

Qualifications Proposal

Thank you for your interest in participating as a Lessor in Lease \$Mart, the State of California's financial marketplace for financed leases. For the purposes of this section, the following definitions will be used:

"State"	State of California, its designated officials and agency representatives
"DGS"	Department of General Services, Procurement Division
"Applicant"	Individual and/or company requesting participation in the Lease \$Mart program but has yet to be granted that designation by the State
"Lessor"	An individual and/or company which is qualified to participate in the Lease \$Mart program

To apply for participation in the Lease \$Mart program, the Applicant must submit a "Qualifications Proposal," described henceforth, and mail to:

Patrick Mullen
Procurement Division
707 3rd Street, Mail Stop 207
West Sacramento, CA 95605
Telephone: (916) 375-4617
Fax: (916) 376-6249
patrick.mullen@dgs.ca.gov

or

Debra Neisen
Procurement Division
Telephone: (916) 375-4450
Fax: (916) 376-6249
debra.neisen@dgs.ca.gov

On behalf of the State, the Lease \$Mart Manager will evaluate the Qualifications Proposal submitted by the Applicant, and the Applicant will be notified of the results. If the Applicant is found to be qualified for participation in Lease \$Mart, he/she will be sent further instructions regarding the rate quoting process and leasing plans.

QUALIFICATIONS PROPOSAL

The State is interested in doing business with Lessors who possess impeccable credentials, have the requisite knowledge of legal requirements for processing State leasing agreements, a proven performance track record, and the capability to perform in the anticipated time frames. Capability includes, but is not limited to, personnel in the numbers and with the skills required, equipment of appropriate type and in sufficient quantity, financial resources sufficient to fund contracts, and experience in similar endeavors.

The State may request any additional information from any available source that it deems necessary to determine the Applicant's qualifications for participation. If the available information is insufficient to satisfy the State as to the Applicant's qualifications, the State may disqualify the Applicant at that time. The State also reserves the right to remove a qualified Lessor from the Lease \$Mart program at any time, for good reason. The State's decision of the Applicant's qualifications, and/or on-going performance record of a qualified Lessor to participate in Lease \$Mart, is final.

NOTE: If any of the submitted information is identified by the Applicant as confidential, it shall be treated as such by the State and returned when the Applicant's qualifications have been assessed. Should the State disagree with the confidential classification of the information, the Applicant will be notified immediately and given the option of changing its confidential designation or having it returned without evaluation by the State.

In its "Qualifications Proposal" each Applicant shall:

1. Supply an organization chart reflecting management and other support staff that would be involved in providing leasing services for government use. The reporting hierarchy must be identified and include locations of any and all offices which will directly support the individual Applicant (i.e., individual Applicant who will act as the contact to the State is located in California, while his/her support/contractual staff is headquartered in Chicago). Any affiliations and relationships with other parties proposed to be involved with the Applicant should be described also.
2. Considering that this program is Internet-based, provide a plan for on-going electronic-commerce support via a company Web site. Besides being available for electronic-commerce support during normal State business hours, additional support will be necessary to create, maintain, and continually improve Internet Web site functions to facilitate quick closings (i.e., electronic lease schedules, standard closing documents, and approved terms and conditions would all be readily available to download and include in the lease contract upon award). It is equally important that the Applicant have a personal on-line Internet/E-Mail address (as well as the generic company Web site address) which will be posted on the Lease \$Mart Web site for customer use.
3. Provide a short narrative describing the Applicant's technical expertise, staff to support paperwork and marketing requirements, and office equipment and facilities to support fax, phone and other computer links. Also, provide resumes for all employees proposed to be involved, including complete employment history, mailing addresses, telephone/fax numbers and Internet addresses. Additionally, all contacts should be available for both electronic-commerce and telephone support during normal State business hours.
4. Submit evidence of services provided over the last three (3) years in the area of true lease agreements to large organizations similar in scope to the type of lease contracts typically used by the State. The Applicant needs to enumerate such transactions and separate them into three groups: (1) below \$100,000; (2) \$100,000 to \$1,000,000; (3) \$1,000,000 to \$5,000,000, and (4); over \$5,000,000. Each grouping should be organized to identify pertinent customer and agreement information to allow the State to identify if the transaction is of the type anticipated by, and/or similar, to the State of California. Also, each customer referenced must include a contact name, address and telephone number to verify this information (see Bullet #6).
5. Submit audited financial statements for a minimum of the last two (2) years or other certified financial statements to demonstrate the required resources are in fact available. The Applicant must also be ready to produce any other substantiating evidence deemed necessary for the State to determine the financial abilities of the Applicant, including, but not limited to, types and amounts of insurance carried.
6. Provide a minimum of three (3) customer references of lease agreements similar in scope to those described in Paragraph #4 above. Each reference must include contact information to include the name, address, telephone number, the amount of the lease agreement and a narrative description of the agreement. Each reference must agree to verify the facts as described in the qualifications documentation concerning the Applicant's lease agreement with their firm.
7. Provide a minimum of three (3) partnering agreements with suppliers where the Applicant acted as a leasing partner to the supplier (prime). The Applicant must state that it accepts full responsibility for all required performance as identified in the leasing plans offered, within the time frames specified.
8. Provide evidence of affiliation or membership in an association or organization such as the Association for Governmental Leasing & Finance, Equipment Leasing Association of

- America, or similar organization to substantiate the Applicant's position in the financial and leasing community.
9. Provide a copy of a valid California business license to conduct this type of business.
 10. Certify under penalty of perjury that the Applicant has not been debarred from doing business by any governmental jurisdiction, especially by the California Secretary of State, the federal government, or California municipal agencies.
 11. Have a "good or better" financial rating by Dun and Bradstreet or comparable rating firm/institution. A reputable bank reference, providing evidence of a long-term relationship exhibiting a sound financial status with Dun and Bradstreet or a comparable rating firm/institution for the last five years, may be offered as a substitute.
 12. Certify under penalty of perjury whether or not during the last 20 years the Applicant, or its officers, have been the subject of a Securities and Exchange Commission, Internal Revenue Service, or other tax authority investigation, or subject to any criminal or civil proceeding or investigation or sanctioned by any regulatory or judicial body, providing details as to each such investigation or proceeding. Once an Applicant is qualified, all participating Lessors agree to notify the DGS immediately of the commencement of any new investigation or proceeding concerning their firm or its officers.
 13. Demonstrate a commitment to work with the State in continuous improvement and sharing innovative process changes as the leasing industry changes. The Applicant must demonstrate its level of understanding and commitment to continuous improvement (i.e., concepts such as TQM, Quality Circles, Business Process Re-engineering and Improvement, Customer Service) by way of documentation which can include on-going training of staff in these areas, upgrading of features on the Web site to facilitate customer support, and attending seminars and conferences on related subjects.
 14. Sign and submit the Confidentiality Statement (Exhibit A). Any Applicant/Lessor engaging in services to the State may be exposed to confidential information. Hence, by executing this document, the Applicant agrees to exercise all security precautions such information demands and provide written instruction to its employees concerning the safeguarding of such information.
 15. Agree that under penalty of perjury under the laws of the State of California, the Applicant will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code Section 8350 et seq.) and will provide a drug-free workplace by taking the following actions:

Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.

Establish a Drug-Free Awareness Program to inform employees about:

- a. The dangers of drug abuse in the workplace
- b. The person's or organization's policy of maintaining a drug-free workplace
- c. Any available counseling, rehabilitation, and employee assistance programs
- d. Penalties that may be imposed upon employees for drug abuse violations

Every employee who works on a financed contract will receive a copy of the company's drug-free workplace policy statement and agree to abide by the terms of the company's statement as a condition of participation in Lease \$Mart. Also, various state agencies may require a completed Drug-Free Workplace form from a Lessor for their records prior to conducting any business.

16. Complete to the extent possible and sign a Standard Form 204 (Vendor Data Record). The State uses this form to collect payee information for the preparation of the IRS Form 1099 for payments made via contracts. Various state agencies may require a similarly

completed Vendor Data Record from a Lessor for their records prior to conducting any business.

17. Various state agencies may require additional completed forms from a Lessor prior to conducting any business (i.e., Statement of Compliance). Also, various state agencies may require additional information/procedures for security purposes (i.e., Department of Corrections requires background checks and fingerprinting).

REQUALIFICATION PROCESS

Come June 15, 2000, a re-qualification process will be activated for all Lessors participating in the Lease \$Mart program. On this date, and every subsequent two years hence (i.e., June 15, 2002; June 15, 2004), Lessors must re-qualify to continue their participation. There will be two categories for re-qualification:

- **Inactive Lessor** - Lessor who has not conducted business with the State of California via the Lease \$Mart program. The Lessor must complete the Qualification Process in its entirety and resubmit for approval.
- **Active Lessor** - Lessor who has conducted business with the State of California via the Lease \$Mart program. Re-qualification will coincide with the current Lessor Qualifications Proposal and will consist of the following:
 1. Organization Chart - Update if changes have occurred
 2. Electronic Commerce - List what improvements have been made since last qualification period
 3. Technical Expertise Narrative - Update if changes have occurred
 4. Services Provided - Not Applicable
 5. Audited Financial Statements - Resubmit as required in this section
 6. Customer References -Not Applicable
 7. Partnering Agreements -Not Applicable
 8. Membership Affiliation - Update if changes have occurred
 9. Business License - Resubmit current or renewed license
 10. Debarment - Update if changes have occurred
 11. Financial Ratings - Resubmit
 12. SEC, IRS or other Investigations - Update if changes have occurred
 13. Commitment to Work with State - List what improvements have been made since last qualification period
 14. Confidentiality Statement - Update if changes have occurred
 15. Drug-free Workplace Act - Update if changes have occurred
 16. Vendor Data Record - Update if changes have occurred

17. Additional Forms -Not Applicable

EXHIBIT A -- CONFIDENTIALITY STATEMENT

As an authorized representative and/or corporate officer of the company named below, I warrant my company and its employees will not disclose any documents, diagrams, information and information storage media made available to use by the State in conjunction with their participation in Lease \$Mart and any contract arising therefrom. I warrant that only those employees who are authorized and required to use such materials will have access to them.

I further warrant that all materials provided by the State will be returned promptly after use and that all copies or derivations of the materials will be physically and/or electronically destroyed. I will include with the returned materials, a letter attesting to the complete return of materials and documenting the destruction of copies and derivations. Failure to so comply will subject this company to liability, both criminal and civil, including all damages to the State and third parties. I authorize the State to inspect and verify the above.

(Signature of Representative)

(Typed Name of Representative)

(Typed Name of Company)

(Date Signed)