



June 14, 2018

To: All Potential Respondents

From: Nancy Wheelock, Purchasing Agent

Subject: RFP1118005083 – NASPO ValuePoint Tires, Tubes and Services

Addendum Two

Please amend the subject RFP to include answers to the following timely received questions:

Q1. **Section 1.8** - The Lead State is amending Section 1.8 of the RFP to include the additional potential users of the resulting Master Agreement.

A1. The states of Illinois, New Jersey, and Washington have requested to be named in the RFP as potential users of the resulting Master Agreement. The states of Illinois and Washington did not provide terms and conditions as part of the RFP and New Jersey's terms and conditions are provided in Attachment O which will be posted with this Addendum.

Q2. **Section 1.10 (page 9)** Iowa specific terms reference a performance bond, but no detail is provided. Will a performance bond be required for this contract, if so, in what amount?

A2. This RFP does not require a performance bond.

Q3. **Section 1.1.5** - The Lead State of Iowa is amending the Section 1.1.5 to include additional language regarding sales tax.

Section 1.1.5 of the RFP currently states:

1.1.5 Tax Exemption

The Lead State is exempt from federal excise taxes and State of Iowa sales tax and no payment will be made by the Lead State for any taxes levied on the Offeror's or any subcontractor's employees' wages. The tax rules with respect to other Using Entities may vary and are expected to be addressed in the Participating Addenda.

A3. **Section 1.1.5 of the RFP is amended to state:**

1.1.5 Tax Exemption

The Lead State is exempt from federal excise taxes and State of Iowa sales tax and no payment will be made by the Lead State for any taxes levied on the Offeror's or any subcontractor's employees' wages. The tax rules with respect to other Using Entities may vary and are expected to be addressed in the Participating Addenda.

Sales tax is dynamic and the Offeror must comply with each Participating State's requirements. If Offeror's Approved Distributors cannot invoice the correct tax based upon the location (e.g., delivery location rather than dealer location) required by a Participating State, Offeror must

disclose that to the Participating State prior to execution of a Participating Addendum with the Participating State.

The amended Section 1.1.5 replaces the original language and Offeror shall refer to the amended language when preparing its Proposal.

- Q4. **Section 2.13.6. Pg. 11.** Rejection of Proposal. The offeror fails to include Proposal Security, if required.
- a) What is Proposal Security?
 - b) Will it be required with this RFP?
- A4. a) Proposal Security would be a bond or deposit which guarantees that the Offeror, if awarded the contract, will accept the contract as bid.
- b) No, Proposal Security is not required with this RFP.
- Q5. **Section 2.13.10. Pg. 11.** Rejection of Proposal. The Offeror's Proposal is materially unbalanced.
- a) What is meant by materially unbalanced?
- A5. a) A proposal is materially unbalanced if there is a reasonable doubt that award to the Offeror submitting the mathematically unbalanced proposal will result in the lowest ultimate cost.
- Q6. **Section 2.22. Copyright Permission** – Please clarify in more detail what exactly is meant by 'the lead state shall have the right to use ideas or adaptations of ideas that are presented in Proposals'. No intellectual property will be part of any tire sale, these are commercial off the shelf products (COTS).
- Q6. Section 2 of the RFP contains standard administration information. This language would apply, for example, when a Proposal provides a new idea or method for providing a service requested in an RFP. In the example given, Section 2.22. would give the Lead State the right to use the new idea or method or use an adapted version of the new idea or method without requesting additional permission from the Offeror. By submitting a Proposal, the Offeror has already given permission to the Lead State unless they provide an exception to Section 2.22.
- Q7. **Section 3.2.1.4.5. Pg. 17.** Employee size.
- This information should be on a global basis and not just for the United States. Is this correct?
- A7. Yes, employee size should be based on a global basis, not just for the United States.
- Q8. **Section 3.2.1.4.6. Pg. 17.** Website capability.
- Please expand on this. What are you looking for?
- A8. Offeror shall explain what information is currently available on Offeror's public website to purchasing entities for viewing and downloading purposes such as dealer location/directions, product information, etc.
- Q9. **Section 3.2.1.4.8. Pg. 17.** Offeror's client retention rate during the past 3 years.
- This information should be on a global basis and not just for the United States. Is this correct?
- This information should be for all Clients (Customers) and not just Government Customers. Is this correct?
- A9. Yes, client retention rate should be based on a global basis and should include all clients (customers), not just government customers.
- Q10. **Section 3.2.1.4.8, Page 17** – Please explain in more detail what is meant by 'client retention rate'.
- A10. Offeror shall provide the percentage of national and global clients it's maintained as clients over the past three years.

- Q11. **Section 3.2.1.5.4.** in the RFP is asking for letters of reference from 3 public sector customers. We have never done business directly with a government agency. Does this disqualify us?
- A11. No, this does not disqualify an Offeror from responding to this RFP. The Lead State will accept letters of reference from non-public sector customers, preferably similar to the scale and scope of a state, when Offeror has not done business directly with a government agency.
- Q12. **Section 3.2.1.8. Termination, Litigation, Debarment and all subsections 3.2.1.8.1. thru 3.2.1.8.7, Page 18** – Please clarify and confirm whether these clauses apply only to government contractual relationships. Normally information concerning all material litigation is set forth in our SEC mandated corporate filings, which are located on our corporate website and we will provide that web link. Will that satisfy this section?
- A12. Sections 3.2.1.8.1 through 3.2.1.8.7 do not only apply to government contractual relationships. Yes, Offeror may provide a web link to its corporate filings to satisfy Sections 3.2.1.8.1 through 3.2.1.8.7. However, upon reviewing the corporate filings, the Lead State reserves the right to request further disclosure within the scope of Sections 3.2.1.8.1 through 3.2.1.8.7.
- Q13. **Section 3.2.1.8.2.** Offeror has had a contract that meets the >10,000 employees, list only if that contract was terminated? Language is unclear.
- A13. In Section 3.2.1.8.2, Offeror shall identify any clients, with more than 10,000 employees, who have terminated a contract with the Offeror in the prior three years. Offeror shall provide a description of the facts and circumstances of the termination and provide contact information of a contact for the client.
- Q14. **Section 4.1/p.27** - Should the offeror be able to cover the whole subcategories addressed in Section 4.1? For example, we do not manufacture agriculture/farm, industrial, bias tires. Can we still participate in the bid?
- A14. No, the Offeror does not need to be able to provide all subcategories addressed in Section 4.1 but shall be able to provide, at a minimum, the tire and tube subcategories in Sections 4.1.1. through 4.1.4. of the RFP which are pursuit and performance, automobile/passenger, light duty trucks, medium commercial/heavy duty truck/bus tires.
- Q15. **Section 4 Scope of Work, 4.2.1 General Tire Specifications, page 21:** Please advise the rationale behind the tire age being (1) year old or less. With over 4,000 individual SKU's in our portfolio, this is not a reasonable requirement. Would potentially be willing to accommodate this when requested, but cannot agree for every single tire as some low volume tires are only made once every two years.
- A15. The Lead State will allow a tire age of (2) two years old or less for low volume and other tires which are only manufactured every two years. The tire age of one (1) year old or less requirement will remain in effect in the RFP for tires which are manufactured annually. Offeror will identify any tires which are not manufactured annually in their tire price list in a separate column to help avoid product returns for tires over one (1) year old which are not manufactured annually.
- Q16. **Section 4.2.1.2 (Page 22),** for the requirement of a P at the beginning of tire size in Section 4.2.1.2, can the ETRTO equivalent be substituted?
- A16. Yes, the European Tire and Rim Technical Organization (ETRTO) equivalent is an acceptable substitute for the P-metric. The Lead State considers Euro-metric and P-metric tires in the same size (i.e. P225/60R16 and 225/60R16) as equivalent.
- Q17. **Section 4.2.4.12** - The Lead State is amending Section 4.2.4.12 Siping. Section 4.2.4.12 currently states:

The small slots that are cut or molded into a tire tread surface. These slots are meant to aid in increasing traction in snow, ice, mud, and wet road surfaces. Approved Distributors shall only perform siping on new tires.

A17. The Lead State amends Section 4.2.4.12 Siping to state:

The small slots that are cut or molded into a tire tread surface. These slots are meant to aid in increasing traction in snow, ice, mud, and wet road surfaces. Approved Distributors shall only perform siping on new, unused tires.

The amended Section 4.2.4.12 replaces the original language and Offeror shall refer to the amended language when preparing its Proposal.

Q18. **Section 4.3.1/p.25** - Is a dedicated website mandatory?

A18. Offerors that are identified as successful Contractors will be required to provide a dedicated website complete with each Participating State's participating addendum, tire/tube price list, Approved Distributor list, ordering information and other information as needed for all products awarded under this Contract. The dedicated website shall be accessible by Using Entities by internet link and be functional during the life of the Contract. A link to the dedicated website will be posted on the State of Iowa's Contract website and be available for review by Using Entities and the general public. Pricing and the Approved Distributor list for each Participating State should be available to view within two clicks from the main website window. The successful Contractor must keep the information on the dedicated website current. Websites may be linked to the successful Contractor's main public website.

The Lead State will allow the successful Contractor(s) sixty (60) days from the date of contract execution to provide a "live" website. Offerors may visit www.govlifts.com for an example of a dedicated website with similar features being requested in this RFP.

Q19. **Section 4.3.1**, for the NASPO dedicated website mentioned in Section 4.3.1, what is needed and included for NASPO and participating states? How is online payment and ordering expected if the website is maintained by the manufacturer, but orders and payment will be processed through the Authorized Distributor?

A19. See A18. for dedicated website requirements. Offeror is not required to provide online payment and ordering on its dedicated website for this RFP.

Q20. **Section 4.3.1. Pg. 25.** Dedicated Website.

This website is to be available only to NASPO Customers that have a participating addendum with the manufacturer, and no other Customers of the manufacturer can use it. Is this correct?

A20. See A18. for details on the dedicated website. The dedicated website would allow public viewing but only qualified public entities would participate in the contracted services and goods.

Q21. **Section 4.3.2 (page 25)** What are the responsibilities that are expected of the customer service representative?

A21. The responsibilities of the customer service representative mentioned in Section 4.3.2 include, but are not limited to, the following:

- a) Respond and resolve Participating States' questions and/or complaints about the products and services being provided through the successful Contractor's Approved Distributors network. The customer service representative should acknowledge receipt of Participating States' inquiries, questions, or complaints within one business day.

- b) Contact Approved Distributors who are not complying with the NASPO ValuePoint Contract and Participating State's terms and conditions directly, or through the successful Contractor's proper channels, and educate Approved Distributor on its Contract responsibilities.
- c) Contact the Lead State Contract Administrator concerning any unresolved issues concerning all Participating States and work with the Lead State Contract Administrator to resolve these issues.
- d) Participate in Annual meetings with Lead State Contract Administrator to discuss customer service related issues and contract performance.
- e) Participate in Quarterly conference calls with Lead State Contract Administrator to review any current contract issues with Participating States.
- f) Lead contact for sales reporting and remittance of management fees.
- g) Main point of contact regardless of the question or issue. If customer service representative cannot answer a question or resolve an issue without additional help, they should contact the necessary staff and obtain the answer or resolve the issue and then contact the Using Entity with the final answer or resolution.

Q22. **Section 4.3.3** - The Lead State is amending Section 4.3.3. to remove language regarding specific representative duties.

Section 4.3.3 currently states:

The Offeror's representative shall be available to conduct annual meetings, at a minimum, with contract manager to discuss performance and customer service related issues. The representative shall be responsible to conduct and/or coordinate sales meetings, training sessions, and product demonstrations if required.

A22. **The Lead State amends Section 4.3.3 to state:**

The Offeror's representative shall be available to conduct annual meetings, at a minimum, with contract manager to discuss performance and customer service related issues.

The amended Section 4.3.3 replaces the original language and Offeror shall refer to the amended language when preparing its Proposal.

Q23. **Section 4.5. Pg. 26.** Payment Types. Offeror must accept mailed and electronic payments/P-Cards Are Dealers allowed to charge the NASPO Customer and require payment at the time of purchase?

A23. Each Participating State has different payment terms and guidelines. If a Participating State, for instance, has 30 day payment terms, then the Approved Distributor may not require payment at the time of purchase.

Q24. **Section 4.6. Recruiting and Education of approved Distributors, page 26** – Please explain in more detail what specific recruiting efforts are required in relation to the 1st sentence of this section.

A24. The Lead State does not have a list of recruiting requirements. However, recruiting efforts could include a promotional email being sent on a quarterly basis to the Offeror's authorized dealers encouraging them to participate in the NASPO ValuePoint contract including instructions on how to participate, handouts on the contract at dealer meetings, Offeror's representative making mention of the contract when visiting dealers in their territory, etc.

Offeror shall include a response to Section 4.6 explaining its current recruiting efforts and any new recruiting efforts it plans to use in the future to ensure there is sufficient coverage in Participating States.

As new dealers become Approved Distributors and changes of dealer ownership occur for existing Approved Distributors, Offeror must maintain accurate and current Approved Distributors lists on the dedicated website for all Participating States.

Q25. **Section 5.1. Mandatory Requirements, 5.1.2. Licensing Requirements, page 27** – please explain what the licensing requirements are that are referred to in the 1st sentence.

A25. For the Lead State, licensing requirements would be for Offeror's Approved Distributors. However, Offeror will continue to be responsible for any future licensing requirements implemented by the Lead State which are applicable to the products supplied by the Offeror.

Each Approved Distributor would need to be registered with the Lead State to do business in Iowa. There are no direct licensing requirements for the Offeror for the Lead State at this time.

Q26. **Section 5.1.1** - The Lead State is amending Section 5.1.1 of the RFP concerning delivery being included in pricing.

Section 5.1.1. currently states:

5.1.1. Shipping to Using Entity

In some instances, a Using Entity may require tires be shipped to different agencies, departments or divisions. Orders of this type must be shipped FOB Destination at contract price with no additional fees or freight charges added.

A26. **Section 5.1.1. is amended to state:**

5.1.1. Shipping to Using Entity

In some instances, a Using Entity may require tires be shipped to different agencies, departments or divisions. Orders of this type must be shipped FOB Destination at contract price according to the delivery rates and terms established in the Contract.

The amended Section 5.1.1. replaces the original language and Offeror shall refer to the amended language when preparing its Proposal.

Q27. **Section 5.1.6 Product Guarantee and Adjustment** – Vender is offering its standard commercial tire warranty. No other warranty can be offered or made. Copies will be provided with our proposal. Will that satisfy this section?

A27. The Lead State is amending Section 5.1.6 of the RFP to remove the 48 month warranty guarantee and replace it with standard warranty language.

Section 5.1.6 currently states:

5.1.6 Product Guarantee and Adjustment

Tires furnished must be guaranteed to be free from defects in workmanship and material for original tread life or 48 months whichever comes first. Any tire which fails this guarantee must either be satisfactorily repaired by the successful Contractor or replaced with a new tire charging only for the mileage used based on the tread depth, or as agreed upon by the Using Entity. Allowances and replacement charges shall be based upon the Master Agreement tire price.

The successful Contractor shall pay all transportation costs on both the defective tire(s) and replacement tire(s). The successful Contractor shall provide a one (1) year warranty on all tubes and parts beginning on the date of installation, to repair and/or replace as necessary, as

determined by the Using Entity, AT NO COST TO THE USING ENTITY. If such items are not normally warranted for one year, maintenance to supply the equivalent of a one (1) year warranty must be included in the cost. Shipping cost for returned tubes and parts warranty service **SHALL BE PAID BY THE SUCCESSFUL CONTRACTOR.**

Offer shall include with its Proposal a statement that its company agrees to the mandatory Warranty Requirements. If Offeror's company warranty exceeds the mandatory requirements, Offeror shall include a copy of the warranty with its Proposal.

Section 5.1.6 is amended to state:

5.1.6 Product Guarantee and Adjustment

Offeror will provide a copy of its standard commercial tire warranty with its Proposal. Any tire which fails this warranty must either be satisfactorily repaired by the successful Contractor or replaced with a new tire charging only for the mileage used based on the tread depth, or as agreed upon by the Using Entity. Allowances and replacement charges shall be based upon the Master Agreement tire price.

The successful Contractor shall pay all transportation costs on both the defective tire(s) and replacement tire(s). The successful Contractor shall provide a one (1) year warranty on all tubes and parts beginning on the date of installation, to repair and/or replace as necessary, as determined by the Using Entity, AT NO COST TO THE USING ENTITY. If such items are not normally warranted for one year, maintenance to supply the equivalent of a one (1) year warranty must be included in the cost. Shipping cost for returned tubes and parts warranty service **SHALL BE PAID BY THE SUCCESSFUL CONTRACTOR.**

The amended Section 5.1.6. replaces the original language and Offeror shall refer to the amended language when preparing its Proposal.

- Q28. **Attachment #4 – Response Check List** - In terms of proposal format, can the Offeror follow the order of Response Check List (Section 3-5) or should it include the whole Section 1-7 and acknowledge/and answer each and every point?
- A28. The Offeror may follow the order provided in Attachment 4 - Response Check List. However, the Response Check List is for informational purposes only. It is not an all-inclusive list of all information required to be submitted for this RFP. Offeror must respond to all sections within Section 3.2 of the RFP. It is the Offeror's sole responsibility to submit all required information in its Proposal.

Regarding whether to provide a point-by-point response to Sections 1-7, the Lead State is not anticipating a point-by-point response for Sections 1, 2, and 6. Those sections are provided for informational purposes. However, if the Offeror would like to provide comments or exceptions to the language in Sections 1, 2, and 6, the Offeror may provide those comments or exceptions in its Technical Proposal.

Sections 3, 4, 5, and 7 contain requirements which the Offeror will respond to in its Technical Proposal on a point-by-point basis. Section 7 contains terms and conditions which the Offeror will review and provide any exceptions or comments, if applicable.

The Offeror may provide comments or a response in its Proposal regarding any language included in the RFP.

- Q29. According to the Response Check List, '(Section 4/p.21) Scope of Work' should be addressed before '(Section 5.2.1/p.29) Scored Technical Requirements'. However, (Section 5.2.1/p.29) 'Scored Technical Reports' again requires an answer for 'Scope of Work.' Can we just answer all in the section of Scope of Work, and simply say refer to the Scope of Work on the latter part?
- A29. Yes, Offeror may provide a point-by-point response to Section 5.1.2 within Section 4 – Scope of Work and then state that its response to Section 5.1.2 is shown in Section 4 – Scope of Work.
- Q30. **Attachment #1 – Certification Letter, Certification Regarding Disbarment, 6., 1st sentence, page 37** – please provide your definition of 'principals'.
- A30. The Lead State is defining "principals" as any entity the Offeror has vested with the power to create an agency relationship that would bind the Offeror. Attachment #1 is a standard RFP template.
- Q31. **Attachment #2, Authorization to Release Information Letter, 3rd paragraph, page 39** – Will information gained from interviewing prior government contract parties be kept confidential?
- A31. The Lead State cannot provide confidentiality for information gained through an interview of a prior government contract party. Attachment #2 is a standard RFP template.
- Q32. **Attachment 5 – Cost Proposals, Service Rates Tab** – Can Product Sub-Category 3 be its own separate column (keeping 1&2 together) as many times service pricing for Light Truck tires is different than Police Pursuit and Auto tires.
- A32. The Lead State will agree to the addition of a new column on Tab 2 – Services for Sub-Category 3 – Light Duty Tires. The Lead State will post an amended Cost Proposal named "RFP1118005083 - Cost Proposal Final Rev 2" with this addendum. The amended Cost Proposal replaces the original Cost Proposal. All Offerors will use the amended Cost Proposal when submitting their Proposals.
- Q33. **Attachment 5 – Cost, Proposal Tab 3 – Market Basket, Instructions**, - it states that "offerors may not offer special pricing for the products in the "Market basket". Can the meaning of "special pricing" be clarified? Is section B4 the only articles that cannot be a net price for the market basket?
- A33. "Special pricing" in this RFP refers to a Market Basket being used to get better or lower pricing on specific items which are the most commonly purchased. Since the Market Basket on Tab 3 is not being used to obtain "special pricing" for commonly purchased items, Offerors are being told not to provide special pricing but rather the discounted pricing from their MPL price list(s). The Market Basket for this RFP will be used for evaluation purposes only and the tire prices entered into the Market Basket will be verified against the discount percentages proposed on Tab 1 along with the MPL of a tire provided in the tire price list.
- Q34. **Attachment 5 – Cost Proposal** - Is a manufacturer allowed to propose a greater discount factor that applies to a specific product listed on Tab 3 of attachment 5, while still offering a different discount factor on the base price list? In the previous awarded contract, manufactures had both netted articles and discounts (%) applied to price lists. Is this a change in terms from the previous RFP/awarded contract? For Example: could the discount factor on Tab 1 of the Attachment 5 be different from the List discount for considered products on Tab 3 of the market basket?
- A34. No, the Lead State is not requesting a greater discount factor (special pricing per Q33.) for specific products listed in on Tab 3 – Market Basket. See also A33. above for further explanation.

The Lead State will not address questions regarding a prior RFP as each RFP stands on its own.

No, the discount factor on Tab 1 of Attachment 5 shall not be different from the list discount for products listed on Tab 3 – Market Basket. Since a Participating State may negotiate better quantity pricing in its Participating Addendum for its commonly purchased tires, the market basket is being used for evaluation purposes only.

Q35. The Lead State is amending **Attachment 5 – Cost Proposal, Section 1.1.1.2.** to add language regarding parts and to remove Emergency tire repair-road side assistance from the RFP requirements.

Attachment 5 – Cost Proposal, Section 1.1.1.2 currently states:

1.1.1.2. Service Rates (Worksheet TAB 2)

Offerors are asked to propose costs for each of the below mentioned services that may be performed by their Approved Distributors, to include all parts and labor as a total service rate in the Cost Proposal Worksheet (Tab 2). The service rates listed below will be included in the scoring of the Cost Proposal. If an Offeror does not offer one or more of the below listed items, the Offeror should mark the item as NA.

The Lead State reserves the right to remove any services that do not allow for a fair comparison and evaluation of costs between Offerors. For example, should several Offerors not provide a cost for the same service, the State at its sole discretion may remove that line from the service list to allow for a fair comparison and evaluation of total service cost for all Offerors. Notwithstanding the foregoing, if a service is removed from the service list cost comparison for all Offerors, the pricing provided by an Offeror for that service will be included in the Contract if Offeror is a successful Contractor.

- a. Tire Installation w/purchase in store including dismount of used tires and tubes.
- b. Change tire, dismount and mount
- c. Flat repair, remove, repair and mount
- d. Flat repair, off vehicle
- e. Rotate mounted tires (per tire)
- f. New valve stem, rubber or metal acceptable
- g. Wheel balance - computer spin balance (per tire)
- h. Wheel balance/Valve stem combo
- i. Alignment services
- j. Emergency tire repair-road side assistance (per hour)
- k. Studding
- l. Siping
- m. Used tire recycle/disposal fee (per tire)
- n. Bulk tire disposal

If awarded a Contract, the successful Contractor is responsible for the timeliness and quality of all services provided by its Approved Distributors under this RFP.

A35. **Attachment 5 – Cost Proposal, Section 1.1.1.2.** is amended to state:

1.1.1.2. Service Rates (Worksheet TAB 2)

Offerors are asked to propose costs for each of the below mentioned services that may be performed by their Approved Distributors, to include all minor parts and labor as a total service rate in the Cost Proposal Worksheet (Tab 2). The resulting Contract(s) is not meant for purposes of general vehicle maintenance and repair and Offeror shall provide pricing only for the services requested in Attachment 5 – Cost Proposal, Section 1.1.1.2. The service rates listed below will be included in the scoring of the Cost Proposal. If an Offeror does not offer one or more of the below listed items, the Offeror should mark the item as NA.

The Lead State reserves the right to remove any services that do not allow for a fair comparison and evaluation of costs between Offerors. For example, should several Offerors not provide a cost for the same service, the State at its sole discretion may remove that line from the service list to allow for a fair comparison and evaluation of total service cost for all Offerors. Notwithstanding the foregoing, if a service is removed from the service list cost comparison for all Offerors, the pricing provided by an Offeror for that service will be included in the Contract if Offeror is a successful Contractor.

- a. Tire Installation w/purchase in store including dismount of used tires and tubes.
- b. Change tire, dismount and mount
- c. Flat repair, remove, repair and mount
- d. Flat repair, off vehicle
- e. Rotate mounted tires (per tire)
- f. New valve stem, rubber or metal acceptable
- g. Wheel balance - computer spin balance (per tire)
- h. Wheel balance/Valve stem combo
- i. Alignment services

Alignment service pricing should include all minor parts such as alignment shims and alignment cam bolts. Parts needed to repair a vehicle in order to obtain proper alignment such as tie rod ends/sleeves, ball joints, bushings, sway bar links, center links, idler arms/pitman arms, rack and pinion units, shock absorbers, struts/cartridges and coil springs are not authorized under the resulting Contract(s).

- j. Studding
- k. Siping
- l. Used tire recycle/disposal fee (per tire)
- m. Bulk tire disposal

If awarded a Contract, the successful Contractor is responsible for the timeliness and quality of all services provided by its Approved Distributors under this RFP.

The amended Section 1.1.1.2. replaces the original language and Offeror shall refer to the amended language when preparing its Proposal.

Q36. The Lead State is amending **Attachment 5 – Cost Proposal, Excel Worksheet, Tab 2 – Service Rates.**

A36. Row 30 – 9d. Parts discount % from List Price is removed from Tab 2 – Service Rates in Attachment 5 – Cost Proposal, Excel Worksheet. The Lead State will post a revised Cost Proposal named “RFP1118005083 - Cost Proposal Rev 2” with this addendum. The revised Cost Proposal replaces the original Cost Proposal. All Offerors will use the revised Cost Proposal when submitting their Cost Proposals.

Q37. **Attachment #5 – Cost Proposal, Section 1.1** - The Lead State is amending Attachment #5 of the RFP to remove delivery service from pricing.

Attachment #5 – Cost Proposal, Section 1.1 – Overview of Cost Proposal currently states:

Offeror must submit cost, prices and rates as required by **Attachment 5 - Cost Proposal Worksheet**. Prices and rates shall include all anticipated charges, including but not limited to, freight and delivery, cost of product and services, transaction fees, overhead, profits, and other costs or expenses incidental to the Offeror’s performance.

Offeror must also provide responses to Section 1.1.2. below, Cost Proposal Questionnaire, in its Cost Proposal submission.

A37. **Attachment #5 – Cost Proposal, Section 1.1 – Overview of Cost Proposal is amended to state:**

Offeror must submit cost, prices and rates as required by **Attachment 5 - Cost Proposal Worksheet**. Prices and rates shall include all anticipated charges, including but not limited to, freight to dealer locations, cost of product and services, transaction fees, overhead, profits, and other costs or expenses incidental to the Offeror’s performance.

Offeror must also provide responses to Section 1.1.2. below, Cost Proposal Questionnaire, in its Cost Proposal submission.

The amended Attachment #5 – Cost Proposal, Section 1.1. replaces the original language and Offeror shall refer to the amended language when preparing its Proposal.

Q38. **Attachment A, Section 5 - Participants and Scope, g., page 55** – Please confirm that such surplus sales mentioned would be made ‘at cost’ and not with a markup and profit received by Participating Entity or Lead State.

A38. We cannot confirm what surplus property sales policies may govern in each Participating State or Entity. Under the policies of the Lead State, state entities sell surplus tires (used or new) as used at the current market value. State agencies receive no profit on surplus tire sales.

Q39. **Attachment A, Section 9 - NASPO ValuePoint eMarket Center, b, page 57:** Is vendor participation mandatory? If vendor chooses to participate, will vendor have to accept NASPO member orders directly versus thru our distributor network?

A39. Per Section 9 b and c of Attachment A – At a minimum, Awarded Vendor will be required to participate in the NASPO ValuePoint eMarket Center through Ordering Instructions. The Ordering Instructions can be unique to each Awarded Vendor. If a hosted or punchout catalog is set up, then orders may be accepted directly by the Awarded Vendor or through their distributor network.

Q40. **Attachment A, Section 11 (page 58) – Price and Rate Guarantee Period** - What documents will be required/needed for price adjustments? What is the criteria for a price adjustment to be considered valid?

A40. The percentage discounts off MPL for tires and tubes must remain the same for the duration of the Contract. However, tire and tube pricing updates are allowed on an annual basis and must be submitted 60 days prior to the annual date of the Contract for approval by the Lead State. Supporting documentation could include providing a comparison of indices from the Producer Price Index which show an increase in the tire manufacturing costs over a period of several years. Supporting documentation could also include a copy of a letter from a supplier stating they are increasing their price to the Offeror.

A request for an increase in tire service rates will also require supporting documentation which must be submitted 60 days prior to the annual date of the Contract. The supporting documentation for service rates could be provided using the consumer price index or other documentation supporting your request.

The Lead State will determine whether the supporting documentation provided is sufficient to justify the requested increase and reserves the right to clarify or request additional documentation. The Lead State will provide written acceptance or denial of the proposed price increases to the successful Contractor within 30 days of receipt.

Q41. Attachment A. Section 14a. Pg. 59. Shipping and Delivery.

Will exceptions be considered for additional transportation charges in cases where the closest Dealer is hundreds of miles from the NASPO Customer (ex. Alaska)?

- A41.** The Lead State has removed the requirement of including delivery in product pricing. Delivery is no longer a mandatory requirement of the RFP as many Approved Distributors (dealers) do not have the equipment or manpower to perform delivery service. However, Offeror will indicate on the Approved Distributors list for each Participating State, which Approved Distributors offer delivery service. In another column on the Approved Distributor list, Offeror will also provide the delivery rates and terms for all Approved Distributors who offer delivery service. Offeror is responsible for keeping the delivery rates and terms current on all Approved Distributor lists.

Offeror will collect delivery rates and terms from their Approved Distributors through the initial completion of the Dealer Agreement and will continue to update the delivery information for the duration of the Contract.

The Lead State is amending Attachment A. Section 14a. to remove the requirement of delivery being included in product pricing.

Attachment A. Section 14a. currently states:

14. Shipping and Delivery

- a. The prices are the delivered price to any Purchasing Entity. All deliveries shall be F.O.B. destination, freight pre-paid, with all transportation and handling charges paid by the Contractor. In accordance with section 5.1.4 of the RFP, orders to different agencies of a Purchasing Entity shall be shipped with no additional fees or freight charges added. Responsibility and liability for loss or damage shall remain the Contractor's until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount, if any, will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered shall be shipped without charge.

Attachment A. Section 14a. is amended to state:

14. Shipping and Delivery

- a. All deliveries will be F.O.B. destination. Delivery rates and terms shall be established upon execution of the Contract. In accordance with section 5.1.4 of the RFP, orders to different agencies of a Purchasing Entity shall be shipped according to the delivery rates and terms established in the Contract. Responsibility and liability for loss or damage shall remain the Contractor's until final inspection and acceptance when responsibility shall pass to the Purchasing Entity except as to latent

defects, fraud and Contractor's warranty obligations. The minimum shipment amount, if any, will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an Order to be shipped without transportation charges that is back ordered shall be shipped without charge.

Q42. **Attachment A, Section 21 - General Provisions 21. Insurance, a-f, pages 61-62:** Will exceptions be considered (changes to the language)? We have a few areas we would like to change or take exception to such as is Self-Insurance acceptable for General Liability only and manufacturer does not cover independent contractors General Liability insurance. If Self-Insurance is acceptable for General Liability coverage, then we ask that section 21 d. be deleted.

A42. Offeror may propose self-insurance as an alternative to prescribed insurance coverage. The adequacy of the self-insurance program will be evaluated in accordance with the policies of the Lead State. Moreover, any self-insurance program found acceptable by the State of Iowa may not be adequate under other Participating Entities' laws and policies.

Self-insurance for the Lead State is as follows:

Self-insurance for general liability may be structured with a deductible, or self-insured "retention", combined with reinsurance at a specified dollar threshold. For example, Company A may elect to self-insure the first \$300,000 of a loss, and then utilize a reinsurer for the amount of the loss beginning at \$300,001. Despite the portion which is self-insured vs. reinsured, the certificate of insurance should show \$1,000,000 per occurrence, and \$2,000,000 general aggregate (policy maximum). The self-insurance total is not required to be shown on the certificate of insurance.

Offeror may self-insure all of its obligations under this Contract for the Lead State provided that such program of self-insurance is in compliance with the laws of the Lead State. The Lead State will work with a qualified self-insured Offeror. Offeror should be prepared to demonstrate self-insurance and any excess coverage from third parties.

Based on the response to Q42., the Lead State is rescinding its response to Q2. in Addendum One regarding the use of self-insurance.

Q43. **Attachment A, Section 23. Confidentiality, Non-Disclosure, and Injunctive Relief, Page 63** – Please confirm that all confidentiality requirements in Section 23 can be mutual.

A43. These provisions are not mutual as there is no likelihood that Participating Entities will have access to supplier confidential information.

Q44. **Attachment A, Section 30. Defaults and Remedies, c., Page 66** – Please confirm that Lead State's failure to timely pay is an event of default and Contractor may suspend performance until such is corrected.

A44. Note that the Master Terms and Conditions apply to all Participating States, not just the Lead State. Remedy for the Contractor to suspend performance due to a States failure to timely pay would need to be addressed in the Participating Addendum. Offeror's remedy for other entities failure to pay timely would be specific to the Participating Addendum governing the entity in default.

Q45. **Attachment A, Section 30 B and C 3 (page 65-66)** - Liquidated Damages are referenced in the Master Agreement but are not specified anywhere else in the documentation, please explain what the liquidated damages are expected to be and the conditions for imposing them?

A45. No liquidated damages are specified by the Lead State in this RFP.

Q46. **Attachment A, Section 36. Assignment of Antitrust Rights, page 68** – As a rule we do not assign our antitrust rights and we would not turn over right to control such litigation to a state. As the manufacturer these generally arise with raw materials and it is difficult or impossible to separate where a state's claim would begin and ours would end. Also, our pricing is based on a market back analysis and is not based on a cost+ model. It would be the manufacturer who is being damaged by antitrust violations and not our customers. Request this section be deleted entirely or limited to only the products provided under this contract and not the raw materials contained within.

A46. This provision historically has not been an issue in ValuePoint solicitations and is based on required assignment provisions under various states' statutes and policies. It will not be removed.

Q47. **State of Iowa General Terms and Conditions, Section 1.9.2** mentions insurance amounts specified on the Contract Declarations and Execution Page, can we get the declaration page or the specifics of any required insurance coverage?

A47. The Lead State of Iowa Participating Addendum will reference the following insurance requirements as shown below:

Type of Insurance	LIMIT	AMOUNT
General Liability (including contractual liability) written on an occurrence basis	General Aggregate Products – Comp/Op Aggregate Personal injury Each Occurrence	\$2 million \$1 Million \$1 Million \$1 Million
Automobile Liability (including contractual liability) written on an occurrence basis	Combined single limit	\$1 Million
Excess Liability, Umbrella Form	Each Occurrence Aggregate	\$1 Million \$1 Million
Property Damage	Each Occurrence Aggregate	\$1 Million \$1 Million
Workers Compensation and Employer Liability	As Required by Iowa law	A required by Iowa law

Q48. **State of Iowa General Terms and Conditions, Section 1.13.3** - Are there any minimum requirements for "use of targeted small businesses" outlined in the Iowa Terms Goods contract, section 1.13.3?

A48. The targeted small business program is unique to the Lead State so there is no federal authority implicated. The Iowa Code language in IC 73.16(4) does not provide a minimum percentage or number with respect to the use of targeted small businesses as subcontractors and suppliers under a master agreement. Iowa statutes governing the targeted small businesses can be found in Iowa Code chapters 73, 15, and 8A.

Please acknowledge receipt of this addendum by signing in the space provided below, and return this letter with your offer (do not send back separately).

I hereby acknowledge receipt of this addendum.

Signature

Date

Typed or Printed Name