

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: Vermeer Corporation

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS
		-none-	

Proposer's Signature: Chad Tausey Date: 6-19-17

NJPA's clarification on exceptions listed above:

Review and Approved: [Signature] 8/14/17
NJPA Legal Department

Contract Award
RFP #062117

FORM D



Formal Offering of Proposal
(To be completed only by the Proposer)

GROUND MAINTENANCE EQUIPMENT, ATTACHMENTS, ACCESSORIES, AND RELATED SERVICES

In compliance with the Request for Proposal (RFP) for GROUND MAINTENANCE EQUIPMENT, ATTACHMENTS, ACCESSORIES, AND RELATED SERVICES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: Vermeer Corporation Date: June 19, 2017

Company Address: 1210 Vermeer Road East

City: Pella State: IA Zip: 50219

Contact Person: Chad Tousey Title: Corporate Accounts Manager

Authorized Signature: *Chad Tousey* Chad Tousey
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

NJPA Contract #: 062117-VRM
Proposer's full legal name: Vermeer Corporation

Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.

The effective date of the Contract will be August 18, 2017 and will expire on August 18, 2021 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

NJPA Authorized Signatures:



NJPA DIRECTOR OF COOPERATIVE CONTRACTS
AND PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)



NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on August 17, 2017

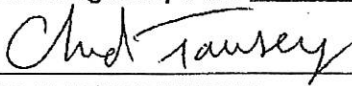
NJPA Contract # 062117-VRM

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name Vermeer Corporation

Authorized Signatory's Title Corporate Accounts Manager



VENDOR AUTHORIZED SIGNATURE

Chad Tousey

(NAME PRINTED OR TYPED)

Executed on 8/17, 2017

NJPA Contract # 062117-VRM

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

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

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: Vermeer Corporation

Address: 1210 Vermeer Road East

City/State/Zip: Pella, IA 50219

Telephone Number: 641-621-8531

E-mail Address: ctousey@vermeer.com

Authorized Signature: Chad Tousey

Authorized Name (printed): Chad Tousey

Title: Corporate Accounts Manager

Date: 6-19-17

Notarized

Subscribed and sworn to before me this 19th day of June, 20 17

Notary Public in and for the County of Marion State of Iowa

My commission expires: June 7, 2020

Signature: Valerie Lindenman





PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Proposer Name: Vermeer Corporation

Questionnaire completed by: Chad Tousey

Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

Payment Terms are Net 30.

2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions?

A variety of leasing programs are available. This includes standard leases as well as leases with different purchase options at the end of the term. Purchase Options using predetermined or fair market values can be used to tailor monthly payments to a member's budget. Rates and terms can vary and be tailored to the members needs and based on their application.

3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders.

- ***Vermeer Corporation will utilize a Business-to-Government order process and funds flow.***
- ***Vermeer will establish a national marketing program for the grounds maintenance and accessories contract like what is already in place with NJPA today.***
- ***The Process Flow for NJPA orders will be structured to minimize the impact for both the sales team and our customers as indicated below:***

- 1. Customer Contacts the Local Dealer for NJPA Contract Purchase***
- 2. Determine if Local Agency is NJPA Member***
 - a. If member – proceed***
 - b. If not a current member – assist agency with online membership application***
- 3. Dealer determines product specifications and supplies quote***
 - a. Pricing – Percentage Discount from Catalog Pricing***
- 4. Develop Quote with :***
 - a. Machine Pricing***
 - b. Freight – Based on Zoned Freight Matrix***
- 5. Quote Presented to Local Agency***
 - a. Accepted – proceed to Order Process***
 - b. Denied – Dealer does not proceed, seeks possible assistance; Vermeer Corporate & NJPA***
- 6. Dealer Places Machine Order***

7. **Dealer Receives Machine and Preps for Delivery to Local Agency**
8. **Dealer Delivers Machine to Customer**
 - a. **Perform Operator Review as needed**
 - b. **File equipment registration**
9. **Dealer submits copy of their dealer-to-NJPA member invoice to Vermeer Corporation**
10. **Vermeer Corporation adds the purchase to the NJPA quarterly sales report.**
 - a. **Dealer is invoiced for their portion of the NJPA contract fee, which is calculated off of the equipment total.**
 - b. **Vermeer Corporation makes payment to NJPA quarterly and sends the corresponding report.**

- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process?

If the P-card is associated with one of the major charge card issuers, then the P-card can be used for parts and service at multiple dealerships.

Warranty

- 5) Describe in detail your manufacturer warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.

Full description of our one year warranty is provided in manufacturer Warranty Statements.

See attachment Form P-5.1.

Extended warranties are available.

- Do your warranties cover all products, parts, and labor?

All materials and labor are covered as described in manufacturer Warranty Statements.

See attachment Form P-5.1.

- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?

Standard Warranty is subject to one full year or 1,000 hours, whichever comes first as described in Manufacturer Warranty Statements. Extended warranties for parts and/or labor are available for a variety of terms and hours.

- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?

The Standard warranty repair or replacement must be made at the dealer location as described in manufacturer Warranty Statements. Extended warranties and preventative maintenance programs are available that would include some travel time.

- Are there 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?

We have the facilities and technicians available to perform warranty throughout the entire United States and Canada.

- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer?

Warranties will be passed on to the original equipment manufacturer.

- What are your proposed exchange and return programs and policies?

Vermeer routinely accepts trade-ins for new equipment. The value for a specific piece can be discussed with a member and their local Vermeer representative. With the warranty we provide combined with a member's ability to try and/or see a piece of equipment operate in their local area, the need for simply returning or exchanging a product is not generally applicable to the type of equipment we deliver.

- 6) Describe any service contract options for the items included in your proposal.

Service contracts are available for purchase. It is marketed as Confidence Plus[®] with standard, base, and premium coverage options.

See attachment Form P-6.1.

Pricing, Delivery, Audits, and Administrative Fee

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

- ***Tree Care/Landscaping includes: Brush Chippers, ranging from 6-inch models to 23-inch whole tree chippers and a variety of towable and self-propelled stump cutters. Compact Utility Loaders***
- ***Recycling and Forestry Equipment includes: Grinders, Trommel Screens, Compost Turners, Tree Chipper, Forestry Mulchers and Erosion Mitigation System***
- ***Lawn Plows-Irrigation includes: Pedestrian Trenchers and Pedestrian Plows***

- 8) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.)

Vermeer is offering percentage discounts from our stated list prices. For the equipment in the Grounds Maintenance RFP, the discounts are up to 14%. NJPA's discount is noted within the folder name of each product category that contains the pricing templates. There is a pricing template for each model that incorporate the appropriate and stated discount for each unit and options for each model. The pricing templates utilize model numbers and sales codes rather than SKU numbers.

Each pricing template includes a line item for freight. A Freight Matrix is included with our pricing files. The Freight Matrix is broken out by Zone and Machine for each Vermeer product. In order to determine total price, the Vermeer dealer will utilize the discounted list price on the pricing template and the freight matrix. By supplying both product price and freight as part of the "bid price", the member will be able to have full assurance of contracted pricing eliminating all the potential "gray area" for the Purchasing Officer

This is the same system that has been used, and refined, for the past eight years. To date, based on feedback from our contract administrator, the use of these templates works for well for NJPA and their members. We will continue to work with NJPA to refine this method if needed.

See attachment Form P-8.1 for pricing templates and freight matrix.

- 9) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list.

The breakdown of specific discounts per product group are detailed within the folder name of each product category that contains the pricing templates. Please see the folders in attachment Form P-8.1 for a complete detailed list of discounts. For most of Vermeer equipment utilized by NJPA and its members, the discount is up to 14%.

It is important to note that Vermeer utilizes one pricing system which is not inflated. Vermeer does not have a separate list price which includes higher prices for government entities or for discounting purposes. We have used the same process for establishing list prices for many decades.

- 10) The pricing offered in this proposal is
- a. the same as the Proposer typically offers to an individual municipality, university, or school district.
 - b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
 - c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
 - d. other than what the Proposer typically offers (please describe).

- 11) Describe any quantity or volume discounts or rebate programs that you offer.

Quantity discounts may apply when a large quantity of units are being ordered at one time. Please contact the appropriate Vermeer Dealer or the Vermeer Corporate Accounts Department to discuss.

- 12) Propose a method of facilitating “sourced” products or related services, which may be referred to as “open market” items or “nonstandard options”. For example, you may supply such items “at cost” or “at cost plus a percentage,” or you may supply a quote for each such request.

Cost Plus 18% trailers

Cost Plus 35% all other items

- 13) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer.

RDO Vermeer Pacific in California, which is part of the Vermeer dealership network includes the following additional charges:

CARB registration fee for any unit with a 50 hp engine and over. CARB is California Air Resources Board. This is government mandated. The dealership begins the registration process as soon as they can because the machine has to sit until the registration process is complete or there is risk of being issued a citation.

Tire tax of \$1.75 per tire. This is required for anything with tires.

Registration fee for units that have to be licensed and plated. This is done as a courtesy to the customer. If a customer prefers to take responsibility for this on their own, then the dealer does not charge a registration fee.

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

We have provided a freight matrix which includes any applicable freight costs. For those products that are more specialized in nature, we included a maximum freight rate as a way to provide the NJPA member with a check point and a not to exceed amount. The total price for each piece of equipment is determined by using the discounted model price in conjunction with the zone based freight matrix. Delivery is included in this total price for each unit.

- 15) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

We have Vermeer dealerships covering Alaska, Hawaii, Canada, as well as throughout the globe. The Vermeer dealer works with Vermeer Corporation's logistics team to ship the product from the manufacturing plant to their location. The dealer then preps and delivers the equipment to the customer.

- 16) Describe any unique distribution and/or delivery methods or options offered in your proposal.

Due to the nature of our product and business model, Vermeer is set up to distribute and deliver through the Vermeer dealership network. The service, longevity, and expertise of this dealership network along with the relationship with Vermeer Corporation is what makes it a unique distribution channel. Having a zoned freight matrix is something Vermeer does specific for NJPA.

- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA.

Each dealer receives funding from Vermeer Corporation for products sold and delivered to NJPA members. To receive this funding the dealer must submit paperwork to the Vermeer Corporate Accounts Department (specifically to Shelly Larson and Jodi Schnell), stating the NJPA program was utilized and who the purchasing member is. This paperwork along with submitted equipment registration is used as an accounting tool and in our audit process. Vermeer Corporation supplies marketing materials and schedules training sessions, allowing Vermeer to educate the Vermeer Dealers in the proper use and promotion of the NJPA program.

- 18) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.)

Vermeer Corporation is proposing a 1.4% administrative fee to be paid to NJPA when reporting quarterly sales.

Industry-Specific Questions

- 19) Describe the top three market differentiators of your products/services relative to this RFP category.

The top three differentiators for Vermeer are Cost of Ownership, Safety & Green Initiatives, and the Dealership Network.

Cost of Ownership is determined by initial and long term quality and strength of a product, actual cost to operate and maintain a piece of equipment and the related safety built into a piece of equipment. We design our products with Gary Vermeer's original motto which is to "Find a need. Fill that need with a product built to last, and simply build the best!" Building the best includes overall reliability and cost of operation. Building equipment with the

lowest life cycle costs is different, and ultimately not as economical, from building the cheapest initially. Our engineers design equipment to be the most reliable, cost efficient and safest equipment a member can own. In the industries we serve, Vermeer is known for providing this strong reliable equipment. We are also known for providing industry leading support over the life of a piece of equipment. This is done through our unusual dedicated dealership network. Building Safety into all our products, not only provides more safety for the individuals working with our equipment, it again plays a key role in the overall cost of ownership.

Safety & Green plays a large role in our company. Green is used not only to reduce waste and build efficiencies in our manufacturing process; it also is designed into our equipment as much as possible. Examples include Eco-idle on our brush chipper products, remote controls to efficiently run our grinders and other products, cooling features (hydraulic and engine systems) used in a variety of products and the products themselves can all be used to reduce waste and build efficiencies. The safety enhancements of Vermeer Products have "set the standards" within our industry.

Our dedicated dealership network is very unusual in the industries we serve. Most dealers in our industry represent many different products and manufacturers and can change often. Vermeer dealers are dedicated to Vermeer products. This dedicated service and support provides our customers and NJPA members with personnel and technicians that are well trained and focused on supporting them and work daily in their respective areas. This allows them to be close to actual NJPA Members and fully understand the conditions they are working on daily. Having a nationwide distribution network; facilitating local spending by the agencies, in lieu of sending purchases out of the state, help make Vermeer/NJPA a positive solution.

20) Within the RFP category there is the potential to be several different sub-categories of solutions. Identify the sub-category title(s) that would best describe your products, equipment and supplies.

- Lawn Plows-Irrigation
- Recycling-Forestry
- Tree Care-Landscaping

Signature: Chad Tousey Date: 6-19-17