall refund to Purchaser the full amount of any erroneous payment or overpayment. Such refunds shall occur within thirty (30) days of written notice to Contractor; *Provided*, however, that Purchaser shall have the right to elect to have either direct payments or written credit memos issued. If Contractor fails to make timely payment(s) or issuance of such credit memos, Purchaser may impose a one percent (1%) per month on the amount overdue thirty (30) days after notice to the Contractor.
- 6.4. NO ADVANCE PAYMENT. No advance payments shall be made for any products or services furnished by Contractor pursuant to this Master Contract.
- 6.5. NO ADDITIONAL CHARGES. Unless otherwise specified herein, Contractor shall not include or impose any additional charges including, but not limited to, charges for shipping, handling, or payment processing.
- 6.6. TAXES/FEES. Contractor promptly shall pay all applicable taxes on its operations and activities pertaining to this Master Contract. Failure to do so shall constitute breach of this Master Contract. Unless otherwise agreed, Purchaser shall pay applicable sales tax imposed by the State of Washington on purchased goods. Contractor, however, shall not make any charge for federal excise taxes and Purchaser agrees to furnish Contractor with an exemption certificate where appropriate.

## 7. CONTRACT MANAGEMENT.

7.1. CONTRACT ADMINISTRATION & NOTICES. Except for legal notices, the parties hereby designate the following contract administrators as the respective single points of contact for purposes of this Master Contract. Enterprise Services' contract administrator shall provide Master Contract oversight. Contractor's contract administrator shall be Contractor's principal contact for business activities under this Master Contract. The parties may change contractor administrators by written notice as set forth below.

Any notices required or desired shall be in writing and sent by U.S. mail, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

## **Enterprise Services**

Attn: Michellee Jemmott Washington Dept. of Enterprise Services

PO Box 41411

Olympia, WA 98504-1411 Tel: (360) 407-9300

Email:

descontractsteamcypress@des.wa.gov

### Contractor

Attn: Cindy Adamos Cubic ITS, Inc.

10545 Hardin Valley Rd Knoxville, TN 37932 Tel: (858) 505-2787

Email: <a href="mailto:cindy.adamos@cubic.com">cindy.adamos@cubic.com</a>

Notices shall be deemed effective upon the earlier of receipt, if mailed, or, if emailed, upon transmission to the designated email address of said addressee.

- 7.2. CONTRACTOR CUSTOMER SERVICE REPRESENTATIVE. Contractor shall designate a customer service representative (and inform Enterprise Services of the same) who shall be responsible for addressing Purchaser issues pertaining to this Master Contract.
- 7.3. LEGAL NOTICES. Any legal notices required or desired shall be in writing and delivered by U.S. certified mail, return receipt requested, postage prepaid, or sent via email, and shall be sent to the respective addressee at the respective address or email address set forth below or to such other address or email address as the parties may specify in writing:

### **Enterprise Services**

Attn: Legal Services Manager Washington Dept. of Enterprise Services PO Box 41411

Olympia, WA 98504-1411

Email: <a href="mailto:greg.tolbert@des.wa.gov">greg.tolbert@des.wa.gov</a>

## Cubic ITS, Inc.

Attn: Hilary Hageman 9333 Balboa Ave San Diego, CA 92123

Hilary.hageman@cubic.com

Notices shall be deemed effective upon the earlier of receipt when delivered, or, if mailed, upon return receipt, or, if emailed, upon transmission to the designated email address of said addressee.

## 8. CONTRACTOR SALES REPORTING; VENDOR MANAGEMENT FEE; & CONTRACTOR REPORTS.

- 8.1. MASTER CONTRACT SALES REPORTING. Contractor shall report total Master Contract sales quarterly to Enterprise Services, as set forth below.
  - (a) Master Contract Sales Reporting System. Contractor shall report quarterly Master Contract sales in Enterprise Services' Master Contract Sales Reporting System. Enterprise Services will provide Contractor with a login password and a vendor number. The password and vendor number will be provided to the Sales Reporting Representative(s) listed on Contractor's Bidder Profile.
  - (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 the Master Contract. If there are no Master Contract sales during the reporting period, Contractor must report zero sales.
- (c) Due dates for Master Contract Sales Reporting. Quarterly Master Contract Sales Reports must be submitted electronically by the following deadlines for all sales invoiced during the applicable calendar quarter:

FOR CALENDAR QUARTER ENDING	MASTER CONTRACT SALES REPORT DUE				
March 31:	April 30				
June 30:	July 31				
September 30:	October 31				
December 31:	January 31				

- 8.2. VENDOR MANAGEMENT FEE. Contractor shall pay to Enterprise Services a vendor management fee ("VMF") of 1.5 percent on the purchase price for all Master Contract sales (the purchase price is the total invoice price less applicable sales tax).
  - (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 Master Contract sales invoiced (not including sales tax) x .015.

- (b) The VMF will be shown as a SEPARATE line item on invoices and NOT included in pricing. This allows the VMF to change in the future WITHOUT affecting contract prices. (Since pricing via discount off list was originally bid with a .74% fee include, the amount of the invoiced line item will be .76%)
- (c) Enterprise Services will invoice Contractor quarterly based on Master Contract sales reported by Contractor. Contractors are not to remit payment until they receive an invoice from Enterprise Services. Contractor's VMF payment to Enterprise Services must reference this Master Contract number, work request number (if applicable), the year and quarter for which the VMF is being remitted, and the Contractor's name as set forth in this Master Contract, if not already included on the face of the check.
- (d) Failure to accurately report total net sales, to submit a timely usage report, or remit timely payment of the VMF, may be cause for Master Contract suspension or termination or the exercise of other remedies provided by law. Without limiting any other available remedies, the Parties agree that Contractor's failure to remit to Enterprise Services timely payment of the VMF shall obligate Contractor to pay to Enterprise Services, to offset the administrative and transaction costs incurred by the State to identify, process, and collect such sums, the sum of \$200.00 or twenty-five percent (25%) of the outstanding amount, whichever is greater, or the maximum allowed by law, if less.

- (e) Enterprise Services reserves the right, upon thirty (30) days advance written notice, to increase, reduce, or eliminate the VMF for subsequent purchases, and reserves the right to renegotiate Master Contract pricing with Contractor when any subsequent adjustment of the VMF might justify a change in pricing.
- 8.3. Annual Master Contract Sales Report. Contractor shall provide to Enterprise Services a detailed annual Master Contract sales report no later than sixty (60) days following the renewal anniversary of the Master Contract. Such report shall include, at a minimum: Product description, part number or other Product identifier, per unit quantities sold, and Master Contract price. This report must be provided in an electronic format that can be read by Microsoft (MS) Excel.

## 9. RECORDS RETENTION & AUDITS.

- 9.1. RECORDS RETENTION. Contractor shall maintain books, records, documents, and other evidence pertaining to this Master Contract and orders placed by Purchasers under it to the extent and in such detail as shall adequately reflect performance and administration of payments and fees. Contractor shall retain such records for a period of six (6) years following expiration or termination of this Master Contract or final payment for any order placed by a Purchaser against this Master Contract, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved.
- 9.2. AUDIT. Enterprise Services reserves the right to audit, or have a designated third party audit, applicable records to ensure that Contractor has properly invoiced Purchasers and that Contractor has paid all applicable vendor management fees. Accordingly, Contractor shall permit Enterprise Services, any Purchaser, and any other duly authorized agent of a governmental agency, to audit, inspect, examine, copy and/or transcribe Contractor's books, documents, papers and records directly pertinent to this Master Contract or orders placed by a Purchaser under it for the purpose of making audits, examinations, excerpts, and transcriptions upon reasonable notice and during normal business hours of Contractor. This right shall survive for a period of six (6) years following expiration or termination of this Master Contract or final payment for any order placed by a Purchaser against this Master Contract, whichever is later; *Provided*, however, that if any litigation, claim, or audit is commenced prior to the expiration of this period, such period shall extend until all such litigation, claims, or audits have been resolved, and that this right shall be exercised in a reasonable and non-excessive manner by Purchaser.
- 9.3. OVERPAYMENT OF PURCHASES OR UNDERPAYMENT OF FEES. Without limiting any other remedy available to any Purchaser, Contractor shall (a) reimburse Purchasers for any overpayments inconsistent with the terms of this Master Contract or orders, at a rate of 110% of such overpayments, found as a result of the examination of the Contractor's records; and (b) reimburse Enterprise Services for any underpayment of fees, at a rate of 110% of such fees found as a result of the examination of the Contractor's records (e.g., if Contractor underpays the Vendor Management Fee by \$500, Contractor would be required to pay to Enterprise Services \$500 x 1.10 = \$550).

#### 10. INSURANCE.

10.1. REQUIRED INSURANCE. During the Term of this Master Contract, Contractor, at its expense, shall maintain in full force and effect the insurance coverages set forth in *Exhibit C – Insurance* 

- Requirements. All costs for insurance, including any payments of deductible amounts, shall be considered incidental to and included in the prices for goods/services and no additional payment shall be made.
- 10.2. Workers Compensation. Contractor shall comply with applicable workers' compensation statutes and regulations (e.g., RCW Title 51, Industrial Insurance). If Contractor fails to provide industrial insurance coverage or fails to pay premiums or penalties on behalf of its employees as may be required by law, Enterprise Services may terminate this Master Contract. This provision does not waive any of the Washington State Department of Labor and Industries (L&I) rights to collect from Contractor. In addition, Contractor waives its immunity under RCW Title 51 to the extent it is required to indemnify, defend, and hold harmless the State of Washington and its agencies, officials, agents, or employees.

#### 11. CLAIMS.

- 11.1. ASSUMPTION OF RISKS; CLAIMS BETWEEN THE PARTIES. Contractor assumes sole responsibility and all risks of personal injury or property damage to itself and its employees and agents in connection with its operations under this Master Contract. Enterprise Services has made no representations regarding any factor affecting Contractor's risks. Contractor shall pay for all damage to any Purchaser's property resulting directly or indirectly from its acts or omissions under this Master Contract.
- 11.2. Third-Party Claims; Indemnity. To the fullest extent permitted by law, Contractor shall defend, indemnify, and hold harmless Enterprise Services and any Purchaser and their employees and agents from and against all claims, demands, judgments, assessments, damages, penalties, fines, costs, liabilities or losses including, without limitation, sums paid in settlement of claims, reasonable attorneys' fees, consultant fees, and expert fees (collectively "claims") arising from any act or omission of Contractor or its successors, agents, and subcontractors under this Master Contract, except claims caused by Enterprise Services or any Purchasers' negligence. Contractor shall take all steps needed to keep Purchaser's property free of liens arising from Contractor's activities, and promptly obtain or bond the release of any such liens that may be filed.
- **12. DISPUTE RESOLUTION.** The parties shall cooperate to resolve any dispute pertaining to this Master Contract efficiently, as timely as practicable, and at the lowest possible level with authority to resolve such dispute. If, however, a dispute persists and cannot be resolved, it may be escalated within each organization. In such situation, upon notice by either party, each party, within five (5) business days shall reduce its description of the dispute to writing and deliver it to the other party. The receiving party then shall have three (3) business days to review and respond in writing. In the event that the parties cannot then agree on a resolution of the dispute, the parties shall schedule a conference between the respective senior managers of each organization to attempt to resolve the dispute. In the event the parties cannot agree, either party may resort to court to resolve the dispute.

## 13. SUSPENSION & TERMINATION; REMEDIES.

13.1. Suspension & Termination for Default. Enterprise Services may suspend Contractor's operations under this Master Contract immediately by written cure notice of any default. Suspension shall continue until the default is remedied to Enterprise Services' reasonable satisfaction; *Provided*, however, that, if after thirty (30) days from such a suspension notice, Contractor remains in default, Enterprise Services may terminate Contractor's rights under

this Master Contract. All of Contractor's obligations to Enterprise Services and Purchasers survive termination of Contractor's rights under this Master Contract, until such obligations have been fulfilled. Contractor may suspend performance and delivery of goods under this Master Contract immediately if Enterprise Services or Purchaser has an unpaid payment balance past thirty (30) days overdue.

- 13.2. Default. Each of the following events shall constitute default of this Master Contract by Contractor:
  - (a) Contractor fails to perform or comply with any of the terms or conditions of this Master Contract including, but not limited to, Contractor's obligation to pay vendor management fees when due;
  - (b) Contractor breaches any representation or warranty provided herein; or
  - (c) Contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary.

#### 13.3. REMEDIES FOR DEFAULT.

- (a) Enterprise Services' rights to suspend and terminate Contractor's rights under this Master Contract are in addition to all other available remedies.
- (b) In the event of termination for default, Enterprise Services may exercise any remedy provided by law including, without limitation, the right to procure for all Purchasers replacement goods. In such event, Contractor shall be liable to Enterprise Services for damages as authorized by law including, but not limited to, any price difference between the Master Contract price and the replacement.
- 13.4. LIMITATION ON DAMAGES. Notwithstanding any provision to the contrary, the parties agree that in no event shall any party or Purchaser be liable to the other for exemplary or punitive damages. Contractor shall not be liable for any special, incidental, indirect, consequential, exemplary or punitive damages or losses which may be suffered by Purchaser with respect to this Master Contract/Purchase Order, including but not limited to, loss of present or prospective profits, loss of income or revenue, expenditures, investments or commitments, or loss of business or data, whether in an action in contract, equity, negligence, intended conduct, tort, or otherwise (including breach of warranty, negligence, and strict liability in tort), even if Contractor has been advised of the possibility of such damages.

## 13.5. GOVERNMENTAL TERMINATION.

- (a) Termination for Withdrawal of Authority. Enterprise Services may suspend or terminate this Master Contract if, during the term hereof, Enterprise Services' procurement authority is withdrawn, reduced, or limited such that Enterprise Services, in its judgment, would lack authority to enter into this Master Contract; *Provided*, however, that such suspension or termination for withdrawal of authority shall only be effective upon thirty (30) days prior written notice; and *Provided further*, that such suspension or termination for withdrawal of authority shall not relieve any Purchaser from payment for goods already ordered as of the effective date of such notice. Except as stated in this provision, in the event of such suspension or termination for withdrawal of authority, neither Enterprise Services nor any Purchaser shall have any obligation or liability to Contractor.
- (b) Termination for Public Convenience. Enterprise Services, for public convenience, may terminate this Master Contract; *Provided*, however, that such termination for

public convenience must, in Enterprise Services' judgment, be in the best interest of the State of Washington; and *Provided further*, that such termination for public convenience shall only be effective upon sixty (60) days prior written notice; and *Provided further*, that such termination for public convenience shall not relieve any Purchaser from payment for goods already ordered as of the effective date of such notice. Except as stated in this provision, in the event of such termination for public convenience, neither Enterprise Services nor any Purchaser shall have any obligation or liability to Contractor.

13.6. Termination Procedure. Regardless of basis, in the event of suspension or termination (in full or in part), the parties shall cooperate to ensure an orderly and efficient suspension or termination. Accordingly, Contractor shall deliver to Purchasers all goods that are complete (or with approval from Enterprise Services, substantially complete) and Purchasers shall inspect, accept, and pay for the same in accordance with this Master Contract and the applicable Purchase Order and the Contractor shall be entitled to be paid its costs and profit on work performed up to the date of the notification. Unless directed by Enterprise Services to the contrary, Contractor shall not process any orders after notice of suspension or termination inconsistent therewith.

## 14. GENERAL PROVISIONS.

- 14.1. TIME IS OF THE ESSENCE. Time is of the essence for each and every provision of this Master Contract.
- 14.2. COMPLIANCE WITH LAW. Contractor shall comply with all applicable law.
- 14.3. INTEGRATED AGREEMENT. This Master Contract constitutes the entire agreement and understanding of the parties with respect to the subject matter and supersedes all prior negotiations, representations, and understandings between them. There are no representations or understandings of any kind not set forth herein.
- 14.4. AMENDMENT OR MODIFICATION. Except as set forth herein, this Master Contract may not be amended or modified except in writing and signed by a duly authorized representative of each party.
- 14.5. AUTHORITY. Each party to this Master Contract, 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 Master Contract and that its execution, delivery, and performance of this Master Contract has been fully authorized and approved, and that no further approvals or consents are required to bind such party.
- 14.6. No AGENCY. The parties agree that no agency, partnership, or joint venture of any kind shall be or is intended to be created by or under this Master Contract. Neither party is an agent of the other party nor authorized to obligate it.
- 14.7. ASSIGNMENT. Contractor may not assign its rights under this Master Contract without Enterprise Services' prior written consent and Enterprise Services may consider any attempted assignment without such consent to be void; *Provided*, however, that, if Contractor provides written notice to Enterprise Services within thirty (30) days, Contractor may assign its rights under this Master Contract in full to any parent, subsidiary, or affiliate of Contractor that controls or is controlled by or under common control with Contractor, is merged or consolidated with Contractor, or purchases a majority or controlling interest in the ownership

- or assets of Contractor. Unless otherwise agreed, Contractor guarantees prompt performance of all obligations under this Master Contract notwithstanding any prior assignment of its rights.
- 14.8. BINDING EFFECT; SUCCESSORS & ASSIGNS. This Master Contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
- 14.9. Public Information. This Master Contract and all related documents are subject to public disclosure as required by Washington's Public Records Act, RCW chapter 42.56.
- 14.10. Assignment of Antitrust Rights Regarding Purchased Goods/Services. Contractor irrevocably assigns to Enterprise Services, on behalf of the State of Washington, any claim for relief or cause of action which the Contractor now has or which may accrue to the Contractor in the future by reason of any violation of state or federal antitrust laws in connection with any goods provided in Washington for the purpose of carrying out the Contractor's obligations under this Master Contract, including, at Enterprise Services' option, the right to control any such litigation on such claim for relief or cause of action.
- 14.11. FEDERAL FUNDS. To the extent that any Purchaser uses federal funds to purchase goods pursuant to this Master Contract, such Purchaser shall specify, with its order, any applicable requirement or certification that must be satisfied by Contractor at the time the order is placed or upon delivery.
- 14.12. Severability. If any provision of this Master Contract is held to be invalid or unenforceable, such provision shall not affect or invalidate the remainder of this Master Contract, and to this end the provisions of this Master Contract are declared to be severable. If such invalidity becomes known or apparent to the parties, the parties agree to negotiate promptly in good faith in an attempt to amend such provision as nearly as possible to be consistent with the intent of this Master Contract.
- 14.13. WAIVER. Failure of either party to insist upon the strict performance of any of the terms and conditions hereof, or failure to exercise any rights or remedies provided herein or by law, or to notify the other party in the event of breach, shall not release the other party of any of its obligations under this Master Contract, nor shall any purported oral modification or rescission of this Master Contract by either party operate as a waiver of any of the terms hereof. No waiver by either party of any breach, default, or violation of any term, warranty, representation, contract, covenant, right, condition, or provision hereof shall constitute waiver of any subsequent breach, default, or violation of the same or other term, warranty, representation, contract, covenant, right, condition, or provision.
- 14.14. Survival. All representations, warranties, covenants, agreements, and indemnities set forth in or otherwise made pursuant to this Master Contract shall survive and remain in effect following the expiration or termination of this Master Contract, *Provided*, however, that nothing herein is intended to extend the survival beyond any applicable statute of limitations periods.
- 14.15. GOVERNING LAW. The validity, construction, performance, and enforcement of this Master Contract shall be governed by and construed in accordance with the laws of the State of Washington, without regard to its choice of law rules.
- 14.16. Jurisdiction & Venue. In the event that any action is brought to enforce any provision of this Master Contract, the parties agree to exclusive jurisdiction in Thurston County Superior Court

- for the State of Washington and agree that in any such action venue shall lie exclusively at Olympia, Washington.
- 14.17. Attorneys' Fees. Should any legal action or proceeding be commenced by either party in order to enforce this Master Contract or any provision hereof, or in connection with any alleged dispute, breach, default, or misrepresentation in connection with any provision herein contained, the prevailing party shall be entitled to recover reasonable attorneys' fees and costs incurred in connection with such action or proceeding, including costs of pursuing or defending any legal action, including, without limitation, any appeal, discovery, or negotiation and preparation of settlement arrangements, in addition to such other relief as may be granted.
- 14.18. FAIR CONSTRUCTION & INTERPRETATION. The provisions of this Master Contract shall be construed as a whole according to their common meaning and not strictly for or against any party and consistent with the provisions contained herein in order to achieve the objectives and purposes of this Master Contract. Each party hereto and its counsel has reviewed and revised this Master Contract and agrees that the normal rules of construction to the effect that any ambiguities are to be resolved against the drafting party shall not be construed in the interpretation of this Master Contract. Each term and provision of this Master Contract to be performed by either party shall be construed to be both a covenant and a condition.
- 14.19. Further Assurances. In addition to the actions specifically mentioned in this Master Contract, the parties shall each do whatever may reasonably be necessary to accomplish the transactions contemplated in this Master Contract including, without limitation, executing any additional documents reasonably necessary to effectuate the provisions and purposes of this Master Contract.
- 14.20. EXHIBITS. All exhibits referred to herein are deemed to be incorporated in this Master Contract in their entirety.
- 14.21. Captions & Headings. The captions and headings in this Master Contract are for convenience only and are not intended to, and shall not be construed to, limit, enlarge, or affect the scope or intent of this Master Contract nor the meaning of any provisions hereof.
- 14.22. ELECTRONIC SIGNATURES. A signed copy of this Master Contract 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 Master Contract or such other ancillary agreement for all purposes.

14.23. Counterparts. This Master Contract may be executed in any number of 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 Master Contract 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 Master Contract.

**EXECUTED** as of the date and year first above written.

STATE OF WASHINGTON	
Department of Enterprise Services	

By:

Its: Procurement Supervisor

CUBIC ITS, INC., a Texas Corporation

By: Cindy Adamos

Its: Contracts Director

## **INCLUDED GOODS**

# Awarded manufacturers: Gridsmart and Trafficware Discount off List for Goods

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CUBIC ITS									
(GRIDSMART /									
Trafficware)									
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Category No.	Equipment Categories				Percent Off Catalog List Price	Delivery Days After Receipt of Order (ARO)	Manufacturer	
1	ANALOGUE / DIGITAL VI EQUIPMENT / PARTS: (A COMBINERS, CONVERSION CONVERTERS, CROSS COMPANELS, ENCODERS, ETHER FIBER COMMUNICATION DECODERS, DISTRIBUTION MESH NETWORK COMMESH NETWORK COMMESH NETWORK COMMESH NETWORK COMMESH COMMUNICATION SERVERS, SWITCHES, TENTANCEIVERS, TRANSMIRE EQUIPMENT, WIRELESS COMMUNICATION EQUI	MPLI ON SV ONNE ONNE ON EQU ON EC ON	FIE WIT CT , ET , JIPI QUII CAT JTE QUIF IAL N	RS, CHES, / PATCH AND MENT, PMENT, ION RS, PMENT, SERVERS,	15.00%	30-40 Days	GRIDSMART	
4	CONFLICT MONITORS			- /	15.00%	45 days	Trafficware	
5	CONTROLLER CABINETS AND ACCESSORIES / PARTS				15.00%	75 days	Trafficware	
6	CONTROLLER SOFTWARE (NEMA, 170, 2070, ETC.)				15.00%	30 days	Trafficware	
7	CONTROLLERS (NEMA, 170, 2070, ETC.) / PARTS				15.00%	60 days	Trafficware	
8	DETECTION SYSTEMS - INDUCTIVE LOOPS / PARTS				15.00%	45 days	Trafficware	
10	DETECTION SYSTEMS - MAGNETOMETER / PARTS				15.00%	30 days	Trafficware	
15	DETECTION SYSTEMS - VIDEO / PARTS				15.00%	30-40 Days	GRIDSMART	
19	FLASHING BEACONS / PARTS				15.00%	75 days	Trafficware	

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PARTS							
SCHOOL ZONE					15.00%	75 days	Trafficware
FLASHER (SOLAR							
POWERED)							
EQUIPMENT /							
PARTS							
TIME CLOCKS					15.00%	75 days	Trafficware
TRANSPORTATION					15.00%	30 days	Trafficware
MANAGEMENT							
SYSTEM							
CONSOLES, WORK							
STATIONS, AND							
CONTROL							
EQUIPMENT							
TRANSPORTATION					15.00%	30 days	Trafficware
MANAGEMENT							
SYSTEM TEST							
EQUIPMENT							
MISCELLANEOUS					15.00%	30 days	Trafficware
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INCLUDED IN							
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#### **INSURANCE REQUIREMENTS**

- 1. **Insurance Obligation**. During the Term of this Master Contract, Contractor shall possess and maintain in full force and effect, at Contractor's sole expense, the following insurance coverages:
  - a. COMMERCIAL GENERAL LIABILITY INSURANCE. Commercial general liability insurance (and, if necessary, commercial umbrella liability insurance) covering bodily injury, property damage, products/completed operations, personal injury, and advertising injury liability on an 'occurrence form' that shall be no less comprehensive and no more restrictive than the coverage provided by Insurance Services Office (ISO) under the most recent version of form CG 00 01 in the amount of not less than \$2,000,000 per occurrence and \$4,000,000 general aggregate. This coverage shall include blanket contractual liability coverage. This coverage shall include a cross-liability clause or separation of insured condition.
  - b. EMPLOYERS' LIABILITY (STOP GAP) INSURANCE. Employers' liability insurance (and, if necessary, commercial umbrella liability insurance) with limits not less than \$1,000,000 each accident for bodily injury by accident, \$1,000,000 each employee for bodily injury by disease, and \$1,000,000 bodily injury by disease policy limit.

The insurance coverage limits set forth herein are the minimum. Contractor's insurance coverage shall be no less than the minimum amounts specified. Coverage in the amounts of these minimum limits, however, shall not be construed to relieve Contractor from liability in excess of such limits. Contractor waives all rights against the State of Washington for the recovery of damages to the extent such damages are covered by any insurance required herein.

- 2. INSURANCE CARRIER RATING. Coverages provided by the Contractor must be underwritten by an insurance company deemed acceptable to the State of Washington's Office of Risk Management. Insurance coverage shall be provided by companies authorized to do business within the State of Washington and rated A- Class VII or better in the most recently published edition of Best's Insurance Rating. Enterprise Services reserves the right to reject all or any insurance carrier(s) with an unacceptable financial rating.
- 3. **ADDITIONAL INSURED.** Commercial General Liability, Commercial Automobile Liability, Insurance shall include the State of Washington and all authorized Purchasers (and their agents, officers, and employees) as Additional Insureds evidenced by copy of the Additional Insured Endorsement attached to the Certificate of Insurance on such insurance policies.
- 4. Certificate of Insurance. Prior to execution of the Master Contract, Contractor shall furnish to Enterprise Services, as evidence of the insurance coverage required by this Master Contract, a certificate of insurance satisfactory to Enterprise Services that insurance, in the above-stated kinds and minimum amounts, has been secured. In addition, no less than ten (10) days prior to coverage expiration, Contractor shall furnish to Enterprise Services an updated or renewed certificate of insurance, satisfactory to Enterprise Services, that insurance, in the above-stated kinds and minimum amounts, has been secured. Failure to maintain or provide proof of insurance, as required, will result in contract cancellation. All policies and certificates of insurance shall include the Master Contract number stated on the cover of this Master Contract.

- 5. **PRIMARY COVERAGE.** Contractor's insurance shall apply as primary and shall not seek contribution from any insurance or self-insurance maintained by, or provided to, the additional insureds listed above including, at a minimum, the State of Washington and/or any Purchaser. All insurance or self-insurance of the State of Washington and/or Purchasers shall be excess of any insurance provided by Contractor or subcontractors.
- 6. Subcontractors. Contractor shall include all subcontractors as insureds under all required insurance policies. Alternatively, prior to utilizing any subcontractor, Contractor shall cause any such subcontractor to provide insurance that complies will all applicable requirements of the insurance set forth herein and shall furnish separate Certificates of Insurance and endorsements for each subcontractor. Each subcontractor must comply fully with all insurance requirements stated herein. Failure of any subcontractor to comply with insurance requirements does not limit Contractor's liability or responsibility.
- 7. **WAIVER OF SUBROGATION.** Contractor waives all rights of subrogation against the State of Washington and any Purchaser for the recovery of damages to the extent such damages are or would be covered by the insurance specified herein.
- 8. **NOTICE OF CHANGE OR CANCELLATION**. There shall be no cancellation, material change, exhaustion of aggregate limits, or intent not to renew insurance coverage, either in whole or in part, without at least sixty (60) days prior written Legal Notice by Contractor to Enterprise Services. Failure to provide such notice, as required, shall constitute default by Contractor. Any such written notice shall include the Master Contract number stated on the cover of this Master Contract.
- 9. **EXTENDED REPORTING PERIOD**. If any required insurance coverage is on a claims-made basis (rather than occurrence), Contractor shall maintain such coverage for a period of no less than three (3) years following expiration or termination of the Master Contract.

## Washington DES\_Master Contract\_04616

Final Audit Report 2021-07-06

Created: 2021-07-06

By: Michellee Jemmott (michellee.jemmott@des.wa.gov)

Status: Signed

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