



# Special Terms and Conditions

STATE OF ARIZONA

Agency: Arizona Dept. of Administration  
State Procurement Office (ADOA/SPO)

Customer: WSCA /NASPO participating states; AZ  
Statewide(state agencies and cooperative partners)

Description: **WSCA/NASPO Mailing Equipment, Supplies, and Maintenance**

- 1 **DEFINITIONS for ProcureAZ terms.** ProcureAZ (<https://procure.az.gov>) is the State's online eProcurement system. Although the system was configured for the State's needs, the application is based on a commercial product known as BuySpeed Online, made by Periscope Holdings, Inc. As a result, some of the terms used in the BuySpeed Online application may be semantically different to similar terms used by the State. The following terms are as they appear in BuySpeed Online (and ProcureAZ), along with their corresponding meanings as they apply to the solicitation.
- "Actual Cost" means the total value of all items and their extended quantities.
- "Alternate Id / Alternate ID" is an optional field and means any additional data in order to link a solicitation or project to a related project, activity or program.
- "Attachments" means the section, as displayed in ProcureAZ, where the solicitation's electronic documents may be attached. Attachments as defined in the Uniform Instructions may include Solicitation Attachments, and/or as defined in the Uniform Terms and Conditions may include Contract Attachments.
- "Buyer" means procurement officer.
- "Catalog ID" is an optional data field and means an identification number to signify a group of related contracts.
- "Contact Instructions" means the contact information for the procurement officer.
- "Control Code" is an optional field and means an identification characteristic of the contract.
- "Days ARO" means the number of days 'After Receipt of Order' in which the customer will receive the ordered materials and/or services.
- "Department" means the customer for whom the solicitation or contract was conducted for.
- "Discount %" is an optional field and means the standard discount applied to all items.
- "Entered Date" means the date that the contract was awarded, not necessarily the date the contract starts, e.g., Master Blanket/Contract Begin Date.
- "Fiscal Year" means the State Fiscal Year in which the solicitation was initiated. In the event of contract(s) resulting from the solicitation, the Fiscal Year shall remain unchanged.
- "Freight Terms" means how freight will be charged under the contract.
- "Header Information" means the section of the solicitation or contract, as displayed in ProcureAZ, containing solicitation or contract information other than the line items.
- "Item information" means the section of the solicitation or contract, as displayed in ProcureAZ, containing the solicitation or contract line items.
- "Location" means the specific customer, within the department, for whom the solicitation or contract was done.
- "Master Blanket/Contract Begin Date" means the date that the contract starts.
- "Master Blanket/Contract End Date" means the date that the contract ends.
- "Master Blanket/Contract End Date (Maximum)" means the date that the contract may be extended through if all allowable term extensions are exercised.
- "Master Blanket/Contract Vendor Distributor List" means the list of companies authorized to distribute the materials and/or services on behalf of the contractor under the contract.
- "Master Blanket Purchase Order" means the contract, indicating that the contract will be in effect over a stated period of time.
- "Minor Status" is an optional data field and means a type of status indicator of the contract in ProcureAZ.
- "Organization" means the state agency under whose authority the solicitation or contract was conducted.
- "Payment Terms" means the period of time that payment is due after receipt of an accurate invoice.
- "Pcard Enabled" is an optional data field and means that customers are allowed to use their purchasing card (P-Card or Pcard) to order from the contract within the ProcureAZ system.



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“PO Acknowledgement” means the list the notifications to the contractor and their acknowledgements of these notices.

“PO Type” means the period of time that the contract is in place, either a one-time transaction, Open Market, or for a stated period of time, Blanket.

“Print Dest Detail” is an optional data field and means a print format applicable to orders under the contract.

“Print Format” means the format of the solicitation or contract print output.

“Project No.” is an optional field and means an identification characteristic of the contract.

“Purchase Order” means contract.

“Purchase Order Number” means the contract’s identification number.

“Purchaser” means procurement officer.

“Receipt Method” means the method by which materials and/or services under the contract are received, either by amount spent, Dollar, or by item units, Quantity.

“Release Number” means the order number of each order under the contract. The Master Blanket/Contract will always reflect a zero “0” release number.

“Release Type” means the process that orders under the contract are subject to within ProcureAZ, requiring approval on an order-by-order basis, e.g., Standard Releases or not requiring approval, e.g., Direct Release.

“Retainage %” is an optional field and means the amount of the contract’s value that is retained.

“Shipping Method” means the method of shipping to be used under the contract.

“Shipping Terms” means the point where the contractor will ship the materials and/or services to, and if accepted, the point when responsibility and title passes from the contractor to the state.

“Short Description” means the contract’s title.

“Status” means the availability of the contract within ProcureAZ for ordering, e.g., Sent status.

“Tax Code”, if applicable, means the amount of taxes, expressed as a percentage, to be added to all items purchased under the contract. As items may be subject to differing tax rates, this field may be blank.

“Type Code” means the category of customers that may use any resulting contract(s), e.g., Single-Agency, Multi-Agency or Statewide.

“Vendor” means contractor.

“Buyback/ Trade In Program” means the contractor’s process for accepting the return of the Equipment or other products at the end of life – as determined by the Participating Entity utilizing the Master Price Agreement, subject to the subsection titled: Buy back/Trade In program in the Environmental section of the Capacity of Offeror Questionnaire.

## 2 OTHER DEFINITIONS

“Lead State” means the State conducting this cooperative solicitation and centrally administering any resulting Master Agreement with the permission of the Signatory States.

“MPA Contractor” means the person or entity delivering Products or performing services under the terms and conditions set forth in this Master Price Agreement.

“Master Price Agreement” or “Master Agreement” means the underlying agreement, executed by and between the Lead State, as WSCA contract manager, acting on behalf of the Western States Contracting Alliance (WSCA), and the Contractor, as now or hereafter amended.

“Participating Addendum” means a bilateral agreement executed by a Contractor and a Participating Entity incorporating this Master Agreement and any other additional Participating Entity’s specific language or other requirements, e.g., ordering procedures specific to the Participating Entity, other terms and conditions.

“WSCA” means the Western States Contracting Alliance, a cooperative group contracting consortium for state procurement officials, representing departments, institutions, agencies, and political subdivisions (i.e., colleges, school districts, counties,



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cities, etc.) for the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming. WSCA is a cooperative purchasing arm of the National Association of State Procurement Officials (NASPO).

“Purchasing Entity” means a Participating State, or other legal entity, properly authorized by a Participating State to enter into a contract for the purchase of goods and/or services described in the cooperative procurement. Unless otherwise limited in the cooperative procurement or in a Participating Addendum, political subdivisions of Participating States are deemed Purchasing Entities.

## 3 CONTRACT ADMINISTRATION

- 3.1 Contract.** The contract includes the Master Price Agreement executed between the MPA Contractor and the State of Arizona, as Lead State on behalf of WSCA/NASPO, as a result of this solicitation, and a Participating Addendum executed between an MPA contractor and an individual participating State.
- 3.1.1 Master Price Agreement (MPA) or Master Agreement** The MPA shall consist of: the solicitation as amended, any requests for clarifications and/or best and final offers, the proposal submitted by the MPA Contractor, their responses to any requests for clarifications and/or their best and final offer. In the event of a conflict in language between the documents referenced above, the provisions and requirements set forth and/or referenced in the solicitation as amended shall govern. However, the State reserves the right to clarify any contractual relationship in writing, and such written clarification shall govern in case of conflict with the applicable requirements stated in the solicitation as amended or the contractor's proposal. In all other matters not affected by the written clarification, if any, the solicitation shall govern.
- 3.1.2 Participating Addendum (PA).** An individual participating state may execute an individual PA with one or more MPA Contractors. The PA will be administered by the Participating State, in conjunction with the Lead State.
- 3.1.3 Order of Precedence.** Any conflict in terms between the MPA and the PA shall be resolved by giving priority to the terms of the PA. In their PA, an individual state may establish their Order of Precedence for conflicting terms in the different sections of their contract. For the Order of Precedence on the MPA documents please see language in the Uniform Terms and Conditions.—
- 3.2 Participation.** Use of a WSCA/NASPO cooperative contract by state agencies, political subdivisions and other entities (including cooperatives) authorized by an individual state's statutes to use state contracts are subject to the approval of the respective State Chief Procurement Official. Issues of interpretation and eligibility for participation are solely within the authority of the State Chief Procurement Official. In Arizona, this contract shall be for the use of all State of Arizona departments, agencies, commissions and boards. In addition, eligible universities, political subdivisions and nonprofit educational or public health institutions may participate at their discretion. In order to participate in this contract, a university, political subdivision, or nonprofit educational or public health institution shall have entered into a Cooperative Purchasing Agreement with the Department of Administration, State Procurement Office as required by Arizona Revised Statutes § 41-2632. This contract has been awarded with the understanding and agreement that it is for the sole convenience of the State of Arizona. The State reserves the right to obtain like goods or services from another source when necessary. Off-contract purchase authorization(s) may be approved by either the agency (within an agencies delegated authority) or by the State Procurement Office. Approvals shall be at the exclusive discretion of the State and shall be final. Off-contract procurement shall be consistent with the Arizona Procurement Code.
- 3.3 Estimated Quantities.** WSCA/NASPO and the State of Arizona anticipate considerable activity resulting from contracts that will be awarded as a result of this solicitation; however, no commitment of any kind is made concerning quantities actually acquired and that fact should be taken into consideration by each potential contractor. The Contract shall be on an as needed, if needed basis.
- 3.4 Contract Type.** The Contract shall be Prices as ceiling pricing. The MPA prices represents ceiling prices for the equipment, supplies and services priced in the Master Price Agreement.

The Vendor is required to keep detailed records of all pricing offered so as it is verifiable and available on the website for the Participating Entity. The Contractor shall be able at all times to provide documentation of any pricing offered, that is followed up with a Purchase. All discounts in pricing do not have be approved to be offered so long as the documentation of pricing offered is available upon request.



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- 3.5 Contract Term.** Pursuant to Arizona law, the term of the Master Agreement shall be effective upon the date of final execution by the State of Arizona, and shall continue for a period of two (2) years from the date of the executed Master Agreement unless terminated, cancelled or extended as otherwise provided herein. The contractor may request one change in the MSRP in the first 18 months of the contract. They may request to adjust their MSRP after 12 month from the completion of the last request. The Contractor shall provide a fully documented request and it is at the Lease States discretion as to if following their initial request for the life of the contract. The term of the individual Participating Addendum (PA) shall be effective upon the date of execution by the individual state, unless the individual state establishes a different effective date. Termination dates of an individual PA shall be the same as that of the Master Agreement unless terminated, cancelled or otherwise provided in the PA.
- 3.6.1 Contract Extensions.** By mutual written contract amendment, the MPA may be extended for three (3) one-year periods or a portion thereof for a total contract term not to exceed five (5) years. Unless otherwise established in the PA, the term of the PA will automatically be extended with the extension of the term of the MPA. No PA can be extended beyond the term established in the MPA.
- 3.6.2 Catalog/Price List** For the purpose of this contract, an established catalog/price list means the price included in a catalog, price list, schedule, MSRP or other form that is regularly maintained by a manufacturer, is either published or otherwise available for inspection by customers, that provides prices at which sales are currently or were last made to a significant number of any category of buyers or buyers constituting the general buying public for the materials or services involved. The pricing established in this contract shall be "not to exceed" pricing.
- 3.8 Scrutinized Business Operations.** Pursuant to A.R.S. § 35-391.06 and § 35-393.06, the Contractor certifies that it does not have a scrutinized business operation in Sudan or Iran. For the purpose of this Section the term "scrutinized business operations" shall have the meanings set forth in A.R.S. § 35-391 or and § 35-393, as applicable.
- 3.9 E-Verify.** The Contractor warrants compliance with all Federal immigration laws and regulations relating to employees and warrants its compliance with Section A.R.S. § 23-214, Subsection A. (That subsection reads: "After December 31, 2007, every employer, after hiring an employee, shall verify the employment eligibility of the employee through the e-verify program.). A breach of a warranty regarding compliance with immigration laws and regulations shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the contract. Failure to comply with a State audit process to randomly verify the employment records of contractors and subcontractors shall be deemed a material breach of the contract and the Contractor may be subject to penalties up to and including termination of the contract. The State Agency retains the legal right to inspect the papers of any employee who works on the contract to ensure that the Contractor or subcontractor is complying with the warranty.
- 3.10 Pandemic Contractual Performance.** The State shall require a written plan that illustrates how the contractor shall perform up to contractual standards in the event of a pandemic. The state may require a copy of the plan at anytime prior or post award of a contract. At a minimum, the pandemic performance plan shall include: (i) Key succession and performance planning if there is a sudden significant decrease in contractor's workforce; (ii) Alternative methods to ensure there are products in the supply chain; and (iii) An up to date list of company contacts and organizational chart.
- In the event of a pandemic, as declared by the Governor of Arizona, U.S. Government or the World Health Organization, which makes performance of any term under this contract impossible or impracticable, the State shall have the following rights: (i) After the official declaration of a pandemic, the State may temporarily void the contract(s) in whole or specific sections if the contractor cannot perform to the standards agreed upon in the initial terms; (ii) The State shall not incur any liability if a pandemic is declared and emergency procurements are authorized by the director as per § 41-2537 of the Arizona Procurement Code; and (iii) Once the pandemic is officially declared over and/or the contractor can demonstrate the ability to perform, the State, at its sole discretion may reinstate the temporarily voided contract(s).
- The State, at any time, may request to see a copy of the written plan from the contractor. The contractor shall produce the written plan within 72 hours of the request.
- 3.11 Offshore Performance of Work** Due to security and identity protection concerns, direct services under this agreement shall be performed within the borders of the United States. Any services that are described in the specifications or scope of work that directly serve the Participating Entity's or its clients and may involve access to secure or sensitive data or



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personal client data or development or modification of software for the State shall be performed within the borders of the United States. Unless specifically stated otherwise in the specifications, this definition does not apply to indirect or 'overhead' services, redundant back-up services or services that are incidental to the performance of the agreement. This provision applies to work performed by subcontractors at all tiers.

**3.12 Electronic or Information Technology.** Products, services and maintenance shall comply with A.R.S. § 41-3531, which requires conformance with the requirements of Section 508 of the Rehabilitation Act of 1973. Failure to comply shall be considered a breach of the Contract.

### 3.13 Warranty

All equipment supplied under this specification shall be fully guaranteed by the contractor for a minimum period of 12 months from the date of acceptance by the state. Any defects of design, workmanship, or materials shall be fully corrected by the contractor (including parts and labor) without cost to the state. This warranty shall include all maintenance required in the first 12 months. The written warranty shall be included with the delivered products to the using entity.

### 3.14 Software License

Any software, including documentation and improvements, updates or later versions thereof provided by the Contractor under this Master Agreement (the "Software") is the property of the Contractor or a licensor of the Contractor. The Contractor grants the Purchasing Entity a non-exclusive, nontransferable right and license to use for the Purchasing Entity's internal business the number of copies of the Software ordered by and shipped to the Purchasing Entity for use on one computer or the product upon which it was delivered. To the extent license keys are used in conjunction with the Software, the Purchasing Entity's use of the Software may only be on those machines of the Purchasing Entity for which a license key has been granted by the Contractor. The Purchasing Entity may not make any copies of the Software, except for one copy to be used solely for archival and backup purposes. The Purchasing Entity will not transfer, disclose, modify, reverse engineer or decode the Software. The Purchasing Entity will not export the Software in any form without the Contractor's consent and appropriate United States and foreign government licenses.

*BBH comment: BBH did not see any provision governing the use of BBH's software.*

## 4 CONTRACT OPERATION

**4.1 Contract Release Orders.** Any product or services to be furnished under this contract shall be ordered by issuance of orders by the Participating Entity. Such orders may be issued from effective date of contract award. All orders are subject to the terms and conditions of this contract. All orders shall reference the MPA number and the PA number.

**4.2 Ordering Process.** Any products, services and maintenance to be furnished under this contract shall be ordered by issuance of orders, following receipt of a firm quote as required in the Statement of Work, by the Participating Entity. Individual PA's may modify these, or provide other requirements of an individual state for placing an order. Contract releases or purchase orders are those that are issued by an Authorized Purchaser in any of the following forms:

- Hard copy, one time only or blanket (term type)
- Electronically transmitted through facsimile equipment
- Electronically transmitted as an e-mail attachment
- Electronically transmitted through a contractor's Electronic Data Interchange (EDI) system or secured internet/web portal, i.e. those that provide electronic commerce assistance for the electronic submission of purchase orders, purchase order tracking and reporting.
  - Such systems shall not allow for purchase orders to be placed for non-contract or excluded items
  - Use of such systems shall be at the sole discretion of the Participating Entity and all costs associated with set-up, maintenance and support shall be borne by the Contractor.
- Electronically through Participating Entity's p-card program.

**4.3 Freight Terms** – All freight under this contract is freight PPD by there contractor. No freight costs will be payed by the Particitipating Entity,

**4.34 Order Acknowledgement.** Contractor shall acknowledge receipt of all Orders. Contractor shall notify the Customer, in writing or electronically, within two (2) days of Order receipt. Customers may accept verbal Order acknowledgment when time and circumstances require.



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**4.45 Billing.** Contractor shall include both the Master Agreement number, and the appropriate PA reference number on all invoices. All invoices shall be paid directly to the Contractor unless otherwise outlined within a PA.

## **4.54.6 Rental and Leases**

### **4.65.1 Rental**

Individual Participating States and Participating Entities may enter in to rental agreements for the products covered in the contracts resulting from the RFP, if they have the legal authority to enter into these types of agreements without going through a competitive process. Responders who wish to participate in rental agreements with these individual states/entities must submit copies of all of their rental agreements with their responses to this RFP. The rental agreements will not be reviewed or evaluated as part of the RFP evaluation process defined in this RFP. The agreements will simply be made available to any state or entity who wishes to negotiate a rental agreement with a Contractor.

### **4.65.2 Leases**

Individual Participating States and Participating Entities may enter in to lease agreements for the products covered in the contracts resulting from the RFP, if they have the legal authority to enter into these types of agreements without going through a competitive process. Responders who wish to participate in lease agreements with these individual states/entities must submit copies of all of their lease agreements with their response to this RFP. The lease agreements will not be reviewed or evaluated as part of the RFP evaluation process defined in this RFP. The agreements will simply be made available to any state or entity who wishes to negotiate a lease agreement with a Contractor.

### **4.65.3 COMPREHENSIVE FINANCIAL OPTIONS THAT SHOULD BE INCLUDED:**

- Purchase
- Operational Leases - with varying buyout ownership options at end of term including no ownership option
- Capital Leases – Traditional financing with ownership at end of term (software, buyouts of existing leases)
- Cancelable Rentals – Cancel with three month penalty on rental payment
- All leases and rentals must have a non appropriations clause

**4.75 Travel.** No Travel expenses will be paid to a Contractor for any work done under this contract. No matter if a participating Entity's equipment etc. is under a maintenance agreement or not. The only exception is if it is expressly allowed and detailed in a Purchasing Entity's PA.

**4.86 Key Personnel.** It is essential that the contractor provide an adequate staff of experienced personnel, capable of and devoted to the successful accomplishment of work to be performed under this contract. The contractor must assign specific individuals to the key positions. Once assigned to work under the contract, key personnel shall not be removed or replaced without the prior written approval of the issuing agency and a copy to the procurement office of record

**4.97 Notification.** The All notices, requests, demands, consents, approvals, and other communications which may or are required to be served or given hereunder (for the purposes of this provisions collectively called 'Notices'), shall be in writing and shall be sent by registered or certified United States mail, return receipt requested, postage prepaid, addressed to the party or parties to receive such notice as follows:

#### **To the Lead State (Administrator of the Master Agreement):**

Arizona Department of Administration  
State Procurement Office  
100 North 15<sup>th</sup> Avenue, Suite 201  
Phoenix, Arizona 85007  
Fax: 602-542-5508  
Procurement Officer: Stacy L. Ingalls  
Email: [Stacy.ingalls@azdoa.gov](mailto:Stacy.ingalls@azdoa.gov)  
Direct Phone: 602-542-9134

**To the Contractor:** (to be completed at time of award):

**To the Participating State:** (to be defined in the Participating Addendum)



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## 5 USAGE REPORTS AND ADMINISTRATIVE FEES

**5.1 Usage Reports.** Contractor agrees to provide quarterly utilization reports to WSCA. The report shall be in the format developed by the Lead State and supplied to the Contractor. Individual participating states may require their own usage reports. Contractor shall provide these reports at the intervals, and in the format, required by the States.

### 5.2 Administrative Fees.

The Contractor shall report price agreement utilization and pay the NASPO administrative fee. The NASPO Cooperative Committee has approved the percentage of the NASPO administrative fee. The NASPO administrative fee must be included in the basic offered price under the MPA. Administrative fees shall not be added as a line item on any invoice.

The NASPO administration fee is not negotiable.

Some states may require an individual administrative fee be paid directly to the State on purchases made by Purchasing Entities within that State. For all such requests, the fee level, payment method and schedule for such reports and payments shall be incorporated in a Participating Addendum that is executed as a result of the MPA, or by an amendment if the Administrative fee is required after the initial PA has been executed.

The State specific administrative fees listed below will be considered as being included in the basic offered price under the MPA. Instances where a State did not include their state specific administrative fee in the "Special Terms and Conditions" section of this RFP, or where a state opts to use the resulting cooperative contract after award has been made, the Contractor may adjust pricing accordingly, only to the extent of the administrative fee, for purchases made by Purchasing Entities within the jurisdiction of that State. All such agreements shall have no effect whatsoever on the NASPO administrative fee or the prices paid by the Purchasing Entities outside the jurisdiction of the state requesting the additional fee. Administrative fees shall not be added as a line item on any invoice.

Contractor shall remit the NASPO administrative fee equal to .5% of the total contract dollars booked each quarter. The administrative fee shall be paid within thirty (30) days after the end of the calendar quarter. Contractor shall indicate the Contract Number and include with the remittance, a quarterly sales report by WSCA contract participant. The administrative fee shall be paid to:

Western States Contracting Alliance  
c/o NASPO  
167 West Main Street, Suite 600  
Lexington, KY 40507

#### 5.2.1 Interest

Any payments a contractor makes or causes to be made to WSCA after the due date as indicated on the Quarterly Report schedule shall accrue interest at a rate of 18% per annum or the maximum rate permitted by law, whichever is less, until such overdue amount has been paid in full. The right to interest on late payments shall not preclude the exertion of any rights or remedies pursuant to this agreement or otherwise with regards to the contractor's failure to make timely remittances.

#### 5.2.2 State of Arizona Administrative Fee

Contractor shall pay an Administrative Fee to the State of Arizona in the amount of one percent (1%) of the total contract sales made in the State of Arizona. The Administrative Fee is calculated based on all sales transacted under the contract, minus all taxes and any returns or credits. The Administrative Fee shall not be charged directly to the customer, e.g., as a separate line item, a fee or a surcharge, but shall be included in the contract's unit prices.

The Administrative Fee shall be submitted, along with a Quarterly Usage Report documenting all contract sales, to the State Procurement Office within forty-five (45) days following the end of each calendar quarter. Usage Report shall be formatted as required, for more information on the Quarterly Usage Report or the Administrative



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Fee, its calculation, submission or use, see the State Procurement Office's web site at [http://spo.az.gov/Contractor\\_Resources/Admin\\_Fee](http://spo.az.gov/Contractor_Resources/Admin_Fee).

At its option, the State may limit the applicability of the Administrative Fee to contract sales from some customers and not to others, e.g., fee is only applicable to sales from members of the State Purchasing Cooperative and not sales to State Agencies. See the State's website (above) form more information in this regard. The State will provide thirty (30) days written notice before exercising or changing this option.

Failure to remit Administrative fees in a timely manner or remit fees inconsistent with the contract's requirements may result in the State exercising any recourse available under the contract including a third party audit of all contract activity. Should an audit be required by the State, the contractor shall reimburse the State for all costs associated with the audit up to \$5,000 or one (1%) percent of the contract's estimated annual value, whichever is higher.

### 5.2.3 States Individual Administrative Fee

Arizona – 1% Administrative Fee

Connecticut – 1% Administrative Fee

## 6 RISK AND LIABILITY

The following pages cover indemnification and insurance requirements. Unless otherwise established or modified in an individual PA, these requirements may be interpreted to apply to any Participating State. Contractors shall provide current Certificates of Insurance to each Participating Entity with which the Contractor has an executed PA.

### INDEMNIFICATION:

The Contractor shall defend, indemnify and hold harmless WSCA, the Lead State, and Participating Entities along with their officers, agencies, and employees as well as any person or entity for which they may be liable from and against claims, damages or causes of action including reasonable attorneys' fees and related costs for any death, injury, or damage to property arising from act(s), error(s), or omission(s) of the Contractor, its employees or subcontractors or volunteers, at any tier, relating to the performance under the Master Agreement. This section is not subject to any limitations of liability in this Master Agreement or in any other document executed in conjunction with this Master Agreement.

### INSURANCE REQUIREMENTS:

Vendor shall procure and maintain, until all of their obligations, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the purchase and or use of the commodity.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Vendor from liabilities that might arise out of the purchase and use of the commodities sold under this Contract by the Vendor, his agents, representatives, employees or subcontractors and Vendor is free to purchase such additional insurance as may be determined necessary.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage at least as broad and with limits of liability not less than those stated below.

#### 1. Commercial General Liability – Occurrence Form

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

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Fire Legal Liability \$ 50,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Each Occurrence \$1,000,000

#### 2. Business Automobile Liability

Bodily Injury and Property Damage for any owned, hired, and/or non-owned vehicles used in the performance of this Contract.



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Combined Single Limit (CSL) \$1,000,000

- a. The policy shall be endorsed to include the following additional insured language: ***“The [Participating State, e.g., the State of Arizona], its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor, involving automobiles owned, leased, hired or borrowed by the Contractor.”***
- b. Policy shall contain a waiver of subrogation against the [Participating State, e.g., State of Arizona], its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

**3. Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the [Participating State, e.g., State of Arizona], its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
- b. For the State of Arizona, this requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**B. ADDITIONAL INSURANCE REQUIREMENTS:** The policies are to contain, or be endorsed to contain, the following provisions:

- 1. The [Participating State., e.g., State of Arizona], its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required. Such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- 2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

**C. NOTICE OF CANCELLATION:** With the exception of (10) day notice of cancellation for non-payment of premium, any changes material to compliance with this contract in the insurance policies above shall require (30) days written notice to the Lead State (the State of Arizona) and the Participating State. Such notice shall be sent directly to the Procurement Officer for this Master Agreement and to the Procurement Officer of the Participating Addendum and shall be sent by certified mail, return receipt requested.

**D. ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the State of Arizona with an “A.M. Best” rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the Vendor from potential insurer insolvency.

**E. VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the Participating State) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received by the Participating State before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the Procurement Officer of the Lead State and to the Procurement Officer of the Participating State. Both the Master Agreement number and the Participating Addendum number and contract description are to be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE**



## Special Terms and Conditions

### STATE OF ARIZONA

Agency: Arizona Dept. of Administration  
State Procurement Office (ADOA/SPO)

Customer: WSCA /NASPO participating states; AZ  
Statewide(state agencies and cooperative partners)

Description: **WSCA/NASPO Mailing Equipment, Supplies, and Maintenance**

#### TO THE STATE OF ARIZONA'S RISK MANAGEMENT DIVISION.

- F. **APPROVAL:** Any modification or variation from the *insurance requirements* in this Contract must have prior approval from the State of Arizona Department of Administration, Risk Management Division, whose decision shall be final. Such action will not require a formal contract amendment, but may be made by administrative action.
- G. **EXCEPTIONS:** In the event the Contractor or sub-contractor(s) is/are a public entity, then the Insurance Requirements shall not apply. Such public entity shall provide a Certificate of Self-Insurance. If the contractor or sub-contractor(s) is/are a State of Arizona agency, board, commission, or university then none of the above shall apply.