

Form C

**EXCEPTIONS TO PROPOSAL, TERMS, CONDITIONS,
AND SOLUTIONS REQUEST**



Company Name: NAMSTAR, INC.

Any exceptions to the terms, conditions, specifications, or proposal forms contained in this RFP must be noted in writing and included with the Proposer's response. The Proposer acknowledges that the exceptions listed may or may not be accepted by NJPA or included in the final contract. NJPA will make reasonable efforts to accommodate the listed exceptions and may clarify the exceptions in the appropriate section below.

Section/page	Term, Condition, or Specification	Exception	NJPA ACCEPTS

Proposer's Signature: Mark White Date: 08/30/16

NJPA's clarification on exceptions listed above:

LEGAL
Initials
11/14/16
Date

Form P



PROPOSER QUESTIONNAIRE

Payment Terms, Warranty, Products and Services, Pricing and Delivery, and Industry-Specific Questions

Contract Award
RFP #081716

FORM D



Formal Offering of Proposal
(To be completed only by the Proposer)

CLASS 6, 7, AND 8 CHASSIS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES

In compliance with the Request for Proposal (RFP) for CLASS 6, 7, AND 8 CHASSIS WITH RELATED EQUIPMENT, ACCESSORIES, AND SERVICES, the undersigned warrants that the Proposer has examined this RFP and, being familiar with all of the instructions, terms and conditions, general and technical specifications, sales and service expectations, and any special terms, agrees to furnish the defined products and related services in full compliance with all terms and conditions of this RFP, any applicable amendments of this RFP, and all Proposer's response documentation. The Proposer further understands that it accepts the full responsibility as the sole source of solutions proposed in this RFP response and that the Proposer accepts responsibility for any subcontractors used to fulfill this proposal.

Company Name: NAVI STAR, INC Date: 08/30/16
Company Address: 2701 NAVI STAR DRIVE
City: LISLE State: ILLINOIS Zip: 60532
Contact Person: MARTIN WHITE Title: DIRECTOR VOCATIONAL SALES
Authorized Signature: *Martin White*
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



(Top portion of this form will be completed by NJPA if the vendor is awarded a contract. The vendor should complete the vendor authorized signatures as part of the RFP response.)

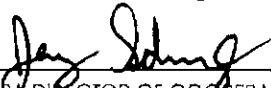
NJPA Contract #: 081716-NVS

Proposer's full legal name: Navistar, Inc.

Based on NJPA's evaluation of your proposal, you have been awarded a contract. As an awarded vendor, you agree to provide the products and services contained in your proposal and to meet all of the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by NJPA.

The effective date of the Contract will be November 15, 2016 and will expire on November 15, 2020 (no later than the later of four years from the expiration date of the currently awarded contract or four years from the date that the NJPA Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at NJPA's discretion.

NJPA Authorized Signatures:



NJPA DIRECTOR OF COOPERATIVE CONTRACTS
AND PROCUREMENT/ CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)



NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on November 15, 2016

NJPA Contract # 081716-NVS

Vendor Authorized Signatures:

The Vendor hereby accepts this Contract award, including all accepted exceptions and amendments.

Vendor Name NAVISTAR, INC

Authorized Signatory's Title DIRECTOR VOCATIONAL SALES



VENDOR AUTHORIZED SIGNATURE

MARTIN WHITE

(NAME PRINTED OR TYPED)

Executed on 11/18, 2016

NJPA Contract # 081716-NVS

PROPOSER ASSURANCE OF COMPLIANCE



Proposal Affidavit Signature Page

PROPOSER'S AFFIDAVIT

The undersigned, authorized representative of the entity submitting the foregoing proposal (the "Proposer"), swears that the following statements are true to the best of his or her knowledge.

1. The Proposer is submitting its proposal under its true and correct name, the Proposer has been properly originated and legally exists in good standing in its state of residence, the Proposer possesses, or will possess before delivering any products and related services, all applicable licenses necessary for such delivery to NJPA members agencies. The undersigned affirms that he or she is authorized to act on behalf of, and to legally bind the Proposer to the terms in this Contract.
2. The Proposer, or any person representing the Proposer, has not directly or indirectly entered into any agreement or arrangement with any other vendor or supplier, any official or employee of NJPA, or any person, firm, or corporation under contract with NJPA, in an effort to influence the pricing, terms, or conditions relating to this RFP in any way that adversely affects the free and open competition for a Contract award under this RFP.
3. The Proposer has examined and understands the terms, conditions, scope, contract opportunity, specifications request, and other documents in this solicitation and affirms that any and all exceptions have been noted in writing and have been included with the Proposer's RFP response.
4. The Proposer will, if awarded a Contract, provide to NJPA Members the /products and services in accordance with the terms, conditions, and scope of this RFP, with the Proposer-offered specifications, and with the other documents in this solicitation.
5. The Proposer agrees to deliver products and services through valid contracts, purchase orders, or means that are acceptable to NJPA Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to NJPA Members under an awarded Contract.
6. The Proposer will comply with all applicable provisions of federal, state, and local laws, regulations, rules, and orders.
7. The Proposer understands that NJPA will reject RFP proposals that are marked "confidential" (or "nonpublic," etc.), either substantially or in their entirety. Under Minnesota Statute §13.591, Subd. 4, all proposals are considered nonpublic data until the evaluation is complete and a Contract is awarded. At that point, proposals generally become public data. Minnesota Statute §13.37 permits only certain narrowly defined data to be considered a "trade secret," and thus nonpublic data under Minnesota's Data Practices Act.
8. The Proposer understands that it is the Proposer's duty to protect information that it considers nonpublic, and it agrees to defend and indemnify NJPA for reasonable measures that NJPA takes to uphold such a data designation.

[The rest of this page has been left intentionally blank. Signature page below]

By signing below, Proposer is acknowledging that he or she has read, understands, and agrees to comply with the terms and conditions specified above.

Company Name: NAVISTAR, INC
Address: 2701 NAVISTAR DRIVE
City/State/Zip: HISLE, IL. 60532
Telephone Number: 331 332 2370
E-mail Address: martin.white@navistar.com
Authorized Signature: Martin White
Authorized Name (printed): MARTIN WHITE
Title: DIRECTOR VOCATIONAL SALES
Date: 08/30/16

Notarized

Subscribed and sworn to before me this 30th day of AUGUST, 20 16
Notary Public in and for the County of DUPAGE State of ILLINOIS
My commission expires: 11-8-2018
Signature: Carol S. Menditto



Payment Terms and Financing Options

- 1) What are your payment terms (e.g., net 10, net 30)? Dealer will carry the unit on their books for up to 30 days. Payment will take place prior to change in possession or upon arrival at the body company, unless buyer makes other arrangements with selling dealer.
- 2) Do you provide leasing or financing options, especially those options that schools and governmental entities may need to use in order to make certain acquisitions? There are muni leases and financing available through the selling dealer. Those arrangements need to be put together prior order going in the system.
- 3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to NJPA. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the NJPA Members' purchase orders. The Selling International dealer would use the NJPA sales program to complete the specifications and pricing for approval of the buying organization. Once purchase order is received by the selling International dealer, the order is placed. Shortly after order being placed the order will get assigned an order and job number along with the full VIN number and estimated build date. It typically takes 120 days to build a unit, then additional 15-20 days to get the unit shipped to the dealer and or body company. International will provide all required reports to NJPA.
- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to NJPA Members for using this process? The P-Card typically takes an additional discount that the selling dealer would not be able to absorb. If the buying agency has an interest in using a P-card, that would need to be approved by the local dealer and the fee for the use of the card would have to be added to the sale price.

Warranty

- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will NJPA Members in these regions be provided service for warranty repair? Our warranty for the US is based on the lower 48 states. Hawaii and Alaska can participate in the program, but special arrangements would have to be made with the dealer to service remote areas. Hawaii and Alaska would require additional freight that would be quoted by local dealer in those states.
- Will you cover warranty service for items made by other manufacturers that are part of your proposal, or are these warranties issues typically passed on to the original equipment manufacturer? A commercial Truck chassis has 100's of suppliers. The majority of those components are handled through our warranty system. There are some exceptions listed below:
 - Cummins Engine
 - Allison Transmission
 - Horton Fan Drives
 - National SeatingSee attached detailed list.
- What are your proposed exchange and return programs and policies? International does not have a refunds or exchange program or policy. If a truck is not built to order, we have a process in place to correct error prior to delivery of the vehicle. If a unit goes into service and is not performing or handling properly, International will get a field engineer engaged to resolve the issue, even if that entails extensive repairs.
- Describe any service contract options for the items included in your proposal.
- International offers a wide variety of service contracts that are published as well as custom. Warranty can be added to the spec of the truck up front or purchased after the unit is built but not delivered.
- Describe in detail your manufacture warranty program, including conditions and requirements to qualify, claims procedure, and overall structure. You may include in your response a copy of your warranties, but at a minimum please also answer the following questions.
 - International Provides the "Silver Package" for NJPA members and it includes a 2 year subscription to online parts and service information including any service bulletin and all technical letters, plus the ability to see the health history report for each vehicle. All warranty work is to be performed by International Dealer. Copy of warranties are in the questions attachment of form A
 - Do your warranties cover all products, parts, and labor? International covers the warranty on the cab and chassis, for parts and labor as spelled out in the warranty attachments. International Dealer can perform warranty on components they are trained to work on, like a Cummins Engine or a Meritor Axle. Allison Transmissions would be the one exception where a dealer may not have the training and certification to repair, and unit may have to go to Allison distributor for repairs. Tires, wear items, Filters and Fluids are not covered under International warranty. Tire warranty would be handled through authorized Tire retailer.
 - Do your warranties impose usage restrictions or other limitations that adversely affect coverage? The vehicle needs to be operated in the application it was ordered for and in a safe manor without exceeding the spelled out weight limits on the chassis. The unit must be maintained as spelled out in the operators manual. In addition, engine, transmission and other key component suppliers may limit a warranty if the component is used in an unapproved manor or application. See attached detailed information
 - Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs? International Truck Warranty is performed at an authorized location by trained technicians using proper tools and parts. International does not cover travel time for the technician to travel to the customers shop.

Pricing, Delivery, Audits, and Administrative Fee

- 7) Describe your pricing model (e.g., line-item discounts or product-category discounts). Provide detailed pricing data (including standard or list pricing and the NJPA discounted price) on all of the items that you want NJPA to consider as part of your RFP response. Provide a SKU for each item in your proposal. (Keep in mind that reasonable price and product adjustments can be made during the term of an awarded Contract. See the body of the RFP and the Price and Product Change Request Form for more detail.) **NJPA Program will be spelled out in an internal dealer letter. See exhibit on right side of page. NJPA member can determine price of chassis by taking the chassis list minus percentage and arrive at transaction price. All units ordered under the NJPA program will have feature code "10NJP" so the order and delivery data can easily be sorted to find the NJPA units.**
- 8) Please quantify the discount range presented in this response. For example, indicate that the pricing in your response represents is a 50% percent discount from the MSRP or your published list. **Please see table to the right.**
- 9) The pricing offered in this proposal is
 - a. the same as the Proposer typically offers to an individual municipality, university, or school district.
 - b. the same as the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
 - c. better than the Proposer typically offers to GPOs, cooperative procurement organizations, or state purchasing departments.
 - d. other than what the Proposer typically offers (please describe).
- 10) Describe any quantity or volume discounts or rebate programs that you offer. **NJPA members purchasing 5 or more vehicles in one transaction, will get additional \$1,200 per vehicle additional discount. NJPA members purchasing 20 or more vehicles in one transaction will get additional \$1,500 per vehicle discount on top of the for 5 or more \$1,200 for a total of \$2,700.**

Model	Proposal #	List price including options	Discount	Transaction Price
4300 4X2	4727	\$ 99,643.00	31%	\$ 68,801.00
4400 4x2	4728	\$ 104,826.00	31%	\$ 72,220.00
7300 4x2	4725	\$ 98,335.00	31%	\$ 67,985.00
7400 4x2	4698	\$ 105,845.00	31%	\$ 72,671.00
7400 6x4 SBA	4729	\$ 121,084.00	32%	\$ 82,059.00
7400 6X4 SFA	4724	\$ 123,032.00	32%	\$ 83,275.00
7500 6X4 SBA	4726	\$ 129,250.00	33%	\$ 87,155.00
7500 6X4 SFA	4697	\$ 127,585.00	33%	\$ 86,116.00
7600 SFA	4700	\$ 188,878.00	47%	\$ 100,231.00
HX620 6X4	4723	\$ 221,281.00	47%	\$ 116,370.00

Pricing, Delivery, Audits, and Administrative Fee

- 11) Propose a method of facilitating "sourced" products or related services, which may be referred to as "open market" items or "nonstandard options". For example, you may supply such items "at cost" or "at cost plus a percentage," or you may supply a quote for each such request. Goods purchased outside of the assembly line process, can be added to an NJPA proposal with a 5% handling fee added to the price of the unit by the selling dealer. Dealer will provide buyer documentation to support the pricing. So if \$10,000 worth of equipment is added to a vehicle after built at local body company, the dealer would add \$500 for mark up plus the cost of the goods purchased. Additional equipment added at the factory Truck Speciality Center will be subject to the 5% markup, and will carry a 1 year warranty on the feature(s) added.
- 12) Identify any total cost of acquisition costs that are **NOT** included in the pricing submitted with your response. This cost includes all additional charges that are not directly identified as freight or shipping charges. For example, list costs for items like installation, set up, mandatory training, or initial inspection. Identify any parties that impose such costs and their relationship to the Proposer. The rebate to NJPA is not included in the pricing to the NJPA member. All other fees and expenses associated with selling a truck are included in the list price discount. Shipping to Alaska and Hawaii are not included in the examples.
- 13) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program. Within the lower 48 states, the chassis shipping is a flat fee regardless of where it gets shipped in the lower 48 states. That freight charge covers the shipping to the first location as spelled out on the factory order. Freight from body company to final destination are the responsibility of the NJPA buyer.
- 14) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery. In most cases a unit going to Alaska or Hawaii has a body installed prior to departure. When the unit gets to the body company it is buyers responsibility to get the unit transported. We highly recommend that units going to Alaska or Hawaii be purchase in those respective states so they can help determine the best way to get the unit bodied up and shipped to final destination.
- 15) Describe any unique distribution and/or delivery methods or options offered in your proposal. Our units are delivered through Truck Movers who operates as a 3PL provider that has contracts with several carriers that specialize in moving cab and chassis.
- 16) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with NJPA. This process includes ensuring that NJPA Members obtain the proper pricing, that the Vendor reports all sales under the Contract each quarter, and that the Vendor remits the proper administrative fee to NJPA. All orders under the NJPA program must have feature code 10NJP. That allows us to track units ordered and built. The feature code will also drive the accrual to pay NJPA their rebate. All NJPA Sales will require selling dealer to send P.O and all sales related documents to our corporate office in Lisle prior to invoicing the customer. The rebate to NJPA will be accrued at time of build and payed quarterly after the unit has been delivered and paid for. Included with the payment will be a detailed list of the units delivered to members.
- 17) Identify a proposed administrative fee that you will pay to NJPA for facilitating, managing, and promoting the NJPA Contract in the event that you are awarded a Contract. This fee is typically calculated as a percentage of Vendor's sales under the Contract or as a per-unit fee; it is not a line-item addition to the Member's cost of goods. (See RFP Section 6.29 and following for details.) NJPA will be paid \$2000 per unit for every new International Truck Model listed in our submission. The flat fee makes accruing, calculating and paying NJPA much easier. The NJPA rebate is not included in any of the dealer documents and is not part of the pricing.

Industry-Specific Questions

- International uses Cummins Emission System after-treatment and Emissions on all engine offerings
- International offers Manual, Automated Manual, and Automatic Transmissions in our products.
- International Uses Dana, Meritor and Navistar Select Axles
- International uses parabolic, and multileaf front suspensions and International, Hendrickson and Chalmers rear suspensions
- International offers many chassis packing options to accommodate many types of truck bodies. Please refer to international body builder website for details.
- 19) Describe any manufacturing processes or material specification-related attributes that contribute to **cab** strength, durability, and driver safety/usability, and that differentiate your offering in the marketplace.
- All cabs are manufactured in a dedicated facility in a robotic controlled environment to automotive tolerances. All cabs meet federal safety requirements.
- 20) Describe any serviceability attributes (such as remote diagnostics) that your proposal contains. Please indicate which of these attributes are considered “industry-expected attributes” and which you believe are “vendor differentiators.”
- On Command Connection provides remote diagnostics and programming
- 21) Provide any market data supporting the longevity and reliability of your proposed solutions.
- Can be provided upon request.
- 22) As a percentage of your total units sold over the past three years, what portion are day cabs?
- 65.8% of total units are day cab
- 23) What is your parts order fill rate?
- 96%
- 24) What is your US market share? Canadian share (if any)?
- Total market share US – 15.9%

- 18) Describe any manufacturing processes or material specification-related attributes that contribute to **chassis** strength, durability, and reliability, and that differentiate your offering in the marketplace.
- International Frames are made from 120,000 psi rails that are squared and huck bolted to prevent any loose structural components on the frame. Huck bolts have 4x the clamping force of traditional nuts and bolts. In addition we offer both set forward front axles and set back front axles. Set Forward front axles are optimum for snow plow set ups including integral front frame rails and Front Engine PTO Access below the radiator.
- International uses wide track front axles for maximum wheel cut along with dual steering gears on any axles above 14,600# up to 22,000#. Our axles are designed to provide equal wheel cut on each side.
- International uses Bendix and Wabco Brake system components, including optional roll stability and traction control features. On air brake chassis, drums are standard and disc are optional.
- International uses Diamond Logic Electrical System on the DuraStar and WorkStar models. Diamond Logic makes adding a PTO or any plow related features easy to configure without having to tap into the main wiring system of the truck. The DOT walk around feature along with bed up and brake related alarms add piece of mind the operator and the fleet manager.
- International cabs used on the DuraStar and WorkStar are 3 man cabs with optional extended (26”) and crew cabs to provide the flexibility to carry additional crew members or gear without having to send out an additional vehicle. The bonded windshield provides extra strength to the galvaneel welded and dipped cab that resist corrosion while providing a quiet and safe operating environment for the driver. Air Ride Cab is standard on the WorkStar and HX models.
- Chassis “huck bolts” are standard on all International chassis
- International offers 6 Engine Offerings
 - Cummins ISB 6.7L
 - Cummins ISL 8.9L
 - International N-9 9.3L
 - International N-10 9.3L
 - International N-13 12.5L
 - Cummins ISX 14.9L