Department of General Services
Procurement Division
707 Third Street, 2nd Floor
West Sacramento, CA 95605-2811

State of California

CONTRACT NOTIFICATION

****MANDATORY****

CONTRACT NUMBER:	1-09-23-11
DESCRIPTION:	Hybrid Vehicles
CONTRACTOR(S):	Visalia Honda Visalia Toyota Coalinga Motors
CONTRACT TERM:	12/15/2008 through 6/30/2009
DISTRIBUTION LIST:	Posted Electronically on http://www.pd.dgs.ca.gov/contracts/23-11.htm
STATE CONTRACT ADMINISTRATOR:	Marc Anderson (916) 375-5955 marc.anderson@dgs.ca.gov

Date: 12/18/2008

Jim Butler, Deputy Director

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1. SCOPE

The State's contract with Visalia Honda, Visalia Toyota, and Coalinga Motors (contractors) provides 2009 or current model year Hybrid Vehicles at contracted pricing to the State of California and local governmental agencies in accordance with the requirements of Contract # 1-09-23-11. The contractors shall supply the respective products as identified in the contract and will be the primary point of contact for data collection, reporting, and distribution of Hybrid Vehicles to the State.

The contract resulting from this solicitation shall not run beyond 6/30/2009. If the manufacturer's cutoff date occurs prior to the contract expiration date, the dealer may offer the contracted or subsequent model year meeting or exceeding the contract specifications at the same contract terms, conditions, and pricing after the manufacturer's order cutoff date for the remaining contract period or portion thereof. The dealer shall notify the DGS contract administrator in writing of its intention to participate in this roll-over provision, shall specify the model year offered, and shall specify the period through which it will continue to offer vehicles under this provision. This offer shall be irrevocable once accepted by the State.

2. CONTRACT USAGE/RULES

A. The use of this contract is mandatory for all State Departments. Local governmental agencies are eligible to utilize the contract.

B. Local governmental agency use of this contract is optional. Local government agencies are defined as "any city, county, city and county, district or other governmental body or corporation, including the California State Universities (CSU) and University of California (UC) systems, K-12 schools and community colleges'', empowered to expend public funds for the acquisition of products, per Public Contract Code Chapter 2, Paragraph 10298 (a) (b). While the State makes this contract available to local governmental agencies, each local governmental agency should determine whether this contract is consistent with its procurement policies and regulations. Local governmental agencies shall have the same rights and privileges as the State under the terms of this contract. Any agencies desiring to participate shall be required to adhere to the same responsibilities as do State agencies and have no authority to amend, modify or change any condition of this contract.

C. Ordering State departments must adhere to all applicable State laws, regulations, policies, best practices, and purchasing authority requirements, e.g. California Codes, Code of Regulations, State Administrative Manual, Management Memos, and State Contract Manual Volume 2 and 3, as applicable.

D. Prior to placing orders against this contract, State departments must have been granted purchasing authority by the Department of General Services, Procurement Division (DGS/PD) for the use of the State's statewide contracts. The department's current purchasing authority number must be entered in the appropriate location on each purchase document. Departments that have not been granted purchasing authority by DGS/PD for the use of the State's statewide contracts may access the Purchasing Authority Application at http://www.pd.dgs.ca.gov/deleg/pamanual.htm or may contact DGS/PD's Purchasing Authority Management Section by e-mail at pams@dgs.ca.gov.

E. Ordering departments are required to have a Department of General Services (DGS) agency billing code prior to using this contract. DGS agency billing codes may be obtained by emailing the DGS billing code contact with the following:

- State Department
- Contact name

- Telephone number
- Mailing address
- Facsimile number and e-mail address

DGS Billing Code Contacts:

- Marilyn.ebert@dgs.ca.gov and
- Wilson.lee@dgs.ca.gov

3. DGS ADMINISTRATIVE FEES

The DGS will bill each ordering department an administrative fee for use of this statewide contract. The administrative fee should NOT be included in the order total, nor remitted before an invoice is received from DGS.

For current fees, click on "DGS Price Book" at: http://www.ofs.dgs.ca.gov/Price+Book/P/Purchasing.htm.

4. CONTRACT ADMINISTRATION

Both the State and the contractor(s) have assigned contract administrators as the single points of contact for problem resolution and related contract issues.

State Contract Administrator:	Marc Anderson
Address:	DGS/Procurement Division 707 Third Street, 2nd Floor West Sacramento, CA 95605
Telephone:	(916) 375-5955
Facsimile:	(916) 375-4613
E-Mail:	marc.anderson@dgs.ca.gov
Contractor:	**Visalia Honda**
Contract Administrator:	Pat Ireland
Address:	1016 S Ben Maddox Way Visalia, CA 93292
Telephone:	(559) 707-5735
Facsimile:	(559) 961-4601
E-Mail:	patireland1962@yahoo.com
Contractor:	**Visalia Toyota**
Contract Administrator:	Pat Ireland
Address:	1313 E Main Street Visalia, CA 93291
Telephone:	(559) 707-5735
Facsimile:	(559) 961-4601
E-Mail:	patireland1962@yahoo.com

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Contractor: **Coalinga Motors**
Contract Administrator: Bill Kemery
Address: 625 E Elm Street
Coalinga, CA 93210
Telephone: (916) 429-4700
Facsimile: (916) 421-0149
E-Mail: billk@lasherauto.com

5. PROBLEM RESOLUTION/SUPPLIER PERFORMANCE

Ordering departments and/or contractors shall inform the State Contract Administrator of any technical or contractual difficulties encountered during contract performance in a timely manner. This includes and is not limited to informal disputes, supplier performance, outstanding deliveries, etc.

For contractor performance issues, ordering departments must submit a completed Supplier Performance Report via email or facsimile to the State Contract Administrator identified in Article 4. The ordering department should include all relevant information and/or documentation (i.e. Purchase documents).

6. CONTRACT PRICING

All pricing is listed on Attachment A, Contract Pricing. The contract pricing is categorized under twelve (12) line items.

All contract items are mandatory, there will be no exceptions.

All prices quoted shall be fixed as the maximum cost for the contract period and no price increase shall be permitted.

SALES TAX:
The sales tax rate applied should be based on the rate of the Bill To address listed on the Purchase Order.

OPTIONS:
All factory options shall be available and priced at dealer cost plus ten percent for an addition or dealer cost minus ten percent for a deletion in accordance with the manufacturer's price list in effect at the time of the bid opening. All options added or deleted shall be shown as a separate line item on the purchase order and invoice. Equipment changes which might be made would include, but would not be limited to, the following:

Six-cylinder engine in lieu of eight-cylinder,
Delete power steering,
Payload package.

The supplier will provide DGS/PD and/or ordering agencies a copy of the dated factory price lists in use at the time of bid opening if requested. These prices will be firm and not subject to increase through the life of the contract. The price list must be furnished to the requestor within ten (10) calendar days of notification.

NOTE: Vehicles with options added or deleted must continue to meet or exceed the appropriate minimum specification.

TIRE FEE:
Purchase orders MUST include the State mandated $1.75 per tire fee.

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7. SPECIFICATIONS

All products must conform to the attached State of California Bid Specification Numbers 2311-0049-R1 dated July, 2008, 2310-0047-R1 dated July, 2008, 2320-0052-R1 dated July, 2008, and 2320-0053-R1 dated July, 2008 (Attachment B).

Literature and specifications must be provided within 10 calendar days of request.

A color chart shall be available upon request for the model year(s) included in the contract.

8. PURCHASE EXECUTION

A. State departments must use the Purchasing Authority Purchase Order (Std. 65) for purchase execution. An electronic version of the Std. 65 is available at the Office of State Publishing web site: http://www.dgs.ca.gov/osp (select Standard Forms).

All Purchasing Authority Purchase Orders (Std. 65) must contain the following:

- Agency Order Number (Purchase Order Number)
- Ordering Agency Name
- Agency Billing Code
- Purchasing Authority Number
- Leveraged Procurement Number (Contract Number)
- Supplier Information (Contact Name, Address, Phone Number, Fax Number, E-mail)
- Line Item number
- Quantity
- Unit of Measure
- UNSPSC Code Number
- Product Description
- Unit Price
- Extension Price
- Delivery Instructions (if applicable)

B. Local governmental agencies may use their own purchase document for purchase execution. The purchase documents must include the same data elements as listed above (Exception: Purchasing Authority Number is used by State departments only). **The contractor will not accept purchase documents from local agencies without a State issued billing code.**

C. All ordering departments will submit a copy of executed purchase documents to:

DGS - Procurement Division (IMS# Z-1)
Attn: Data Entry Unit
707 Third Street, 2nd Floor North
West Sacramento, CA 95605-2811

9. ORDERING PROCEDURE

Ordering departments are to submit appropriate purchase documents directly to the contractors via one of the following ordering methods:

- U.S. Mail

- Facsimile
- Email

The ordering information for the contractors is listed below:

Company Name: **Visalia Honda**
Address: PO Box 1431
Visalia, CA 93279-1431
Attn: Pat Ireland
Facsimile: (559) 961-4601
Email: patireland1962@yahoo.com

Company Name: **Visalia Toyota**
Address: PO Box 1431
Visalia, CA 93279-1431
Attn: Pat Ireland
Facsimile: (559) 961-4601
Email: patireland1962@yahoo.com

Company Name: **Coalinga Motors**
Address: 625 E Elm Street
Coalinga, CA 93210
Attn: Bill Kemery
Facsimile: (916) 421-0149
Email: billk@lasherauto.com

When using any of the ordering methods, all State departments must conform to proper State procedures.

10. MINIMUM ORDER

The minimum order shall be one (1) vehicle.

11. ORDER ACKNOWLEDGEMENT

The contractor will provide the ordering agencies with an order receipt confirmation containing a unique order number either via e-mail or facsimile within 30 days of receipt of order.

The acknowledgement will include:

- Ordering Agency Name
- Agency Order Number (Purchase Order Number)
- Purchase Order Total Cost
- Delivery Completion Date

12. DELIVERY PROCEDURES

PRE-DELIVERY CHECKLIST:
Prior to delivery, each vehicle shall be completely inspected, serviced and detailed by the delivering dealer and/or the manufacturer's pre-delivery service center. A copy of the pre-delivery checklist shall be completed for each vehicle, signed by a representative of the organization performing the inspection/service, and delivered with the vehicle.

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DELIVERY:
Delivery made to any State department is to begin within 90 days after receipt of order (ARO). State departments may limit delivery to a maximum of ten (10) units per working day.

Contractor is requested to make deliveries in Los Angeles County, Orange County, San Bernardino Metropolitan Area, and San Diego Metropolitan Area during off-peak hours. Off-peak hours are Monday through Friday, 10:00 AM to 4:00 PM.

Note: In accordance with paragraph 15 of the General Provisions entitled “Delivery”, the contractor shall strictly adhere to the delivery terms and completion schedule as specified in this bid. Failure to comply with the delivery requirements, as stated, may be considered a breach of contract and subject the contractor to General Provisions 26, entitled “Rights and Remedies of the State for Default”.

Delivery to local agencies is to be completed in full within 150 days ARO.

FOB POINT:
The successful bidder (dealer) will be required to deliver vehicles to State agencies or local agencies located in the FOB point in which they receive an award.

Vehicles shall be delivered from the factory to the dealer’s place of business. The dealer is required to deliver vehicles to State and local agencies located within an FOB point for which they receive an award. If the purchase order indicates delivery outside an FOB point, the dealer and agency will negotiate for delivery beyond the FOB point. This delivery may be subject to an additional delivery charge. This charge shall be shown as a separate item on the purchase order and invoice.

State agencies requesting delivery outside the F.O.B. area must contact the Office of Transportation Management for freight rate comparisons if the dealer is delivering the vehicle. These delivery instructions will be provided on the purchase order. Dealers receiving a purchase order without specific transportation instructions must contact the ordering agency.

Caravan or drive-away method of delivery from the factory to a dealer is not acceptable.

The supplier shall insure that each vehicle reaches its delivery point with no less then five (5) gallons of fuel in the tank.

Drop ship deliveries shall not be made without prior State inspection.

Vehicles delivered from a dealer with more than 50 miles on the odometer will be charged 50 cents for each mile exceeding 50 miles. This charge shall be deducted from the order price for each vehicle delivered against each order. Vehicles delivered with more than 500 miles on the odometer will not be accepted.

RECEIVING INSPECTION:
Vehicles ordered for State use will be inspected by a State inspector at the dealer’s place of business. Inspection will commence within five (5) working days of notification that a vehicle is ready for inspection. Inspection will include: specification compliance, workmanship, appearance, proper operation of all equipment and systems, and that all documents are present. In the event deficiencies are detected, the vehicle will be rejected and the delivering dealer will be required to make the necessary repairs, adjustments or replacements. Payment and/or the commencement of a discount period (if applicable) will not begin until the defects are corrected and the vehicle is re-inspected and accepted.

Completion of inspection or acceptance by the State inspector shall in no way release the dealer from satisfying the requirements of the contract, specifications, and warranty. Deviations from the specified

requirements that are detected by the inspection shall be corrected by the dealer in an expeditious manner at no expense to the owning agency.

Inspection by local agencies will be at the dealer's place of business or as otherwise agreed to by the dealer and local agency.

DOCUMENTS:
The following documents shall be delivered to the receiving agency with the vehicle:

1. Completed and signed pre-delivery service checklist, including the order number and Vehicle Identification Number (VIN).
2. "Line Set Tickets" or "Window Sticker" showing all options installed.
3. One (1) copy of the vehicle warranty.
4. One (1) Owner's Manual

13. FREE ON BOARD (F.O.B.) DESTINATION

All prices are F.O.B. destination; freight prepaid by the contractor, to the ordering organization's specified receiving point. Responsibility and liability for loss or damage for all orders will remain with the contractor until final inspection and acceptance, when all responsibility will pass to the ordering organization, except the responsibility for latent defects, fraud, and the warranty obligations.

14. SHIPPED ORDERS

All shipments must comply with General Provisions, Paragraph 12 entitled "Packing and Shipment". The General Provisions are available at: http://www.documents.dgs.ca.gov/pd/modellang/GPIT0407.pdf.

15. INVOICING

Ordering agencies may require separate invoicing, as specified by each ordering organization. Invoices will contain the following information:

- Contractor's name, address and telephone number
- Leveraged Procurement Number (Contract Number)
- Agency Order Number (Purchase Order Number)
- Line Item Number
- UNSPSC Code Number
- Quantity purchased
- Contract unit price and extension
- State sales and/or use tax
- Prompt payment discounts/cash discounts, if applicable
- Totals for each order

16. PAYMENT

Payment terms for this contract include a $500 per vehicle discount for payment made within twenty (20) days. For this bid, cash discount time will be defined by the State as beginning only after the vehicle has been inspected, delivered and accepted by the receiving agency, or from the date a correct invoice is received in the office specified on the Purchase Order, whichever is later. Payment is deemed to be made, for the purpose of earning the discount, on the date on the State warrant or check. Normally, acceptance will be accomplished within twenty (20) normal business hours after a vehicle is delivered.

Payment will be made in accordance with the provisions of the California Prompt Payment Act, Government Code Section 927, et seq. Unless expressly exempted by statute, the Act requires State departments to pay properly submitted, undisputed invoices not more than forty- five (45) days after the date of acceptance of goods, performance of services, or receipt of an undisputed invoice, whichever is later.

17. PAYEE DATA RECORD

Each State accounting office must have a copy of the Payee Data Record (Std. 204) in order to process payments. State departments should forward a copy of the Std. 204 to their accounting office(s). Without the Std. 204, payment may be unnecessarily delayed. Ordering departments should contact the contractor for copies of the Payee Data Record.

18. CALIFORNIA SELLER'S PERMIT

The California seller permit number for the contractor(s) is listed below. Ordering departments can verify that permits are currently valid at the following website: www.boe.ca.gov. State departments must adhere to the file documentation required identified in the State Contract Manual Volume 2 and Volume 3, as applicable.

Contractor Name	Seller Permit #
Visalia Honda	22711845
Visalia Toyota	99230789
Coalinga Motors	100064905

19. RECYCLED CONTENT

There is no recycled content for this contract.

20. WARRANTY:

The manufacturer's regular new vehicle warranty shall apply to all vehicles procured against the resulting contract.

The warranty shall be factory authorized and shall cover not less than 3 years/36,000 miles bumper to bumper, no charge parts and labor. All emission-related components shall be warranted in compliance with CARB and Federal requirements. Bids offering independent insurance or a statement indicating self-insurance will be deemed non-responsive and will be rejected.

This warranty shall be honored by all franchised dealers of the vehicle within the State of California. The State's established preventative maintenance procedures and practices shall be acceptable to the manufacturer/dealers in lieu of the manufacturer's prescribed procedures, which may form a part of the warranty. All warranty certificates and/or cards shall be supplied with each vehicle delivered.

If an additional extended warranty is purchased, a warranty certificate, warranty card, or a statement indicating the extended warranty has been recorded with the manufacturer shall be furnished with each vehicle delivered.

Normal wear items such as tires, belts, hoses, headlamps, light bulbs, brake linings, brake discs/drums, etc. are excluded from warranty coverage. All other items not subject to normal wear or gross operator neglect and abuse, such as window, seat or wiper motors, chassis electrical switches (door, trunk lid), paint, hinges, locks, etc., shall be covered.

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The State reserves the right to use re-refined lubrication oils, where available, in lieu of the virgin equivalent oils. The re-refined oils used by the State will meet all API and SAE standards and specifications as set forth by the vehicle manufacturer. The use of said oils shall in no way void or degrade the original manufacturer's minimum 3-year/36,000 mile warranty.

The State reserves the right to use recycled content antifreeze/coolant, where available, in lieu of virgin equivalent antifreeze/coolant, in servicing its vehicles. The recycled antifreeze/coolant used by the State will meet all ASTM standards and specifications as set forth by the vehicle manufacturer. The use of said recycled antifreeze/coolant shall in no way void or degrade the original manufacturer's minimum 3-year/ 36,000 mile warranty.

"Manufacturer's Warranty Policy and Procedures Manual" shall be made available upon customer request.

Note: Vehicles not placed in service immediately upon receipt shall be warranted from the date the unit is placed in service. The receiving agency shall notify the dealer in writing of the actual "in-service" date.

REPAIR PARTS:
It shall be the responsibility of the vehicle manufacturer to maintain an adequate stock of all regular and special parts to meet the continuing service and repair parts needs of the State without undue delay. A special system shall be set up for expediting the procurement of back order items needed to repair an inoperative vehicle including a system to air freight parts at factory expense when parts are not in stock in California parts depots. Parts must be available within three (3) working days after telephone notification.

CONTRACT USAGE REPORTING:
The contractor shall provide an electronic contract usage report to the State Contract Administrator on monthly basis. The contract usage report shall detail all <u>invoiced</u> purchases against the contract during the specified reporting period and must contain <u>at a minimum,</u> but not limited to, the following data elements:

1. Contractor Name
2. Leveraged Procurement Number (Contract Number)
3. Reporting Month
4. Unique Line Identifier
5. Ordering Agency Name
6. Purchasing Authority Number (State departments only)
7. Agency Bill Code
8. Purchase Order Number
9. Purchase Order Date
10. Contract Line Item Number
11. UNSPSC Code
12. Part Number or Order Code
13. Manufacturer
14. SKU Number (May be the same as the part number or order code)
15. Item Description
16. Unit of Measure
17. Quantity in Unit of Measure
18. Quantity
19. MSRP
20. Index Price Date
21. Unit Price
22. Contract Discount

23. Extended Total
24. Core/Non-Core
25. Segment ID

The contract usage report shall be provided to the State Contract Administrator in Excel format via email or via U.S. Mail on a CD-Rom. All reports shall be due on the 15th day following the ending of the specified reporting period.

21. ATTACHMENTS

Attachment A – Contract Pricing
Attachment B – Specifications 2311-0049-R1, July, 2008
2310-0047-R1, July, 2008
2320-0052-R1, July, 2008
2320-0053-R1, July, 2008