

# OFFER AND AWARD

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007



**SOLICITATION NO. RFP ED04-0042**

## OFFER

The Undersigned hereby offers and agrees to furnish the materials, services or construction in compliance with all the terms, conditions, specifications and amendments in the solicitation.

Harcourt Assessment, Inc.

Company Name

John Dilworth

Name of Person Authorized to Sign Offer

19500 Bulverde Rd

Street Address

Chairman

Title of Authorized Person

San Antonio TX 78221

City State Zip Code

Signature of Authorized Person

3/15/04

Date of Offer

Telephone Number: 210-339-5000

Facsimile Number: 210-339-5048

Offeror's Arizona Transaction (Sales) Privilege Tax License Number: 072916884

Offeror's Federal Employer Identification Number: 131188180

Acknowledgement of Amendments:  
*(Offeror acknowledges receipt of amendments to the Solicitation for Offers and related documents numbered and dated*

	Amendment No.	Date
	<u>01</u>	<u>2/20/04</u>
	<u>02</u>	<u>3/3/04</u>
	<u>03</u>	<u>3/9/04</u>

Amendment No.	Date
_____	_____
_____	_____
_____	_____

## ACCEPTANCE OF OFFER AND CONTRACT AWARD

*(For State of Arizona Use Only)*

Your Offer, dated 3/15, 2004 is hereby accepted as described in the Notice of Award. You are now bound to perform based upon the solicitation and your Offer, as accepted by the State.

This Contract shall henceforth be referred to as Contract Number **ED04-0042**.

You are hereby cautioned not to commence any billable work or provide any material, service, or construction under this contract until you receive an executed purchase order, contract release document, or written notice to proceed, if applicable.

**State of Arizona**

Awarded this 29th day of March 2004

Douglas C. Peoples, CPPB, CPCM  
Procurement Officer

<b>ATTACHMENT 6.1</b>
-----------------------

<b>PRICES</b>
---------------

1. Name and date of Offeror's current catalog for the items the Offeror proposes to provide in response to this RFP

Catalog Ordering Tool 2004 Assessment for English Language Learners

2. Please identify the Offeror's proposed items from this catalog.

SELP Test Books, Response Books, DFA's, Speaking Booklet, Screening Pack and Practice Mat.

3. What discount will the Offeror provide Arizona in response to this RFP?

31%

4. Please provide a price per student tested, which is calculated based on the above offer. The LEA's will score the tests themselves, manually or with the use of appropriate scanning equipment. Scoring software will be needed from publisher for each LEA. Results will be sent by LEA to the Contractor. Contractor will generate required reports and send results to the ADE, the school districts and the charter schools. Price per student is all-inclusive, e.g. includes price for tests and answer sheets/booklets, delivery to sites statewide, training, scoring aggregation, and reporting. The Offeror shall provide a worksheet that shows how it determined its price per student test price

User Scored, Reports by Contractor

Price per student tested

\$	8.76
----	------

5. Please provide price for pre-test regional training workshops, if not included in the price in #4 above (see 1.4.1)

Pre-test regional training workshops

Included
----------

6. Please provide price for achievement reporting, if not included in the price in #4 above (see 1.6.2)

Achievement Reporting

Included
----------

If payment is made within \_\_\_\_\_ calendar days after acceptance of goods and/or services, the above quoted price, excluding sales tax, shall be discounted by 0%. (Refer to Uniform Instructions to Offeror/Contractors for discount requirements.)

**Notice: If the transaction privilege (sales) taxes are not described and itemized on the offer, the State will assume that the price(s) offered includes all applicable taxes.**

# TABLE OF CONTENTS

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. RFP. ED04-0042**

<u>Section</u>	<u>Title</u>	<u>Page</u>
	Offer and Award Form	1
	Attachment 6.1 - Prices	
	Table of Contents	2
<b>1</b>	Scope of Work	3
<b>2</b>	Special Terms and Conditions	6
<b>3</b>	Uniform Terms and Conditions	11

(Note: Sections 4 and 5 may not be physically located within any resultant contract, but will be incorporated therein by reference.)

# SECTION 1

## SCOPE OF WORK

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0042**

1. **Statutes and Regulations Requiring Assessment of Arizona English Language Learners.** Both Federal and State laws require assessment of Arizona English Language Learners. The Federal “No Child Left Behind Act of 2001” (NCLB), requires an evaluation of “the number and percentage of children in the programs and activities attaining English proficiency by the end of each school year, as determined by a valid and reliable assessment of English proficiency” (PL 107-110, Title III, § 3121 (a) (3)). Section 1111(b) 7 of NCLB states that there shall be an annual assessment of English proficiency (measuring students’ oral language, reading, and writing skills in English) of all students with limited English proficiency in the schools served by the State educational agency. Similarly, revised State Board Rule R7-2-306 effective March 8, 2004 sets forth requirements regarding assessment of English Language proficiency (<http://www.sos.state.az.us/aar/2004/5/final.pdf>).
2. **Purpose for RFP**
  - 2.1 The (ADE) and the State Board of Education (SBE) desire to adopt a single test to be used statewide to assess proficiency in English for Arizona’s K-12 English Language Learner (ELL) students. The expected minimum annual purchase is 160,000 tests, if tests are administered only once annually. The expected maximum annual purchase is 320,000 tests, if tests are administered twice a year. In addition, approximately 50,000 screening instruments (pre-tests) are required to quickly identify monolingual students who are not ready to be tested for English language proficiency.
  - 2.2 Note that tests shall be given to enrolled students at the beginning of the year and also throughout the year to new students who enroll after the school year begins. Tests also may be given later in the year.
  - 2.3 These tests may be purchased in bulk by ADE or by Local Education Agencies (LEA), which includes school districts and charter holders.
3. **Assessment Requirements**
  - 3.1 The selected assessment instruments shall possess proven reliability and validity in assessing English language proficiency.
  - 3.2 The selected assessment instruments shall measure English language proficiency in close alignment with Arizona K-12 English Language Learner Proficiency Standards in Listening & Speaking, Reading, and Writing. **The Offeror’s assessment instruments must address all domains contained in the ELL Proficiency Standards (Listening & Speaking, Reading, and Writing) or the proposal will be considered non-responsive.**
  - 3.3 Because of the overlapping, linked design of Arizona’s five-stage ELL proficiency standards (ELL I- ELL V), Offerors whose assessment instruments are meant for particular grade levels must be able to provide middle and high school teachers with tests that suit the English skill level of the needs of the students.
  - 3.4 The ELL assessments shall consist of both machine- and hand-scorable items. The assessments should produce reliable student scores at the performance indicator level for Listening & Speaking, Reading, and Writing standards.
  - 3.5 Oral assessment of English language proficiency should produce reliable student scores at the performance indicator level for Listening & Speaking. The oral assessment items shall contain spoken prompts that require oral responses by ELL students.

# SECTION 1 SCOPE OF WORK

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

## SOLICITATION NO. ED04-0042

3.6 Preference will be given to Offerors who provide:

3.6.1 a **screening** instrument (pre-test)

3.6.2 cut scores for each of the three domains (Listening & Speaking, Reading, and Writing), five proficiency levels (Beginner, Early Intermediate, Intermediate, Early Advanced, Advanced) along the five stages (ELLI-ELLV) identified in the AZ K-12 ELL Proficiency Standards (e.g., cut scores that would indicate **placement** of a student in each of the three domains, such as placement of a student in ELL IV, Early Intermediate Reading; ELL V, Intermediate Listening & Speaking; and, ELL IV, Early Advanced Writing)

#### 4. Training Requirements

4.1 At least 15 pretest regional workshops shall be conducted annually, at least 90 days prior to test administration. The Contractor shall prepare training materials compliant with the requirements of R7-2-306(C)(3) for these sessions, and send a representative to explain the testing procedures to be employed. The basic purpose of these regional workshops is the dissemination of information relating to testing procedures and purposes. The pretest workshops are intended for ELL Coordinators whose responsibility it is to disseminate training information and materials provided by the Contractor to the district and school personnel actively involved in the testing process. Written and media presentations of training materials should detail the overall processing and administration of test materials from initial entry into the district office through transmission to schools, administration to students, return to district offices and final dispatch to the Contractor for scoring. If the cost of providing these pre-test workshops is not part of the Contractor's normal product offering, the Contractor shall provide a separate price for this in its price proposal (Attachment 6.1).

4.2 The Contractor shall allow ADE and LEAs to train teachers and staff members internally so that they can administer the ELL assessments. The Contractor shall provide train-the-trainer programs or use train-the-trainer methodology to teach LEA staff members how to administer the ELL assessments as part of the 15 pretest regional workshops.

4.3 In addition, the Contractor shall provide a description of their training materials such as videos and/or interactive classes (on CD or on-line) that can be used for testers to train themselves.

5. Scoring. Contractor scoring of the test is an option for LEAs that choose it. Offerors shall state costs of scoring as part of their pricing, while realizing that most LEAs will perform this function locally. The Contractor shall provide a scoring and interpretative manual to permit local scoring and interpretation of test results for proficiency level.

#### 6. Reporting Requirements

6.1 Contractor shall submit required data reports to ADE not later than September 17, 2004, December 3, 2004, January 21, 2005, March 25, 2005, and June 30, 2005. Reports shall provide information needed for Federal reporting on NCLB, including percentages of children who "are making progress in attaining English proficiency, including the percentage of children who have achieved English proficiency" and "the progress of children in attaining English proficiency, including a child's level of comprehension, speaking, listening, reading, and writing skills in English."

6.2 Contractor shall provide ADE information needed for annual reports which shall include at a minimum annual increases in the number or percentage of children making progress in learning English; annual increases in the number or percentage of children attaining English proficiency by the end of each school year. Contractor shall produce reports aggregated at the State level, and disaggregated within the State by LEA and school, by gender, by each major racial and ethnic group, and by English proficiency status. The Contractor shall report the stage and performance level by grade level. For example, these grade 5 students moved from ELL 2, Early

# SECTION 1 SCOPE OF WORK

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

## SOLICITATION NO. ED04-0042

Intermediate to ELL 3, Beginner and these grade 5 students moved from ELL 3, Beginning to Early Advanced. If the cost of providing these reports is not part of the Contractor's normal product offering, the Contractor shall provide a separate price for this in its price proposal (Attachment 6.1).

- 6.3 Contractor shall work with ADE to design reporting forms for the student, class, grade, school, district, county and state level. The ADE will have final approval of all forms. Contractor shall develop a timeline for the production of reports that meets ADE timeline. Contractor shall produce and distribute reports to school districts, charter schools, and other test sites.
- 6.4 Contractor shall develop an emergency/contingency plan to provide immediate response to districts that do not receive reports as scheduled or that identify report information as incorrect.

### **7. Delivery Requirements for Test Materials, Scannable Student Identification Labels, and Assessment Results**

- 7.1 Contractor shall work directly with districts to determine the materials needed by the districts and submit a copy to ADE of what materials will be sent to districts. Contractor shall distribute test and related materials to the LEAs when needed. Contractor shall develop a management and quality control plan to develop, produce, and deliver answer documents.
  - 7.2 As an option, the Contractor shall develop and produce scannable student identification labels to be placed on the answer documents for all grades. (*Note:* ADE will provide the Contractor with a data file with the student demographic information for all the students to be tested.) Contractor shall provide labels to accommodate students not in the ADE database, or who have moved.
  - 7.3 **Contractor shall provide assessment results for each school or classroom within two weeks of test administration.**
  - 7.4 Contractor shall provide to ADE a report of all deliveries including location, form, and quantity.
  - 7.5 The CONTRACTOR agrees to comply with the federal Family Educational and Privacy Rights Act of 1974. This applies to all provisions of this Contract which involves identifiable individual student data, and specifically to receiving data from ADE and redisclosure of that data to the LEAs for the purposes of producing and distributing scannable student identification labels for the students of that district and/or charter school.
8. This RFP includes four assessment instrument evaluation rubrics that Offerors are required to complete as part of their proposal. See Attachment 6.8, Overview of ELL Proficiency Assessment; Attachment 6.9, Match of Assessment Items to AZ K-12 ELL Proficiency Standards and Performance Indicators for Listening & Speaking; Attachment 6.10, Match of Assessment Items to AZ K-12 ELL Proficiency Standards and Performance Indicators for Writing; and, Attachment 6.11, Match of Assessment Items to AZ K-12 ELL Proficiency Standards and Performance Indicators for Reading. The ADE Review Team will use similar rubrics in their review of Offeror's assessment instruments.
  9. Offerors may submit additional information to support their assessment instruments being evaluated.

**SECTION 2**  
**SPECIAL TERMS AND CONDITIONS**

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0042**

1. **Definition of Terms Used in these Special Terms and Conditions.** As used in these Special Terms and Conditions, the following terms, in addition to those terms defined in Section 1, Paragraph 1, have the following meaning:

- A. "ADE" means the Arizona Department of Education.
- B. "Department" means the Arizona Department of Education.

2. **Indemnification.** Contractor shall indemnify, defend, save and hold harmless the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees (hereinafter referred to as "Indemnitee") from and against any and all claims, actions, liabilities, damages, losses, or expenses (including court costs, attorneys' fees, and costs of claim processing, investigation and litigation) (hereinafter referred to as "Claims") for bodily injury or personal injury (including death), or loss or damage to tangible or intangible property caused, or alleged to be caused, in whole or in part, by the negligent or willful acts or omissions of Contractor or any of its owners, officers, directors, agents, employees or subcontractors. This indemnity includes any claim or amount arising out of or recovered under the Workers' Compensation Law or arising out of the failure of such contractor to conform to any federal, state or local law, statute, ordinance, rule, regulation or court decree. It is the specific intention of the parties that the Indemnitee shall, in all instances, except for Claims arising solely from the negligent or willful acts or omissions of the Indemnitee, be indemnified by Contractor from and against any and all claims. It is agreed that Contractor will be responsible for primary loss investigation, defense and judgment costs where this indemnification is applicable. In consideration of the award of this contract, the Contractor agrees to waive all rights of subrogation against the State of Arizona, its officers, officials, agents and employees for losses arising from the work performed by the Contractor for the State of Arizona.

*This indemnity shall not apply if the contractor or sub-contractor(s) is/are an agency, board, commission or university of the State of Arizona.*

3. **Insurance.** Contractor and subcontractors shall procure and maintain until all of their obligations have been discharged, including any warranty periods under this Contract, are satisfied, insurance against claims for injury to persons or damage to property which may arise from or in connection with the performance of the work hereunder by the Contractor, his agents, representatives, employees or subcontractors.

The *insurance requirements* herein are minimum requirements for this Contract and in no way limit the indemnity covenants contained in this Contract. The State of Arizona in no way warrants that the minimum limits contained herein are sufficient to protect the Contractor from liabilities that might arise out of the performance of the work under this contract by the Contractor, its agents, representatives, employees or subcontractors, and Contractor is free to purchase additional insurance.

A. **MINIMUM SCOPE AND LIMITS OF INSURANCE:** Contractor shall provide coverage with limits of liability not less than those stated below.

1. **Commercial General Liability – Occurrence Form**

Policy shall include bodily injury, property damage, personal injury and broad form contractual liability.

- General Aggregate \$2,000,000
- Products – Completed Operations Aggregate \$1,000,000
- Personal and Advertising Injury \$1,000,000
- Blanket Contractual Liability – Written and Oral \$1,000,000
- Fire Legal Liability \$ 50,000
- Each Occurrence \$1,000,000

**SECTION 2**  
**SPECIAL TERMS AND CONDITIONS**

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0042**

- a. The policy shall be endorsed to include the following additional insured language: *“The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees shall be named as additional insureds with respect to liability arising out of the activities performed by or on behalf of the Contractor”.*
  
- b. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.

**2. Worker's Compensation and Employers' Liability**

Workers' Compensation	Statutory
Employers' Liability	
Each Accident	\$ 500,000
Disease – Each Employee	\$ 500,000
Disease – Policy Limit	\$1,000,000

- a. Policy shall contain a waiver of subrogation against the State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees for losses arising from work performed by or on behalf of the Contractor.
  
- b. This requirement shall not apply to: Separately, EACH contractor or subcontractor exempt under A.R.S. § 23-901, AND when such contractor or subcontractor executes the appropriate waiver (Sole Proprietor/Independent Contractor) form.

**B. ADDITIONAL INSURANCE REQUIREMENTS:** The policies shall include, or be endorsed to include, the following provisions:

- 1. The State of Arizona, its departments, agencies, boards, commissions, universities and its officers, officials, agents, and employees wherever additional insured status is required such additional insured shall be covered to the full limits of liability purchased by the Contractor, even if those limits of liability are in excess of those required by this Contract.
- 2. The Contractor's insurance coverage shall be primary insurance with respect to all other available sources.
- 3. Coverage provided by the Contractor shall not be limited to the liability assumed under the indemnification provisions of this Contract.

**C. NOTICE OF CANCELLATION:** Each insurance policy required by the insurance provisions of this Contract shall provide the required coverage and shall not be suspended, voided, canceled, or reduced in coverage or in limits except after thirty (30) days prior written notice has been given to the State of Arizona. Such notice shall be sent directly to the person named in paragraph 28 of this section and shall be sent by certified mail, return receipt requested.

**D. ACCEPTABILITY OF INSURERS:** Insurance is to be placed with duly licensed or approved non-admitted insurers in the state of Arizona with an “A.M. Best” rating of not less than A- VII. The State of Arizona in no way warrants that the above-required minimum insurer rating is sufficient to protect the

**SECTION 2**  
**SPECIAL TERMS AND CONDITIONS**

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0042**

Contractor from potential insurer insolvency.

- E. **VERIFICATION OF COVERAGE:** Contractor shall furnish the State of Arizona with certificates of insurance (ACORD form or equivalent approved by the State of Arizona) as required by this Contract. The certificates for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf.

All certificates and endorsements are to be received and approved by the State of Arizona before work commences. Each insurance policy required by this Contract must be in effect at or prior to commencement of work under this Contract and remain in effect for the duration of the project. Failure to maintain the insurance policies as required by this Contract, or to provide evidence of renewal, is a material breach of contract.

All certificates required by this Contract shall be sent directly to the person named in paragraph 28 of this section. The State of Arizona project/contract number and project description shall be noted on the certificate of insurance. The State of Arizona reserves the right to require complete, certified copies of all insurance policies required by this Contract at any time. **DO NOT SEND CERTIFICATES OF INSURANCE TO THE STATE OF ARIZONA'S RISK MANAGEMENT SECTION.**

5. **Contract Term and Type.** The term of this Contract shall commence on the date the Procurement Officer signs the Offer and Acceptance Form, signifying ADE's acceptance of the Offeror's proposal and will remain in effect through June 30, 2005, unless terminated, canceled, or extended as otherwise provided herein. This is a firm-fixed price requirements indefinite quantity contract.
6. **Option to Renew Contract.** This Contract shall not bind nor purport to bind ADE and the Contractor for any contractual commitment in excess of the original contract term. ADE shall have the right, at its sole option, to renew the Contract, in one year increments or any portion thereof, not to exceed a total contracting term of five years. If ADE exercises such rights, all terms, conditions and provisions of the original Contract shall remain the same and apply during the option terms.
7. **No Guaranteed Quantities.** The Contractor understands and hereby acknowledges that ADE makes no representations nor guarantees the Contractor any minimum or maximum number of units of service to be provided under this Contract.
8. **Non-exclusive Status.** ADE reserves the right to have the same or similar services provided by other than the Contractor.
9. **Shipping Terms.** Contract prices and terms shall be F.O.B. Destination at ADE and all testing sites to which materials will be distributed throughout the term of this Contract.
10. **Report Standards.** Reports or written materials prepared by the Contractor in response to the requirements of this Contract shall be thoroughly researched for accuracy of content, shall be grammatically correct and not contain spelling errors, shall be submitted in a format approved in advance by the Procurement Officer or other ADE staff as specified, and shall be submitted in draft form for advance review and comment by the Procurement Officer, if necessary or specified. The cost of correcting grammatical errors, correcting report data, or other revisions required to bring the report or written material into compliance with the Contract requirements shall be borne by the Contractor.
11. **Eligible Agencies.** This Contract shall be for the use of the ADE, other state agencies, and Arizona's school districts and charter schools.



**SECTION 2**  
**SPECIAL TERMS AND CONDITIONS**

ARIZONA DEPARTMENT OF EDUCATION  
Contracts and Purchasing Unit  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0042**

- 15.** All contract administration matters will be managed by the Procurement Officer named below. All correspondence concerning this contract shall be directed to this individual.

Douglas C. Peeples, CPPB, CPCM  
Contracts Management Unit, Bin #37  
1535 West Jefferson Street  
Phoenix, Arizona 85007  
Phone: (602) 542-4352  
FAX: (602) 542-3359  
E-Mail: [dpeeples@ade.az.gov](mailto:dpeeples@ade.az.gov)

## SECTION 3 UNIFORM TERMS AND CONDITIONS

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

1. **Definition of Terms.** As used in this Solicitation and any resulting Contract, the terms listed below are defined as follows:
  - A. “*Attachment*” means any item the Solicitation requires the Offeror/Contractor to submit as part of the Offer.
  - B. “*Contract*” means the combination of the Solicitation, including the Uniform and Special Instructions to Offeror/Contractors, the Uniform and Special Terms and Conditions, and the Specifications and Statement of Scope of Work; the Offer and any Best and Final Offers; and any Solicitation Amendments or Contract Amendments.
  - C. “*Contract Amendment*” means a written document signed by the Procurement Officer that is issued for the purpose of making changes in the Contract.
  - D. “*Contractor*” means any person who has a Contract with the State.
  - E. “*Days*” means calendar days unless otherwise specified
  - F. “*Exhibit*” means any item labeled as an Exhibit in the Solicitation or placed in the Exhibits section of the Solicitation.
  - G. “*Gratuity*” means a payment, loan, subscription, advance, deposit of money, services, or anything of more than nominal value, present or promised, unless consideration of substantially equal or greater value is received.
  - H. “*Materials*” means all property, including equipment, supplies, printing, insurance and leases of property but does not include land, a permanent interest in land or real property or leasing space.
  - I. “*Procurement Officer*” means the person duly authorized by the State to enter into and administer Contracts and make written determinations with respect to the Contract or their designee.
  - J. “*Services*” means the furnishing of labor, time or effort by a contractor or subcontractor which does not involve the delivery of a specific end product other than required reports and performance, but does not include employment agreements or collective bargaining agreements.
  - K. “*Subcontract*” means any Contract, express or implied, between the Contractor and another party or between a subcontractor and another party delegating or assigning, in whole or in part, the making or furnishing of any material or any service required for the performance of the Contract.
  - L. “*State*” means the State of Arizona and Department or Agency of the State that executes the Contract.
  - M. “*State Fiscal Year*” means the period beginning with July 1 and ending June 30.
2. **Contract Interpretation.**
  - A. Arizona Law. The Arizona law applies to this Contract including, where applicable, the Uniform Commercial Code as adopted by the State of Arizona and the Arizona Procurement Code, Arizona Revised Statutes (A.R.S.) Title 41, Chapter 23, and its implementing rules, Arizona Administrative Code (A.A.C.) Title 2, Chapter 7.
  - B. Implied Contract Terms. Each provision of law and any terms required by law to be in this Contract are a part of this Contract as if fully stated in it.

## SECTION 3 UNIFORM TERMS AND CONDITIONS

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

- C. Contract Order of Precedence. In the event of a conflict in the provisions of the Contract, as accepted by the State and as they may be amended, the following shall prevail in the order set forth below:
- (1) Special Terms and Conditions;
  - (2) Uniform Terms and Conditions;
  - (3) Statement or Scope of Work;
  - (4) Specifications;
  - (5) Attachments;
  - (6) Exhibits;
  - (7) Documents referenced or included in the Solicitation.
- D. Relationship of Parties. The Contractor under this Contract is an independent Contractor. Neither party to this Contract shall be deemed to be the employee or agent of the other party to the Contract.
- E. Severability. The provisions of this Contract are severable. Any term or condition deemed illegal or invalid shall not affect any other term or condition of the Contract.
- F. No Parol Evidence. This Contract is intended by the parties as a final and complete expression of their agreement. No course of prior dealings between the parties and no usage of the trade shall supplement or explain any terms used in this document and no other understanding either oral or in writing shall be binding.
- G. No Waiver. Either party's failure to insist on strict performance of any term or condition of the Contract shall not be deemed a waiver of that term or condition even if the party accepting or acquiescing in the nonconforming performance knows of the nature of the performance and fails to object to it.

### **3. Contract Administration and Operation.**

- A. Records. Under A.R.S. § 35-214 and § 35-215, the Contractor shall retain and shall contractually require each subcontractor to retain all data and other "records" relating to the acquisition and performance of the Contract for a period of five years after the completion of the Contract. All records shall be subject to inspection and audit by the State at reasonable times. Upon request, the Contractor shall produce a legible copy of any or all such records.
- B. Non-Discrimination. The Contractor shall comply with State Executive Order No. 99-4 and all other applicable Federal and State laws, rules and regulations, including the Americans with Disabilities Act.
- C. Audit. Pursuant to A.R.S. § 35-214, at any time during the term of this Contract and five (5) years thereafter, the Contractor's or any subcontractor's books and records shall be subject to audit by the State and, where applicable, the Federal Government, to the extent that the books and records relate to the performance of the Contract or Subcontract.
- D. Facilities Inspection and Materials Testing. The Contractor agrees to permit access to its facilities, subcontractor facilities and the Contractor's processes or services, at reasonable times for inspection of the facilities or materials covered under this Contract. The State shall also have the right to test, at its own cost, the materials to be supplied under this Contract. Neither inspection of the Contractor's facilities nor

## SECTION 3 UNIFORM TERMS AND CONDITIONS

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

materials testing shall constitute final acceptance of the materials or services. If the State determines non-compliance of the materials, the Contractor shall be responsible for the payment of all costs incurred by the State for testing and inspection.

- E. Notices. Notices to the Contractor required by this Contract shall be made by the State to the person indicated on the Offer and Acceptance form submitted by the Contractor unless otherwise stated in the Contract. Notices to the State required by the Contract shall be made by the Contractor to the Solicitation Contact Person indicated on the Solicitation cover sheet, unless otherwise stated in the Contract. An authorized Procurement Officer and an authorized Contractor representative may change their respective person to whom notice shall be given by written notice and an amendment to the Contract shall not be necessary.
- F. Advertising, Publishing and Promotion of Contract. The Contractor shall not use, advertise or promote information for commercial benefit concerning this Contract without the prior written approval of the Procurement Officer.
- G. Property of the State. Any materials, including reports, computer programs and other deliverables, created under this Contract are the sole property of the State. The Contractor is not entitled to a patent or copyright on those materials and may not transfer the patent or copyright to anyone else. The Contractor shall not use or release these materials without the prior written consent of the State.
- H. Ownership of Intellectual Property. Any and all intellectual property, including but not limited to copyright, invention, trademark, trade name, service mark, and/or trade secrets created or conceived pursuant to or as a result of this Contract and any related subcontract (“Intellectual Property”), shall be work made for hire and the State shall be considered the creator of such Intellectual Property. The agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract shall own (for and on behalf of the State) the entire right, title and interest to the Intellectual Property throughout the world. Contractor shall notify the State, within thirty (30) days, of the creation of any Intellectual Property by it or its subcontractor(s). Contractor, on behalf of itself and any subcontractor(s), agrees to execute any and all document(s) necessary to assure ownership of the Intellectual Property vests in the State and shall take no affirmative actions that might have the effect of vesting all or part of the Intellectual Property in any entity other than the State. The Intellectual Property shall not be disclosed by Contractor or its subcontractor(s) to any entity not the State without the express written authorization of the agency, department, division, board or commission of the State of Arizona requesting the issuance of this Contract.

#### **4. Costs and Payments.**

- A. Payments. Payments shall comply with the requirements of A.R.S. Titles 35 and 41, Net 30 days. Upon receipt and acceptance of goods or services, the Contractor shall submit a complete and accurate invoice for payment from the State within thirty (30) days.
- B. Delivery. Unless stated otherwise in the Contract, all prices shall be F.O.B. Destination and shall include all freight delivery and unloading at the destinations.
- C. Applicable Taxes.
  - (1) Payment of Taxes. The Contractor shall be responsible for paying all applicable taxes.
  - (2) State and Local Transaction Privilege Taxes. The State of Arizona is subject to all applicable state and local transaction privilege taxes. Transaction privilege taxes apply to the sale and are the responsibility of the seller to remit. Failure to collect taxes from the buyer does not relieve the

## SECTION 3 UNIFORM TERMS AND CONDITIONS

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

seller from its obligation to remit taxes.

- (3) Tax Indemnification. Contractor and all subcontractors shall pay all Federal, state and local taxes applicable to its operation and any persons employed by the Contractor. Contractor shall, and require all subcontractors to hold the State harmless from any responsibility for taxes, damages and interest, if applicable, contributions required under Federal, and/or state and local laws and regulations and any other costs including transaction privilege taxes, unemployment compensation insurance, Social Security and Worker's Compensation.
- (4) IRS W9 Form. In order to receive payment, the Contractor shall have a current I.R.S. W9 Form on file with the State of Arizona, unless not required by law.
- (5) Availability of Funds for the Next State Fiscal Year. Funds may not presently be available for performance under this Contract beyond the current state fiscal year. No legal liability on the part of the State for any payment may arise under this Contract beyond the current state fiscal year until funds are made available for performance of this Contract.
- (6) Availability of Funds for the Current State Fiscal Year. Should the State Legislature enter back into session and reduce the appropriations or for any reason and these goods or services are not funded, the State may take any of the following actions:
  - a. Accept a decrease in price offered by the Contactor;
  - b. Cancel the Contract;
  - c. Cancel the Contract and re-solicit the requirements.

### 5. Contract Changes.

- A. Amendments. This Contract is issued under the authority of the Procurement Officer who signed this Contract. The Contract may be modified only through a Contract Amendment within the scope of the Contract. Changes to the Contract, including the addition of work or materials, the revision of payment terms, or the substitution of work or materials, directed by a person who is not specifically authorized by the Procurement Officer in writing or made unilaterally by the Contractor are violations of the Contract and of applicable law. Such changes, including unauthorized written Contract Amendments shall be void and without effect, and the Contractor shall not be entitled to any claim under this Contract based on those changes.
- B. Subcontracts. The Contractor shall not enter into any Subcontract under this Contract for the performance of this Contract without the advance written approval of the Procurement Officer. The Contractor shall clearly list any proposed subcontractors and the subcontractor's proposed responsibilities. The Subcontract shall incorporate by reference the terms and conditions of this Contract.
- C. Assignment and Delegation. The Contractor shall not assign any right nor delegate any duty under this Contract without the prior written approval of the Procurement Officer. The State shall not unreasonably withhold approval.

## SECTION 3 UNIFORM TERMS AND CONDITIONS

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

### 6. Risk and Liability.

- A. Risk of Loss. The Contractor shall bear all loss of conforming material covered under this Contract until received by authorized personnel at the location designated in the purchase order or Contract. Mere receipt does not constitute final acceptance. The risk of loss for nonconforming materials shall remain with the Contractor regardless of receipt.
- B. General Indemnification. To the extent permitted by A.R.S. § 41-621 and § 35-154, the State of Arizona shall be indemnified and held harmless by the Contractor for its vicarious liability as a result of entering into this Contract. Each party to this Contract is responsible for its own negligence.
- C. Indemnification.
- (1) Contractor/Vendor Indemnification (Not Public Agency). The parties to this Contract agree that the State of Arizona, its departments, agencies, boards and commissions shall be indemnified and held harmless by the Contractor for the vicarious liability of the State as a result of entering into this Contract. However, the parties further agree that the State of Arizona, its departments, agencies, boards and commissions shall be responsible for its own negligence. Each party to this Contract is responsible for its own negligence.
  - (2) Public Agency Language Only. Each party (as 'indemnitor') agrees to indemnify, defend, and hold harmless the other party (as 'indemnitee') from and against any and all claims, losses, liability, costs, or expenses (including reasonable attorney's fees) (hereinafter collectively referred to as 'claims') arising out of bodily injury of any person (including death) or property damage but only to the extent that such claims which result in vicarious/derivative liability to the indemnitee, are caused by the act, omission, negligence, misconduct, or other fault of the indemnitor, its officers, officials, agents, employees, or volunteers.
  - (3) Indemnification – Patent and Copyright. The Contractor shall indemnify and hold harmless the State against any liability, including costs and expenses, for infringement of any patent, trademark or copyright arising out of Contract performance or use by the State of materials furnished or work performed under this Contract. The State shall reasonably notify the Contractor of any claim for which it may be liable under this paragraph. If the Contractor is insured pursuant to A.R.S. § 41-621 and § 35-154, this section shall not apply.
- D. Force Majeure.
- (1) Except for payment of sums due, neither party shall be liable to the other nor deemed in default under this Contract if and to the extent that such party's performance of this Contract is prevented by reason of force majeure. The term "*force majeure*" means an occurrence that is beyond the control of the party affected and occurs without its fault or negligence. Without limiting the foregoing, force majeure includes acts of God; acts of the public enemy; war; riots; strikes; mobilization; labor disputes; civil disorders; fire; flood; lockouts; injunctions-intervention-acts; or failures or refusals to act by government authority; and other similar occurrences beyond the control of the party declaring force majeure which such party is unable to prevent by exercising reasonable diligence.
  - (2) Force Majeure shall not include the following occurrences:
    - a. Late delivery of equipment or materials caused by congestion at a manufacturer's plant or elsewhere, or an oversold condition of the market;

**SECTION 3**  
**UNIFORM TERMS AND CONDITIONS**

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

- b. Late performance by a subcontractor unless the delay arises out of a force majeure occurrence in accordance with this force majeure term and condition; or
  - c. Inability of either the Contractor or any subcontractor to acquire or maintain any required insurance, bonds, licenses or permits.
- (3) If either party is delayed at any time in the progress of the work by force majeure, the delayed party shall notify the other party in writing of such delay, as soon as is practicable and no later than the following working day, of the commencement thereof and shall specify the causes of such delay in such notice. Such notice shall be delivered or mailed certified-return receipt and shall make a specific reference to this article, thereby invoking its provisions. The delayed party shall cause such delay to cease as soon as practicable and shall notify the other party in writing when it has done so. The time of completion shall be extended by Contract Amendment for a period of time equal to the time that results or effects of such delay prevent the delayed party from performing in accordance with this Contract.
- (4) Any delay or failure in performance by either party hereto shall not constitute default hereunder or give rise to any claim for damages or loss of anticipated profits if, and to the extent that such delay or failure is caused by force majeure.
- E. Third Party Antitrust Violations. The Contractor assigns to the State any claim for overcharges resulting from antitrust violations to the extent that those violations concern materials or services supplied by third parties to the Contractor, toward fulfillment of this Contract.

**7. Warranties.**

- A. Liens. The Contractor warrants that the materials supplied under this Contract are free of liens and shall remain free of liens.
- B. Quality. Unless otherwise modified elsewhere in these terms and conditions, the Contractor warrants that, for one year after acceptance by the State of the materials, they shall be:
  - (1) Of a quality to pass without objection in the trade under the Contract description;
  - (2) Fit for the intended purposes for which the materials are used;
  - (3) Within the variations permitted by the Contract and are of even kind, quantity, and quality within each unit and among all units;
  - (4) Adequately contained, packaged and marked as the Contract may require; and
  - (5) Conform to the written promises or affirmations of fact made by the Contractor.
- C. Fitness. The Contractor warrants that any material supplied to the State shall fully conform to all requirements of the Contract and all representations of the Contractor, and shall be fit for all purposes and uses required by the Contract.
- D. Inspection/Testing. The warranties set forth in subparagraphs 7A through 7C of this paragraph are not affected by inspection or testing of or payment for the materials by the State.

## SECTION 3 UNIFORM TERMS AND CONDITIONS

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

E. Year 2000.

- (1) Notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that all products delivered and all services rendered under this Contract shall comply in all respects to performance and delivery requirements of the specifications and shall not be adversely affected by any date-related data Year 2000 issues. This warranty shall survive the expiration or termination of this Contract. In addition, the defense of *force majeure* shall not apply to the Contractor's failure to perform specification requirements as a result of any date-related data Year 2000 issues.
- (2) Additionally, notwithstanding any other warranty or disclaimer of warranty in this Contract, the Contractor warrants that each hardware, software, and firmware product delivered under this Contract shall be able to accurately process date/time data (including but not limited to calculation, comparing, and sequencing) from, into, and between the twentieth and twenty-first centuries, and the years 1999 and 2000 and leap year calculations, to the extent that other information technology utilized by the State in combination with the information technology being acquired under this Contract properly exchanges date-time data with it. If this Contract requires that the information technology products being acquired perform as a system, or that the information technology products being acquired perform as a system in combination with other State information technology, then this warranty shall apply to the acquired products as a system. The remedies available to the State for breach of this warranty shall include, but shall not be limited to, repair and replacement of the information technology products delivered under this Contract. In addition, the defense of *force majeure* shall not apply to the failure of the Contractor to perform any specification requirements as a result of any date-related data Year 2000 issues.

F. Compliance With Applicable Laws. The materials and services supplied under this Contract shall comply with all applicable Federal, state and local laws, and the Contractor shall maintain all applicable license and permit requirements.

G. Survival of Rights and Obligations after Contract Expiration or Termination.

- (1) Contractor's Representations and Warranties. All representations and warranties made by the Contractor under this Contract shall survive the expiration or termination hereof. In addition, the parties hereto acknowledge that pursuant to A.R.S. § 12-510, except as provided in A.R.S. § 12-529, the State is not subject to or barred by any limitations of actions prescribed in A.R.S., Title 12, Chapter 5.
- (2) Purchase Orders. The Contractor shall, in accordance with all terms and conditions of the Contract, fully perform and shall be obligated to comply with all purchase orders received by the Contractor prior to the expiration or termination hereof, unless otherwise directed in writing by the Procurement Officer, including, without limitation, all purchase orders received prior to but not fully performed and satisfied at the expiration or termination of this Contract.

### 8. State's Contractual Remedies.

A. Right to Assurance. If the State in good faith has reason to believe that the Contractor does not intend to, or is unable to perform or continue performing under this Contract, the Procurement Officer may demand in writing that the Contractor give a written assurance of intent to perform. Failure by the Contractor to provide written assurance within the number of Days specified in the demand may, at the State's option, be the basis for terminating the Contract under the Uniform Terms and Conditions or other rights and remedies available by law or provided by the Contract.

**SECTION 3**  
**UNIFORM TERMS AND CONDITIONS**

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

B. Stop Work Order.

- (1) The State may, at any time, by written order to the Contractor, require the Contractor to stop all or any part, of the work called for by this Contract for period(s) of days indicated by the State after the order is delivered to the Contractor. The order shall be specifically identified as a stop work order issued under this clause. Upon receipt of the order, the Contractor shall immediately comply with its terms and take all reasonable steps to minimize the incurrence of costs allocable to the work covered by the order during the period of work stoppage.
- (2) If a stop work order issued under this clause is canceled or the period of the order or any extension expires, the Contractor shall resume work. The Procurement Officer shall make an equitable adjustment in the delivery schedule or Contract price, or both, and the Contract shall be amended in writing accordingly.

C. Non-exclusive Remedies. The rights and the remedies of the State under this Contract are not exclusive.

D. Nonconforming Tender. Materials or services supplied under this Contract shall fully comply with the Contract. The delivery of materials or services a portion of the materials or services that do not fully comply constitutes a breach of contract. On delivery of nonconforming materials or services, the State may terminate the Contract for default under applicable termination clauses in the Contract, exercise any of its rights and remedies under the Uniform Commercial Code, or pursue any other right or remedy available to it.

E. Right of Offset. The State shall be entitled to offset against any sums due the Contractor, any expenses or costs incurred by the State, or damages assessed by the State concerning the Contractor's non-conforming performance or failure to perform the Contract, including expenses, costs and damages described in the Uniform Terms and Conditions.

**9. Contract Termination.**

A. Cancellation for Conflict of Interest. Pursuant to A.R.S. § 38-511, the State may cancel this Contract within three (3) years after Contract execution without penalty or further obligation if any person significantly involved in initiating, negotiating, securing, drafting or creating the Contract on behalf of the State is or becomes at any time while the Contract or an extension of the Contract is in effect an employee of or a consultant to any other party to this Contract with respect to the subject matter of the Contract. The cancellation shall be effective when the Contractor receives written notice of the cancellation unless the notice specifies a later time. If the Contractor is a political subdivision of the State, it may also cancel this Contract as provided in A.R.S. § 38-511.

B. Gratuities. The State may, by written notice, terminate this Contract, in whole or in part, if the State determines that employment or a Gratuity was offered or made by the Contractor or a representative of the Contractor to any officer or employee of the State for the purpose of influencing the outcome of the procurement or securing the Contract, an amendment to the Contract, or favorable treatment concerning the Contract, including the making of any determination or decision about contract performance. The State, in addition to any other rights or remedies, shall be entitled to recover exemplary damages in the amount of three times the value of the Gratuity offered by the Contractor.

C. Suspension or Debarment. The State may, by written notice to the Contractor, immediately terminate this Contract if the State determines that the Contractor has been debarred, suspended or otherwise lawfully prohibited from participating in any public procurement activity, including but not limited to, being disapproved as a subcontractor of any public procurement unit or other governmental body. Submittal of an

**SECTION 3**  
**UNIFORM TERMS AND CONDITIONS**

ARIZONA DEPARTMENT OF EDUCATION  
Procurement Section  
1535 West Jefferson Street, Bin #37  
Phoenix, Arizona 85007

**SOLICITATION NO. ED04-0040**

*Version 7*

offer or execution of a contract shall attest that the Contractor is not currently suspended or debarred. If the Contractor becomes suspended or debarred, the Contractor shall immediately notify the State.

- D. Termination for Convenience. The State reserves the right to terminate the Contract, in whole or in part at any time, when in the best interests of the State without penalty or recourse. Upon receipt of the written notice, the Contractor shall immediately stop all work, as directed in the notice, notify all subcontractors of the effective date of the termination and minimize all further costs to the State. In the event of termination under this paragraph, all documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State upon demand. The Contractor shall be entitled to receive just and equitable compensation for work in progress, work completed and materials accepted before the effective date of the termination. The cost principles and procedures provided in A.A.C. R2-7-701 shall apply.
- E. Termination for Default.
- (1) In addition to the rights reserved in the Contract, the State may terminate the Contract in whole or in part due to the failure of the Contractor to comply with any term or condition of the Contract, to acquire and maintain all required insurance policies, bonds, licenses and permits, or to make satisfactory progress in performing the Contract. The Procurement Officer shall provide written notice of the termination and the reasons for it to the Contractor.
  - (2) Upon termination under this paragraph, all goods, materials, documents, data and reports prepared by the Contractor under the Contract shall become the property of and be delivered to the State on demand.
  - (3) The State may, upon termination of this Contract, procure, on terms and in the manner that it deems appropriate, materials or services to replace those under this Contract. The Contractor shall be liable to the State for any excess costs incurred by the State in procuring materials or services in substitution for those due from the Contractor.
- F. Continuation of Performance Through Termination. The Contractor shall continue to perform, in accordance with the requirements of the Contract, up to the date of termination, as directed in the termination notice.
10. **Contract Claims.** All contract claims or controversies under this Contract shall be resolved according to A.R.S. Title 41, Chapter 23, Article 9, and rules adopted thereunder.
11. **Arbitration.** The parties to this Contract agree to resolve all disputes arising out of or relating to this Contract through arbitration, after exhausting applicable administrative review, to the extent required by A.R.S. § 12-1518, except as may be required by other applicable statutes (Title 41).

END OF CONTRACT