

TERMS AND CONDITIONS AND INSTRUCTIONS FOR SMUD'S ELECTRONIC REQUEST FOR QUOTATION

Respond electronically to this Request for Quotation using the forms provided in the EBSS system. Responses using any other format will not be accepted by the District and will be discarded. Do not submit a response on paper. When they apply, include statements of any of the following in the electronic comments in your response – see the descriptions of these in this document:

- Prompt Payment Program eligibility
- SEED Program consideration requested– DGS/OGS number is required in your EBSS registration
- MWBE status

FOB: DESTINATION—Unit Price to include all freight/delivery charges.

Firm prices only will be accepted. No escalation allowed.

DELIVERY ADDRESS: See the comments in the system for this info.

MSDS REQUIRED: A Material Safety Data Sheet (MSDS) or an OSHA Form 20 is required for the item(s) indicated in this Request For Quotation. A completed MSDS Form or an OSHA Form 20 will be required of the successful supplier **on request of the District's Procurement Professional.** MSDS are also required with shipment.

Failure on the part of a successful bidder to meet the quoted delivery schedule may have a serious impact on any consideration for future business with the District.

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Prompt Payment Program

The District has a prompt payment program for small businesses that are certified by the California Department of General Services.

PRIME CONTRACTOR'S SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PRICE ADVANTAGE: The District shall extend a five (5) percent SEED price advantage, in all bids submitted by qualified SEED suppliers (See the SEED Program Qualification subsection).

Non-SEED bidders may participate in the SEED program by subcontracting with SEEDs. The District currently promotes a minimum goal of 20% SEED subcontracting. Non-SEED bidders receive a 5% price advantage applied to all SEED subcontracting bids.

INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PROGRAM DESCRIPTION – 5/22/2007 ARE INCLUDED BELOW

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DESIGNATION OF PRIME CONTRACTOR, SUBCONTRACTORS AND SUPPLIERS

The following are the names and business locations of the prime contractor and all subcontractors who will perform work or labor or render service to the Proposer in or about the work, or who will specially fabricate and install a portion of the work or improvement according to detailed drawings contained in the plans and specifications (as applicable) together with a statement of the portion of the work to be done by each subcontractor.

The proposer may only count toward its SEED Program subcontracting credit those expenditures to subcontractors or contractors under a subcontractor that perform a commercially useful function. In addition, each contractor or subcontractor claiming SEED Program qualification shall complete the SEED Program Small Business Declaration on request of the Procurement Professional.

	Firm (Name and Address)	Work, Material or Service (Provide Brief Description)	Supplier Diversity Program Status (Check Status)			Percent (%) (Of Total Proposal Price)	Dollar Amount (Of This Firm's Work, Material or Service)
1.	PROPOSER/PRIME CONTRACTOR <hr/> <hr/> <hr/> <div style="text-align: center;">License Number & Classification</div>			Male	Female	_____% of Total Proposal	\$ _____ Amount of Total Proposal
			African American				
			Asian Pacific American				
			Hispanic American				
			Native American				
			Caucasian				
			Certified MBE/WBE	Yes	No		
			SEED Qualified	Yes	No		
2.	SUBCONTRACTOR <hr/> <hr/> <hr/> <div style="text-align: center;">License Number & Classification</div>			Male	Female	_____% of Total Proposal	\$ _____ Amount of Total Proposal
			African American				
			Asian Pacific American				
			Hispanic American				
			Native American				
			Caucasian				
			Certified MBE/WBE	Yes	No		
			SEED Qualified	Yes	No		
3.	SUBCONTRACTOR <hr/> <hr/> <hr/> <div style="text-align: center;">License Number & Classification</div>			Male	Female	_____% of Total Proposal	\$ _____ Amount of Total Proposal
			African American				
			Asian Pacific American				
			Hispanic American				
			Native American				
			Caucasian				
			Certified MBE/WBE	Yes	No		
			SEED Qualified	Yes	No		
4.	SUBCONTRACTOR <hr/> <hr/> <hr/> <div style="text-align: center;">License Number & Classification</div>			Male	Female	_____% of Total Proposal	\$ _____ Amount of Total Proposal
			African American				
			Asian Pacific American				
			Hispanic American				
			Native American				
			Caucasian				
			Certified MBE/WBE	Yes	No		
			SEED Qualified	Yes	No		

MBE = Minority-owned Business Enterprise , WBE = Women-owned Business Enterprise

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SACRAMENTO MUNICIPAL UTILITY DISTRICT

MINORITY/WOMEN BUSINESS ENTERPRISE DECLARATION

In the comments in your response to the RFQ, indicate your Minority/Woman owned business status and certification information.

Indicate if your certification is from one of these:

- _____ California Department of Transportation
- _____ Public Utilities Commission Clearinghouse
- _____ Other (must meet Federal standards in 49CFR26)

Indicate status by ethnicity and gender per:

<u>Code</u>	<u>Description</u>	<u>Code</u>	<u>Description</u>
101	Black Male	201	Black Female
102	Asian Male	202	Asian Female
104	Hispanic Male	204	Hispanic Female
105	Caucasian Male	205	Caucasian Female
107	Native American Male	207	Native American Female
300	None of the above		

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REQUEST FOR QUOTATION**

SEED PROGRAM SMALL BUSINESS DECLARATION

To qualify for the SEED Program, a firm must be certified as a Small Business or Microbusiness by the California Department of General Services. In addition, the firm must qualify as a SMUD ratepayer for the preceding six months by receiving SMUD electric service at the physical address listed by the California Department of General Services. If your firm qualifies under these criteria and you have not already done so, please enter your DGS/OGS number in your account information in the District's EBSS system.

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INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PROGRAM DESCRIPTION – 5/22/2007

1. Sacramento Municipal Utility District, a political subdivision of the State of California, is exempt from any Federal Manufacturer's Excise Tax under the provisions of Section 4221(a)(4) of the Internal Revenue Code. Exemption Certificate furnished upon request.
2. All prices quoted shall be exclusive of Sales or Use Tax. Cash discounts will be deducted by the District before computing Sales or Use Tax.
3. Any cash discount offered for payment within less than ten (10) days will not be considered during bid evaluation; however, all discounts offered will be taken at the time of payment, whether indicated on the invoice or not.
4. Charges for reels, drums and other containers or parking or drayage expense must be indicated separately on this Request for Quotation.
5. Seller represents that seller will comply with all Federal, State, and other Governmental Taxes and Regulations imposed upon the seller with respect to merchandise offered.
6. Passing of Title:

F. O. B. the District's Warehouse. Title to any material ordered will pass to the District upon receipt and acceptance by the District.
7. The right is reserved by the District to reject any or all quotations, to make an award of any item, group of items or in the aggregate, and to waive minor technical deviations if such actions are in the best interests of the District. In case of an error in the extension of prices, the unit price will govern.
8. Seller shall indemnify and save harmless District from and against all costs, damages and expenses incurred by District in connection with any claims or actions based upon infringement or alleged infringement of any patent and arising out of the use of the articles or equipment furnished hereunder.
9. Where brand names are used, they are intended to serve as a quality standard of for illustrative purposes only, and are not to be construed as restricting or limiting bids to those specific brand names. If brand equivalents are quoted, furnish descriptive information for comparative evaluation.
10. Firm prices only will be accepted. Escalation will not be allowed.
11. Nuclear Liability Provision: With regard to equipment intended for use at the District's nuclear plant, District agrees to enter into a Government Indemnity Agreement with the Nuclear Regulatory Commission pursuant to Subsection 170(c) or the Atomic Energy Act of 1954, as amended.

District further agrees to secure and maintain liability insurance from the nuclear Energy Liability Insurance Association and/or the Mutual atomic Energy Liability Underwriters, or equivalent insurance, in such amount and in such form as shall meet the financial protection requirements of the Nuclear Regulatory Commission pursuant to Subsection 170(b) of the Atomic Energy Act of 1954, as amended. Such indemnity and insurance shall protect Contractor, its sub-contractors and suppliers against liability for third party claims for bodily injury or property damage arising out of, or resulting from a "nuclear" incident (as defined in the Atomic Energy Act of 1954, as amended). District hereby waives to insurers' right of recovery against Contractor, its sub-contractors, and suppliers, on account of such liability.

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12. Prompt Payment Program:

The District has a prompt payment program for small businesses that are certified by the California Department of General Services.

Under the program, the District will guarantee payment of invoices within 20 calendar days from the date of inspection and acceptance by the District or the date correct invoices are received, whichever is later. Cash discount will be considered, evaluated and paid as indicated above.

If the District fails to meet the 20 calendar days payment guarantee, the small business will be paid interest on the unpaid invoice at prime plus 2% APR. Late interest payments, if applicable, will be made without an additional invoice from the small business.

To select this program, please indicate "prompt payment", along with any discounts offered, if applicable, and provide evidence of the aforementioned certification with your bid.

13. Franchise Tax:

The District shall withhold an amount equal to seven percent (7%) from payments made pursuant to the terms and conditions of this request for quotation as set forth herein, to all independent contractors who are not residents of the State of California and who have not received an exemption from this requirement from the California Franchise Tax Board. This requirement applies to all contractors performing personal services in California, for which the District pays in excess of fifteen hundred dollars (\$1,500.00) annually.

(Ref. Cal. Rev. and Tax Code Sec. 26131, California Code of Regulations, Title 18, Sec. 18805, 18805-3)

14. EQUAL OPPORTUNITY

A. Equal Employment Opportunity. Contractor shall not discriminate against any employee or applicant for employment contrary to the provisions of applicable State and/or Federal anti-discrimination laws. Contractor shall ensure that this requirement is applied to applicants and employees in actions including, but not limited to, employment, upgrading, demotion or transfer, recruitment of recruitment advertising, layoff of termination, rates of pay or other forms of compensation and selection for training, including apprenticeships.

B. Minority/Women Owned Business Enterprises. It is the policy of the District that minority and women owned business enterprises shall have the maximum opportunity to participate in the District's Contracts. In this regard, District contractors shall take all necessary and reasonable steps in accordance with this solicitation to ensure that minority and women owned business enterprises have the maximum opportunity to participate in this contract. Contractor shall not discriminate contrary to the provisions of applicable State and/or Federal anti-discrimination laws in the award or performance of this contract or any subcontract resulting from or relating to these services.

15. PRODUCT PACKAGING:

Packaging should be limited to only that which will contain, adequately protect, and identify the contents within. The use of superfluous packaging is discouraged. Packaging Materials should utilize recycled materials and be as lightweight as possible with the ability to be reused, reconditioned for use, or recycled through existing recycling collection programs.

16. ENVIRONMENTAL PROCUREMENT:

The District has adopted an Environmental Protection Policy in which it commits to environmental stewardship, the conservation of natural resources, reductions in the use of hazardous substances, reductions

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in mobile sources of NOx emissions, and recycling and responsible disposal. The District will promote environmental procurement practices that will minimize environmental impacts, conserve natural resources, and reward environmentally conscious manufacturers and contractors, while remaining fiscally responsive. To further its policy the District will favor environmentally preferable procurements when price, quality and availability are equal. To this end, the District will endeavor to reward environmentally conscious manufacturers, suppliers and contractors with contracting opportunities that address these policy goals in addition to providing the District and its customer-owners fiscally responsible procurement options.

17. INVOICES:

A. Electronic Invoices:

The District highly encourages the use of Electronic Invoicing. Invoices delivered electronically must be:

1. In a **PDF File format** and e-mailed to: smudinvoice@smud.org
2. Invoice and supporting documents must be included in a single PDF file.
3. The District's **contract** or **Purchase Order number** must be clearly displayed on the electronic invoice.
4. Show any Sales Tax or Use Tax as separate items, giving permit number authorizing collection of taxes.
5. Multiple invoices may be transmitted in a single email; however, each invoice and its related supporting documents must be contained in a separate PDF file.
6. Invoices may be e-mailed immediately upon shipment of materials. However, in no event will payment be made until proper receipt and acceptance of the material and freight documentation by the District. All statements of discounts shall be subject to this stipulation.

*Note: Although not typical of a standard material purchase, if subject to 1099 reporting, include your Tax Payer Identification on the invoice for any service related charges.

- #### B. Mailed Invoices:
- Although not the preferred method, the District shall maintain for the present the ability to receive and pay against hard copy invoices. Mail invoices in duplicate with Bill of Lading to the Sacramento Municipal Utility District, Attention: Accounting Department, Post Office Box 15830, Sacramento, California 95852-1830. Show any Sales Tax or Use Tax as separate items, giving permit number authorizing collection of taxes.

Note: Invoices may be mailed immediately upon shipment of materials. However, in no event will payment be made until proper receipt of acceptance of the material and freight documentation by the District. All statements of discounts shall be subject to this stipulation.

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SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PROGRAM

1. INTRODUCTION

The Sacramento Municipal Utility District (the District) is committed to achieving full and equal contracting opportunity for ratepayers doing business with the District. The District recognizes the economic benefit provided by its contracting activity and has adopted this policy to promote the economic development of its ratepayer businesses. This program will provide direct economic benefit to the District's customer-owners, and will complement other District economic development programs.

2. OVERVIEW

The District's SEED Program creates contracting opportunities for local small businesses. To qualify, a business must be certified as a Small Business or Microbusiness by the California Department of General Services (DGS) and must be a SMUD ratepayer for the past six months at the DGS certification address of record. Additional features are described below.

3. PROGRAM GOALS AND INCENTIVES

The District promotes a goal of 20% SEED participation in District contracts. To achieve this, the District has established the following program incentives:

- 3.1. **SEED Price Advantage-** SEED qualified bidders will receive a price advantage which is 5% of the lowest responsible bid as determined by the District. This amount will be subtracted from all SEED qualified bids for evaluation purposes. The maximum SEED price advantage is \$250,000, which is 5% of a bid of \$ 5 Million.
- 3.2. **RFP SEED Evaluation Points-(NOT APPLICABLE to this request for quotation)** Request for Proposal (RFP) solicitations are evaluated using published criteria and are evaluated on a 100 point scale. Ten evaluation points are awarded to SEED qualified prime proposers. Non- SEED prime proposers may earn up to 10 evaluation points for proposing 20% or more SEED subcontracting. Proposals with less than 20% SEED subcontracting will be awarded a pro-rata share of these points for the percentage of proposed SEED subcontracting.
- 3.3. **SEED Subcontracting-** Non- SEED bidders may participate in the SEED program by subcontracting with SEED vendors. The District currently promotes a goal of 20% SEED subcontracting
 - 3.3.1. Non-SEED bidders proposing less than 20% SEED subcontracting will receive a price advantage of 5% of the total value of all its SEED subcontracting bids. This advantage is capped at \$250,000 but will not exceed the calculated price advantage available to SEED primes if it is less.
 - 3.3.2. Non-SEED bidders proposing 20% SEED subcontracting or more will receive the full calculated price advantage available to SEED prime bidders
 - 3.3.3. To receive SEED subcontracting credit, non-SEED bidders and proposers must submit the District's "Designation of Prime, Subcontractors and Suppliers Form" (see forms in Section x) and must list the SEED subcontractors they propose to utilize. In addition, prime bidders and proposers are responsible for completing a SEED Program Qualification form for each SEED-qualified vendor listed
 - 3.3.4. "Subcontractor" refers to firms named in a proposal and listed on the "Designation of Prime, Subcontractors and Suppliers Form", who will perform specific tasks of the contracted work. For District construction contracts the definition of Subcontractor as prescribed by the Public Contract Code shall apply. For all other District contracts, a Subcontractor is defined as an individual or firm providing supplies or services to the Proposer, which are specific to a District solicitation, and provided under a separate contract agreement with the Proposer and having no employment relationship with the Proposer. As such, payments made by the Proposer to subcontractor individuals must not be subject to payroll withholding taxes. SEED subcontractors must fulfill a commercially useful function. Business arrangements where SEED subcontractors do not add substantial, identifiable value to the deliverable product or service are not acceptable

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- 3.3.5. In consideration of the price and evaluation points provided for SEED subcontracting, the Proposer, upon contract award, will be legally obligated to subcontract with all firms listed on the "Designation of Prime, Subcontractors and Suppliers" form in the proposal. The District, at its option, will monitor the utilization of subcontractors as declared by the prime contractor in its proposal
- 3.3.6. Substitution of any subcontractor requires prior written approval from the District. If the winning bidder or Proposer received SEED subcontractor price advantage(s) or evaluation points, the District, at its option, may require the Proposer to replace the rejected SEED subcontractor with another qualified SEED subcontractor

4. SEED PROGRAM QUALIFICATION

Vendors must meet both of the following qualifications to participate in the SEED Program:

- 4.1. **Certification-** the California Department of General Services (DGS), Office of Small Business and DVBE certification must certify the vendor as a Small Business or Microbusiness. This is the only certification accepted by the District. Vendors must be certified by the bid-opening date (IFBs) or proposal due date (RFPs) as applicable, to qualify for the SEED Program.
- 4.2. **Ratepayer Qualification-** the vendor must qualify as a SMUD ratepayer for the preceding 6 months prior to the bid or proposal due date. This will be based on the physical address of the business as recorded by the California Department of General Services in its Small Business certification record. As a general rule this will be the address shown on the DGS Small Business certificate. The District will make a qualification determination where the address shown on the Small Business certificate is a post office box, other mail receiving only address or a leased facility where utilities are included in the lease agreement.

5. CONTRACT COMPLIANCE

The District may conduct post-award monitoring of any contract, which includes SEED participation. Contractors are required to maintain certified payroll reports by the contractor and all subcontractors, regardless of contract amount. The District may require the contractor to provide other related documentation to verify SEED participation equal to or greater than the participation levels stated at the time of award.

6. FALSIFICATION OF INFORMATION

Falsification of information on the forms required by this solicitation may cause the District to cancel any existing contracts with the Proposer/vendor and may disqualify the vendor from contracting with the District in the future.

A firm claiming SEED/ratepayer status under false pretenses will be disqualified from doing business with the District for a period of not less than one year and not more than five years unless the District's General Manager determines that the offending firm should be permanently barred from bidding on a District contract. False pretenses include designating SEED subcontractors for scopes of work that they will not fully perform, using SEED firms as a "pass-through" to inflate actual participation, or any other action that subverts the District's intended benefits to SEED participation. The District may seek all legal remedies available under the law against such proposers.

7. ADDITIONAL INFORMATION

The District's Supplier Diversity Unit is responsible for the administration of the SEED Program. The Supplier Diversity Unit is available during regular District business hours, to provide all SEED Program participants with additional information resources to encourage participation in the SEED Program. The Supplier Diversity Unit can be contacted by telephone at (916) 732-5604. In addition, the District publishes current procurement opportunities and program information on its Internet website at www.bids.SMUD.org.