



STATE OF ARKANSAS

Term Contract

Vendor No. 100057912
 Contact GLEN MCLAREN
 Your reference SP-07-0400

U S NATURAL RESOURCES INC
 DBA FRIEDRICH AIR CONDITIONING CO
 PO Box 1540
 SAN ANTONIO TX 78295-1540

Contract No. 4600013198
 Date 05/22/2007

Contact Curtis Gatewood
 Telephone 501-324-9320
 Fax 501-324-9311

Our ref. ST
 Incoterms FOB
 DESTINATION

Send Invoice To: AS SPECIFIED ON AGENCY
Ship To: AS SPECIFIED ON AGENCY
 OR COOPERATIVE PURCHASING OR COOPERATIVE PURCHASING
 PARTICIPANT PURCHASE ORDER PARTICIPANT PURCHASE ORDER

Valid from: 06/01/2007
 Valid to: 05/31/2008

THIS IS A TERM CONTRACT ISSUED BY THE OFFICE OF STATE PROCUREMENT. THIS IS NOT AUTHORITY TO SHIP. A SEPARATE PURCHASE ORDER WILL BE ISSUED. THIS CONTRACT CONSTITUTES ACCEPTANCE OF YOUR BID ALONG WITH ALL TERMS AND CONDITIONS THEREIN AND SIGNIFIES THE OFFERER'S KNOWLEDGE AND ACCEPTANCE OF ALL TERMS AND CONDITIONS SET FORTH WITHIN THE REQUEST FOR QUOTATION.

REFERENCE TRACKING NUMBER:SP-07-0400
 COMMODITY: AIR CONDITIONERS/HEAT PUMPS
 CONTRACT TYPE:NV(TERM)

CONTRACT PERIOD:JUNE 1, 2007 THROUGH MAY 31, 2008

FRIEDRICH AIR CONDITIONING
 4200 N. PAN AM EXPRESSWAY
 SAN ANTONIO, TX 78218
 PHONE:800-541-6645
 FAX:210-357-4480
 E-MAIL:GMCLARENJ@FRIEDRICH.COM
 FED.ID#:94-2462111

DELIVERY SCHEDULE: 20 DAYS ARO

ORDERING PROCEDURES:

All State Agencies issue purchase orders directly to the successful bidder for the applicable zone and class.

If a state agency requests 20 or more units at one time, a competitive firm bid, separate from this contract, may be issued subject to approval of the Office of State Procurement.

GENERAL CONDITIONS AND INSTRUCTIONS TO VENDOR:

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Joseph A. Didelis

Purchasing Official/Fiscal Officer

05-25-07

Date



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Bidders are encouraged to offer discounts for one time large orders of items. These discounts will not be considered in determining the low bid.

AUTHORIZATION FOR SHIPMENT:

Purchase orders from the using agency will authorize shipment. If units are picked up at the successful vendor's location, the delivery charge will not be included on the purchase order and the using agency will not be liable for the delivery charge.

EXTENSION CLAUSE:

Any contract awarded from the offering of these specifications will be subject to extension for a period not to exceed the original term of the contract. Any extension must be mutually agreed upon by the Office of State Procurement and the contractor. Two (2) extensions will be allowed under this contract. All prices must remain firm during the extension period. The Office of State Procurement will notify the contractor before expiration of the contract if an extension is requested.

ESCALATION CLAUSE:

Quoted prices must remain firm for a period of one (1) year after award of contract. Thereafter, the contractor may request a price adjustment on the contract(extension), provided the contractor submits a letter from the manufacturer certifying/justifying the increased cost. Only increased percentage will be allowed and will become effective ten (10) working days from the date received by the Office of State Procurement. In the event of a general price schedule decrease, the State shall be guaranteed full benefit at the price reduction for all undelivered purchase orders on the effective date of the decrease and thereafter.

RESPONSIBLE PARTY/SUMMARY TOTALS:

The awarded contractor(s) must provide the name, location, and phone number of the individual designated to represent the vendor in all matters pertaining to the contract during the life of the contract. This individual must also submit a report in writing upon request to the Office of State Procurement, P.O. Box 2940, Little Rock, AR 72203, ATTN: Curtis Gatewood. This report must include total sales by air conditioner/heat pump model and delivery location by agency or cooperative entity.

NORMA WILLIAMS
(NAME)

PO BOX 1540,SAN ANTONIO,TX 78295-1540
(ADDRESS)

800-541-6645 or 210-362-3667 ext.667
(PHONE NUMBER)

SELLING TO COOPERATIVE PURCHASING PROGRAM PARTICIPANTS:

Arkansas Purchasing Law provides that local public procurement units (counties, municipalities, school districts, certain not-for-profit corporations, etc.) may participate in state purchasing contracts. The contractor(s) therefore agree(s) to sell to Cooperative Purchasing Program participants at the option of the program participants. Unless

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otherwise stated, all standard and special terms and conditions listed within the Invitation for Bid must be equally applied to such participants. Maximum and minimum order allowances will apply to such participants.

ALL THIRTEEN(13)ITEMS THAT WERE ON THE RFQ ARE LISTED AND AWARDED. DUE TO COMPUTER MISHAP, ITEMS 0140,0150,AND 0160 ARE THE SAME AS 0110,0120, AND 0130 THAT WERE LISTED ON THE RFQ,RESPECTIVELY.

Item	Material/Description	Target QtyUM	Unit Price	Amount
0010	10121855 AIR CONDITIONER,115V,MIN7500BTU FRIEDRICH #CP08N10, ACTUAL BTU/HR 7800 9.7EER	6 each	259.00	\$ 1,554.00
0020	10121856 AIR CONDITIONER,115V,MIN 9900BTU FRIEDRICH #CP10C10, ACTUAL BTU/HR 10000, 10.8 EER	8 each	289.00	\$ 2,312.00
0030	10121857 AIR CONDITIONER,115V,MIN 11000BTU FRIEDRICH #CP12C10, ACTUAL BTU/HR 12000, 10.8 EER	4 each	319.00	\$ 1,276.00
0040	10121858 AIR CONDITIONER,115V,MIN 12500BTU FRIEDRICH #SS14L10, ACTUAL BTU/HR 14000, 10.7 EER	2 each	544.00	\$ 1,088.00
0050	10121859 AIR CONDITIONER,230/208V,MIN 12000/11700 FRIEDRICH #SS12L30, ACTUAL BTU/HR 12100/11900, 11.5/11.7 EER	2 each	539.00	\$ 1,078.00
0060	10121890 AIR CONDITIONER,230/208V,MIN 14000/13500 FRIEDRICH #SS16L30, ACTUAL BTU/HR 16200/15900, 9.8/9.6 EER	3 each	579.00	\$ 1,737.00
0070	10121891 AIR CONDITIONER,230/208V,MIN 18000/17500 FRIEDRICH #CP18N30, ACTUAL BTU/HR 18000/17600, 9.7/9.7 EER	7 each	599.00	\$ 4,193.00
0080	10121892 AIR CONDITIONER,230/208V,MIN 21000/20500 FRIEDRICH #SM21L30, ACTUAL BTU/HR 20600/20200, 9.9/10.0 EER	1 each	639.00	\$ 639.00

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Table with 5 columns: Item, Material/Description, Target QtyUM, Unit Price, Amount. Rows include items 0090, 0100, 0140, 0150, and 0160, detailing air conditioners and heat pumps with specifications and prices.

OUTLINE AGREEMENT AWARD TERMS AND CONDITIONS

- 1. GENERAL: All terms and conditions stated in the invitation for bid govern this contract.
2. PRICES: Prices are firm and not subject to escalation, unless otherwise specified in the invitation for bid.
3. DISCOUNTS: All cash discounts offered will be taken if earned.
4. TAXES: Most state agencies must pay state sales tax. Before billing, the contractor should contact the ordering agency to find out if that agency must pay sales tax. Itemize state sales tax when applicable on invoices.
5. BRAND NAME REFERENCES: The contractor guarantees that the commodity delivered is the same as specified in the bid.

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6. **GUARANTY:** All items delivered are to be newly manufactured, in first- class condition, latest model and design, including, where applicable, containers suitable for shipment and storage unless otherwise indicated in the bid invitation. The contractor guarantees that everything furnished hereunder will be free from defects in design, workmanship, and material; that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which furnished. The contractor further guarantees that if the items furnished hereunder are to be installed by the contractor, such items will function properly when installed. The contractor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling, and registration. The contractor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified in the invitation for bid.

7. **AWARD:** This contract award does not authorize shipment. Shipment against this contract is authorized by the receipt of a purchase order from the ordering agency. A written purchase order mailed or otherwise furnished to the contractor results in a binding obligation without further action by either party.

8. **DELIVERY:** The term of the contract is shown on the face of the contract award. The contractor is required to supply the state's needs during this term. The number of days required to place the commodity in the receiving agency's designated location under normal conditions is also shown. Consistent failure to meet delivery without a valid reason may cause removal from the bidders' list or suspension of eligibility for award.

9. **BACK ORDERS OR DELAY IN DELIVERY:** Back orders or failure to deliver within the time required may be default of the contract. The contractor must give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. If the reason is not acceptable, the contractor is in default. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere.

10. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during agency work hours only, 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.

11. **STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.

12. **DEFAULT:** All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Default in promised delivery or failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.

13. **VARIATION IN QUANTITY:** The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified herein.

14. **INVOICING:** The contractor shall submit an original and two copies of an itemized invoice showing the bid number and purchase request number when itemized in the invitation for bid. Invoices must be sent to "Invoice to" point shown on the purchase order.

15. **STATE PROPERTY:** Any specifications, drawing, technical information, dies, cuts, negatives, positives, data or

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any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for the use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized, and be returned at the contractor's expense to the F.O.B. point, properly identifying what is being returned.

16.ASSIGNMENT: This contract is not assignable nor the duties hereunder delegable by either party without the written consent of the other party to the contract.

17.OTHER REMEDIES: In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.

18.LACK OF FUNDS: The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.

19.QUANTITIES: The state may order more or less than the estimated quantity in the invitation for bid.

20.DISCLOSURE: Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

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