



City Council Report

915 I Street, 1st Floor

Sacramento, CA 95814

www.cityofsacramento.org

File ID: 2019-01111

September 10, 2019

Consent Item 08

Title: Cooperative Contract: Citywide Office Supplies

Location: Citywide

Recommendation: Pass a Motion authorizing the City Manager, or the City Manager's designee, to increase the not-to-exceed amount with Staples Advantage on the cooperative contract 010615-SCO by \$1 million for a total not-to-exceed amount of \$5 million through August 1, 2020.

Contact: Ashley Petralli, Contract & Compliance Specialist, 916-808-5749, Department of Finance

Presenter: None

Attachments:

1-Description/Analysis

2-Cooperative Contract 010615-SCO

Description/Analysis

Issue Detail: The City has been using the Staples Advantage cooperative agreement for office supplies and related materials since 2015. Over the last four years, our average annual spend on these supplies has been approximately \$950,000 per year. Our total spend-to-date on this contract is \$3.8 million. The cooperative contract was extended through August 1, 2020, and the City is seeking an additional \$1 million to be added to our not-to-exceed amount to cover expenses for office supplies and related materials through the end of the extended contract.

Policy Considerations: The recommendations in this report are in accordance with City Code Chapter 3.56.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed activity is not a project pursuant to the CEQA. CEQA Guidelines Section 15378(b)(2). The activity is a continuing administrative or maintenance activity, such as the purchase of supplies, personnel-related actions, or general policy and procedure making, and is not subject to CEQA. CEQA Guidelines Section 15060(c)(3).

Sustainability: Under the City of Sacramento's Climate Action Plan, all applicable "green" alternatives will be considered prior to the purchase of supplies and accessories.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: In an ongoing effort to maximize cost savings and staff resources, many government agencies share contracting efforts through cooperative purchasing. This procurement method increases pricing competitiveness and lowers operating costs through volume buying. When comparing the administrative costs of procurement, staff considers product research, source selection, specifications, advertising, staff reports, awarding, protests, and administration of the contract. It is often more cost-effective to eliminate the cost and time spent on these administrative processes and purchase items and services through cooperative purchasing programs.

The cooperative purchasing agreement pricing terms and conditions were determined through a competitive solicitation that was conducted by NJPA and the Lodi Unified School District. The total value of the cooperative purchasing agreement is \$200 million, which is

approximately 40 times the City's total projected expenditures. Increasing the not -to-exceed amount will allow the City to continue benefiting from significant volume discounts beyond what could be achieved solely by the City of Sacramento.

Financial Considerations: Departments will use their own operating budgets as funding is available to purchase office supplies and related materials as needed and as budgets allow.

Local Business Enterprise (LBE): Staples is a Local Business Enterprise.



Form C - Exceptions to Proposal, Terms, Conditions and Solutions Request

Company Name: Staples Contract & Commercial, Inc., operating as Staples Advantage

Note: **Original must be signed** and inserted in the inside front cover pouch.

Any exceptions to the Terms, Conditions, Specifications, or Proposal Forms contained herein shall be noted in writing and included with the proposal submittal. Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA and may or may not be included in the final contract. NJPA may clarify exceptions listed here and document the results of those clarifications in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS
Section 1 Definitions/ page 3	H. Sourced Goods.	Staples proposes that we delete the language following "Awarded Vendor" and replace it with the following: "that is not otherwise defined in the vendor's NJPA contract and/or is a net price item".	NJPA Accepts
Section E. Scope of this RFP/page 7	Section 3.18 Overlap of Scope	Staples proposes that we add an additional clause (3.18.4) that reads as follows: "Notwithstanding the foregoing, to the extent a Member has a pre-existing separate agreement with Staples, Staples reserves the right not to sell products and services under multiple agreements to that Member."	NJPA Accepts
Section E. Scope of this RFP/Section 3.26 Contract Term/page 8	Subsection 3.26.1	Staples proposes to add the following sentence immediately after "in the best interests of NJPA and its Members" to read as follows: "subject to the mutual written agreement of Staples and NJPA".	NJPA Accepts
Section E. Scope of this RFP/page 9	Subsection 3.29 Contract Availability	Staples proposes to add the following language immediately at the end of this section. "Supplier reserves the right to reject any proposed new Member for any reason, but not limited to: (a) is a current customer of Supplier (b) is or becomes a competitor of Supplier, or (c) fails to satisfy Supplier's credit requirements."	NJPA Accepts
Section F. Expectations for Equipment/Products and Services Being Proposed/page 9	Section 3.35 Warranty	Staples proposes that we strike this section in its entirety and replace it with the Warranty language provided in Form P-Proposer Questionnaire – question 5 Warranty.	NJPA Accepts
Section F. Expectations for Equipment/Products and Services Being Proposed/page 10	3.36 Additional Warrants.	Staples proposes to remove the language after "free from liens and encumbrances" in its entirety.	NJPA Accepts

Section B. Percentage Discount From Catalog or Category/page 15	Section 5.11	Staples proposes to delete Section 5.11 in its entirety and replace it with the following: A specific percentage discount from Staples Full Line Catalog or "List Price" defined as Supplier's list price in effect at the time of sale, before any discounts. For purposes of clarity, List Price does not apply to custom products such as promotional and print items.	NJPA Accepts
Section H. Sourced Product/Equipment/ Open Market Items/page 17	Section 5.27.	Staples can use reasonable efforts to include such identifying information with each quote. With respect to Section 5.27.2, Staples will comply with all contractual terms and requests that any applicable acquisition regulations be set forth in the applicable contractual documents. With respect to Section 5.27.3, Staples requests its removal as it feels this obligation rests with the buyer. With respect to Section 5.27.4, Staples requests that this be modified to state that all NJPA reporting and fee requirements set forth in the contract shall apply to such sourced products unless otherwise agreed by Staples and NJPA.	NJPA Accepts
Section L. Shipping/page 20	Section 5.50	Staples proposes to delete the following text in its entirety: "and hold Vendor accountable".	NJPA Accepts
Section G. Certificate of Insurance/page 25	Section 6.26 Subcontractors	Staples proposes to delete this section in its entirety.	NJPA Accepts
Section 7. Post Award Operating Issues/page 27	Section 7.3 Additional Terms and Conditions.	Staples proposes that we add the following sentence immediately after the end of this subsection: "For purpose of clarity, any such Terms and Conditions shall be in the form of an addendum signed by the applicable parties."	NJPA Accepts
Section D. Audits/page 28	Section 7.8	Staples proposes to remove the reference to fourteen (14) business days' notice and replaces it with thirty (30) business days. Furthermore, Staples also proposes to delete the second to last sentence in its entirety.	See Clarification #1
Section F. Trade-ins/page 28	Section 7.11	Staples proposes to remove this section in its entirety as it does not apply to the products and services to be provided under this agreement.	NJPA Accepts
Section H. Termination of Contract Resulting from this RFP/page 29	Section 7.13	Staples proposes to add the following language to this section: "In addition, Supplier may terminate this Agreement for any reason (i.e., for convenience) with respect to an individual Member by delivering not less than ninety (90) calendar days prior written notice	NJPA Accepts

		<p>thereof to NJPA and the applicable Member."</p> <p>In the event of a breach of this Agreement, the non-breaching party will notify the breaching party upon discovery of said breach. The party that has provided such notice may terminate this Agreement immediately upon the breach of this Agreement by the other party by delivering written notice to the other party, or if such breach is capable of being cured, the notifying party shall notify the other party in writing of such breach and demand that the same be cured within thirty (30) calendar days. Should the other party fail to cure the same within said period, the notifying party shall then have the right to terminate this Agreement at the end of the thirtieth (30th) day. A written notice will be sent to the other party to confirm the termination.</p> <p>Supplier may terminate this Agreement with respect to a breaching Member in accordance with the notice and cure requirements set forth in the preceding paragraph.</p> <p>The failure of a party to exercise its rights of termination for cause due to the other party's failure to perform as required in any instance shall not constitute a waiver of termination rights in any other instance.</p> <p>An order by a Member may be cancelled due to non-appropriation of funds. This funding out clause is required by several states and can be for non-appropriation of State and Federal funds.</p> <p>The failure of a party to exercise its rights of termination for cause due to the other party's failure to perform as required in any instance shall not constitute a waiver of termination rights in any other instance.</p> <p>An order by a Member may be cancelled due to non-appropriation of funds. This funding out clause is required by several states and can be for non-appropriation of State and Federal funds."</p>	
<p>Section B. Applicable Law/page 30</p>	<p>Section 8.4 Governing Law with respect to delivery and acceptance.</p>	<p>Staples proposes to delete this Section in its entirety and replace it with Staples Return Policy as described on question 21 of Form P.</p>	<p>*See Clarification #2</p>
<p>Section F. Data Practices/page 31</p>	<p>Section 8.15</p>	<p>"The following confidentiality provisions shall apply to the extent permitted by applicable law, and, for the purposes of said provisions, the term "Party" shall</p>	

		<p>include NJPA, Supplier, and each Member:</p> <p>Proprietary Information. As used herein, "Proprietary Information" shall mean this Agreement and all information furnished by the disclosing Party to the receiving Party which the receiving Party should reasonably understand to be considered confidential and proprietary information by the disclosing Party, including, without limitation, all information regarding customers, clients, employees and suppliers; pricing information; Products and Services information; financial or operational data; business plans or strategies; personal individually-identifiable information; data entered into a Party's e-commerce website(s) or a similar electronic procurement system(s); and other documentation relating to the disclosing Party's business activities.</p> <p>Proprietary Information; Exclusion. Proprietary Information does not include information which is: (a) published or is otherwise in or subsequently becomes part of the public domain, through no fault of the receiving Party; (b) within the legitimate possession of the receiving Party prior to disclosure hereunder; (c) disclosed to the receiving Party from a source other than the disclosing Party, and the receiving Party has no knowledge or reason to know of any violation of law or breach of any confidentiality obligation to the disclosing Party by such source; (d) independently developed by the receiving Party without using Proprietary Information of the disclosing Party; or (e) transmitted to the receiving Party by the disclosing Party after the disclosing Party has received written notice from the receiving Party that it does not desire to receive further Proprietary Information.</p> <p>Use and Protection. The receiving Party shall use the Proprietary Information only for the limited purpose of fulfilling its obligations under this Agreement and shall not disclose it to any third party unless otherwise provided for herein. The receiving Party may disclose Proprietary Information to its affiliates, subcontractors, representatives, independent contractors, agents, and consultants (collectively "Third Party Recipients") provided that (a) any Third Party Recipient shall be restricted in use and re-disclosure of the Proprietary Information to the same extent as the receiving Party; and (b) any such Third</p>	
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		<p>Party Recipient shall have entered into Supplier's form confidentiality agreement without modification, which shall be no less restrictive than the terms hereof. Each Party represents that it exercises reasonable care and adequate measures to protect its own Proprietary Information and that it shall exercise no less care to safeguard the Proprietary Information acquired from the disclosing Party. Such measures shall include, at a minimum, a requirement that all Proprietary Information shall be retained in a secure place with access limited to only such individuals who need access to such Proprietary Information for purposes of this Agreement and who have been informed of the terms of this confidentiality provision. The receiving Party obligations under this Section shall survive the expiration or termination of this Agreement.</p> <p>Liability. Each Party acknowledges that it shall be liable to the other Party for any breach by its employees, and/or Third Party Recipients, of this Section. The Parties acknowledge that disclosure or improper use of the Proprietary Information could cause immediate and irreparable harm to the disclosing Party, and therefore agree that the disclosing Party shall be entitled to seek an injunction and other equitable relief, including but not limited to specific performance, in addition to any other available remedies.</p> <p>Required Disclosure. In the event that the receiving Party is required by law to disclose any Proprietary Information, the receiving Party shall when not prohibited by law: (a) give prompt written notice of such requirement to the disclosing Party, (b) permit the disclosing Party to intervene in any relevant proceedings to protect its interests in the Proprietary Information, and (c) provide reasonable cooperation to the disclosing Party, at the disclosing Party's expense, in seeking to obtain such protection. The receiving Party agrees that if it is required to disclose Proprietary Information, it will: (i) furnish only that portion of the Proprietary Information which it in good faith reasonably considers to be legally required, (ii) exercise all reasonable efforts to obtain reliable assurances that confidential treatment will be accorded the Proprietary Information, and (iii) continue to protect the Proprietary Information as provided herein.</p>
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		<p>Ownership. Return of Material All Proprietary Information shall remain the property of the disclosing Party. Upon written request of the disclosing Party, the receiving Party shall either return all Proprietary Information to the disclosing Party or destroy all Proprietary Information and certify its destruction to the disclosing Party. Notwithstanding the foregoing, if the receiving Party is not able to remove the disclosing Party's Proprietary Information from its information technology system(s), the receiving Party may retain such information in said system(s) provided that: (a) the receiving Party may not use such Proprietary Information for any purpose whatsoever, and (b) the receiving Party shall remain subject to the confidentiality provisions herein with respect to such Proprietary Information."</p>
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Proposer's Signature: Christine T. Komola Date: 12-19-14
 Christine T. Komola, EVP & Chief Financial Officer
 Staples Contract & Commercial, Inc., operating as Staples Advantage

NJPA's clarification on exception/s listed above:

(Any proposed exception not explicitly accepted or clarified is hereby rejected and not made part of the NJPA contract)

#1 NJPA agrees to the provision for a thirty (30) day notice. NJPA does not accept the proposal to delete the second to last sentence in its entirety.

#2 NJPA does not accept the proposal to delete section 8.4 in its entirety. The Return Policy is supplemental unless contrary to the applicable laws.



Form D – Formal Offering of Proposal

Contract Award

RFP #010615

(To be completed Only by Proposer)

OFFICE, SCHOOL, AND OTHER WORKPLACE-RELATED SUPPLIES AND SERVICES

In compliance with the Request for Proposal (RFP) for OFFICE, SCHOOL, AND OTHER WORKPLACE-RELATED SUPPLIES AND SERVICES the undersigned warrants that I/we have examined this RFP and, being familiar with all of the instructions, terms and conditions, general specifications, expectations, technical specifications, service expectations and any special terms, do hereby propose, fully commit and agree to furnish the defined equipment/products and related services in full compliance with all terms, conditions of this RFP, any applicable amendments of this RFP, and all Proposer's Response documentation. Proposer further understands they accept the full responsibility as the sole source of responsibility of the proposed response herein and that the performance of any sub-contractors employed by the Proposer in fulfillment of this proposal is the sole responsibility of the Proposer.

Company Name: Staples Contract & Commercial, Inc., operating as Staples Advantage

Date: 12-19-14

Company Address: 500 Staples Drive

City: Framingham State: MA Zip: 01702

Contact Person: Don Hasch Title: Senior Manager/Vertical Markets

Authorized Signature (ink only): *Christine T. Komola*

Name printed: Christine T. Komola
EVP and Chief Financial Officer

Staples Contract & Commercial, Inc., operating as Staples Advantage





Contract Acceptance and Award

(To be completed only by NJPA)

NJPA 010615 # OFFICE, SCHOOL, AND OTHER WORKPLACE-RELATED SUPPLIES AND SERVICES

STAPLES CONTRACT & COMMERCIAL, INC. OPERATING AS STAPLES ADVANTAGE

Proposer's full legal name

Your proposal is hereby accepted and awarded. As an awarded Proposer, you are now bound to provide the defined product/equipment and services contained in your proposal offering according to all terms, conditions, and pricing set forth in this RFP, any amendments to this RFP, your Response, and any exceptions accepted or rejected by NJPA on Form C.

The effective start date of the Contract will be August 1, 20 15 and continue for four years from the board award date. This contract has the consideration of a fifth year renewal option at the discretion of NJPA.

National Joint Powers Alliance® (NJPA)

NJPA Authorized signature:

Dr. Chad Coquette

NJPA Executive Director

(Name printed or typed)

Awarded this 20th day of January, 20 15

NJPA Contract Number 010615-SCC

NJPA Authorized signature:

Scott Veronen

NJPA Board Member

(Name printed or typed)

Executed this 20th day of January, 20 15

NJPA Contract Number 010615-SCC

Proposer hereby accepts contract award including all accepted exceptions and NJPA clarifications identified on FORM C.

Vendor Name Staples Contract & Commercial, Inc., operating as Staples Advantage

Vendor Authorized signature:

Christine Thornola

(Name printed or typed)

Title: EVP and Chief Financial Officer

Executed this 11th day of February, 20 15

NJPA Contract Number 010615-SCC

Form F - Proposer Assurance of Compliance



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, representing the persons, firms and corporations joining in the submission of the foregoing proposal (such persons, firms and corporations hereinafter being referred to as the "Proposer"), being duly sworn on his/her oath, states to the best of his/her belief and knowledge:

1. The undersigned certifies the Proposer is submitting their proposal under their true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, that the Proposer possesses, or will possess prior to the delivery of any equipment/products and related services, all applicable licenses necessary for such delivery to NJPA members agencies nationally, and that they are authorized to act on behalf of, and encumber the "Proposer" in this Contract; and
2. To the best of my knowledge, no Proposer or Potential Proposer, nor any person duly representing the same, has directly or indirectly entered into any agreement or arrangement with any other Proposers, Potential Proposers, any official or employee of the NJPA, or any person, firm or corporation under contract with the NJPA in an effort to influence either the offering or non-offering of certain prices, terms, and conditions relating to this RFP which tends to, or does, lessen or destroy free competition of the Contract sought for by this RFP; and
3. The Proposer or any person on his/her behalf, has not agreed, connived or colluded to produce a deceptive show of competition in the manner of the proposal or award of the referenced contract; and
4. Neither the Proposer nor any officer, director, partner, member or associate of the Proposer, nor any of its employees directly involved in obtaining contracts with the NJPA or any subdivision of the NJPA, has been convicted of false pretenses, attempted false pretenses or conspiracy to commit false pretenses, bribery, attempted bribery or conspiracy to bribe under the laws of any state or federal government for acts or omissions after January 1, 1985; and
5. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request and other documents of this solicitation and that any and all exceptions have been noted in writing and have been included with the proposal submittal; and
6. If awarded a contract, the Proposer will provide the equipment/products and/or services to qualifying members of the NJPA in accordance with the terms, conditions, scope of this RFP, Proposer offered specifications and other documents of this solicitation; and
7. The undersigned, being familiar with and understand the expectations requested and outlined in this RFP under consideration, hereby proposes to deliver through valid requests, Purchase Orders or other acceptable forms ordering and procurement by NJPA Members. Unless otherwise indicated, requested and agreed to on a valid purchase order per this RFP, only new, unused and first quality equipment/products and related services are to be transacted with NJPA Members relating to an awarded contract; and
8. The Proposer has carefully checked the accuracy of all proposed products/equipment and related services and listed total price per unit of purchase in this proposal to include shipping and delivery considerations. In addition, the Proposer accepts all general terms and conditions of this RFP, including all responsibilities of commitment as outlined and proposed; and

9. In submitting this proposal, it is understood that the right is reserved by the NJPA to reject any or all proposals and it is agreed by all parties that this proposal may not be withdrawn during a period of 90 days from the date proposals were opened regarding this RFP; and
10. The Proposer certifies that in performing this Contract they will comply with all applicable provisions of the federal, state, and local laws, regulations, rules, and orders; and
11. The Proposer understands that submitted proposals which are marked "confidential" in their entirety, or those in which a significant portion of the submitted proposal is marked "nonpublic" will not be accepted by NJPA. Pursuant to Minnesota Statute §13.37 only specific parts of the proposal may be labeled a "trade secret." All proposals are nonpublic until the contract is awarded; at which time, both successful and unsuccessful vendors' proposals become public information.
12. The Proposer understands and agrees that NJPA will not be responsible for any information contained within the proposal.
13. By signing below, the Proposer understands it is his or her responsibility as the Vendor to act in protection of labeled information and agree to defend and indemnify NJPA for honoring such designation. Proposer duly realizes failure to so act will constitute a complete waiver and all submitted information will become public information; additionally failure to label any information that is released by NJPA shall constitute a complete waiver of any and all claims for damages caused by the release of the information.

[The rest of this page has been left intentionally blank. Signature page below]

Form F – Signature Page

By signing below, Proposer is acknowledging that he or she has read, understands and agrees to comply with the terms and conditions specified above.

Company Name: Staples Contract & Commercial, Inc., operating as Staples Advantage

Contact Person for Questions: Don Hasch

(Must be individual who is responsible for filling out this Proposer's Response form)

Address: 16501 Trojan Way

City/State/Zip: La Mirada, CA 90638

Telephone Number: (714) 868-4274 Fax Number: (508) 305-8113

E-mail Address: Don Hasch

Authorized Signature: *Christine T. Komola*

Authorized Name (typed): Christine T. Komola

Title: EVP and Chief Financial Officer

Date: 12-19-14

Notarized

Subscribed and sworn to before me this 19 day of December, 20 14

Notary Public in and for the County of Middlesex State of Massachusetts

My commission expires: 10-29-2015

Signature: *William N. Gabovitch*



WILLIAM N. GABOVITCH
Notary Public
Commonwealth of Massachusetts
My Commission Expires
October 29, 2015



Form P – Proposer Questionnaire

Payment Terms, Warranty, Products/Equipment/Services, Pricing and Delivery, Industry Specific Items

Proposer name: Staples Contract & Commercial, Inc., operating as Staples Advantage

Questionnaire completed by: Don Hasch

Payment Terms and Financing Options

1) Identify your payment terms if applicable. (Net 30, etc.)

Staples' standard payment terms are Net 30 days. Each participating Member will remit all invoice payments, including all taxes on its product purchases to Staples in thirty (30) calendar days from receipt of invoice, unless otherwise agreed to in writing by Staples and Member. In the event a participating Member fails to comply in any material respect with the foregoing payment terms, Staples may, at its sole discretion and in addition to any other right or remedy available under applicable law or in equity, immediately suspend all deliveries to such Member's location(s) by written notice to such participating Member and to NJPA.

2) Identify any applicable leasing or other financing options as defined herein.

Staples is flexible and utilizes multiple third party leasing sources, primarily Horizon Keystone Financial for furniture lease and GE Financial, DLL, HP, Apple, Xerox and others for Staples Print Solutions customers. Your organization may have an existing relationship with your own choice of leasing provider, and we may work with that provider if mutually agreed to. Leasing terms and conditions vary by lease provider and the requirements of the acquisition, and are determined as the solution is developed and the leasing source is finalized. Our broad range of leasing options is flexible so that you can tailor the length, acquisition type and amount of your payments to meet your business' needs. Lease options include capital or operating lease options, giving you end of term options to keep (own), upgrade or return assets. Leases may allow for certain soft expenses like service, software and accessories to be include in the monthly payments for an asset acquired under lease. Staples will work with your organization to help finalize the option that best suits your needs.

3) Briefly describe your proposed order process for this proposal and contract award. (Note: order process may be modified or refined during an NJPA Member's final Contract phase process).

a) Please specify if you will be including your dealer network in this proposal. If so, please specify how involved they will be. (For example, will he Dealer accept the P.O.?), and how are we to verify the specific dealer is part of your network?

Our key business goals center on helping our customers simplify the ordering process, eliminating hidden costs in the procurement process and enhancing delivery accuracy. We offer a variety of ordering and tracking methods to achieve these goals.

- ♦ Internet ordering through our proprietary e-commerce site
- ♦ Electronic Data Interchange (EDI)
- ♦ Third-party interface
- ♦ Procurement cards
- ♦ Fax (single toll-free number)
- ♦ Telephone (single toll-free number)

Additionally, Staples is a reseller and doesn't have a dealer network.

4) **Do you accept the P-card procurement and payment process?**

Yes. Procurement Cards (P-Cards) represented by one of the major credit cards (Visa, MasterCard, American Express, and Discover) may also be used at the time of purchase.

For US retail purchases, NJPA Members may participate in Staples' convenience card and/or registered procurement card programs by completing and signing Staples' Convenience Card Application and/or Registered Procurement Card Registration Form, which will be provided upon request. If an NJPA Member elects to participate in either of Staples' programs, that member must comply with all of the terms and conditions set forth in the applicable application and/or registration form.

Warranty

5) **Describe, in detail, your Manufacture Warranty Program including conditions and requirements to qualify, claims procedure, and overall structure.**

Supplier expressly warrants that it will provide Buyer with pass-through of all manufacturers' warranties for all office products sold to Buyer. Supplier expressly warrants that all Supplier-branded Office Products provided by it are: (1) merchantable; (2) of good quality and workmanship; (3) free from defects, latent or patent, in material, design, and workmanship for whichever period is shorter, either (a) one year from the date of purchase, or (b) as otherwise specified on the packaging of the Office Products; (4) fit, sufficient and safe for their intended purpose and for the particular purpose for which they were designed; and (5) in conformity with Supplier's samples, if any.

Prior to Supplier's production of custom products such as print or promotional items and items which contain a corporate or personal logo, name or other marking of Buyer (hereinafter "Print Products"), Supplier shall submit to Buyer samples or an appropriate proof of each item, for Buyer's written approval of the Print Products. Buyer agrees to promptly review any items submitted to Buyer for approval under this section.

Supplier warrants that Print Products in their unaltered, unmodified form are free from defects in design, workmanship and materials and are in compliance with the specifications agreed to by the Parties. In the event any defects in design, workmanship or materials, or material deviation from the specifications or claims made by Supplier, are discovered by Buyer, Buyer's sole and exclusive remedy shall be, at Supplier's sole election, for Supplier to replace the defective Print Product at Supplier's expense or to credit Buyer's account for the net amount actually paid by Buyer to Supplier for the applicable Print Product, provided that Supplier is reasonably certain that the warranty claim is valid and was not caused by Buyer.

Services Warranty. Supplier warrants that the Services shall meet or exceed generally accepted standards in the industry and shall meet any required specifications mutually agreed upon by Supplier and Buyer.

Buyer Warranty. Buyer represents and warrants that it owns or has the right and license to use, adapt and reproduce Buyer Property. Buyer represents and warrants that Buyer Property shall not infringe or misappropriate any patent, trademark, trade secret, mask work, copyright, design or any other proprietary right of any third party, and complies with all applicable federal, state and local laws, regulations, and rules. Buyer grants to Supplier a non-exclusive, worldwide, royalty-free and fully paid up right and license to use, reproduce and incorporate Buyer Property solely in connection with

Supplier's obligations hereunder. Supplier acknowledges that, as between Supplier and Buyer, Buyer owns, controls and shall retain all ownership rights in and to Buyer Property. All proprietary rights and goodwill in the Buyer Property shall inure to the benefit of Buyer and not Supplier. Supplier shall acquire no intellectual property rights in the Buyer Property by reason of its use thereof, and if, by operation of law, or otherwise, Supplier is deemed to, or appears to, own any intellectual property in the Buyer Property, Supplier shall, at Buyer's request, execute any and all documents necessary to confirm or otherwise establish Buyer's rights therein. Buyer acknowledges that, as between Supplier and Buyer, Supplier owns, controls and shall retain all ownership rights in and to Supplier's proprietary systems and business processes and any designs, artwork, prototypes, or other materials prepared or produced by or for Supplier.

Buyer's Property means the trade names, logos, artwork, forms, trademarks, copyrights, trade devices, trade dress, service marks, symbols, abbreviations, registered marks, indicia of ownership, information, representations, descriptions, classifications, characterizations, statements, or language contained in or on any print or electronic content or materials provided to Supplier by Buyer in connection with Supplier's performance hereunder.

THESE WARRANTIES ARE EXCLUSIVE AND IN LIEU OF ALL OTHERS, WHETHER ORAL OR WRITTEN, EXPRESS OR IMPLIED. SUPPLIER SPECIFICALLY DISCLAIMS ANY AND ALL IMPLIED WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR A PARTICULAR PURPOSE.

To the extent permitted by applicable law, Buyer shall indemnify, defend and hold harmless Supplier for any third party claims, suits, judgments, and costs instituted or recovered against Staples for any alleged or actual infringement of any patent, copyright, trademark, trade secret or other intellectual property or other rights of a third party resulting from (i) Buyer's breach of Buyer's warranty related to Buyer Property; or (ii) Supplier's use of Buyer Property in accordance with the specifications provided by Buyer.

6) Do all warranties cover all products/equipment parts and labor?

Please refer to our answer to question 5 above.

7) Do warranties impose usage limit restrictions?

Please refer to our answer to question 5 above.

8) Do warranties cover the expense of technicians travel time and mileage to perform warranty repairs?

Please refer to our answer to question 5 above.

9) Please list any other limitations or circumstances that would not be covered under your warranty.

Please refer to our answer to question 5 above.

- 10) **Please list any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs. How will NJPA Members in these regions be provided service for warranty repair?**

Please refer to our answer to question 5 above.

Equipment/Product/Services, Pricing, and Delivery

- 11) **Provide a general narrative description of the equipment/products and related services you are offering in your proposal.**

Staples can help NJPA and its members manage all of their needs related to the scope of this RFP, resulting in reduced procurement and invoicing costs, superior program management and reporting, as well as service improvements – all with one point of contact. Our “One Source” solution includes comprehensive programs and services for office supplies, classroom supplies, technology, printing, promotional products, furniture and facility supplies.

- 12) **Provide a general narrative description of your pricing model identifying how the model works (line item and/or published catalog percentage discount).**

Staples proposed pricing model is designed to take advantage of our industry leading assortment of products, equipment, and services. The structure includes a large number of net priced items on the Hot List and Core List that facilitates price stability on core office, school, and other workplace related supplies. Additionally, there is pricing for services and manufactured items like managed print services, promotional products, and some printing. Rounding out the offering is non-core pricing that will take advantage of leveraging Staples’ strength as one of the largest sellers on the Internet. Today, Internet pricing provides full visibility and disclosure of pricing. Successful sellers on the Internet (like Staples) invest in systems and intelligence gathering to ensure that Internet prices are set and maintained in a market-competitive structure. Therefore, Staples proposes that Staples.com pricing be used as the standard and reference point in setting non-core Pricing. Details and specifics of this pricing proposal are outlined in question 14 below.

- 13) **N/A. (This question has been removed from this RFP for this category.)**

Not applicable.

- 14) **Provide an overall proposed statement of method of pricing for individual line items, percentage discount off published product/equipment catalogs and/or category pricing percentage discount with regard to all equipment/products and related services and being proposed. Provide a SKU number for each item being proposed.**

Staples proposes the following pricing structure:

Hot List. Those items listed on the “Hot List” file represent aggressively net-priced items whose cost of acquisition may be sensitive to changing market conditions.

Prices for Hot List items provided under this contract are set forth in Exhibit 1. The prices for Hot List items are firm for each calendar quarter, and thereafter may be adjusted each subsequent calendar quarter and appended hereto, to reflect changes in stock availability, market conditions, buying expense, and other factors that affect the overall cost of the Hot List items.

Core List. The "Core List" represents net priced items which are inclusive of those products predicted to be the most commonly used products by NJPA and its Members. Prices for Core List items provided under this contract are set forth in Exhibit 2.

Prices for Core List items shall be firm during each calendar year period, January 1st to December 31st, and such prices shall be updated effective January 1st of each year during the term that this contract is in effect. Staples may request a price change adjustment for Core List items by submitting a price change addendum to NJPA thirty (30) days prior to January 1st to reflect changes in stock availability, market conditions, buying expense, and other factors that affect the overall cost of such items.

Updated Items. For purposes of contract management, Staples may provide to NJPA an updated report no more than once a calendar quarter, which shall identify the SKU numbers and prices for the new items that Staples and NJPA have added to the Core List or Hot List, as well as SKU numbers for items that have been removed from the same/discontinued.

Managed Print Services. Exhibit 3 attached hereto sets forth the current pricing and terms governing Managed Print Services. Staples may update product and pricing for Managed Print Services by submitting a request to NJPA no more than once a calendar quarter.

Non-Core Items. Non-Core Items are those items that are not on the Hot List or Core List, and available on Staplesadvantage.com. For those Non-Core Items that appear on Staples.com, such Non-Core Items will be priced based on the current national Staples.com price for such items, which Supplier will update on a weekly basis, provided that such pricing is exclusive of tier pricing, closeouts, promotions and/or specials. The prices for Non-Core Items that are not available for purchase on Staples.com shall appear on Staplesadvantage.com, and shall be adjusted to reflect changes in stock availability, market conditions, buying expense, and other factors that affect the overall cost of the Non-Contract Items. Notwithstanding anything to the contrary, Non-Core Items are not subject to customer audit or any pricing guarantee.

Technology Products. Prices for technology items provided to participating Members under the Staples technology ordering system referred to as Sequoia (or its successor) shall be priced at the then current List Price, and may be subject to discount.

Pricing for custom products. Pricing for customized and/or print or promotional products is based upon product specifications agreed to between Staples and the participating Member.

Promotional Products. Staples proposes that pricing for ASI products ordered on our Staples Promotional Product ordering system referred to as Linc (or its successor), be governed by the terms in Exhibit 4. Staples may update product and pricing for Promotional Products by submitting a request to NJPA no more than once a calendar quarter.

Tier One Diversity Program. Staples reserves the right to implement a 4% pricing upcharge when setting up a Tier One program for any Participating Member.

Desktop Delivery. As explained in question 52 of Form A, desktop delivery is considered a premium service and as such, there may be an additional charge associated with this service.

15) Propose a strategy, process, and specific method of facilitating “Sourced Equipment/Products and/or related Services” (AKA, “Open Market” items or “Non-Standard Options”).

Staples Advantage customers frequently request we source goods and services on their behalf that could be non-stock or custom in nature and are within the scope of our sourcing and distribution capabilities. Staples will also facilitate access to these “Sourced Goods” and services to NJPA and its participating Members.

Despite having hundreds of thousands of items available through our e-commerce site, Staples customers often have unique product sourcing needs that range from forklifts to industry-specific proprietary items. To fulfill these unique requests for our customers, Staples maintains a highly specialized Non-Stock Procurement team (NSP) available to assist our customers with these unique requests. Users can submit special order requests to NSP directly through our e-commerce site or through your Staples Account Manager. The NSP team works diligently to fulfill your product needs quickly and at the lowest possible cost.

The prices for Sourced Goods shall be those prices that appear on the ordering platform at time of order, or as otherwise established between Staples and the applicable participating Member at the time the order is placed. Sourced Goods may include additional delivery or handling charges that would be the responsibility of the ordering member.

16) Describe your NJPA customer volume rebate programs, as applicable.

Staples will pay each participating NJPA member a volume rebate of such member’s Net Sales annually, to be paid within forty-five (45) calendar days of each annual anniversary of the Member’s first order date, calculated as follows or as otherwise agreed to in writing by Staples and the member (“Volume Rebate”):

Net Sales	Volume Rebate
\$ 0.00 - \$ 75,000.00	0%
\$ 75,000.01 - \$150,000.00	1%
\$150,000.01 - \$300,000.00	2%
\$300,000.01 - \$500,000.00	3%
\$500,000.01 - \$750,000.00	4%
\$750,000.01 or more	5%

Payment of all Volume Rebates paid hereunder is (i) contingent upon the member paying all invoices within the payment terms specified in the contract; and (ii) based on the individual member’s aggregate annual Net Sales and is payable back to dollar one.

Sales associated with the MPS Program and other sales of certain technology products that are processed through Staples technology system referred to as Sequoia (or its successor), will be excluded from this volume rebate.

Sales associated with Promotional Products that are processed through Staples promotional products system referred to as Linc (or its successor) will be excluded from this volume rebate.

Sales associated with Printed Products that are processed through Staples print system referred to as Baan (or its successor) will be excluded from this volume rebate.

“Net Sales” - Net Sales will be defined as the gross sales price of the applicable products sold under this Contract, less shipping costs (including freight charges and insurance), taxes, duties, any rebates actually paid, discounts and allowances actually taken, rejections and returns to the extent credit is given or paid, and also excluding purchases made via staples.com, or any Staples retail channel.

- 17) **Identify any Total Cost of Acquisition (as defined herein) cost(s) which is NOT included “Pricing” submitted with your proposal response. Identify to whom these charges are payable to and their relationship to Proposer.**

There may be additional services available which are associated with certain products, including, but not limited to: furniture, facilities or water/coffee dispensers, etc. which at the option of the Member may be purchased or leased at the time of order/agreement. The costs for such services shall be paid to Staples by the NJPA Member.

- 18) **If freight, delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program.**

There are no additional charges associated with standard delivery from Staples Advantage. Common delivery exceptions that require a surcharge include:

- ◆ Furniture unpacking or assembly and/or moving or removal
- ◆ Expedited deliveries
- ◆ Desktop deliveries
- ◆ Deliveries outside Staples’ standard distribution area (i.e. offshore including Hawaii and Alaska)
- ◆ Manufacturer direct or special orders

Surcharges are calculated on a per-order basis.

- 19) **As an important part of the evaluation of your offer, indicate the level of pricing you are offering.**

Prices offered in this proposal are:

- a. Pricing is the same as typically offered to an individual municipality, Higher Ed or school district.
- b. Pricing is the same as typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- c. Better than typically offered to GPOs, cooperative procurement organizations or state purchasing departments.
- d. Other; please describe.

Staples supplies a significant number of government agencies and numerous GPOs and cooperative procurement organizations that range in size, geography, purchase volume, guarantees, incentives and other contractual terms/requirements. Additionally, Staples provides a wide variety of products and services, including many that are customized and therefore, based on customers’ specifications. As a result, while pricing may vary, Staples feels that its proposal at hand provides competitive pricing and exceptionally strong value-added attributes.

20) Do you offer quantity or volume discounts?

X YES NO Outline guidelines and program.

Staples may offer quantity or volume discounts to members as permissible in sections 5.18 and 5.19 "Ceiling Price" of this RFP.

21) Describe in detail your proposed exchange and return program(s) and policy(s).

Staples' Return Policy

School/Office Supplies

We will accept returns of a product in resalable condition, within the applicable return period, with its complete and original manufacturer's packaging intact and undamaged, including Universal Product Code (UPC), manuals and parts and a copy of the packing slip. Occasional exceptions can be made as a courtesy to you.

- ◆ We guarantee 100% satisfaction on all Staples® brand, Sustainable Earth by Staples™ or Diversity Product Solutions by Staples™ products. You may return any of these products anytime if they don't meet your satisfaction.
- ◆ We conduct a thorough analysis of all damaged or defective products to ensure that any quality issues are corrected by our manufacturers.

Product Category	Applicable Return Period
Office Supplies	30 Days
Software (unopened)*	30 Days
Technology & Business Machines	14 Days
Furniture	14 Days after delivery**
Custom-Imprinted	Not returnable unless damaged/defective

**Opened or defective software may be exchanged for the same title and version within 30 calendar days of receiving the software.*

***Only products in new condition, unassembled and in original packaging are eligible for return. A 35% restocking fee may apply. Special-order or non-stocked furniture is not returnable, unless such products arrive damaged or defective.*

Facility Supplies

We gladly accept the return of stock merchandise within 30 days from the date of delivery. Large orders and merchandise returned after 30 days may be subject to a restocking fee. Additional charges may be incurred for shipping and handling of hazardous or oversized materials. Partial cartons of hazardous materials cannot be returned.

Important notes about returns:

- ◆ Unless defective, all returned products must be in re-saleable condition (original, unmarked, sealed retail package).
- ◆ For health and safety reasons, all food, beverages, first aid and medical items cannot be returned.
- ◆ Products purchased in bulk, including those intended to be used during a World Health Organization epidemic or pandemic alert, are subject to review prior to return.
- ◆ Staples will only issue credit for items that were purchased from Staples.
- ◆ Staples assumes no liability for damages resulting from the use of any purchased products.

We will make every effort to be fair and reasonable in regard to returns. If your employees or end users have any questions, they can contact Staples Customer Service or your Staples Strategic Account Leader at any time.

Furniture

At Business Interiors by Staples we are confident that the quality of our furniture products will meet, if not exceed, NJPA Members' expectations. If for any reason you aren't completely satisfied with a product, or if a product arrives damaged or is found to be defective, you may request to return it within 14 days of its delivery. NJPA participating Members can contact your Customer Service team to initiate the return process. The product must be returned to Business Interiors by Staples with its complete and original packaging intact (original UPC code, packaging materials, instructions, manuals, etc.). Special order, customized, manufacturer-direct shipped or assembled items are not returnable, unless such products arrive damaged or defective.

Technology Products

At any time, NJPA participating Members can contact your Staples Technology Solutions® (STS) Customer Service Representative for a Return Authorization (RA) number before returning any product. All returns/replacements must be in their original packaging and in resalable condition. We are unable to accept returns of non-stock, obsolete or special order items that were ordered incorrectly. If product is being returned due to an error by STS, our Customer Service Department will provide a return authorization (RA) number and call tag to pick up the product. Returns of certain IT hardware are governed by the policies for return supported by the distribution source and manufacturers used. These may limit returns of non-defective items to a certain time period. They may limit returns of items once opened. They may include specific restocking fees. STS will actively work on behalf of NJPA to minimize and mitigate the impact of these limits and fees. We will ship replacement product on the same day that STS is made aware of the situation, as long as it is prior to 3:00 pm (EST).

We will accept returns of a technology product in resalable condition, within the applicable return period, with its complete and original manufacturer's packaging intact and undamaged, including Universal Product Code (UPC), manuals and parts and a copy of the packing slip. Occasional exceptions can be made as a courtesy to you.

Product Category	Applicable Return Period
Software (unopened)*	30 Days
Technology & Business Machines	14 Days

**Opened or defective software may be exchanged for the same title and version within 30 calendar days of receiving the software.*

Credits

Credits for returned items are issued once the returned item is received back at the Staples fulfillment center. Typically, returns are picked up within one to five business days and the credit is released within 24-48 hours after the fulfillment center receives and processes them.

Important Notes about All Returns

- ◆ Non-defective dated goods such as forms, batteries, film, toner and ink cartridges are subject to approval and require a Return Authorization for credit.
- ◆ Calendars cannot be returned after January 31 of the year to which they correspond.

- ◆ For health and safety reasons, food, beverages, first aid and medical products cannot be returned.
- ◆ For similar reasons, janitorial and sanitation products (such as cleaning chemicals) can only be returned in unopened and unaltered original case quantities and packaging.
- ◆ Products purchased in bulk, including those intended to be used during a World Health Organization epidemic or pandemic alert, are subject to review prior to return.
- ◆ Additional charges may be incurred for the shipping and handling of products classified as hazardous or oversized materials. Partial cartons or opened containers of hazardous materials cannot be returned. It is your responsibility to ensure the products are used and disposed of in accordance with all applicable federal, state, county and local laws and regulations, including environmental rules and regulations.
- ◆ Neither party shall be liable for any consequential, incidental, special or exemplary damages arising out of or in connection with the sale, delivery, use or performance of the product. In no event shall Staples be liable (whether in contract, tort or otherwise) for damages arising out of or relating to a breach of any warranty or the sales, delivery, installation, use or performance of the product that exceed the purchase price of the product.

Notwithstanding anything to the contrary, neither party shall be liable for any consequential, incidental, special or exemplary damages arising out of or in connection with this contract. The sale, delivery, use or performance of the product. In no event shall Staples be liable (whether in contract, tort or otherwise) for damages arising out of or relating to a breach of any warranty or the sales, delivery, installation, use or performance of the product that exceed the purchase price of the product.

22) Specifically identify those shipping and delivery and exchange and returns programs as they relate to Alaska and Hawaii and any related off shore delivery of contracted products/equipment and related services

On returns originating from Alaska and Hawaii, please note the following terms:

- ◆ Staples will generally not pick up any return orders valued \$25 or less
- ◆ Staples will credit the customer on orders less than \$100.00
- ◆ For orders over \$100.00, Staples will issue a UPS 2nd Day Air label for each carton an NJPA participating Members want to return

23) Please describe any self-audit process/program you plan to employ to verify compliance with your anticipated contract with NJPA. Please be as specific as possible.

Staples takes our compliance obligations serious, while holding ourselves accountable to high internal standards. As such, we have put a process in place that has centralized our public sector pricing functions to a single team. This myopic oversight to pricing control allows us to manage pricing, compliance, and auditing at the highest level. This includes the pricing team understanding of the terms of the contract and unilateral control of maintaining the contract pricing in the system. Additionally, internal audits are frequently conducted on order history to identify any mischarges and system errors, with a protocol in place for corrective measures that includes issuing credits if necessary proactively and directly to the participating Member.

Industry Specific Items

N/A

SIGNATURE PAGE FOLLOWS

Form P – Signature Page

Signature: Christine T. Komola Date: 12-19-14

Christine T. Komola, EVP & Chief Financial Officer
Staples Contract & Commercial, Inc., operating as Staples Advantage

