

Amendment #1

Vendor Managed Inventory Provisions:

Overview:

The State of Iowa Department of Public Safety (DPS) is entering into an agreement with Carpenter Uniform (Vendor) for the Vendor to perform Vendor Managed Inventory (VMI) of the State's new/ unused Iowa State Patrol uniforms consisting of Men's and Women's Short and Long Sleeve Shirts, and Trousers which will be kept in inventory and managed at the Vendor's location in Des Moines. Vendor will be responsible for all aspects related to: inventory, replenishment, tailoring, altering, storing while protecting from damage, and utilizing just in time inventory principles to the full measure practical.

Minimum Inventory Levels

The successful vendor shall be required to carry a minimum inventory of standard sizes (most popular sizes) as determined by mutual agreement with the DPS (**Appendix A**) based upon history need and officer measurements. DPS and Vendor shall create an initial inventory level to be stocked at Vendors location after the first uniform order is placed and the initial inventory level will be added as **Appendix A** to the contract. The inventory may require adjustment based upon usage.

Meeting Prior to Order

DPS personnel will meet with vendor prior to placing large orders to discuss order details and Vendor's inventory levels.

State's Desire to Minimize On Hand Inventory

The State of Iowa desires for the vendor to maintain the minimum inventory and not build inventory in excess. The state understands that from time to time inventory will be above of the minimum but the state's intent is to minimize on hand inventory. The State strongly encourages vendor to utilize Just in Time (JIT) and other best practices to aid in reducing inventory. On the next order exceeding \$75,000 placed after 6/1/2016 the Vendor will fill the order using a combination of Vendor's inventory items and items ordered from manufacturer to fill the order. This is intended to lower Vendor's inventory. After this order the **\$30,000.00** maximum liability for the state will go into effect.

End of Contract Provisions

Upon Termination or Expiration of the Contract DPS will be responsible for purchasing the finished goods inventory from Vendor. The finished goods inventory shall be at a discount of 15% off of the most recent contracted price. The maximum amount the state will be liable for in buying out the inventory from the vendor is **\$30,000.00**.

Renewal or Rebid Provisions.

The contract will be renewed by mutual agreement up to the maximum number of renewals allowed by the contract. At renewal both DPS and the Vendor can determine whether they desire to continue with the VMI program. If it is decided not to continue with VMI or it is decided not to renew then DPS will buy out the inventory according to the provisions above. If at renewal it is decided to continue with VMI then the Vendor will continue to perform VMI activities as described here.

If the contract reaches expiration, is rebid, and the previous Vendor is not successful in winning the next contract then DPS will buyout the inventory according to the provisions above. If the previous Vendor is the successful vendor for the new contract then the Vendor and DPS may determine whether to continue VMI or the decision may be made to buy out the inventory in accordance with this provision.

Items Removed from VMI Program.

DPS will work with the Vendor to minimize on hand inventory for items that will be removed from VMI. If DPS chooses to discontinue the use of certain uniform pieces that are a part of the VMI program then DPS agrees to buy out the inventory of the discontinued item(s) in VMI vendor's inventory in accordance with the maximum dollar limit above.