

BLANKET PURCHASE ORDER

STATE OF MARYLAND

***** STATE OF MARYLAND *****

BPO NO: 001B8400192

PRINT DATE: 05/31/19

PAGE: 01

SHIP TO:

AS SPECIFIED ON INDIVIDUAL ORDERS

VENDOR ID:

KARETAS FOODS LLC
1012 TUCKERTON COURT

READING, PA 19605
(610)926-3663

REFER QUESTIONS TO:

KIMBERLY HACKETT
(410)767-0788
KIMBERLY.HACKETT@MARYLAND.GOV

ITB: 001IT820685

EXPR DATE: 10/31/20
POST DATE: 10/30/17

DISCOUNT TERMS: . NET 30 DAY
CONTRACT AMOUNT: .00

TERMS:

ARTICLES HEREIN ARE EXEMPT FROM MARYLAND SALES AND USE TAXES BY EXEMPTION CERTIFICATE NUMBER 3000256-3 AND FROM FEDERAL EXCISE TAXES BY EXEMPTION NUMBER 52-73-0358K. IT IS THE VENDOR'S RESPONSIBILITY TO ADVISE COMMON CARRIERS THAT AGENCIES OF THE STATE OF MARYLAND ARE EXEMPT FROM TRANSPORTATION TAX.

PRICE INCREASES ON LINES 001,002,003,004,005,007,008,010,011,012,
014,015,017,018 AND 019 (EFFECTIVE 06/01/19)

PRICE INCREASES ON LINES 001,002,003,004,005,007,008,010,011,012,
014,015,017,018 AND 019 (EFFECTIVE 02/01/19)

PRICE INCREASES ON LINES 001,002,003,006,007,008,0010,0011,0012,
0014,0015,0017,0018 AND 0019. UPDATED LINE 0022 TO REFLECT PRICE PER
POUND (PRICE INCREASE EFFECTIVE 5/01/2018)

REMOVE LINE ITEMS 0020 & 0021

PRICE INCREASES ON LINES 001, 002, 003, 006, 007, 008, 0010, 0014,
0018, AND 0019. EFFECTIVE 2/6/18

PRICE INCREASES ON LINES 002,003,004,007,008,014,015,018 AND
019. (EFFECTIVE 08/01/18)

PRICE INCREASES ON LINES 001,002,003,004,007,008,010,011,012,

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TERMS (cont'd):

014,015,017,018 AND 019 (EFFECTIVE 11/9/18)

* STATEWIDE CONTRACT FOR *
MEAT, DAIRY AND POULTRY PRODUCTS
* * *

THIS IS A STATEWIDE CONTRACT AND MAY BE USED BY ALL STATE AGENCIES, COUNTIES, MUNICIPALITIES, AND OTHER ELIGIBLE ENTITIES.

CONTRACT TERMS: THIS IS A THREE (3) YEAR CONTRACT.
THE STATE HAS THE UNILATERAL OPTION TO RENEW THIS CONTRACT FOR TWO (2) ADDITIONAL ONE (1) YEAR TERMS WITH THE SAME TERMS AND CONDITIONS.

CONTRACT PERIOD: NOVEMBER 1, 2017 - OCTOBER 31, 2020
OPTION YEAR 1: NOVEMBER 1, 2020 - OCTOBER 31, 2021
OPTION YEAR 2: NOVEMBER 1, 2021 - OCTOBER 31, 2022

MARYLAND LAW PREVAILS:
THE PROVISIONS OF THIS CONTRACT SHALL BE GOVERNED BY THE LAWS OF MARYLAND.

QUOTED PRICES ARE TO BE NET THIRTY (30) DAYS F.O.B. TO ANY POINT WITHIN THE STATE OF MARYLAND, AND INCLUDE FREIGHT/SHIPPING, HANDLING AND ADMINISTRATION CHARGES. ALL DISCOUNTS ARE TO BE DEDUCTED AND REFLECTED IN NET PRICES.

VENDOR NAME: KARETAS FOODS, LLC

VENDOR CONTACT: WAYNE SODY

TELEPHONE: 410-344-9106

VENDOR EMAIL ADDRESS: WAYNESODY@COMCAST.NET

SCOPE OF CONTRACT:

REQUIREMENTS CONTRACT FOR SUPPLYING THE STATE OF MARYLAND AND USING AUTHORITIES WITH THEIR NEEDS FOR MEAT, DAIRY AND POULTRY

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TERMS (cont'd):

PRODUCTS.

CONTRACT REQUIREMENTS:

QUANTITIES ARE ESTIMATES ONLY AND ARE NOT TO BE CONSTRUED AS ANY MINIMUM OR MAXIMUM GUARANTEE.

QUANTITIES SHOWN ARE FOR A ONE (1) YEAR PERIOD AND ARE APPROXIMATE. THEY ARE NOT TO BE CONSTRUED AS MINIMUM OR MAXIMUM. THIS CONTRACT DOES NOT OBLIGATE THE STATE TO PURCHASE ANY MINIMUM QUANTITY OR DOLLAR VALUE DURING THE CONTRACT PERIOD.

PRICE ESCALATION:

PRICES MAY BE ADJUSTED NINETY (90) DAYS AFTER CONTRACT AWARD. REQUESTS FOR PRICE ADJUSTMENTS MUST BE RECEIVED IN WRITING AT LEAST THIRTY (30) DAYS PRIOR TO THE DATE OF THE REQUESTED DATE OF INCREASE. THE REQUEST MUST BE RECEIVED AT LEAST THIRTY (30) DAYS PRIOR TO THE EFFECTIVE DATE AND SHALL BECOME EFFECTIVE ON THE FIRST (1ST) DAY OF THE MONTH, UPON APPROVAL BY THE PROCUREMENT OFFICER. ONCE A PRICE INCREASE HAS BEEN GRANTED, NO FURTHER INCREASES SHALL BE CONSIDERED FOR NINETY (90) DAYS. HOWEVER, "ACROSS THE BOARD" PRICE DECREASES ARE SUBJECT TO IMPLEMENTATION AT ANY TIME AND SHALL BE IMMEDIATELY CONVEYED TO THE PROCUREMENT OFFICER.

A REQUEST FOR PRICE INCREASE SHALL REFLECT THE COMMODITY MARKET INCREASE ONLY, AND MAY BE APPROVED BASED UPON VERIFIABLE EVIDENCE THAT THE SUPPLIER COST HAS INCREASED.

THE PRICE INCREASE ON ALL PRODUCTS WILL BE BASED ON THE U.S. DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS (BLS) PRODUCER PRICE INDEX (PPI), NOT SEASONALLY ADJUSTED; AND FOR ALL OTHER PRODUCTS WILL BE BASED ON THE PPI FOR FROZEN SPECIALTY FOODS, NUMBER WPU0825, NOT SEASONALLY ADJUSTED. THIS CAN BE FOUND AT [HTTP://WWW.BLS.GOV/PPI/GETDATA.HTM](http://www.bls.gov/ppi/getdata.htm). THE INCREASE WILL BE BASED ON THE MOST RECENT SIX-MONTH STATISTICS AVAILABLE ON THE BLS WEBSITE AT THE TIME OF THE REQUEST BUT SHALL NOT EXCEED 3% FOR EACH SIX (6) MONTH PERIOD.

THE CONTRACTOR WILL BE NOTIFIED IN WRITING OF THE EFFECTIVE DATE OF ANY APPROVED PRICE INCREASES. THE CONTRACTOR WILL FILL ALL PURCHASE ORDERS RECEIVED PRIOR TO THE EFFECTIVE DATE OF THE PRICE ADJUSTMENT AT THE OLD CONTRACT PRICES.

THE PRICE ADJUSTMENTS FOR THE RENEWALS SHALL BE NEGOTIATED AND MUTUALLY AGREED UPON BY DGS AND THE CONTRACTORS. THE STATE RESERVES THE RIGHT TO DENY A PRICE INCREASE, IN WHICH CASE, THE CONTRACT FOR THAT ITEM WILL BE CANCELLED IF REQUESTED BY THE VENDOR.

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TERMS (cont'd):

ALTHOUGH EACH NEGOTIATION WILL BE CARRIED OUT INDEPENDENTLY, THE PERCENTAGE INCREASE OR THE MONETARY INCREASE SHALL BE THE SAME FOR ALL VENDORS. DGS RESERVES THE RIGHT TO RENEW ANY AND/OR ALL CONTRACTORS'S CONTRACTS. ANY CONTRACTS WHICH ARE NOT RENEWED WILL BE COMPETITIVELY RE-BID. ESTIMATED QUANTITIES WILL BE PROVIDED FOR ANY OR ALL RENEWAL OPTIONS. UPON RENEWAL, THE EXISTING CONTRACT TERMS AND CONDITIONS WILL APPLY.

VENDOR IS REQUIRED TO COMPLY WITH ALL CONDITIONS AS OUTLINED FOR REGULATIONS AND SPECIFICATIONS FOR MEAT, DAIRY AND POULTRY FOODS. CASE/CONTAINER MUST BEAR USDA GRADE SEAL AND USDA CERTIFICATE MUST BE AVAILABLE UPON REQUEST. CASES OF PRODUCTS DELIVERED WITHOUT USDA GRADE DESIGNATIONS OR IN LIEU OF USDA GRADE SEALS, GRADING CERTIFICATES MUST BE PROVIDED WITH DELIVERY OR PRODUCT WILL BE REJECTED.

IF THE AWARDED VENDOR HOLDS OTHER STATE OF MARYLAND CONTRACT FOR FROZEN AND/OR PERISHABLE PRODUCTS, FACILITIES MAY COMBINE ORDERS FROM MULTIPLE CONTRACTS TO MEET THE MINIMUM PURCHASE FOR SHIPPING AND/OR CONTRACT PRICING.

IN FULL COMPLIANCE WITH THE STATE DEPARTMENT OF HEALTH REGULATIONS GOVERNING THE PROCESSING AND TRANSPORTATION OF FOOD AND BEVERAGES, ALL PERISHABLE FOODS MUST BE TRANSPORTED AT A TEMPERATURE OF OR BELOW 45 DEGREES FAHRENHEIT. FROZEN FOODS ARE TO BE TRANSPORTED AT A MAINTAINED TEMPERATURE OF OR BELOW ZERO (0) DEGREE FAHRENHEIT IN STORAGE AND TRANSIT.

DELIVERY AND ACCEPTANCE:

MINIMUM ORDER ACCEPTABLE FOR CONTRACT PRICING IS \$200.00; AMOUNTS LESS WILL BE SHIPPED WITH FREIGHT CHARGES NOT TO EXCEED \$40.00 OR ACTUAL SHIPPING COSTS, WHICHEVER IS LESS, PREPAID AND ADDED TO THE INVOICE AS A SEPARATE LINE ITEM. NO ORDER ABOVE \$100.00 MAY BE REFUSED BY THE AWARDED VENDOR FROM ANY STATE OF MARYLAND FACILITY.

DELIVERY SHALL BE MADE IN ACCORDANCE WITH THE SOLICITATION SPECIFICATIONS. THE STATE, IN ITS SOLE DISCRETION, MAY EXTEND THE TIME OF PERFORMANCE FOR EXCUSABLE DELAYS DUE TO UNFORESEEABLE CAUSES BEYOND THE CONTRACTOR'S CONTROL. THE STATE UNILATERALLY MAY ORDER IN WRITING THE SUSPENSION, DELAY OR INTERRUPTION OF PERFORMANCE HEREUNDER. THE STATE RESERVES THE RIGHT TO TEST ANY MATERIALS, EQUIPMENT, SUPPLIES, OR SERVICES DELIVERED TO DETERMINE IF THE SPECIFICATIONS HAVE BEEN MET. THE MATERIALS LISTED IN THE BID OR PROPOSAL SHALL BE DELIVERED FOB THE POINT OR POINTS SPECIFIED PRIOR TO OR ON THE DATE SPECIFIED IN THE BID OR PROPOSAL. ANY MATERIAL THAT IS DEFECTIVE OR FAILS TO MEET THE TERMS OF THE SOLICITATION

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TERMS (cont'd):

SPECIFICATIONS SHALL BE REJECTED. REJECTED MATERIALS SHALL BE PROMPTLY REPLACED. IF THE VENDOR REFUSES TO REPLACE REJECTED MATERIALS, THE STATE RESERVES THE RIGHT TO PURCHASE REPLACEMENT MATERIALS IN THE OPEN MARKET AND THE VENDOR SHALL BE LIABLE FOR ANY EXCESS PRICE PAID FOR THE REPLACEMENT, PLUS APPLICABLE EXPENSES, IF ANY.

*****RECALL NOTIFICATION*****

THE CONTRACTOR WILL PROVIDE RECALL NOTIFICATION AS WELL AS DISCONTINUED ITEMS NOTIFICATION, REGARDLESS OF LEVEL, TO THE STATE AND EACH INSTITUTION THROUGH THE MOST EXPEDIENT METHOD POSSIBLE. THE NOTICES, AT A MINIMUM, SHALL INCLUDE A COMPLETE PRODUCT DESCRIPTION AND/OR IDENTIFICATION, CONTRACT NUMBER, DELIVERY ORDER NUMBER AND DISPOSITION INSTRUCTIONS. THE CONTRACTOR WILL ISSUE REPLACEMENT OF PRODUCT OR CREDIT FOR ANY PRODUCT REMOVED OR RECALLED. EACH FACILITY WILL HAVE THE OPTION OF ACCEPTING EITHER REPLACEMENT PRODUCT OR CREDIT IN EXCHANGE FOR RECALLED/REMOVED PRODUCTS.

THE DEPARTMENT OF GENERAL SERVICES' "TERMS AND CONDITIONS FOR COMMODITY CONTRACTS OVER \$25,000" AND ALL SPECIFICATIONS, TERMS AND CONDITIONS OF SOLICITATION # MDDGS31033973/001IT820685 INCORPORATED HEREIN BY REFERENCE.

<u>LINE #</u>	<u>STATE ITEM ID</u>	<u>U/M</u>	<u>UNIT COST</u>		
0001	39056-001500	CS	20.8500		
MARGARINE TRANS FAT FREE, PTS, 30 #/CS					
MARGARINE, 1 LB. PRINTS, TRANS FAT FREE, 30 PER CASE					
BRAND: OASIS					
CODE: FGPM310A					

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LINE #	STATE ITEM ID	U/M	UNIT COST		
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0002	39056-0015XX	LB	19.8300		
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MARGARINE, 1 LB. PRINTS, 30 LB. CASE, ALL VEGETABLE.

BRAND, CODE _____ CASE, PACK _____

MARGARINE, 1LB PRINTS, 30LB PER CASE, ALL VEGETABLE

BRAND: OASIS

CODE: 232062

0003	39056-0020XX	LB	14.3300		
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MARGARINE REDDIES, WITH TOP, 90 PATS TO LBS., 12 LB. CASE, ALL VEGETABLE

BRAND, CODE _____ CASE, PACK _____

MARGARINE REDDIES, WITH TOP, 90 PATS TO LBS., 12LB CASE, ALL VEGETABLE

BRAND: HONEYBROOK

CODE: 232055

0004	39056-006006	CS	16.3200		
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MARGARINE CUPS, TRANS FAT FREE 600/5MG/CS

MARGARINE CUPS, TRANS FAT FREE, 600/5MG/CS

BRAND: VENTURA

CODE: 13687

0005	39056-121210	CS	17.3900		
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MARGARINE SOLIDS

MARGARINE, SOLIDS 30/1LB

BRAND: OASIS

CODE: 232062

0006	39056-121213	CS	28.8600		
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MARGARINE, LIQUID, 2/17.5 LB. PER.CASE

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<u>LINE #</u>	<u>STATE ITEM ID</u>	<u>U/M</u>	<u>UNIT COST</u>	
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MARGARINE, LIQUID, 2/17.5LB PER CASE

BRAND: BUNGE
CODE: 5014480

0007	39007-0005XX	CS	50.2800	
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CHEESE, CHEDDAR, SHREDDED, 5 LB., 4 PER CASE
BRAND, CODE _____ CASE, PACK _____
CHEDDAR CHEESE, SHREDDED, 5LBS, 4 PER CASE

BRAND: LAUBCHER
CODE: 064316

0008	39007-0006XX	CS	50.2600	
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CHEESE MOZZARELLA, SHREDDED, 5LB 4 CASE
MOZZARELLA CHEESE, SHREDDED, 5LBS, 4 PER CASE

BRAND: LAUBSCHER
CODE: 065022

0009	39007-0020XX	LB	62.7000	
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CHEESE, PROCESSED AMERICAN YELLOW, 5 LB. BLOCKS. U.S.D.A. GRADE A
STAMP ON CASE OR BLOCK PACKAGE MUST CONTAIN REAL CHEESE SYMBOL.
BRAND/CODE _____ CASE, PACK _____
PRODUCT BID HAS USDA GRADE A STAMP YES _____ NO _____
PROCESSED AMERICAN YELLOW CHEESE, 5LB BLOCKS, USDA GRADE A STAMP ON
CASE OR BLOCK PKG MUST CONTAIN REAL CHEESE SYMBOL

BRAND: SOMMERMAID
CODE: 064019

0010	39007-0025XX	CS	45.1800	
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CHEESE, PROCESSED AMERICAN YELLOW, SLICED, 160 COUNT. US GRADE A
STAMP ON CASE OR BLOCK PACKAGE MUST CONTAIN REAL CHEESE SYMBOL.

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BRAND, CODE _____ CASE, PACK _____
PRODUCT BID HAS USDA GRADE A STAMP YES _____

NO _____
PROCESSED AMERICAN YELLOW CHEESE, SLICED, 160 COUNT. USDA GRADE A
STAMP ON BLOCK/PACKAGE MUST CONTAIN REAL CHEESE SYMBOL

BRAND: BONGARD
CODE: 100491

0011	39007-0035XX	LB	25.8800
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CHEESE, CHEDDAR, AGED FLATS.
BRAND, CODE _____ CASE, PACK _____
BRAND: SOMMERMAID
CODE: 22101

0012	39007-0041XX	LB	63.8600
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CHEESE, LOW FAT SWISS REDUCED FAT AND SALT FOUR, FIVE LB
BRAND, CODE _____ CASE, PACK _____
LOW-FAT SWISS CHEESE, REDUCED FAT AND SALT, 4/5LB PER CASE

BRAND: ALPINE LACE
CODE: 00301

0013	39007-0042XX	LB	60.2000
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CHEESE, CHEDDAR, SHREDDED, 5 LB, 4 PER CASE
BRAND, CODE _____ CASE, PACK _____
LOW-FAT CHEDDAR CHEESE, SHREDDED, SEMI-HARD PART SKIM MILK 5 OZ FAT OR
LESS, 85 MG SODIUM OR LESS, 5LBS, 4 PER CASE

BRAND: ALPINE LACE
CODE: 064316

0014	39335-0043XX	LB	82.3700
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CHEESE, AMERICAN, LOW FAT, 160 COUNT

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<u>LINE #</u>	<u>STATE ITEM ID</u>	<u>U/M</u>	<u>UNIT COST</u>	
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PROCESSED AMERICAN YELLOW CHEESE, SLICED, LOW-FAT, 160 COUNT.
USDA GRADE A STAMP ON CASE/BLOCK PACKAGE MUST CONTAIN REAL CHEESE
SYMBOL

BRAND: ALPINE LACE
CODE: 60106

0015	39007-0045XX	CS	75.1000
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CHEESE, CREAM, 3 LB. BLOCKS.
BRAND, CODE _____ CASE, PACK _____
CREAM CHEESE, 3LB BLOCKS

BRAND: SOMMERMAID
CODE: 23195

0016	39007-600410	CS	41.8000
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CHEESE, MOZZARELLA, 4,5 LBS
BRAND, CODE _____ CASE, PACK _____
MOZZARELLA CHEESE, 4/5LBS

BRAND: SOMMERMAID
CODE: 065040

0017	39007-615XXX	LB	87.8300
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CHEESE, PROVOLINE, PROCESSED.
BRAND, CODE _____ CASE, PACK _____
PROVOLONE CHEESE, PROCESSED, LOW-FAT, 3/12LB PER CASE

BRAND: SOMMERMAID
CODE: 25193

0018	38530-0051XX	LB	25.5100
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EGG PRODUCT, 100 PERCENT EGG WHITES
BRAND, CODE _____ CASE, PACK _____

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<u>LINE #</u>	<u>STATE ITEM ID</u>	<u>U/M</u>	<u>UNIT COST</u>	
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EGG PRODUCT, 100% EGG WHITES

BRAND: NEWBURG

CODE: EW3150

0019	38530-500000	CS	37.5900	
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EGG SUBSTITUTE, FROZEN, 99% EGG WHITE, MINIMUM. 0 GRAMS FAT, 0 MILLIGRAMS CHOLESTEROL. MAXIMUM SODIUM CONTENT 90 MG/2 OZ. SERVING.

PASTURIZED

BRAND/CODE: _____ CASE PACK: _____
EGG SUBSTITUTE, FROZEN, 99% EGG WHITE, MINIMUM. 0 GRAMS FAT, 0MG CHOLESTEROL, MAXIMUM SODIUM CONTENT 90MG/2 OZ., 6/5 LBS

BRAND: NEWBURG

CODE: WENEW

0022	39049-125134	LB	1.4300	
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HAM, BONELESS, CURED & SMOKED, WATER ADDED, STYLE C, 10-12 LB. EACH, PACKED 3-4 HAMS PER CASE

HAM, BONELESS, CURED AND SMOKED, FULLY COOKED, STYLE C-WATER ADDED, WEIGHT RANGE 10-12LBS, CHILLED, IMPS 505

BRAND: HATFIELD

CODE: 2274

END OF ITEM LIST

PURCHASES BY OTHER ENTITIES - INDEFINITE QUANTITY CONTRACTS: THIS PROVISION APPLIES TO INDEFINITE QUANTITY CONTRACTS.

A. PURSUANT TO ARTICLE 41, SECTION 18-201 OF THE ANNOTATED CODE OF MARYLAND, EXCEPT AS PROVIDED IN (B) THE FOLLOWING ENTITIES MAY PURCHASE MATERIALS, SUPPLIES, AND EQUIPMENT UNDER THIS CONTRACT:

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TERMS (cont'd):

- (1) A COUNTY OR BALTIMORE CITY;
- (2) A MUNICIPAL CORPORATION;
- (3) A GOVERNMENTAL AGENCY IN THE STATE;
- (4) A PUBLIC OR QUASI-PUBLIC AGENCY THAT:
 - (I) RECEIVES STATE MONEY; AND
 - (II) IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE;
- (5) A PRIVATE ELEMENTARY OR SECONDARY SCHOOL THAT:
 - (I) EITHER HAS BEEN ISSUED A CERTIFICATE OF APPROVAL FROM THE STATE BOARD OF EDUCATION OR IS ACCREDITED BY THE ASSOCIATION OF INDEPENDENT SCHOOLS; AND
 - (II) IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE ; OR
- (6) A NON-PUBLIC INSTITUTION OF HIGHER EDUCATION UNDER SECTION 17-106 OF THE EDUCATION ARTICLE.
- (B) A PRIVATE ELEMENTARY OR SECONDARY SCHOOL OR A NONPUBLIC INSTITUTION OF HIGHER EDUCATION MAY NOT PURCHASE RELIGIOUS MATERIALS UNDER THIS CONTRACT.
- (C) THE RIGHT TO PURCHASE UNDER THIS SECTION SHALL BE IN ADDITION TO, BUT NOT IN SUBSTITUTION FOR, THE APPLICABLE POWER GRANTED TO ANY OF THE LISTED ENTITIES PURSUANT TO ANY STATUTORY OR CHARTER PROVISION.
- (D) ALL PURCHASES UNDER THIS CONTRACT BY ANY SUCH ENTITY WHICH IS NOT A UNIT OR AGENCY OF THE STATE OF MARYLAND FOR WHICH THE STATE OF MARYLAND MAY BE HELD LIABLE IN CONTRACT (1) SHALL CONSTITUTE A PURCHASE OR CONTRACT BETWEEN THE CONTRACTOR AND THAT ENTITY ONLY; (2) SHALL NOT CONSTITUTE A PURCHASE OR CONTRACT OF THE STATE OF MARYLAND; (3) SHALL NOT BE BINDING OR ENFORCEABLE AGAINST THE STATE OF MARYLAND OR ANY OF ITS UNITS OR AGENCIES; AND MAY BE SUBJECT TO OTHER TERMS AND CONDITIONS AGREED TO BY THE CONTRACTOR AND THE PURCHASER.
- (E) CONTRACTOR BEARS THE RISK OF DETERMINING WHETHER OR NOT ANY ENTITY FROM WHICH THE CONTRACTOR RECEIVES AN ORDER UNDER THE THE CONTRACT IS A UNIT OR AGENCY OF THE STATE OF MARYLAND SUCH THAT THE CONTRACT MAY BEEN FORCED AGAINST THE STATE OF MARYLAND.

ELECTRONIC TRANSACTION FEE:

A. CONTRACTOR SHALL PAY AN ELECTRONIC TRANSACTION FEE TO THE STATE IN THE AMOUNT OF ONE PERCENT (1%) OF THE TOTAL CONTRACT SALES. THE ELECTRONIC TRANSACTION FEE IS CALCULATED BASED ON ALL SALES TRANSACTED UNDER THE CONTRACT, MINUS ANY RETURNS OR CREDITS. THE ELECTRONIC TRANSACTION FEE SHALL NOT BE CHARGED DIRECTLY TO THE CUSTOMER, E.G., AS A SEPARATE LINE ITEM, FEE OR

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TERMS (cont'd):

SURCHARGE, BUT SHALL BE INCLUDED IN THE CONTRACT'S UNIT PRICES.

B.

THE ELECTRONIC TRANSACTION FEE SHALL BE SUBMITTED TO THE DEPARTMENT OF GENERAL SERVICES, FISCAL SERVICES DIVISION, 301 W. PRESTON STREET, ROOM 1309, BALTIMORE, MD, 21201, WITHIN TEN (10) CALENDAR DAYS FOLLOWING THE END OF EACH CALENDAR MONTH ALONG WITH A MONTHLY USAGE REPORT DOCUMENTING ALL CONTRACT SALES. AN EXCEL VERSION OF THE MONTHLY USAGE REPORT SHALL BE EMAILED TO THE PROGRAM MANAGER, LISA MCDONALD AT LISA.MCDONALD@MARYLAND.GOV, AND TO EBONY SALAKO AT AWAWU.SALAKO@MARYLAND.GOV.

C. FAILURE TO REMIT TRANSACTION FEES IN A TIMELY MANNER OR REMITTANCE OF FEES INCONSISTENT WITH THE CONTRACT'S REQUIREMENTS MAY RESULT IN THE STATE EXERCISING ALL RECOURSE AVAILABLE UNDER THE CONTRACT INCLUDING, BUT NOT LIMITED TO, A THIRD PARTY AUDIT OF ALL CONTRACT ACTIVITY. SHOULD AN AUDIT BE REQUIRED BY THE STATE, THE CONTRACTOR SHALL REIMBURSE THE STATE FOR ALL COSTS ASSOCIATED WITH THE AUDIT UP TO \$10,000.00 OR ONE (1%) PERCENT OF THE CONTRACT'S ESTIMATED ANNUAL VALUE, WHICHEVER IS HIGHER.

D. PRIOR TO AWARD, CONTRACTORS WILL BE ASKED TO CONFIRM IN WRITING THAT THEIR UNIT PRICES INCLUDE THE ONE PERCENT (1%) ELECTRONIC TRANSACTION FEE.

PAYMENTS TO THE CONTRACTOR PURSUANT TO THIS CONTRACT SHALL BE MADE NO LATER THAN 30 DAYS AFTER THE STATE'S RECEIPT OF A PROPER INVOICE FROM THE CONTRACTOR. CHARGES FOR LATE PAYMENT OF INVOICES, OTHER THAN AS PRESCRIBED BY TITLE 15, SUBTITLE 1, OF THE STATE FINANCE AND PROCUREMENT ARTICLE, ANNOTATED CODE OF MARYLAND, OR BY THE PUBLIC SERVICE COMMISSION OF MARYLAND WITH RESPECT TO REGULATED PUBLIC UTILITIES, AS APPLICABLE, ARE PROHIBITED.

INVOICES:

FOLLOWING DELIVERY AND ACCEPTANCE OF ANY MATERIALS, EQUIPMENT, SUPPLIES OR SERVICES (COMPANY NAME) SHALL SUBMIT AN ORIGINAL INVOICE TO THE AGENCY FOR PAYMENT. VENDOR MUST INCLUDE THE 9-DIGIT ZIP CODE OF COMPANY ADDRESS ON ALL INVOICES. FAILURE TO DO SO MAY RESULT IN DELAY OF PAYMENT.

THE BIDDER'S EXECUTION AND SUBMISSION OF A RESPONSIVE BID CONSTITUTES A PROMISE BY THE BIDDER TO PERFORM THE CONTRACT SOLICITED BY THE DEPARTMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS STATED IN THE SOLICITATION. THE BID SHALL BE IRREVOCABLE FOR THE PERIOD STATED IN THE SOLICITATION OR

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TERMS (cont'd):

FOR SUCH LONGER PERIOD AS THE BIDDER AND THE DEPARTMENT MAY AGREE.

UPON ACCEPTANCE OF A BID, THE PROCUREMENT OFFICER MAY ISSUE A BLANKET PURCHASE ORDER (BPO), IN A FORM TO BE DETERMINED BY THE DEPARTMENT, TO THE BIDDER ACCEPTING THE BID AND BINDING THE BIDDER TO A CONTRACT. THE EXECUTION AND ISSUANCE OF A BPO BY THE PROCUREMENT OFFICER, SUBJECT TO ALL NECESSARY APPROVALS, SHALL CONSTITUTE ACCEPTANCE OF THE BID AND FINAL AWARD OF THE CONTRACT. THE CONTRACT OF THE PARTIES WILL BE EMBODIED IN THE CONTRACT DOCUMENTS, WHICH SHALL CONSIST OF THE EXECUTED BPO OF THE PROCUREMENT OFFICER, INCLUDING ALL DOCUMENTS, TERMS, AND CONDITIONS INCORPORATED INTO THOSE DOCUMENTS BY THE TERMS OF THE SOLICITATION, THE BPO, THE BID, OR BY OPERATION OF LAW, AND THE EXECUTED BID OF THE BIDDER. IF THE PROCUREMENT OFFICER ISSUES A BPO, AT THE OPTION OF THE PROCUREMENT OFFICER IT WILL NOT BE NECESSARY FOR THE BIDDER TO EXECUTE THE BPO OR ANY OTHER FORM OF CONTRACT OR AGREEMENT. THE PROCUREMENT OFFICER MAY REQUIRE THAT THE PARTIES BOTH EXECUTE A SINGLE DOCUMENT AS THE EMBODIMENT OF THE CONTRACT BETWEEN THE PARTIES.

***** LAST PAGE *****

AUTHORIZED BY: _____ DATE: _____

BUYER AUTHORIZED DESIGNEE