CONTRACT

CONTRACT NUMBER: R-LB-13042

This Contract entered into this 26th day of September, 2013 by, Independent Stationers, Inc., 250 E. 96th Street, Suite 510, Indianapolis, IN 46240 hereinafter referred to as the “Contractor” and Prince William County School Board, P.O. Box 389, Manassas, VA 20108, hereinafter referred to as the “Prince William County Public Schools”, “Purchasing Agency” or “PWCS”.

WITNESSETH that the Contractor and PWCS, in consideration of the mutual covenants, promises and agreements herein contained, agree as follows:

1. SCOPE OF CONTRACT: Contractor shall provide all necessary parts, labor, tools, materials, equipment and resources as may be required to provide Educational Materials, Classroom, Art Supplies and Related Products and Services for Prince William County Public Schools, Virginia, herein referred to as PWCS, and on behalf of all states, local governments, school districts, and higher education institutions in the United States of America, and other governmental agencies and nonprofit organizations to establish a firm fixed-price term contract to include delivery in accordance with the statements of needs, terms and conditions stated herein.

2. CONTRACT DOCUMENTS: The contract documents shall consist of the following:

2.1. This signed form;
2.2. PWCS Invitation for Bid #R-LB-13042; Addendum #1 dated June 5, 2013;
2.3. Contractor’s bid response dated May 21, 2013;
2.4. Memorandum of Negotiation dated September 13, 2013;
2.5. Certificate of Compliance – Attachment A;
2.6. Warehouse Program List – Attachment B;
2.7. Most Frequently Ordered List – Attachment C.

3. CONTRACT TERM AND RENEWAL:

3.1. The initial term of this contract shall be from the October 1, 2013 to August 30, 2016, with the option to renew for three additional one-year periods, one year at a time, upon mutual written consent of the parties to the contract.

3.2. For future contract renewal periods, price increases shall not exceed the percentage increase/ decrease in the Consumer Price Index, Table 1 (http://stats.bls.gov/news.release/cpi.t0.htm), Urban Consumers (CPI-U), U. S. City Average, All Items, Unadjusted, for the most recently published twelve months as published by the U. S. Department of Labor, Bureau of Labor Statistics. The base price to which any adjustments will be made shall be the prices in effect during the contract period prior to the proposed contract period.

3.2.1. At the time of the contract renewal, if costs to Prince William County Schools (PWCS) are restricted by the current percentage increase/decrease of the CPI-U for the latest twelve months, any unusual circumstances that could not have been foreseen by Contractor occur, and those circumstances significantly affect the Contractor’s cost in providing the required items or services, the Contractor may request adjustments to the costs to PWCS beyond the current CPI-U cap to reflect the circumstances. The circumstances must be beyond the control of the Contractor and fully documented.

3.2.1.1. Documentation for pricing increases above the CPI-U cap must be provided as follows:

PURCHASING OFFICE

P.O. BOX 389, MANASSAS, VA 20108 • HTTP://PURCHASING.DEPARTMENTS.PWCS.EDU/• 703.791.8743, FAX 703.791.8610
3.2.1.1. For items, documentation supporting the increased costs must be provided by the manufacturer on their letterhead.

3.2.1.2. For services, the Contractor must provide documentation of the circumstances causing the increased costs, including substantial proof supporting the claims made, to warrant any price increases.

3.2.1.2. After reviewing the documentation provided, the Supervisor of Purchasing, may accept the increased costs or refuse them if they are considered to be excessive.

3.2.1.2.1. If the Supervisor of Purchasing does not accept the increased costs and PWCS originally awarded multiple contracts for these items/services, PWCS reserves the right to obtain prices for the affected items/services from the other vendors who were awarded a contract and, if the prices are considered to be fair and reasonable, award the items/services to the contractor(s) with the lowest price that meets the contract requirements.

3.2.1.2.2. Alternatively, at its own discretion, PWCS may revise the contract requirements and issue a new solicitation.

4. **CONTRACT ADMINISTRATOR:** The following employees of PWCS are identified to use all powers under the contract to enforce its faithful performance:

4.1. **CONTRACT ADMINISTRATOR:** As the Contract Administrator, the following individuals, or their designee, shall serve as the interpreter of the conditions of the contract and shall use all powers under the contract to enforce its faithful performance.

   Laurie Baber, CPPB, Senior Buyer, 703-791-8741, baberl@pwcs.edu
   Sherry Jones, Buyer, 703-791-8096, joness@pwcs.edu

5. **SCOPE OF SERVICES:**

The Contractor shall provide Educational Materials, Classroom, Art Supplies and Related Products and Services for Prince William County Public Schools, Virginia, herein referred to as PWCS, and on behalf of all states, local governments, school districts, and higher education institutions in the United States of America, and other governmental agencies and nonprofit organizations. All products shall be new, unused and of the latest design and technology unless otherwise specified.

5.1. **Item Listing Definitions:**

   5.1.1. Warehouse List is defined as items originally on the Core List Attachment A-1, for Warehouse Delivery Only. (ATTACHMENT B)

   5.1.2. Most Frequently Ordered List is defined as items originally on the Core List Attachment A-1 and Hot List, for desktop delivery. (ATTACHMENT C)

   5.1.3. Non-Core List is defined as items originally on the Non-Core List Attachment A-3 (catalog) for items not identified in the Warehouse List and Most Frequent Ordered List.

5.2. **Large Quantity/Warehouse (Bulk) Program:**

Program Definition:

5.2.1. Those items contained on the Warehouse List with case and/or master pack quantities are eligible.

   5.2.1.1. Contractor will work with the Participating Public Agencies to identify and update the Warehouse List as additional items are identified and priced with manufacturers or wholesalers that meet the Participating Public Agency’s needs.

5.2.2. Participating Public Agencies must provide a User/Ship To Location in advance for Warehouse Program orders.

5.2.3. The Participating Public Agencies User/Ship To Location will only be available to order from the Warehouse program items.
5.2.4. Order quantities will be set by case or master pack as indicated – no broken cases or broken master packs will be eligible.

5.2.5. Warehouse Program Returns:
   5.2.5.1. Outside damage must be reported within ten business days to the servicing dealer.
   5.2.5.2. Internal damage must be reported as stated in the program returns policy.

5.2.6. Specifics regarding the process will be communicated to each Participating Public Agency and is dependent on the platform in which its account has been established.

5.3. **Large Quantity One Time Purchase:**

   **Program Definition:**

   Large Quantity One Time Purchases are available to any Participating Public Agency who desire to make large quantity purchases outside the Warehouse Program.

   5.3.1. Orders must have a $3,500 minimum per order on the eligible items within one of the eligible categories from a single manufacturer.

   5.3.1.1. Eligible Categories
      5.3.1.1.1. Educational Materials: Birth Through Three Years
      5.3.1.1.2. Educational Materials: Pre-K Through Elementary
      5.3.1.1.3. Educational Materials: Middle Through Upper Grades
      5.3.1.1.4. Classroom Supplies
      5.3.1.1.5. Art Supplies
      5.3.1.1.6. Related Products and Services

   5.3.1.2. Order delivery is to one dock location per User/Ship To Location (i.e. multiple warehouses)

   5.3.1.3. Participating Public Agency Users will make a request either through the servicing dealer or on-line for a quote on the specific items within the category

   5.3.1.4. Servicing dealer will obtain special quoted prices based on the quantities, delivery time, etc. from the manufacturer/vendor.

   5.3.1.5. Participating Public Agency User must agree to the conditions of the quote.
      5.3.1.5.1. Quote is valid for 14 days after the date of the quote.

   5.3.1.6. Pricing is final as quoted

   5.3.1.7. Large Quantity One Time Purchase Returns:
      5.3.1.7.1. Outside damage must be reported within 10 business days to the servicing dealer.
      5.3.1.7.2. Internal damage must be reported as stated in the program returns policy.

   5.3.1.8. Dealer will deliver product to single dock location indicated.

   5.3.1.9. Specifics regarding the process will be communicated to each Participating Public Agency and dependent on the platform in which its account is established.

5.4. **Ordering/Invoicing:**

   5.4.1. Public Participating Agencies may place orders either by a Purchase Order or Electronic Ordering.

   5.4.2. Purchase Orders can be placed either by phone, fax, email or mail; Purchase Orders indicate that sufficient funds have been obligated as required by Public Participating Agency’s governing laws.

   5.4.3. Electronic Ordering will be done with Contractor utilizing two platform programs; BMI and CSMe. Electronic Ordering must have the ability to accept a Purchase Order Number and/or a Procurement
5.4.4. The BMI program will allow Contractor to bill/invoice a Public Participating Agency and include service such as customer service, delivery, training, sales, etc., from a local independent servicing dealer.

5.4.5. The CSMe program will allow independent servicing dealers to bill a Participating Public Agency and provide services such as customer service, delivery, training, sales, etc., from a local independent servicing dealer.

5.4.6. The platform to be utilized will be determined during the discovery stage of the implementation process and will be dependent on the Public Participating Agency's needs and requirements.

5.4.7. PWCS will be the pilot Public Participating Agency for the BMI system to set-up and ensure all ordering and billing requirements are met and the functionality is provided.

5.4.8. Contractor shall accept procurement cards as a method of payment for all order types.

5.4.9. Performance under this contract is not to begin until receipt of the purchase order or electronic ordering made by the Participating Public Agency.

5.5. Delivery:

5.5.1. All delivery options (desktop/UPS) will be determined during the implementation phase with a Participating Public Agency.

5.5.2. Future Order Program: Each Participating Public Agency will have the option to participate in the convenient Future Order Program. Participating Public Agencies can submit an order to be delivered 30 -- 180 days in the future. This program helps to ensure orders are delivered on the date required. The normal return policy applies.

5.6. Pricing:

5.6.1. None-Core Items will be based on Net Pricing and will be reviewed every six months as indicated below.

5.6.2. The Warehouse Program List and Most Frequently Ordered List are available to all Participating Public Agencies.

5.6.3. The Most Frequently Ordered List will be adjusted to reflect changes in items most frequently ordered on a semi-annual basis to coincide with April and October price changes.

5.6.4. Contractor will adhere to the same pricing file updates schedule for the U.S. Communities Office Products Contract (County of Los Angeles). Contractor will provide a file update to both County of Los Angeles and PWCS 90 days prior to the April 1 and October 1 effective dates.

5.6.5. Contractor to provide promotional items every 90 days throughout the term of the contract.

5.7. Restocking and Returns:

5.7.1. The Contractor's National Accounts program is designed to provide the highest level of customer satisfaction, including our returns policy and processing. With communication from the Participating Public Agency Independent Stationers Customer Care team will resolve issues and provide liberal returns within reason.

5.7.2. Contractor guarantees complete satisfaction for every purchase made from a Participating Public Agency. Participating Public Agency's request a Return Merchandise Authorization (RMA) number within 30 days from the original date of purchase for an exchange or for a full refund and credit for most products.
5.7.3. **Condition of Merchandise:** All returns must be received by Independent Stationers in resalable condition with all original packing materials, parts and accessories intact and in new condition. Independent Stationers reserves the right to deny any return or exchange or credit if a product is not in original/resalable condition.

5.7.3.1. For returns which meet the Condition of Merchandise, there will be no restocking fee if Independent Stationers is notified within 30 days.

5.7.3.2. For Damaged Merchandise there will be no restocking fee if Independent Stationers is notified within 10 days. After 10 days the restocking fees apply. Shipments received with any visible damage to the contents or packing materials should be noted on the delivery Receipt or Bill of Lading at the time of delivery and/or refuse shipment. The Participating Public Agency must notify and request the RMA number within 10 days to avoid any restocking fee.

5.7.4. Restocking fees apply only if a user does not notify Independent Stationers of a return or damaged item within the policy notification as stated below:

- 1-10 days - 0%
- 11-30 days - 5%
- 31-60 days - 15%
- 61+ days no returns

5.7.5. **Exclusions and Exceptions:** Special Orders, Customer Items and Manufacturer Direct to include custom stamps, food, dated goods and items not normally stocked but special ordered from the manufacturer. These items are only returnable in the event of a manufacturer's defect or incorrect shipment.

5.8. **Fill Rate:** After implementation and launch, Independent Stationers will gather historical data to review and work with our wholesalers to make process and product updates to increase the fill rate from 96.5% to 98.5%. The fill rate will be reviewed during the quarterly review process throughout the term of the contract.

5.9. **Employee Purchase Program:** An employee purchasing program will be available for Participating Public Agencies.

5.10. **Rebate Incentive Program:**

**Average Order Size Incentive:**

Participating Public Agencies will receive a rebate in the amount of one percent (1%) of all electronic orders meeting and exceeding the average order size of $250 (excluding shipping, handling and tax if applicable). Only orders meeting or exceeding this average order size will be calculated in the incentive.

Rebate applies ONLY to orders through this U.S. Communities School Supplies contract and does NOT apply to any orders purchased through the U.S. Communities Office Supplies contract.

Average order size will be calculated every six (6) months (based on calendar six-months) and those Participating Public Agencies reaching the average order size will receive the rebate. Rebates will be paid every calendar six (6) months, forty-five (45) days in arrears of the six (6) month time frame.

**Volume Incentives**

Participating Public Agencies will receive one of the following volume rebates:

**School Volume Incentive 1 — Use of School Supplies Contract Only:**

Participating Public Agencies, defined by the Federal Taxpayers Identification Number (TIN) on file with Independent Stationers, will receive volume rebates annually as defined below and will be paid within forty-five (45) days at the end of each calendar year.
<table>
<thead>
<tr>
<th>School Supply Volume</th>
<th>Rebate (Paid Annually)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$250K - $500K</td>
<td>1.00%</td>
</tr>
<tr>
<td>$501K - $850M</td>
<td>1.50%</td>
</tr>
<tr>
<td>$851M - $1.5M</td>
<td>2.00%</td>
</tr>
<tr>
<td>&gt;$1.5M - $3M</td>
<td>3.00%</td>
</tr>
<tr>
<td>&gt;$3M</td>
<td>4.00%</td>
</tr>
</tbody>
</table>

**School Volume Incentive 2 – Use of Both School Supplies and Office Supplies Contract:**

Participating Public Agencies, defined by the Federal Taxpayers Identification Number (TIN) on file with Independent Stationers, using both U.S. Communities School Supplies and Office Supplies contracts will receive volume rebates annually as identified below and will be paid within forty-five (45) days at the end of each calendar year.

<table>
<thead>
<tr>
<th>School Supply and Office Supply Volume</th>
<th>Rebate (Paid Annually)</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500K - $1M</td>
<td>1.50%</td>
</tr>
<tr>
<td>$1M - $3.5M</td>
<td>3.00%</td>
</tr>
<tr>
<td>&gt;$3.5M - $10M</td>
<td>5.00%</td>
</tr>
<tr>
<td>&gt;$10M</td>
<td>5.50%</td>
</tr>
</tbody>
</table>

6. **PAYMENT TERMS:** Net 30

7. **SPECIAL TERMS AND CONDITIONS:**

7.1. **AUDIT:** The Contractor shall retain all books, records, and other documents relative to this contract for five (5) years after final payment, or until audited by PWCS, whichever is sooner. PWCS, its authorized agents shall have full access to and the right to examine any of said material during said period.

7.2. **AVAILABILITY OF FUNDS:** It is understood and agreed between the parties herein that PWCS shall be bound hereunder only to the extent of the funds available or which may hereafter become available for the purpose of this contract.

7.3. **CERTIFICATE OF COMPLIANCE:** By signing this contract, the Contractor acknowledges that the Contractor certifies that neither the Contractor, any employee of the Contractor, nor any other person who will provide services under the Contract and will have direct contact with students on school property during regular school hours or school-sponsored activities, have been convicted of a felony or any offense involving the sexual molestation or physical or sexual abuse or rape of a child. Contractor further acknowledges that such certification shall be binding on the Contractor throughout the term of any Contract, including renewals or extensions, thereof, and agrees to provide immediate notice to PWCS of any event which might render such certification untrue, including the arrest indictment, or investigation of any individual providing such services.

7.4. **EXTRA CHARGES NOT ALLOWED:** The proposed prices shall be for the complete delivery ready for PWCS use, and shall include all applicable freight charges; extra charges will not be allowed for delivery to multiple locations.

7.5. **FAILURE TO DELIVER:** Failure to comply with the terms and conditions of this solicitation or to deliver goods and/or services identified in the solicitation and resulting contract at the firm fixed prices quoted will be considered default of the contract. Should the Contractor be found in default of the contract, any excess cost which may result from default actions shall be at the expense of the Contractor. The Contractor shall, in this instance, be responsible for any and all costs incurred by PWCS to procure such products and services elsewhere.

7.6. **INSURANCE REQUIREMENTS:**

7.6.1. The Contractor shall provide to the Supervisor of Purchasing a Certificate of Insurance indicating the coverage below prior to the start of any work under the contract and agrees to maintain such
insurance until the completion of the contract. The minimum insurance coverage shall be:

7.6.1.1. Workers Compensation - Virginia Statutory Workers Compensation coverage including Virginia benefits and employers liability with limits of $100,000/ $100,000/$500,000;

7.6.1.2. Commercial General Liability - $1,000,000 combined single limit coverage with $2,000,000 general aggregate covering all premises and operations and including Personal Injury, Completed Operations, Contractual Liability and, where applicable to the project (as determined by PWCS), Products and Independent Contractors. The general aggregate limit shall apply to this project.

7.6.1.3. PWCS should be named as additional insured on the CONTRACTOR’s commercial general liability insurance policies and any excess liability or umbrella excess policies (if applicable). A forty-five (30) day notice of cancellation or non-renewal in writing shall be furnished by the Contractor’s insurance carrier(s) or insurance agent(s) to PWCS Purchasing Agent. The insurance certificate shall state contract number and title.

7.6.1.4. Automobile Liability $1,000,000

7.7. **METHOD OF PAYMENT:** The Contractor shall be paid on the basis of invoices submitted, to be paid net thirty (30) days from receipt and approval by an authorized PWCS official, upon satisfactory completion of delivery and/or installation. Payment shall be made after satisfactory performance of the contract in accordance with all of the provisions thereof and upon receipt of a properly completed invoice. The School Board reserves the right to withhold any or all payments or portions thereof for contractor’s failure to perform in accordance with the provisions of the contract or any modifications thereto.

7.8. **WARRANTY:** Except as otherwise specified, all materials and equipment shall be fully guaranteed against defects in material and workmanship for a period of one (1) year following date of delivery or by manufacturer’s warranty, whichever is greater. Should any defect be noted by PWCS, the Purchasing Office will notify the Contractor of such defect or nonconformance. Notification will state either (1) that the Contractor shall replace or correct, or (2) the owner does not require replacement or correction, but an equitable adjustment to the contract price will be negotiated. If the Contractor is required to correct or replace, it shall be at no cost to PWCS and shall be subject to all provisions of this clause to the same extent as materials initially delivered. If the Contractor fails or refuses to replace or correct the deficiency, the office issuing the purchase order may have the materials corrected or replaced with similar items and charge the Contractor the cost occasioned thereby or obtains an equitable adjustment in the contract price.

Prince William County does not discriminate against faith-based organizations in accordance with the Code of Virginia, §2.2-4343.1 or against a bidder or offeror because of race, religion, color, sex, national origin, age, disability, or any other basis prohibited by state law relating to discrimination in employment.

This contract shall constitute the whole agreement between the parties. There are no promises, terms and conditions, or obligations other than those contained herein, and this contract shall supersede all previous communications, representations, or agreements, written or verbal, between the parties hereto related to the provision of goods (including leases thereof), services and/or insurances described herein.

**IN WITNESS THEREOF,** the parties have caused this Contract to be executed by the following duly authorized officials:

**INDEPENDENT STATIONERS, INC.:**

- Authorized Signature  
  
  Kevin France  
  
  Type Name  
  
  Vice President - National Accounts  
  
  Title  
  
  September 27, 2013  
  
  Date

**PURCHASING AGENCY:**

- Authorized Signature  
  
  Jim Totty, CPPO, C.P.M.  
  
  Type Name  
  
  Supervisor of Purchasing  
  
  Title  
  
  9/30/13  
  
  Date
CERTIFICATE OF COMPLIANCE

Code of Virginia §22.1-296.1

As a condition of contract award, Contractor/Vendor providing contracted services requiring direct contact with students on school property during regular school hours or school-sponsored activities/programs shall execute this document certifying that neither the Contractor nor any employee of the Contractor has been convicted of a felony or any offense involving the sexual molestation, physical or sexual abuse or rape of a child. This certification shall be binding upon the Contractor and their employees providing services throughout the term of the contract or purchase order, including any extensions or renewals.

Contractor/Vendor acknowledges that, pursuant to the Code of Virginia §22.1-296.1 (A), any person making a materially false statement on this certification shall be guilty of a Class 1 misdemeanor and upon conviction, the fact of such conviction shall be grounds for revocation of the contract or purchase order.

INDEPENDENT STATIONERY

Company Name

250 S 56 R STREET - STE 510

Company Address

KEVIN FINCH

Print Name of Authorized Representative

Authorized Representative Signature

#R-LB 13042

Solicitation #

317-524-1111

Company Phone Number

one Project - renewal requests

Authorized Representative Title

5-21-13

Date

PURCHASING OFFICE

P.O. BOX 389, MANASSAS, VA 20108 • HTTP://PURCHASING.DEPARTMENTS.PWCS.EDU/ • 703.791.8743, FAX 703.791.8610