

SUPPLEMENTAL INFORMATION:

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SECTION A - INTRODUCTION  
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A.1 This supplemental information provides an overview of Contract **5126-PA** and in no way replaces the terms and conditions set forth in the Contract resulting from the original Request for Proposal (RFP), # 102-5006-5. For a complete description of this Contract, please reference the original RFP. If there are any discrepancies between this supplemental information and the terms and conditions of the Contract, the terms and conditions will supersede. This section should be used for reference only.

This is a Contract between Azumano Travel and the State of Oregon to provide travel management services for the State of Oregon and participating sub-divisions.

A.2 CONTRACT USAGE & EXCEPTIONS: All State Agency personnel/travelers under DAS authority as provided in ORS 279A.050 are required to use this Contract to obtain travel Services for all domestic and international air travel. This includes but is not limited to clients, children and others who are in the care, custody or control of the state while traveling. State of Oregon Agencies may also choose to book car rentals, hotel accommodations, etc., using this Contract but are not required to do so.

There may be occasions where it is not practical or prudent to use this Contract. These situations will be dealt with on a case-by-case basis (see Item D.1.25 and D.1.26 for Exception Policies).

Authorized Purchasers such as ORCCP members are eligible, but not mandated, to use the Contractor's services. See Section H.

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SECTION B - PRICES  
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ON-LINE BOOKING FEE	\$8.00
TELEPHONE BOOKING FEE	\$28.50
BOOKING REFUNDS	\$12.00
BOOKING VOIDS	\$10.00

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SECTION C - DEFINITIONS  
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C.1 GENERAL DEFINITIONS:

C.1.1 "Addendum" or "Addenda" means an addition or deletion to, a material change in, or clarification of, the RFP. Addenda shall be labeled as such and shall be made available to all interested Proposers in accordance with the **OAR 125-247-0430**.

C.1.2 "Authorized Purchaser" means the State of Oregon, acting by and through DAS State Procurement Office. It also means purchasing Agencies submitting Service Requests pursuant to DAS State Procurement Office authority and direction, and may include ORCPP participants with the appropriate purchasing authority under their applicable rules or regulations who submit Service Requests to Contractor.

C.1.3 "Closing" means the date and time set in the RFP for Proposal submission, after which Proposals may not be submitted, modified, or withdrawn by Proposer.

C.1.4 "Contract" means the entire agreement between the Contractor and the State, comprised of the RFP and the Offer.

C.1.5 "Contractor" means the Entity with whom the State enters into a contract setting prices for the purchase of Services and Goods, if any, pursuant to the RFP.

C.1.6 "DAS" means the Oregon Department of Administrative Services.

C.1.7 "DAS State Agency" has the meaning as defined in Section D.1.25.

C.1.8 "Entity" means a natural person with legal capacity to contract, sole proprietorship, limited liability company, corporation, partnership, limited liability partnership, limited partnership, profit or non-profit unincorporated association, business trust, two or more persons each with legal capacity to contract and having a joint or common economic interest, or any other person with legal capacity to contract, or a government or governmental subdivision. Entity does not include a State Agency.

C.1.9 "Goods" means all those items, including all installed components and accessories, if any, supplied under the Contract that are incidental to the provision of Services.

C.1.10 "Opening" means the same date and time set for Closing, unless otherwise specified in Section C.10.

C.1.11 "Participant" means each separate State Agency, ORCPP member that enters into a contract with Contractor to obtain travel management services. Participants using this Contract has the same meaning as Authorized Purchaser.

C.1.12 "Project" means the scope of the contract, including all Services and Goods to be provided thereunder.

C.1.13 "Proposal" means the Proposer's written offer submitted in response to an RFP, including all necessary attachments. (Refer to Section C.4.1.)

C.1.14 "Proposer" means the Entity that submits a Proposal in response to an Request for Proposal (RFP).

C.1.15 "Request for Proposals" or "RFP" is defined in ORS 279B.005 and means all documents, either attached or incorporated by reference, and any Addenda thereto, used for soliciting Proposals in accordance with either ORS 279B.060 or 279C.405 and related rules.

C.1.16 "Services" means all work required to be performed under the Contract.

C.1.17 "SPO" means State Procurement Office.

C.1.18 "State" means the State of Oregon and its boards, commissions, departments, institutions, branches, and agencies.

C.1.19 "State Procurement Office" means the central purchasing office of DAS.

C.1.20 "UCC" means the Uniform Commercial Code, ORS chapters 71, 72, and 72A, as applicable and as amended from time to time.

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SECTION D - PROPOSAL ELEMENTS (MANDATORY REQUIREMENTS, DESIRABLE FEATURES, PRICING SECTION)  
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D.1 MANDATORY REQUIREMENTS:

D.1.1 INTRODUCTION: The mandatory requirements specified in this section are designed to assist the Proposer in preparing a Proposal to provide Services. The mandatory requirements specify the minimum capabilities and requirements to which all Proposals shall comply. By Proposal submission, Proposers agree to all requirements, terms and conditions contained in the Request for Proposal.

Proposers shall respond to each of the mandatory requirements in Writing. Response to the mandatory requirements shall not receive point values but shall be evaluated on a pass or fail basis. Only Proposals that meet the mandatory requirements shall be evaluated for desirable requirements where point values shall be awarded. Proposers are to respond to mandatories in a brief and concise manner.

D.1.2 QUALIFICATIONS AND EXPERIENCE

D.1.2.1 Contractor shall have a minimum of five (5) years of experience providing Services comparable to those required under this Contract for large corporate or government clients with diverse geographic locations and programs.

D.1.2.2 Contractor annual gross sales volume must be at least \$8,500,000 a year.

D.1.2.3 Contractor shall provide evidence of accreditation from the Airlines Reporting Corporation (ARC) and the International Air Transport Association (IATA) to represent, provide and sell these Services.

D.1.3 IMPLEMENTATION: Contractor shall be prepared for full statewide Contract implementation to begin on **January 1, 2006**.

D.1.4 GEOGRAPHIC SERVICE AREA: Contractor shall provide Services to Authorized Purchasers as required throughout the State of Oregon. Proposer is to list all business locations that will be used to service this Contract. Include addresses and telephone numbers.

D.1.5 SERVICE REQUESTS: Contractor shall receive and fulfill requests for Services submitted directly from the Authorized Purchaser ("Service Requests"). Under no circumstances shall an individual not employed by the Authorized Purchaser or authorized by the Authorized Purchaser make Service Requests.

D.1.6 Contractor shall provide real-time Reservation Agent response to Service Requests Monday through Friday, 8:00 AM to 5:00 PM Pacific Time.

D.1.7 TRANSPORTATION: Contractor shall schedule, book and ticket air, rail and ground transportation for both domestic and international travel. On air travel Service Requests for a State Agency or other Authorized Purchaser, Contractor shall quote both the state contracted city pair airfares (both Y and capacity controlled class), and any other lower published fare(s) available meeting the travelers needs. Contractor shall provide all information concerning restricted fares to include the penalties and/or restrictions. Contractor shall use automated methods to seek out lowest fares.

D.1.8 PROFILES: Contractor shall implement a procedure to record and accommodate Authorized Purchasers and traveler's preferences when making travel arrangements in the form of traveler profiles. The profiles shall include travel policies set forth by the Authorized Purchaser. The profiles shall also contain payment information (CTS account and personal credit card information). The profiles shall be accessible on line via the internet and be password protected.

D.1.9 SEATING ASSIGNMENTS: When making bookings, Contractor shall help Authorized Purchaser and traveler to arrange seating assignments, when option is available from the airline. Contractor will not be held responsible for changes made by airlines or other carriers that are out of Contractor's control.

D.1.10 LODGING: Contractor shall schedule and arrange lodging accommodations as required to meet the needs of the Authorized Purchaser and traveler at the most economical cost.

D.1.11 CAR RENTALS: Contractor shall make car rental reservations as required using contracted rates, when available. If no contracted rates available, Contractor shall use automated methods to seek out lowest rates.

D.1.12 GROUP TRAVEL: Contractor shall arrange group travel Services as required for any size Authorized Purchaser group at the most economical cost.

D.1.13 ITINERARIES AND E-TICKETS: Contractor shall issue electronic tickets for domestic air travel. Electronic tickets for international travel shall be issued unless paper tickets are required for travel by the destination country or airport.

If paper ticket required, Contractor shall deliver tickets to designated Authorized Purchaser or traveler by messenger or mail as early as possible, but no later than 48 hours after ticketing unless otherwise requested. (Note: The direct cost of "RUSH" deliveries, requested by the Authorized Purchaser, that require overnight/express delivery service or other means than the regular delivery service shall be charged to the requesting Authorized Purchaser. Contractor shall disclose any rush delivery charges to requesting Authorized Purchaser at the time of rush request.) Contractor may charge for paper tickets issued.

D.1.14 Contractor shall provide via facsimile or e-mail (Authorized Purchaser's choice), the confirmation number, itinerary, and any other pertinent information to designated Authorized Purchaser or traveler. Itineraries shall include the toll-free telephone numbers for 24-hour services and complaint resolution telephone number to resolve issues either before, during or after travel. Itineraries shall also include any and all information necessary for traveler to be informed while en-route.

D.1.15 TELEPHONE SERVICE: Telephone service shall be provided to meet the needs of Authorized Purchasers, confronting them with little or no experience with busy signals. Telephone service shall provide an overflow system. All telephone messages left for Contractor's Reservation Agents shall be returned within two hours from the time the call was placed.

D.1.16 INTERNET/WEB SERVICES: Contractor shall provide a website with links to the State of Oregon travel website, provide travel release and contracted carrier release forms, an automated on-line booking tool, reconciliation tools, Authorized Purchasers and traveler profiles and a message link to the Contractor Program Administrator.

D.1.17 Contractor shall provide 24-hour toll free telephone service to the Authorized Purchasers and travelers. After hours and while enroute, toll free nationwide telephone service shall be provided and shall have capability to provide all Services.

D.1.18 ONLINE BOOKING TOOL: Contractor shall provide an automated online reservation-booking tool. This booking tool shall have fare searching capability. This booking tool shall be capable of displaying contracted "city-pair" fares and also regular published fares and shall identify with an icon whether the fare is a contracted fare or published fare. This on-line booking tool shall prevent un-authorized routings from being displayed as a purchase option. This tool shall be able to book one-way trips, round trips, multi-segments, and build a custom trip. This tool shall also book car and hotel rooms either with

a flight or separately. This tool shall maintain traveler profiles, with the capability of adding, changing or deleting profiles by Authorized Purchasers. The tool shall have the capability of saving trips or cloning trips. This tool shall contain an authorization process to prevent un-authorized travel from being purchased. This tool shall provide on-line user support and a printable user guide. This online booking tool shall be on a secure website, password protected and contain a ticket and payment authorization system. This booking tool shall be available 24 hours per day with minimal down time. Contractor shall provide unlimited training on the use and functionality of the online booking tool at Authorized Purchaser's locations at no additional charge to the Authorized Purchaser or State.

**D.1.19 AUTOMATED RESERVATION SYSTEM & FARE MONITORING:**

Contractor shall secure reservations via a central reservation system and provide automation to monitor fares on a scheduled basis for the reissuing of tickets where fares have decreased.

**D.1.20 MONEY BACK GUARANTEE:** Contractor shall refund the difference in cost if it has failed to book the lowest available fare with all comparable features and class of service including available seats. Ticket must reflect lowest available applicable fare at ticketing.

**D.1.21 PROCEDURAL REQUIREMENTS:** There are potentially 153 state agencies, boards, commissions and institutions and 102 cooperative purchasing member agencies involved in this Contract. Contractor shall have the proper staffing levels and technology enhancements to handle and accommodate individual Authorized Purchaser requirements and procedures to ensure all travel booked is authorized. State Agencies and Authorized Purchasers shall provide all information and details to Contractor as per their profile needs.

**D.1.22** Contractor must be able to accommodate an increase in usage within the travel management program.

**D.1.23 LOST OR STOLEN TICKETS:** Proposer shall describe procedures for processing claims for lost or stolen tickets.

**D.1.24 ON-LINE RECONCILIATION TOOL:** Contractor shall have an online reconciliation tool to track used tickets and reconcile completed trips. The tool shall also have the following capabilities: spend analysis & management, supplier management, activity management, Reconciliation and policy & risk management reporting tools. Contractor shall provide unlimited training on the use and functionality of the online reconciliation tool at Authorized Purchaser's locations at no additional charge to the Authorized Purchaser or State.

**D.1.25 TRAVEL EXCEPTION REQUEST PROCEDURE FOR STATE AGENCY AUTHORIZED PURCHASERS SUBJECT TO DAS PURCHASING AUTHORITY:** Contractor shall use the following procedure when handling any travel exception request received by a State Agency Authorized Purchaser subject to DAS purchasing authority ("DAS State Agency").

**D.1.25.1** The DAS State Agency contacts Contractor for an initial quotation.

D.1.25.2. If the DAS State Agency finds a lower price or better arrangements through another source, they shall contact the Contractor and provide all pertinent information. Contractor shall evaluate the information and has the option to match the price or arrangements and make the same arrangements. Should the Contractor not be able to match the price or requested arrangements, regardless of the type of airfare ticket category, the Contractor shall notify the DAS Contract administrator of the exception request. The DAS Contract administrator shall determine, considering the impact of the required travel and all alternatives, the best method for travel arrangements at the lowest cost to the DAS State Agency. DAS reserves the right to use, in the exercise of its sole and absolute discretion, another source in circumstances in which the Contractor is not able to match the price, the requested arrangements, or make the same arrangements.

D.1.25.3 Contractor matching or release notification may be sent via e-mail, facsimile or telephone with hard copy to follow via US Postal Service. Contractor shall reply to exception requests within three (3) hours of receipt of request from the DAS State Agency.

D.1.25.4 If the Contractor chooses not to match or find an equivalent fare and upon DAS approval, the Contractor shall issue a one time waiver to the DAS State Agency to allow them to purchase that particular ticket elsewhere. A waiver shall be issued for each particular occurrence the Contractor cannot match or find a lower fare.

D.1.25.5. Contractor shall maintain a log of all waivers issued to DAS State Agencies. This policy does not apply when travel is arranged and paid for by a third party and no state reimbursement is made.

Under no circumstance may a DAS State Agency submit a travel exception request to avoid paying a transaction or travel management fee as its sole reason for submitting the exception request.

D.1.26 CONTRACTED CARRIER RELEASE PROCEDURE: Contractor shall use the following procedure when a DAS State Agency wants to deviate from using the airline contracted for a city-pair.

D.1.26.1 DAS State Agency contacts the Contractor for an initial quotation. Contractor informs DAS State Agency which airline holds the Contract for that city-pair.

D.1.26.2 If DAS State Agency chooses to fly another airline for one of the following reasons:

- \* Contracted Airline sold out
- \* Contracted Airline schedule not conducive to travelers needs
- \* Contracted Airline flight cancelled
- \* Contracted Airline has a higher priced published fare than other airlines.
- \* Contracted Airline has too restrictive requirements for the movement of bound passengers,

then Contractor shall book the request by the DAS State Agency and maintain a log of contracted airline deviations.

D.1.26.3 If DAS State Agency chooses to fly an airline other than Contracted airline for a reason other than one or more of the reasons listed above or if the other airline has a higher priced fare than contracted Airline, Contractor shall develop a Contracted Carrier Release authorization form for DAS State Agency to submit to Contractor and Contractor shall forward authorization form to DAS for approval or denial of request. Contractor and DAS State Agency shall follow the decision of DAS.

Under no circumstance may a DAS State Agency submit a travel exception request to avoid paying a travel management fee as their sole reason for submitting the exception request.

D.1.27 MANAGEMENT REPORTS: Contractor shall provide management reports as requested by SPO including information by State Agency on savings, carriers utilized, sales per carrier, destination per carrier, why lowest fare was not used, if contracted city pair was refused, why contracted city pair was refused with dollar amount difference, contracted carrier deviation, lodging and rental car information. In addition to this list of reports required, Proposer is to provide a list of other reports available to the State at no additional cost. Provide a list of these available reports. Upon award of the Contract, Contractor must submit samples of these reports upon request.

D.1.27.1 YEARLY REPORT: Contractor shall provide a yearly account summary review at the end of each fiscal year. This report shall include an overview of the year. Air, Hotel and Car rental analysis. A summary of management fees charged, a break out of releases issued and a complete listing of account numbers. The exact format and information to be included in the report shall be provided to the Contractor after contract award.

D.1.28 Contractor shall be equipped and trained to provide SPO any customized or ad hoc reports when requested.

D.1.29 CONSULTATION/NEGOTIATION: Contractor shall provide management consultation to the State about such topics as computer technology, policy creation assistance, assistance with travel solicitation development, interpretation of management reports and savings recommendations, and all aspects of travel management and planning. Contractor shall initiate and provide assistance in negotiating discounted rates with airlines, hotels, and car rental companies, based on State travel volume and needs.

D.1.30 TRAINING/ORIENTATION: Contractor shall provide group orientation sessions at State Agency request. Contractor shall train State Agency staff on site as needed to facilitate and coordinate travel planning and management at the State Agency level. In addition, Contractor shall be required to help plan, prepare and present programs on timely, travel related topics at the Travel Coordinator meetings. These meetings are currently held in Salem and Portland, and all State Agencies that participate in this Contract are invited to send representatives.

D.1.31 Upon notification from the State, Contractor shall be available for an implementation meeting to be held in conjunction with the Travel

Coordinators Meeting after Contract award. Meetings will be held in Salem and Portland. Upon request, Contractor shall be available for individual State Agency implementation meetings. Individual State Agency meetings may be held in various parts of the State. Contractor shall not be reimbursed for any meeting expenses.

D.1.32 Contractor shall participate in the annual trade show and seminar, Partners in Public Purchasing, sponsored in part by the State. Contractor is responsible for any registration and trade show fees, other associated costs and expenses.

D.1.33 Contractor shall provide continuing travel education to the State of Oregon's travel contract's administrator who is listed in Section C.2.2. This includes providing conference fees, transportation, lodging and meals for this individual to attend the Society of Government Travel Professionals Conference that is held twice a year in various parts of the United States. Other travel related conferences may be substituted if it is in the best interest of the State.

D.1.34 TRAINING MATERIALS: Contractor shall provide all training materials, travel information or other program materials as needed to all participants of any training/planning session as previously described. All training materials shall be double-sided and produced on paper containing the minimum state standard of recycled materials.

D.1.35 MANUAL: Contractor shall provide a manual to contain information about Services provided by Contractor in compliance with this Contract. This manual to include helpful tips on information necessary to arrange travel & make the process easier for traveler and Reservation Agent. This manual will also be used at implementation meeting & throughout Contract period. Contractor is to update this manual throughout the term of the Contract. This manual and updates shall be provided to all Authorized Purchaser travel coordinators at no cost to the State.

D.1.36 QUALITY ASSURANCE: Contractor shall provide procedures to monitor the quality and costs of Services provided under this Contract on a continuous basis. This will include a staff training and transaction inspection system that covers all Services performed and a method for identifying and correcting deficiencies. This program must also include a complaint resolution system that handles problems and complaints quickly and effectively.

D.1.37 Contractor shall provide procedures for pre-trip itinerary reevaluation to determine if the lowest fare is available.

D.1.38 STAFFING: Contractor shall provide sufficient facilities and staffing to assure prompt, reliable service to Authorized Purchasers. Staff assigned to provide service to particular State Agency travelers shall be fully trained in the service needs of the particular State Agency before they are assigned to provide Services under this Contract.

D.1.39 Contractor shall provide a program coordinator or key manager who shall be dedicated full time to this Contract.

D.1.40 BILLING: Contractor shall establish procedures that conform to generally accepted accounting and auditing principles to ensure that billings are for authorized travel only. All airfare shall be charged to the correct Authorized Purchaser central billing travel charge card account (ghost account) which is provided to each Authorized Purchaser under a separate contract with the State's credit card provider. All personal travel shall be charged to the traveler's personal charge account, without exception.

D.1.41 BILLING REPORTS: Contractor shall provide necessary information to enable Authorized Purchasers to reconcile all charges on central billing charge accounts.

D.1.42 COOPERATION: Contractor shall cooperate fully with other travel related providers regardless if provider has a contract with the State of Oregon.

Cooperation shall include but not be limited to such situations as facilitating the establishment of central billing accounts for agencies, monitoring the entry of city pair airfares into airline tariffs, serving as a liaison between the State and other travel related providers, and assisting with problem resolution with airlines, car rental companies and hotels that travelers encounter during travel.

D.1.43 INTERNATIONAL TRAVEL SERVICES: Contractor shall provide complete international travel assistance for Authorized Purchasers including air and ground transportation arrangements, airfare pricing information, lodging arrangements, information/help with currency exchange rates, visas, passports, health requirements, group travel, etc.

D.1.44 CHARTER SERVICES (These services are mandatory for Contractor to provide but optional for Authorized Purchasers to use):

Contractor shall arrange charter services, i.e. air and ground transportation as required for individuals and groups at the most economical cost to the Authorized Purchaser, given the schedule of the group.

D.1.45 CONTRACTOR CHANGEOVER: If for any reason there is a change in Contractor due to Contract termination or expiration, the current Contractor shall cooperate fully with the transfer of Authorized Purchaser files, records, accounts, or any outstanding work under the provisions of this Contract. If the initial term or any extension term of this Contract expires or is not extended, or if this Contract is terminated by the State for any reason, the State may, at its discretion, direct Contractor to transfer existing files, records, accounts or other documents to a successor contractor or to return them to the State or to the appropriate Authorized Purchasers, as appropriate. At the time of any transfer, Contractor shall use its best, good-faith efforts to effect as expeditiously as possible an orderly and complete transition of Contractor's duties and responsibilities to the successor Contractor, or to the State and the

Authorized Purchasers, including without limitation: (i) transferring all existing files, records, accounts and documents relating to the existing accounts; and (ii) delivering the account records to the successor contractor, or to the State and the Authorized Purchasers, as directed by the State. In any event, Contractor shall complete the transfer of all existing accounts within no later than 30 (thirty) days of the expiration, non-renewal or notice of termination of this Contract. In such a case, Contractor may maintain copies of the account records, files and documents for its own record-keeping and regulatory purposes only, subject to the provisions of this Contract. This Section D.1.45 shall survive any expiration, non-renewal or termination of this Contract, and shall also apply to the benefit of any Authorized Purchasers, as if they were the State, with respect to the accounts of the Authorized Purchasers.

Contractor shall cooperate with the State and with Authorized Purchasers, as applicable, using its best, good-faith efforts in a commercially reasonable manner in order that the duties and obligations of Contractor hereunder may be effectively, efficiently and promptly discharged. Contractor shall, at its expense, deliver to the State and to Authorized Purchasers further instruments and documents, and shall take further actions as the State or the Authorized Purchasers may from time to time reasonably request, in order to carry out the intent and purpose of this Contract. To that end, Contractor shall, at all reasonable times during normal business hours and as reasonably necessary, make its properly authorized personnel available for discussion with the State and the Authorized Purchasers.

D.1.46 FACSIMILE INFORMATION: Contractor shall provide a facsimile number for facsimile transmissions of Service Requests related to this Contract. Facsimile capacity shall be available for sending and receiving requests at the Authorized Purchaser's location. The first page sent to the Authorized Purchaser shall be a Contractor cover sheet followed by the Service Request response.

D.1.47 ELECTRONIC INFORMATION: Contractor shall provide electronic access to electronic transmissions of Service Requests related to this Contract. Electronic capacity shall be available for sending and receiving Service Requests at the Authorized Purchaser's location. If requested, Contractor shall quickly respond with lists of available flights and fares.

D.1.48 PERSONAL TRAVEL: Contractor may provide Services to travelers other than Authorized Purchaser related business travel. Any travel other than Authorized Purchaser related business travel (personal travel) shall be charged directly to the traveler and not to the Authorized Purchaser. Contractor may charge additional fees to the traveler for arranging personal travel.

D.1.49 COMPLIANCE CONTROL: The Contractor and its Reservation Agents shall comply to the State travel policy when arranging travel needs for State employees Contractor shall provide safeguards to ensure that the incentives offered to Contractors Reservation Agents do not interfere with the Contractors Reservation Agents willingness to comply with the State of Oregon's travel policy. Describe how this will be done?

D.1.50 CREDIT CARD RECONCILIATION: The State utilizes a centralized billing system for the State's CTS "ghost" accounts. The Contractor shall have systems in place to maintain and reconcile the monthly credit card statement against actual travel occurrence and shall be able to present the information in report form or electronic data form to the states travel coordinator, Authorized Purchaser or delegated representative. Contractor shall assist in resolving disputed charges on the Authorized Purchasers "ghost accounts".

D.1.51 OTHER RECONCILIATION: Contractor shall be available to reconcile and resolve any problems associated with reservations and tickets booked through them. This includes air, rail, lodging and car rentals.

D.1.52 TRAVEL MANAGEMENT FEES: Contractors travel management fees shall be quoted at the time of reservation and charged at the time of ticketing.

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SECTION F - STANDARD SERVICE CONTRACT TERMS AND CONDITIONS  
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F.1 ORDER OF PRECEDENCE: The printed terms and conditions set out in this Section F are the Oregon Standard Service Contract Terms and Conditions established for trade services. The State may also provide Special Terms and Conditions in Section G, which apply only to the Contract awarded as a result of this solicitation. Whenever possible, all terms and conditions are to be harmonized. In the event of a conflict between the Standard and Special Terms and Conditions, the Special Terms and Conditions take precedence, unless the Standard term in question is required by law. In the event of any other conflict, the Contract shall be interpreted utilizing the following order of precedence: (i) the Special Terms and Conditions, (ii) these Standard Terms and Conditions, (iii) the remaining portions of the Request for Proposal, and (iv) the Proposal.

F.2 CTS ACCOUNTS: Contractor shall charge each Authorized Purchaser CTS Account (Ghost Account) for airline tickets and Travel Management Fees booked by that Authorized Purchaser at the time of ticketing.

F.3 PAYMENT; OVERDUE ACCOUNT CHARGES: In the event that charges are not placed on the CTS accounts, payment shall be due and owing no later than thirty (30) days from date of invoice receipt. Contractor may only assess overdue account charges, in accordance with the provisions of ORS 293.461(3), up to a maximum rate of two-thirds of one percent per month (8% per annum).

F.4. PAYMENT ADDRESS: Payment shall be sent to Contractor at the address specified in the invoice.

F.5 SOURCE OF FUNDS; FUNDS AVAILABLE AND AUTHORIZED: Contractor shall look solely to Authorized Purchaser for payments due and owing under the Contract. Authorized Purchaser has sufficient funds available and authorized within its biennial appropriation or limitation to finance the cost of purchases under the Contract prior to the end of the current biennium. Contractor understands and agrees that Agency payment of amounts under the Contract attributable to purchases made after the last day of the current biennium is contingent on Authorized Purchaser receiving from the Oregon Legislative Assembly appropriations, limitations, or other expenditure authority sufficient to allow Agency, in the exercise of its reasonable administrative discretion, to continue to make payments under the Contract.

F.6 MOST FAVORABLE PRICES AND TERMS: Contractor represents that all prices, terms and benefits offered by Contractor are equal to or better than the equivalent prices, terms and benefits being offered by Contractor to any other State or local government unit or commercial customer.

F.6.1 Should Contractor, during the term of the Contract, enter into any contract, agreement or arrangement that provides lower prices, more favorable terms or greater benefits to any other such government unit or commercial customer, the Contract shall thereupon be deemed amended to provide the same price or prices, terms and benefits to Authorized Purchaser. This provision applies to comparable Goods and Services, and to purchase volumes by the Authorized Purchaser that are not less than the purchase volumes of the government unit or commercial customer that has received the lower prices, greater benefits or more favorable terms.

F.6.2 Donations of Goods or Services to charitable, nonprofit or government entities, if the donations are recognized as such and are deductible under the federal Internal Revenue Code, shall not be considered contracts, agreements, sales or arrangements with other government units or commercial customers that call for the application of this paragraph.

F.7 INSPECTIONS/ACCEPTANCE: The Authorized Purchaser shall have 2 calendar days from date of completion of performance of the Services within which to inspect and accept or reject them. If the Services are rejected, Authorized Purchaser shall provide Contractor with written notification of rejection. Notice of rejection shall include itemization of apparent defects, including but not limited to (i) discrepancies between the Services or Goods and the applicable specifications or warranties; (ii) other apparent defects in workmanship, design, materials, or manufacture; and/or (iii) otherwise nonconforming Services or Goods (including late performance). Notice of rejection shall also indicate whether cure will be allowed.

F.7.1 CURE:

F.7.1(a) SERVICES. Authorized Purchaser may elect to have the Contractor perform remedial Services that comply with the Contract specifications and warranties, or may, in its sole discretion, have the Services performed by other forces and charge the cost to Contractor.

F.7.1(b) Nothing in this Section F.7.1 shall preclude Authorized Purchaser from other remedies to which it may be entitled.

F.8. WARRANTIES:

F.8.1. AUTHORITY; BINDING OBLIGATION. Contractor represents and warrants that Contractor has the power and authority to enter into and perform the Contract and that the Contract, when executed and delivered, shall be a valid and binding obligation of Contractor enforceable in accordance with its terms.

F.8.2. WARRANTY ON SERVICE STANDARDS. Contractor shall perform all Services under this Contract in accordance with the highest applicable professional and industry standards, and only materials and workmanship of first quality shall be used in the performance of this Contract.

F.8.3 WARRANTIES CUMULATIVE. The warranties set forth in this section are in addition to, and not in lieu of, any other warranties provided in the Contract. All warranties provided in the Contract shall be cumulative, and shall be interpreted expansively so as to afford the State the broadest warranty protection available.

F.9 INDEPENDENT CONTRACTOR; RESPONSIBILITY FOR TAXES AND WITHHOLDING:

F.9.1 Contractor shall perform all required Services as an independent contractor. Although Authorized Purchaser reserves the right (i) to determine (and modify) the delivery schedule for the Services to be performed and (ii) to evaluate the quality of the completed performance, Authorized Purchaser cannot and will not control the means or manner of Contractor's performance. Contractor is responsible for determining the appropriate means and manner of performing the Services.

F.9.2 If Contractor is currently performing work for the State or the federal government, Contractor warrants and certifies that: Contractor's performance of Services under the Contract creates no potential or actual conflict of interest as defined by ORS 244 and no rules or regulations of Contractor's employing agency (state or federal) would prohibit Contractor's performance of Services under the Contract. Contractor is not an "officer", "employee", or "agent" of the State or of any other Authorized Purchaser, as those terms are used in ORS 30.265.

F.9.3 Contractor shall be responsible for all federal or State taxes applicable to compensation or payments paid to Contractor under the Contract, and unless Contractor is subject to backup withholding, Authorized Purchaser will not withhold from such compensation or payments any amount(s) to cover Contractor's federal or State tax obligations. Contractor is not eligible for any social security, unemployment insurance or workers' compensation benefits from compensation or payments paid to Contractor under the Contract, except as a self-employed individual.

F.10 COMPLIANCE WITH APPLICABLE LAWS AND STANDARDS:

F.10.1 Contractor shall comply with all federal, state and local laws, regulations, executive orders and ordinances applicable to the Contract. Without limiting the generality of the foregoing, Contractor expressly agrees to comply with the following laws, regulations and executive orders to the extent they are applicable to the Contract: (i) Titles VI and VII of Civil Rights Act of 1964, as amended; (ii) Sections 503 and 504 of the Rehabilitation Act of 1973, as amended; (iii) the Americans with Disabilities Act of 1990, as amended; (iv) Executive Order 11246, as amended; (v) The Age Discrimination in Employment Act of 1967, as amended, and the Age Discrimination Act of 1975, as amended; (vi) The Vietnam Era Veterans' Readjustment Assistance Act of 1974, as amended; (vii) ORS Chapter 659, as amended; (viii) all regulations and administrative rules established pursuant to the foregoing laws; and (ix) all other applicable requirements of federal and state civil rights and rehabilitation statutes, rules and regulations. The laws, regulations, and executive orders applicable to the Contract are incorporated by reference where so required by law. For public Contracts as defined in **ORS 279A.020**, Authorized Purchaser's performance is conditioned upon Contractor's compliance with **ORS 279B.020 and 279B.320**, the terms of which are incorporated by reference into such Contracts.

F.10.2 In the event of a conflict between the drawings and/or specifications requirements, if any, and applicable federal or State laws, the federal or State laws shall prevail. Provided, however, in the event any conflict is based solely upon minimum standards, such as quality or safety, the higher or more stringent standard shall apply. Contractor shall be responsible for making any modifications required to achieve compliance with the required laws and standards. Contractor shall notify Authorized Purchaser immediately of any such required modifications upon receipt of knowledge or notification of such.

F.10.3 In the event any Good to be provided under the Contract is recalled by a regulatory body or the manufacturer, or discovered by Contractor not to be in compliance with the applicable standards, Contractor shall immediately notify Authorized Purchaser of the recall or non-compliance, and shall provide copies of the notice or other documentation.

F.10.4 In, in the sole discretion of the Authorized Purchaser, a change in the law or recall of a Service frustrates the purpose of the Contract or would result in a change in Contract price, Authorized Purchaser may terminate the Contract without penalty. Contractor's remedy shall be limited to reimbursement for the percentage of the Services completed. In the alternative, if price renegotiation or amendment is available to Authorized Purchaser, Authorized Purchaser may require Contractor to complete necessary modifications, where applicable, in a timely manner. In such case, where applicable, the parties shall negotiate the price of necessary changes in good faith. Contractor shall be responsible for removing recalled or rejected Goods and for making any required modifications, including shipping, handling, parts, labor, and travel, and all other expenses, at no cost to the Authorized Purchaser.

F.11 FOREIGN CONTRACTOR: If the amount of a Contract with an Oregon

Authorized Purchaser exceeds \$10,000 and if Contractor is not domiciled in or registered to do business in the State of Oregon, Contractor shall promptly provide to the Oregon Department of Revenue all information required by that Department relative to the Contract. The Authorized Purchaser shall be entitled to withhold final payment under the Contract until Contractor has met this requirement.

F.12 SAFETY AND HEALTH REQUIREMENTS: Contractor warrants that Goods and Services provided under the Contract comply with all applicable federal health and safety standards, including but not limited to, Occupational Safety and Health Administration (OSHA), and with all Oregon safety and health requirements, including, but not limited to, those of the State Workers' Compensation Division.

F.13 MATERIAL SAFETY DATA SHEET: Contractor shall provide the Authorized Purchaser with a Material Safety Data Sheet as defined by the Occupational Safety and Health Administration (OSHA) for any Goods provided under the Contract which may release or otherwise result in exposure to a hazardous chemical under normal conditions of use. In addition, Contractor must label, tag or mark such Goods.

F.14 RECYCLED PRODUCTS: RECYCLED PRODUCTS: Contractor shall use recycled and recyclable products to the maximum extent economically feasible in the performance of all Contracts with Authorized Purchasers subject to **ORS 279B.270**. These products shall include recycled paper, recycled PETE products, as defined in **ORS 279A.010(ff)**, and other recycled plastic resin products. Contractor shall specify the minimum percentage of recycled product used.

F.15 TIME IS OF THE ESSENCE: Contractor agrees that time is of the essence in Contractor's performance of its obligations under the Contract.

F.16 FORCE MAJEURE: Neither Authorized Purchaser nor Contractor shall be held responsible for delay or default caused by fire, riot, acts of God, war, or any other cause which is beyond the party's reasonable control. Contractor shall, however, make all reasonable efforts to remove or eliminate such a cause of delay or default and shall, upon the cessation of the cause, diligently pursue performance of its obligations under the Contract. SPO may terminate the Contract upon written notice after reasonably determining that such delay or default will likely prevent successful performance of the Contract.

F.17 EVENTS OF DEFAULT:

F.17.1 CONTRACTOR. Contractor shall be in default under the Contract if:

F.17.1(a) Contractor commits any material breach or default of any covenant, warranty, certification, or obligation it owes under the Contract;

F.17.1(b) Contractor institutes an action for relief in bankruptcy or has instituted against it an action for insolvency; makes a general assignment for the benefit of creditors; or ceases doing business on a regular basis of the type identified in Contractor's obligations under the Contract; or

F.17.1(c) Contractor attempts to assign rights in, or delegate duties under, the Contract, or sells or otherwise transfers title or an ownership interest in rented Goods.

F.17.2 AUTHORIZED PURCHASER. Authorized Purchaser shall be in default under the Contract if it commits any material breach or default of any covenant, warranty, certification, or obligation it owes under the Contract.

F.18 TERMINATION:

F.18.1 MUTUAL CONSENT. The Contract may be terminated at any time by mutual written consent of the parties.

F.18.2 AUTHORIZED PURCHASER. SPO shall act on behalf of Authorized Purchaser in terminating the Contract.

F.18.2(a) FOR CONVENIENCE. SPO may without penalty to the State, and at its sole discretion, terminate the Contract at any time, in whole or in part, for convenience.

F.18.2(b) LACK OF FUNDING/LEGAL PROHIBITION. Authorized Purchaser is excused from performance, and SPO may without penalty to the State terminate the Contract, in whole or in part, immediately upon notice to Contractor, or at such later date as SPO may establish in such notice, upon the occurrence of any of the following events: (i) Agency fails to receive funding, or appropriations, limitations or other expenditure authority at levels sufficient to pay for the Goods to be purchased and/or the services to be provided under the Contract; or (ii) federal or state laws, regulations, or guidelines are modified or interpreted in such a way that either the purchase of Services and/or Goods under the Contract is prohibited, or the Authorized Purchaser is prohibited from paying for such Services and/or Goods from the planned funding source. Pursuant to this section, upon receipt of written notice of termination, Contractor shall stop performance under the Contract as directed by SPO.

F.18.2(c) EVENT OF DEFAULT. Authorized Purchaser is excused from performance and SPO may terminate the Contract, in whole or in part, immediately upon an event of default by Contractor. In the event a court of competent jurisdiction determines that insufficient evidence of Contractor's default has been established, the termination shall be deemed for the State's convenience.

F.18.2(d) RETURN OF DOCUMENTS/DELIVERABLES. Upon termination of the Contract by SPO, Contractor shall deliver to Authorized Purchaser all documents, information, works-in-progress, and other property that are or would be deliverables had the Contract been completed. Contractor shall also deliver to Authorized Purchaser all property in Contractor's possession or subject to its control required to complete the Contract.

F.19 INDEMNIFICATION:

F.19.1 Contractor shall defend, indemnify, save, hold harmless the State, Authorized Purchaser and thier officers, employees and agents from and against all claims, suits, actions, losses, damages, liabilities, and costs and expenses of any nature whatsoever resulting from, arising out of, or relating to (i) the activities of Contractor or its officers, employees, subcontractors, or agents, (ii) the Goods sold, and (iii) the services provided pursuant to the Contract.

F.19.2 Provided, however, that the Oregon Attorney General must give written authorization to any legal counsel purporting to act in the name of, or represent the interests of, the State and/or its officers, employees and agents prior to such action or representation. Further, the State, acting by and through its Department of Justice, may assume its own defense, including that of its officers, employees and agents, at any time when in the State's sole discretion it determines that (i) proposed counsel is prohibited from the particular representation contemplated; (ii) counsel is not adequately defending the interests of the State and/or its officers, employees and agents; (iii) important governmental interests are at stake; or (iv) the best interests of the State are served thereby. Contractor's obligation to pay for all costs and expenses shall include those incurred by the State in assuming its own defense and/or that of its officers, employees, and agents under (i) and (ii) above.

#### F.20 REMEDIES:

F.20.1 STATE. In addition to the remedies afforded elsewhere herein, the State shall be entitled to recover for any and all actual and incidental damages suffered as the result of Contractor's breach of Contract. The State shall also be entitled to any equitable remedies to which it may show itself entitled.

F.20.2 CONTRACTOR. Contractor's sole remedy for Authorized Purchaser's breach of Contract shall be a claim for the sum designated for performing the Services multiplied by the percentage of Services completed and accepted by Authorized Purchaser, less previous amounts paid by the Authorized Purchaser under the terms of the Contract, if any, and any right to setoff the Authorized Purchaser may have.

F.20.3 ATTORNEY'S FEES. with the exception of defense costs and expenses pursuant to F.19, neither party shall be entitled to recover attorney's fees, court and investigative costs, or any other fees or expenses associated with pursuing a remedy for damages arising out of or relating to the Contract.

F.21 TRADE SECRETS: Contractor shall label the information and documentation qualifying as trade secrets under ORS 293.501(2) that it wishes to protect from disclosure to third parties with the following: "This data constitutes a trade secret under ORS 192.501(2) and is not to be disclosed except as required by law." State will take reasonable measures to hold in confidence all such labeled information and documentation. Provided, however, the State shall not be liable for

release of any information when authorized or required by law or court order to do so, whether pursuant to Oregon Public Records Law or otherwise. Further, the State shall also be immune from liability for disclosure or release of information under the circumstances set out in ORS 646.473(3).

F.22 ACCESS TO RECORDS: Contractor shall retain, maintain, and keep accessible all records relevant to Contractor's performance of the Contract (collectively, "Records") for a minimum of three (3) years, or such longer period as may be required by applicable law following expiration or termination of the Contract, or until the conclusion of any audit, controversy or litigation arising out of or related to the Contract, whichever date is later. Contractor shall maintain all fiscal Records during the Record-retention period in accordance with generally-accepted accounting principles. State and Authorized Purchaser, as well as thier duly authorized representatives, shall have access to Records for purposes of examination and copying.

F.23 AUTHORIZED REPRESENTATIVES/NOTICES: For Authorized Purchaser, the authorized representative shall be the individual identified as the contact person in C.2.2. Contractor's authorized representative shall be the individual specified in the Proposal. All notices required under the Contract shall be in writing and addressed to the appropriate authorized representative. Mailed notices shall be deemed given five (5) days after post-marked, when deposited, properly addressed and prepaid, into the U.S. postal service. Faxed notices shall be deemed given upon electronic confirmation by the transmitting machine of successful transmission to the designated fax number.

F.24 INSURANCE: Contractor shall maintain during the term of the Contract the insurance required under Section H.

F.25 GOVERNING LAW: The Contract shall be governed by and construed in accordance with the internal laws of the State of Oregon without regard to principles of conflicts of law. With regard to transactions in Goods, the UCC shall govern, as modified, if so, by the terms of the Contract.

F.26 VENUE; CONSENT TO JURISDICTION: Any claim, action, suit or proceeding (collectively, "Claim") between the parties that arises from or relates to the Contract shall be brought and conducted solely and exclusively within the Circuit Court of Marion County for the State of Oregon. Provided, however, if a Claim must be brought in a federal forum, then unless otherwise prohibited by law it shall be brought and conducted solely and exclusively within the United States District Court for the District of Oregon. CONTRACTOR HEREBY CONSENTS TO THE IN PERSONAM JURISDICTION OF SAID COURTS. Nothing herein shall be construed as a waiver of the State's sovereign or governmental immunity, whether derived from the Eleventh Amendment to the United States Constitution or otherwise, or of any defenses to Claims or jurisdiction based thereon.

F.27 SURVIVAL: Termination of the Contract shall not extinguish or prejudice the State's right to enforce the warranty, indemnification, access to records, governing law, venue, consent to jurisdiction, and remedies provisions.

F.28 SEVERABILITY: If any provision of the Contract is declared by a court of competent jurisdiction to be illegal or otherwise invalid, the validity of the remaining terms and provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the Contract did not contain the particular provision held to be illegal or otherwise invalid.

F.29 ASSIGNMENT/SUBCONTRACT/SUCCESSORS: Contractor shall not assign, sell, transfer, or subcontract rights or delegate responsibilities under the Contract, in whole or in part, without the prior written approval of SPO. Further, no such written approval shall relieve Contractor of any obligations under the Contract, and any assignee, transferee, or delegate shall be considered the agent of Contractor. The provisions of the Contract shall be binding upon and shall inure to the benefit of the parties to the Contract and their respective successors and permitted assigns.

F.30 MERGER CLAUSE; AMENDMENT; WAIVER: The Contract constitutes the entire agreement between the parties on the subject matter thereof. There are no understandings, agreements, or representations, oral or written, not specified therein regarding the Contract. No waiver, consent, or amendment shall bind either party unless in writing and signed by both parties, and all necessary approvals have been obtained (including that of SPO). Waivers and consents shall be effective only in the specific instance and for the specific purpose given. The failure of Authorized Purchaser to enforce any provision of the Contract shall not constitute a waiver by Authorized Purchaser of that or any other provision.

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SECTION G - SPECIAL CONTRACT TERMS AND CONDITIONS  
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G.1 TERM OF CONTRACT/OPTION TO EXTEND: The initial term of the Contract shall be three (3) years and become effective on the date this Contract is signed by every party hereto. Upon concurrence of the parties, the Contract may be extended for additional terms ("Extension Terms"). Provided, however, that the maximum duration of the Contract, including all extensions, shall not exceed ten (10) years.

G.2. EXTENSIONS: SPO shall notify Contractor in writing of the State's intent to extend the Contract ("Renewal Notice") at least thirty (30) days prior to the expiration of the then current term. If Contractor consents to the extension, it shall sign and return the Renewal Notice to SPO within the time period specified therein. If the Contractor does not consent, the Contract shall expire according to its terms, unless earlier terminated.

G.3. ONE MONTH EXTENSION OPTION: Notwithstanding the foregoing, the State reserves the right in its sole discretion to extend the Contract for a maximum of one (1) calendar month beyond any term. SPO shall notify Contractor in writing of the one-month extension prior to the expiration of the then current term. Consecutive one-month extensions obtained under this Section are not allowed.

G.4. PRICE ADJUSTMENTS: Except as set forth in Section F.6 and in this section, all Proposal prices and discounts shall be firm for the original Contract period. Changes in Proposal prices or discounts can be considered, by the State, only at the time of renewal, at a rate not to exceed the Consumer Price Index (CPI), based on the Portland/Salem Urban Consumers percentage adjustment. All information regarding proposed price changes shall be submitted to State Procurement Office, in writing, at least 45 days prior to Contract termination date. Proposed price changes must be accompanied by documentation supporting such increases. The State reserves the right to accept or reject any proposed price changes, in the best interest of the State. If the proposed price or discount changes are accepted, they shall become effective on the first day of the Contract renewal period.

Notwithstanding the above, the parties may, from time to time, agree to amend Contract pricing when it is in the best interest of the State to do so.

G.5 INVOICES: For charges that are incurred by the Authorized Purchaser on the Contractors billing system (if provided) for hotel and car rentals. Contractor shall invoice each Authorized Purchaser on a monthly basis upon completion of all Services required under the terms of the Contract. Payment shall be made in accordance with the payment provisions specified in Section F.3.

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SECTION H - AUTHORIZED CONTRACT USERS  
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H.1 OREGON STATE LANGUAGE: Contractor agrees to sell from this Contract to all parties authorized by the State of Oregon, Department of Administrative Services (DAS), Cooperative Purchasing Program (ORCPP). The Cooperative Purchasing Program recognizes agencies and organizations that are: State of Oregon Agencies, Registered Members of ORCPP.

H.2 ADDITIONAL PARTIES TO PURCHASE: Agencies other than State of Oregon Agencies, must be authorized members of the Oregon Cooperative Purchasing Program to have authority to purchase as an additional party. Refer to "Additional Parties Who Qualifies" for examples of organizational types that may qualify to become members of ORCPP.

H.3 ADDITIONAL PARTIES, WHO QUALIFIES: Organizations that may qualify to join ORCPP are:

Cities, Counties, School Districts, Oregon Department of Higher Education, Oregon Health Sciences University, Lottery, Special Districts, Qualified Rehabilitation Facilities, Residential Programs in contract with the Oregon Department of Human Services, some Public Benefit Corporations and American Indian Tribes.

H.4 NON-STATE PARTICIPANT VERIFICATION: It is the Contractor's responsibility to verify non-state Participant Contract usage.

ORCPP: Authorized ORCPP Participants can be verified on the SAS State Procurement Office Website at

<http://procurement.oregon.gov>

H.5 CONTRACT NON-COMPLIANCE: This Contract will be monitored by SPO for sales compliance through regular identified contract volume reports provided by Contractor throughout the term of the Contract. Volume reports shall be submitted specified in the Volume Reporting section of this document. (Any other volume report format shall be mutually agreed upon by SPO and Contractor at the time of award.) State reserves the right to audit contract files for Contract use compliance.

H.6 NON-COMPLIANCE CRITERIA: Sales to Unauthorized Participant/Person - If it is determined that there have been sales from this Contract to an unauthorized participant/person, Contractor will be deemed to be in non-compliance with the terms and conditions of this Contract.

Contractor will receive written notice for the first two instances of non-compliance reported and verified by SPO. Two (2) or more instances of intentional sales to an unauthorized participant/person shall constitute breach of contract and shall place the Contract in immediate jeopardy of being revoked.

Contractor shall provide quarterly volume/sales reports to SPO.

1. Contractor shall furnish to the State Procurement Office quarterly reports of sales made under this Contract.
2. The reports shall clearly indicate the RFP and or Contract number(s).
3. Reports shall provide information in the following specific categories:
  - A. Item description,
  - B. Recycled/non-recycled content,
  - C. Customer name (Separate Report for State Participant and ORCPP Members),
  - D. Transaction number,
  - E. Date of purchase,
  - F. Quantity purchased (Separate Reports for Target Models)
  - G. Unit price and extended total,
  - H. Total Dollar Amount for ending Quarter on Target Models.

Reports are due by the 15th day following the end of each calendar quarter. Calendar quarters end March 31, June 30, September 30 and December 31.

H.9 ALL REPORT COPIES: Contractors shall supply reports in a format approved by both parties. Reports on 3.5 inch diskette are preferred, however, hard copy reports are acceptable. The following format examples are preferred for sales information reports:

1. Excel Spreadsheet
2. MS Word

All other report formats must be approved and agreed upon by SPO Contract Administrator and Contractor prior to admission of the first report.

THE STATE PROCUREMENT OFFICE RESERVES THE RIGHT TO CANCEL THIS CONTRACT IF SALES/VOLUME REPORTS ARE NOT RECEIVED AS SCHEDULED.

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SECTION I - INSURANCE REQUIREMENTS  
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I.1 COMMERCIAL GENERAL LIABILITY. Contractor shall obtain, at Contractor's expense, and keep in effect during the term of the Contract, commercial general liability insurance covering bodily injury and property damage. This insurance shall include personal injury coverage, contractual liability coverage for the indemnity provided under the Contract, and products/completed operations liability coverage. Combined single limit per occurrence shall not be less than **\$1,000,000.00** Each annual aggregate limit shall not be less than **\$1,000,000.00** when applicable.

I.2 WORKERS' COMPENSATION. The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under the Contract are subject employers under the Oregon Workers' Compensation Law and shall comply with ORS 656.017, which requires them to provide Oregon workers' compensation coverage that satisfies Oregon law for all their subject workers.

I.3 AUTOMOBILE LIABILITY. Contractor shall obtain, at Contractor's expense, and keep in effect during the term of the Contract, automobile liability insurance covering owned, non-owned and/or hired vehicles, as applicable. This coverage may be written in combination with the commercial general liability insurance. Combined single limit per occurrence shall not be less than **\$1,000,000.00**.

I.4 "TAIL COVERAGE". If any of the required liability insurance is arranged on a "claims made" basis, "tail" coverage will be required at the completion of the Contract for a duration of 24 months or the maximum time period the Contractor's insurer will provide such if less than 24 months. Contractor will be responsible for furnishing certification of "tail" coverage as described or continuous "claims made" liability coverage for 24 months following Contract completion. Continuous "claims made" coverage will be acceptable in lieu of "tail" coverage, provided its retroactive date is on or before the effective date of the Contract. This will be a condition of final acceptance of work or services and related warranty(ies), if any.

I.5 DURATION. All insurance will be required to be kept in effect to the end of the warranty period.

I.6 ADDITIONAL INSURED. The liability insurance coverages, except professional liability if included, required for performance of the Contract shall include the Authorized Purchaser (or the State of Oregon, its agencies, divisions, officers and employees, if Authorized Purchaser is a State Agency) as Additional Insureds, but only with respect to the Contractor's activities to be performed under the Contract.

I.7 NOTICE OF CANCELLATION OR CHANGE. There shall be no cancellation, material change, potential exhaustion of aggregate limits or intent not to renew insurance coverage(s) without 30 days' written notice from the Contractor or its insurer(s) to the SPO. Any failure to comply

with the reporting provisions of this insurance, except for the potential exhaustion of aggregate limits, shall not affect the coverage(s) provided thereunder.

I.8 CERTIFICATE(S) OF INSURANCE. As evidence of the insurance coverages required by the Contract, the Contractor shall furnish Certificate(s) of Insurance to the SPO prior to Contractor's delivery of Goods or performance of services under the Contract. The Certificate(s) will specify all of the parties who are Additional Insureds (or Loss Payees). Insurance coverages required under the Contract shall be obtained from acceptable insurance companies or entities. The Contractor shall be financially responsible for all deductibles, self-insured retentions, and/or self-insurance included hereunder.