

**STATE OF NEW JERSEY**  
 PROCUREMENT BUREAU  
 33 WEST STATE ST 9TH FL TRENTON, NJ 08625-0230  
**GSA CONTRACT**

NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES  
 BOARD OF PUBLIC UTILITIES

**NUMBER** : A84649  
**DATE** : 08/06/13  
**BUYER** : ROY HAMBRECHT  
**PHONE** : (609) 292-3689  
**EFFECTIVE DATE** : 08/02/13  
**EXPIRATION DATE** : 08/01/14  
**T-NUMBER** : G1009  
**CONTRACTOR** : MCKINSEY & COMPANY INC

MCKINSEY & COMPANY INC  
 1200 19TH STREET N W  
 SUITE 1100  
 WASHINGTON DC 20036

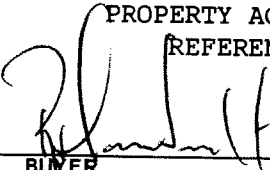
**VENDOR NO.** : [REDACTED]  
**VENDOR PHONE** : (202) 662-2183  
**FEIN/SSN** : [REDACTED]  
**REQ AGENCY** : 822050  
 PROCUREMENT BUREAU  
**AGENCY REQ NO.** :  
**PURCH REQ NO.** :  
**FISCAL YEAR** : 14  
**COMMODITY CODE** :  
**SOLICITATION #** :  
**BID OPEN DATE** : 00/00/00

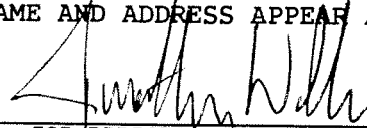
**TERM CONTRACT FROM:** 08/02/13 **TO:** 08/01/14 **ESTIMATED AMOUNT:** \$ 2,280,794.00

1. **ORDERING PERIOD:** CONTRACT BEGINNING ORDERING PERIOD IS:08/02/13  
 CONTRACT ENDING ORDERING PERIOD DATE IS:08/01/14
2. **F.O.B. POINT:** DESTINATION
3. **DELIVERY** DELIVERY WILL BE MADE WITHIN 180 DAYS ARO UNLESS  
 SPECIFIED DIFFERENTLY ON EACH LINE OR UNLESS AN ALTERNATE  
 DELIVERY SCHEDULE IS INDICATED. AN ALTERNATE DELIVERY  
 SCHEDULE IS ENCLOSED HEREIN:NO
4. **CASH DISCOUNT TERMS:** CASH DISCOUNT TERMS ARE 00.00% DAYS.
5. **PERFORMANCE BOND:** PERFORMANCE BOND REQUIRED:NO ; DATE REQUIRED 00/00/00  
 AMOUNT \$0 ; PERCENT OF CONTRACT 0.00%
6. **RETAINAGE:** RETAINAGE PERCENT IS 0.00%
7. **COOPERATIVE PROC:** THIS CONTRACT IS AVAILABLE FOR POLITICAL SUBDIVISION USE UNDER  
 THE COOPERATIVE PROCUREMENT PROGRAM NO
8. **BID REFERENCE NO:** YOUR BID REFERENCE NUMBER IS:
9. **AWARDED LINES:** YOU WERE AWARDED 0 LINES FROM THE SOLICITATION NUMBER .  
 THESE LINES ARE INCLUDED AS A PART OF THIS CONTRACT.  
 YOU WERE AWARDED 11 LINES FROM GSA REFERENCE # RFQ795100S

ALL TERMS AND CONDITIONS AS A PART OF SOLICITATION NUMBER INCLUDING ANY ADDENDA  
 THERETO AND ALSO INCLUDING THE BIDDER'S PROPOSAL AS ACCEPTED BY THE STATE ARE  
 INCLUDED HEREIN BY REFERENCE AND MADE PART HEREOF EXCEPT AS SPECIFIED HEREIN

THIS IS NOTICE OF ACCEPTANCE BY THE DIRECTOR OF THE DIVISION OF PURCHASE AND  
 PROPERTY ACTING FOR AND ON BEHALF OF THE STATE OF NEW JERSEY, OF THE OFFER  
 REFERENCED ABOVE BY YOUR FIRM WHOSE NAME AND ADDRESS APPEAR ABOVE.

  
 BUYER  
 8/1/13  
 DATE

  
 FOR DIRECTOR  
 DIVISION OF PURCHASE AND PROPERTY  
 08.07.13  
 DATE

USING AGENCIES CANNOT PROCESS INVOICES FOR PAYMENT OF DELIVERED  
 GOODS AND/OR SERVICES UNTIL THE PROPERLY EXECUTED BOND HAS BEEN  
 RECEIVED AND ACCEPTED BY THE PURCHASE BUREAU.

VENDOR COPY

**PRICE SHEET**

**GSA CONTRACT**

PROCUREMENT BUREAU  
 PURCHASE BUREAU  
 STATE OF NEW JERSEY  
 33 WEST STATE ST 9TH FL  
 PO BOX 230  
 TRENTON NJ 08625-0230

NUMBER : A84649  
 T-NUMBER : G1009

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CONTRACTOR: MCKINSEY & COMPANY INC

LINE NO.	COMMODITY/SERVICE DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE OR PERCENT DISCOUNTS	EXTENDED AMT IF APPLICABLE
00001	<p>UNLESS SPECIFIED OTHERWISE BELOW:                      SHIP TO: 822014 / S004                      DIV OF ENERGY PLANNING/CONSERVATION                      CLEAN ENERGY PROGRAM                      50 WEST STATE ST-8TH FL                      PO BOX 211                      TRENTON NJ 08625-0211</p> <p>COMMODITY CODE: 918-41-086246                      [CONSULTING SERVICES]</p> <p>ITEM DESCRIPTION:                      NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES                      BOARD OF PUBLIC UTILITIES</p> <p>DEVELOPMENT &amp; SUBMISSION OF FINAL                      PROPOSAL (RFQ SECTION 3.2).                      SHIP TO: 228022 / S001                      SANDY RECOVERY DIVISION                      FISCAL/PROCUREMENT OFFICE                      101 SOUTH BROAD ST 8TH FL                      PO BOX 800 ROOM 813                      TRENTON NJ 08625-0800</p>	1	TASK	\$ 116,121.95	
00002	<p>COMMODITY CODE: 918-41-086246                      [CONSULTING SERVICES]</p> <p>ITEM DESCRIPTION:                      NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES                      BOARD OF PUBLIC UTILITIES</p> <p>REPORT ON POLICY AND PROGRAM OPTIONS                      FOR STATEWIDE DEPLOYMENT OF DER AND                      MICROGRIDS (RFQ SECTION 3.3.1)</p> <p>SHIP TO: 228022 / S001                      SANDY RECOVERY DIVISION                      FISCAL/PROCUREMENT OFFICE                      101 SOUTH BROAD ST 8TH FL                      PO BOX 800 ROOM 813                      TRENTON NJ 08625-0800</p>	1	TASK	\$ 408,951.21	
00003	<p>COMMODITY CODE: 918-41-086246                      [CONSULTING SERVICES]</p> <p>ITEM DESCRIPTION:                      NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES                      BOARD OF PUBLIC UTILITIES</p> <p>REPORT ON LEVERAGING OF EXISTING STATE                      INCENTIVES FOR STATEWIDE DEPLOYMENT OF                      DER AND MICROGRIDS (RFQ SECTION 3.3.2)</p> <p>SHIP TO: 228022 / S001                      SANDY RECOVERY DIVISION                      FISCAL/PROCUREMENT OFFICE                      101 SOUTH BROAD ST 8TH FL                      PO BOX 800 ROOM 813                      TRENTON NJ 08625-0800</p>	1	TASK	\$ 497,727.95	
00004	<p>COMMODITY CODE: 918-41-086246                      [CONSULTING SERVICES]</p> <p>ITEM DESCRIPTION:                      NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES                      BOARD OF PUBLIC UTILITIES</p> <p>REPORT ON DISASTER PREPAREDNESS AND                      RESILIENCY THROUGH STATEWIDE DEPLOYMENT                      OF DER AND MICROGRIDS-RFQ SECTION 3.3.3                      SHIP TO: 228022 / S001                      SANDY RECOVERY DIVISION                      FISCAL/PROCUREMENT OFFICE                      101 SOUTH BROAD ST 8TH FL</p>	1	TASK	\$ 497,727.95	

**PRICE SHEET**

**GSA CONTRACT**

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 STATE OF NEW JERSEY  
 33 WEST STATE ST 9TH FL  
 PO BOX 230  
 TRENTON NJ 08625-0230

NUMBER : A84649  
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CONTRACTOR: MCKINSEY & COMPANY INC

LINE NO.	COMMODITY/SERVICE DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE OR PERCENT DISCOUNTS	EXTENDED AMT IF APPLICABLE
00005	TRENTON NJ 08625-0800 COMMODITY CODE: 918-41-086246 [CONSULTING SERVICES]  ITEM DESCRIPTION: NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES BOARD OF PUBLIC UTILITIES  MICROGRID FOR STATEWIDE DEPLOYMENT OF DER AND MICROGRIDS (RFQ SECTION 3.3.4)  SHIP TO: 228022 / S001 SANDY RECOVERY DIVISION FISCAL/PROCUREMENT OFFICE 101 SOUTH BROAD ST 8TH FL PO BOX 800 ROOM 813 TRENTON NJ 08625-0800	1	TASK	\$ 351,313.32	
00006	TRENTON NJ 08625-0800 COMMODITY CODE: 918-41-086246 [CONSULTING SERVICES]  ITEM DESCRIPTION: NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES BOARD OF PUBLIC UTILITIES  REPORT ON FINANCIAL & INCENTIVE STRATEGIES FOR STATEWIDE DEPLOYMENT OF DER AND MICROGRIDS (RFQ SECTION 3.3.5)  SHIP TO: 228022 / S001 SANDY RECOVERY DIVISION FISCAL/PROCUREMENT OFFICE 101 SOUTH BROAD ST 8TH FL PO BOX 800 ROOM 813 TRENTON NJ 08625-0800	1	TASK	\$ 292,829.26	
00007	TRENTON NJ 08625-0800 COMMODITY CODE: 918-41-086246 [CONSULTING SERVICES]  ITEM DESCRIPTION: NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES BOARD OF PUBLIC UTILITIES  DER AND MICROGRID STATEWIDE DATABASE (RFQ SECTION 3.3.6)  SHIP TO: 228022 / S001 SANDY RECOVERY DIVISION FISCAL/PROCUREMENT OFFICE 101 SOUTH BROAD ST 8TH FL PO BOX 800 ROOM 813 TRENTON NJ 08625-0800	1	TASK	\$ 116,121.95	
00008	TRENTON NJ 08625-0800 COMMODITY CODE: 918-41-086246 [CONSULTING SERVICES]  ITEM DESCRIPTION: NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES BOARD OF PUBLIC UTILITIES  TEAM A COMPOSITION MOBIS WEEKLY RATE SHIP TO: 228022 / S001 SANDY RECOVERY DIVISION FISCAL/PROCUREMENT OFFICE 101 SOUTH BROAD ST 8TH FL PO BOX 800 ROOM 813 TRENTON NJ 08625-0800	1	WEEK	\$ 116,121.95	
00009	TRENTON NJ 08625-0800 COMMODITY CODE: 918-41-086246 [CONSULTING SERVICES]  ITEM DESCRIPTION:	1	WEEK	\$ 145,414.63	

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**GSA CONTRACT**

PROCUREMENT BUREAU  
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 STATE OF NEW JERSEY  
 33 WEST STATE ST 9TH FL  
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NJ 08625-0230

NUMBER : A84649  
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CONTRACTOR: MCKINSEY & COMPANY INC

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LINE NO.	COMMODITY/SERVICE DESCRIPTION	ESTIMATED QUANTITY	UNIT	UNIT PRICE OR PERCENT DISCOUNTS	EXTENDED AMT IF APPLICABLE
00010	NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES BOARD OF PUBLIC UTILITIES  TEAM B COMPOSITION MOBIS WEEKLY RATE SHIP TO: 228022 / S001 SANDY RECOVERY DIVISION FISCAL/PROCUREMENT OFFICE 101 SOUTH BROAD ST 8TH FL PO BOX 800 ROOM 813 TRENTON NJ 08625-0800  COMMODITY CODE: 918-41-086246 [CONSULTING SERVICES]	1	WEEK	\$ 175,656.66	
00011	ITEM DESCRIPTION: NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES BOARD OF PUBLIC UTILITIES  TEAM C COMPOSITION MOBIS WEEKLY RATE SHIP TO: 228022 / S001 SANDY RECOVERY DIVISION FISCAL/PROCUREMENT OFFICE 101 SOUTH BROAD ST 8TH FL PO BOX 800 ROOM 813 TRENTON NJ 08625-0800  COMMODITY CODE: 918-41-086246 [CONSULTING SERVICES]  ITEM DESCRIPTION: NEW JERSEY DISTRIBUTIVE ENERGY RESOURCES BOARD OF PUBLIC UTILITIES  TEAM D COMPOSITION MOBIS WEEKLY RATE SHIP TO: 228022 / S001 SANDY RECOVERY DIVISION FISCAL/PROCUREMENT OFFICE 101 SOUTH BROAD ST 8TH FL PO BOX 800 ROOM 813 TRENTON NJ 08625-0800	1	WEEK	\$ 50,187.62	

# State of New Jersey Standard Terms and Conditions

1. **STANDARD TERMS AND CONDITIONS APPLICABLE TO THE CONTRACT-** Unless the bidder/offeror is specifically instructed otherwise in the Request for Proposals (RFP), the following terms and conditions shall apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in the RFP and should be read in conjunction with same unless the RFP specifically indicates otherwise. In the event that the bidder/offeror would like to present terms and conditions that are in conflict with either these terms and conditions or those set forth in the RFP, the bidder/offeror must present those conflicts during the Question and Answer period for the State to consider. Any conflicting terms and conditions that the State is willing to accept will be reflected in an addendum to the RFP. The State's terms and conditions shall prevail over any conflicts set forth in a bidder/offeror's proposal that were not submitted through the question and answer process and approved by the State. Nothing in these terms and conditions shall prohibit the Director of the Division of Purchase and Property (Director) from amending a contract when the Director determines it is in the best interests of the State.
2. **STATE LAW REQUIRING MANDATORY COMPLIANCE BY ALL CONTRACTORS** - The statutes, laws or codes cited herein are available for review at the New Jersey State Library, 185 West State Street, Trenton, New Jersey 08625.
- 2.1 **BUSINESS REGISTRATION** – Pursuant to N.J.S.A. 52:32-44, the State is prohibited from entering into a contract with an entity unless the bidder and each subcontractor named in the proposal have a valid Business Registration Certificate on file with the Division of Revenue.

The contractor and any subcontractor providing goods or performing services under the contract, and each of their affiliates, shall, during the term of the contract, collect and remit to the Director of the Division of Taxation in the Department of the Treasury the use tax due pursuant to the "Sales and Use Tax Act, P.L. 1966, c. 30 (N.J.S.A. 54:32B-1 et seq.) on all their sales of tangible personal property delivered into the State. Any questions in this regard can be directed to the Division of Revenue at (609) 292-1730. Form NJ-REG can be filed online at <http://www.state.nj.us/treasury/revenue/busregcert.shtml>.
- 2.2 **ANTI-DISCRIMINATION** - All parties to any contract with the State agree not to discriminate in employment and agree to abide by all anti-discrimination laws including those contained within N.J.S.A. 10:2-1 through N.J.S.A. 10:2-4, N.J.S.A. 10:5-1 et seq. and N.J.S.A. 10:5-31 through 10:5-38, and all rules and regulations issued thereunder are hereby incorporated by reference.
- 2.3 **PREVAILING WAGE ACT** - The New Jersey Prevailing Wage Act, N.J.S.A. 34: 11-56.26 et seq. is hereby made part of every contract entered into on behalf of the State of New Jersey through the Division of Purchase and Property, except those contracts which are not within the contemplation of the Act. The bidder's signature on [this proposal] is his guarantee that neither he nor any subcontractors he might employ to perform the work covered by [this proposal] has been suspended or debarred by the Commissioner, Department of Labor for violation of the provisions of the Prevailing Wage Act and/or the Public Works Contractor Registration Acts; the bidder's signature on the proposal is also his guarantee that he and any subcontractors he might employ to perform the work covered by [this proposal] shall comply with the provisions of the Prevailing Wage and Public Works Contractor Registration Acts, where required.
- 2.4 **AMERICANS WITH DISABILITIES ACT** - The contractor must comply with all provisions of the Americans with Disabilities Act (ADA), P.L. 101-336, in accordance with 42 U.S.C. 12101, et seq.
- 2.5 **MACBRIDE PRINCIPLES** – The bidder must certify pursuant to N.J.S.A. 52:34-12.2 that it either has no ongoing business activities in Northern Ireland and does not maintain a physical presence therein or that it will take lawful steps in good faith to conduct any business operations it has in Northern Ireland in accordance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles.
- 2.6 **PAY TO PLAY PROHIBITIONS** – Pursuant to N.J.S.A. 19:44A-20.13 et seq. (L.2005, c. 51), and specifically, N.J.S.A. 19:44A-20.21, it shall be a breach of the terms of the contract for the business entity to:
  - a. make or solicit a contribution in violation of the statute;
  - b. knowingly conceal or misrepresent a contribution given or received;
  - c. make or solicit contributions through intermediaries for the purpose of concealing or misrepresenting the source of the contribution;

## State of New Jersey Standard Terms and Conditions

off that taxpayer's or shareholder's share of the payment due the taxpayer, partnership, or S corporation. The amount set off shall not allow for the deduction of any expenses or other deductions which might be attributable to the taxpayer, partner or shareholder subject to set-off under this act.

The Director of the Division of Taxation shall give notice to the set-off to the taxpayer and provide an opportunity for a hearing within thirty (30) days of such notice under the procedures for protests established under R.S. 54:49-18. No requests for conference, protest, or subsequent appeal to the Tax Court from any protest under this section shall stay the collection of the indebtedness. Interest that may be payable by the State, pursuant to P.L. 1987, c.184 (c.52:32-32 et seq.), to the taxpayer shall be stayed.

**2.10 COMPLIANCE - LAWS** - The contractor must comply with all local, State and Federal laws, rules and regulations applicable to this contract and to the goods delivered and/or services performed hereunder.

**2.11 COMPLIANCE - STATE LAWS** - It is agreed and understood that any contracts and/or orders placed as a result of [this proposal] shall be governed and construed and the rights and obligations of the parties hereto shall be determined in accordance with the laws of the STATE OF NEW JERSEY.

### **3. STATE LAW REQUIRING MANDATORY COMPLIANCE BY CONTRACTORS UNDER CIRCUMSTANCES SET FORTH IN LAW OR BASED ON THE TYPE OF CONTRACT**

**3.1 COMPLIANCE - CODES** - The contractor must comply with NJUCC and the latest NEC70, B.O.C.A. Basic Building code, OSHA and all applicable codes for this requirement. The contractor shall be responsible for securing and paying all necessary permits, where applicable.

**3.2 PUBLIC WORKS CONTRACTOR REGISTRATION ACT** - The New Jersey Public Works Contractor Registration Act requires all contractors, subcontractors and lower tier subcontractor(s) who engage in any contract for public work as defined in N.J.S.A. 34:11-56.26 be first registered with the New Jersey Department of Labor and Workforce Development. Any questions regarding the registration process should be directed to the Division of Wage and Hour Compliance at (609) 292-9464.

**3.3 PUBLIC WORKS CONTRACT - ADDITIONAL AFFIRMATIVE ACTION REQUIREMENTS** - N.J.S.A. 10:5-33 and N.J.A.C. 17:27-3.5 require that during the performance of this contract, the contractor must agree as follows:

- a) The contractor or subcontractor, where applicable, will not discriminate against any employee or applicant for employment because of age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Except with respect to affectional or sexual orientation and gender identity or expression, the contractor will take affirmative action to ensure that such applicants are recruited and employed, and that employees are treated during employment, without regard to their age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex. Such action shall include, but not be limited to the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The contractor agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the contracting officer setting forth the provisions of this nondiscrimination clause;
- b) The contractor or subcontractor, where applicable will, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to age, race, creed, color, national origin, ancestry, marital status, affectional or sexual orientation, gender identity or expression, disability, nationality or sex;
- c) The contractor or subcontractor where applicable, will send to each labor union or representative of workers with which it has a collective bargaining agreement or other contract or understanding, a notice, to be provided by the agency contracting officer, advising the labor union or workers' representative of the contractor's commitments under this act and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

## State of New Jersey Standard Terms and Conditions

- 4.2 INSURANCE** - The contractor shall secure and maintain in force for the term of the contract insurance as provided herein. All required insurance shall be provided by insurance companies with an A- VIII or better rating by A.M. Best & Company. The contractor shall provide the State with current certificates of insurance for all coverages and renewals thereof, and the certificates shall reflect that the insurance policies shall not be canceled for any reason except after sixty (60) days written notice to the State. Certificates of renewals shall be provided within thirty (30) days of the expiration of the insurance. The contractor shall not begin to provide services or goods to the State until evidence of the required insurance is provided. The certificates of insurance shall indicate the contract number or purchase order number and title of the contract in the Description of Operations box and shall list the State of New Jersey, Department of the Treasury, Division of Purchase & Property, Contract Compliance & Audit Unit, PO Box 236, Trenton, New Jersey 08625 in the Certificate Holder box. The certificates and any notice of cancellation shall be emailed to the State at:

ccau.certificate@treas.state.nj.us

The insurance to be provided by the contractor shall be as follows:

- a. Occurrence Form Comprehensive General Liability Insurance or its equivalent: The minimum limit of liability shall be \$1,000,000 per occurrence as a combined single limit for bodily injury and property damage. The above required Comprehensive General Liability Insurance policy or its equivalent shall name the State, its officers, and employees as "Additional Insureds" and include the blanket additional insured endorsement or its equivalent. The coverage to be provided under these policies shall be at least as broad as that provided by the standard basic, unamended, and unendorsed Comprehensive General Liability Insurance occurrence coverage forms or its equivalent currently in use in the State of New Jersey, which shall not be circumscribed by any endorsement limiting the breadth of coverage.
- b. Automobile Liability Insurance which shall be written to cover any automobile used by the insured. Limits of liability for bodily injury and property damage shall not be less than \$1 million per occurrence as a combined single limit. The State must be named as an "Additional Insured" and a blanket additional insured endorsement or its equivalent must be provided when the services being procured involve vehicle use on the State's behalf or on State controlled property.
- c. Worker's Compensation Insurance applicable to the laws of the State of New Jersey and Employers Liability Insurance with limits not less than:

\$1,000,000 BODILY INJURY, EACH OCCURRENCE  
\$1,000,000 DISEASE EACH EMPLOYEE  
\$1,000,000 DISEASE AGGREGATE LIMIT

- d. This \$1 million amount may have been raised by the RFP when deemed necessary by the Director.
- e. In the case of a contract entered into pursuant to N.J.S.A. 52:32-17, et seq., (small business set asides) the minimum amount of insurance coverage in subsections a., b., and c. above may have been lowered in the RFP for certain commodities when deemed in the best interests of the State by the Director.

### **5. TERMS GOVERNING ALL CONTRACTS**

- 5.1 CONTRACTOR IS INDEPENDENT CONTRACTOR** – The contractor's status shall be that of any independent contractor and not as an employee of the State.
- 5.2 CONTRACT AMOUNT** - The estimated amount of the contract(s), when stated on the RFP form, shall not be construed as either the maximum or minimum amount which the State shall be obliged to order as the result of the RFP or any contract entered into as a result of the RFP.
- 5.3 CONTRACT TERM AND EXTENSION OPTION** - If, in the opinion of the Director, it is in the best interest of the State to extend a contract, the contractor shall be so notified of the Director's Intent at least thirty (30) days prior to the expiration date of the existing contract. The contractor shall have fifteen (15) calendar days to respond to the Director's request to extend the term and period of performance of the contract. If the contractor agrees to the extension, all terms and conditions including pricing of the original contract shall apply unless more favorable terms for the State have been negotiated.
- 5.4 STATE'S OPTION TO REDUCE SCOPE OF WORK** – The State has the option, in its sole discretion, to reduce the scope of work for any deliverable, task or subtask called for under this contract. In such an event, the Director shall provide to the contractor advance written notice of the change in scope of work and what the

# State of New Jersey

## Standard Terms and Conditions

### 5.8 SUBCONTRACTING OR ASSIGNMENT -

- a. Subcontracting: The contractor may not subcontract other than as identified in the contractor's proposal without the prior written consent of the Director. Such consent, if granted in part, shall not relieve the contractor of any of his responsibilities under the contract, nor shall it create privity of contract between the State and any subcontractor. If the contractor uses a subcontractor to fulfill any of its obligations, the contractor shall be responsible for the subcontractor's: (a) performance; (b) compliance with all of the terms and conditions of the contract; and (c) compliance with the requirements of all applicable laws.
- b. Assignment: The contractor may not assign its responsibilities under the contract, in whole or in part, without the prior written consent of the Director.

### 5.9 NO CONTRACTUAL RELATIONSHIP BETWEEN SUBCONTRACTORS AND STATE - Nothing contained in any of the contract documents, including the RFP and vendor's bid or proposal shall be construed as creating any contractual relationship between any subcontractor and the State.

### 5.10 MERGERS, ACQUISITIONS - If, during the term of this contract, the contractor shall merge with or be acquired by another firm, the contractor shall give notice to the Director as soon as practicable and in no event longer than thirty (30) days after said merger or acquisition. The contractor shall provide such documents as may be requested by the Director, which may include but need not be limited to the following: corporate resolutions prepared by the awarded contractor and new entity ratifying acceptance of the original contract, terms, conditions and prices; updated information including ownership disclosure and Federal Employer Identification Number. The documents must be submitted within thirty (30) days of the request. Failure to do so may result in termination of the contract for cause.

If, at any time during the term of the contract, the contractor's partnership, limited liability company, limited liability partnership, professional corporation, or corporation shall dissolve, the Director must be so notified. All responsible parties of the dissolved business entity must submit to the Director in writing, the names of the parties proposed to perform the contract, and the names of the parties to whom payment should be made. No payment shall be made until all parties to the dissolved business entity submit the required documents to the Director.

### 5.11 PERFORMANCE GUARANTEE OF CONTRACTOR - The contractor hereby certifies that:

- a. The equipment offered is standard new equipment, and is the manufacturer's latest model in production, with parts regularly used for the type of equipment offered; that such parts are all in production and not likely to be discontinued; and that no attachment or part has been substituted or applied contrary to manufacturer's recommendations and standard practice.
- b. All equipment supplied to the State and operated by electrical current is UL listed where applicable.
- c. All new machines are to be guaranteed as fully operational for the period stated in the contract from time of written acceptance by the State. The contractor shall render prompt service without charge, regardless of geographic location.
- d. Sufficient quantities of parts necessary for proper service to equipment shall be maintained at distribution points and service headquarters.
- e. Trained mechanics are regularly employed to make necessary repairs to equipment in the territory from which the service request might emanate within a 48-hour period or within the time accepted as industry practice.
- f. During the warranty period the contractor shall replace immediately any material which is rejected for failure to meet the requirements of the contract.
- g. All services rendered to the State shall be performed in strict and full accordance with the specifications stated in the contract. The contract shall not be considered complete until final approval by the State's using agency is rendered.

### 5.12 DELIVERY REQUIREMENTS -

- a. Deliveries shall be made at such time and in such quantities as ordered in strict accordance with conditions contained in the contract.
- b. The contractor shall be responsible for the delivery of material in first class condition to the State's using agency or the purchaser under this contract and in accordance with good commercial practice.
- c. Items delivered must be strictly in accordance with the contract.
- d. In the event delivery of goods or services is not made within the number of days stipulated or under the schedule defined in the contract, the using agency shall be authorized to obtain the material or service from any available source, the difference in price, if any, to be paid by the contractor.



## State of New Jersey Standard Terms and Conditions

- the agency, regardless of the time between the date of delivery and discovery of the violation. In such event, the contractor shall reimburse the State the full purchase price.
- b. The contractor must submit invoices to the using agency with supporting documentation evidencing that work or goods for which payment is sought has been satisfactorily completed or delivered. For commodity contracts, the invoice, together with the original Bill of Lading, express receipt and other related papers must be sent to the State Contract Manager or using agency on the date of each delivery. For contracts featuring services, invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. All invoices must be approved by the State Contract Manager or using agency before payment will be authorized.
  - c. In all time and materials contracts, the State Contract Manager or designee shall monitor and approve the hours of work and the work accomplished by contractor and shall document both the work and the approval. Payment shall not be made without such documentation. A form of timekeeping record that should be adapted as appropriate for the Scope of Work being performed can be found at [www.nj.gov/treasury/purchase/forms/Vendor\\_Timesheet.xls](http://www.nj.gov/treasury/purchase/forms/Vendor_Timesheet.xls).
  - d. The contractor shall provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business, minority or woman-owned subcontractor(s). This breakdown shall be sent to the Chief of Operations, Division of Revenue, P.O. Box 628, Trenton, NJ 08646.

**6.4 OPTIONAL PAYMENT METHOD: P-CARD** - The State offers contractors the opportunity to be paid through the MasterCard procurement card (p-card). A contractor's acceptance and a State agency's use of the p-card are optional. P-card transactions do not require the submission of a contractor invoice; purchasing transactions using the p-card will usually result in payment to a contractor in three (3) days. A contractor should take note that there will be a transaction-processing fee for each p-card transaction. To participate, a contractor must be capable of accepting the MasterCard. Additional information can be obtained from banks or merchant service companies.

**6.5 NEW JERSEY PROMPT PAYMENT ACT** - The New Jersey Prompt Payment Act, N.J.S.A. 52:32-32 et seq., requires state agencies to pay for goods and services within sixty (60) days of the agency's receipt of a properly executed State Payment Voucher or within sixty (60) days of receipt and acceptance of goods and services, whichever is later. Properly executed performance security, when required, must be received by the State prior to processing any payments for goods and services accepted by state agencies. Interest will be paid on delinquent accounts at a rate established by the State Treasurer. Interest shall not be paid until it exceeds \$5.00 per properly executed invoice.

Cash discounts and other payment terms included as part of the original agreement are not affected by the Prompt Payment Act.

**6.6 AVAILABILITY OF FUNDS** - The State's obligation to make payment under this contract is contingent upon the availability of appropriated funds and receipt of revenues from which payment for contract purposes can be made. No legal liability on the part of the State for payment of any money shall arise unless and until funds are appropriated each fiscal year to the using agency by the State Legislature and made available through receipt of revenues.