

Form C

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



Company Name: Volvo Group North America, LLC

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
E.3.16, E.3.17.1, E.3.17.1.1 Page 6	Supply Class 6 & 7 Chassis	Volvo mainly produces Class 8 chassis	Accepted as clarification.
F.6.19.6.4 Page 21	Post NJPA link on website	Volvo maintains the right to control content on its website	Accepted as clarification.

Proposer's Signature: *A.R. Hanson*

Date: *Aug. 26, 2016*

NJPA's clarification on exceptions listed above:





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: VolvoGroupNorthAmerica Date: Aug. 26, 2016

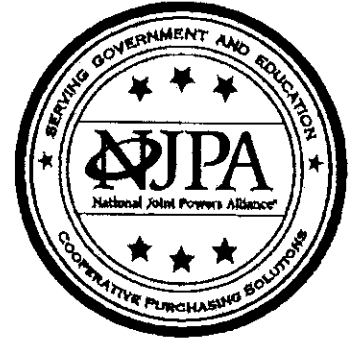
Company Address: 7900 National Service Rd.

City: Greensboro State: NC Zip: 27409

Contact Person: Andrew Hanson Title: North American Vocational Sales Manager

Authorized Signature: [Signature]
(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.)

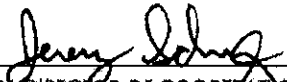
NJPA Contract #: 081716-VCE

Proposer's full legal name: Volvo Group North America, LLC

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 Coauette
(NAME PRINTED OR TYPED)

Awarded on November 15, 2016

NJPA Contract # 081716-VCE

Vendor Authorized Signatures:

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

Vendor Name Volvo Group North America, LLC

Authorized Signatory's Title North American Vocational Sales Manager



VENDOR AUTHORIZED SIGNATURE

Andrew R. Hanson

(NAME PRINTED OR TYPED)

Executed on Nov. 16, 2016

NJPA Contract # 081716-VCE

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: Volvo Group North America, LLC

Address: 7900 National Service Road

City/State/Zip: Greensboro, NC 27409

Telephone Number: +1 336.393.2000

E-mail Address: andrew.hanson@volvo.com

Authorized Signature: *Andrew R. Hanson*

Authorized Name (printed): Andrew R. Hanson

Title: North American Vocational Sales Manager

Date: Aug. 26, 2016

Notarized

Subscribed and sworn to before me this 26 day of August, 2016

Notary Public in and for the County of Cook State of Illinois

My commission expires: February 17, 2020

Signature: *[Handwritten Signature]*





PROPOSER QUESTIONNAIRE

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

Proposer Name: Volvo Group North America, LLC

Questionnaire completed by: Andrew R. Hanson

Payment Terms and Financing Options

1) **What are your payment terms (e.g., net 10, net 30)**
Payment terms are net 60 days from the date of invoice. Trucks are invoiced once they are released from Volvo's assembly plant and prior to shipping.

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?**

Yes, Volvo offers a municipal lease product for public schools and governmental entities. Since each state has different laws regarding this financial product the member should review the details with their selling dealer. A brochure is attached that provides a brief overview of the offering.

Reference File: Lease Offering Volvo Muni.pdf

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.**

Volvo will market and order all trucks through its dealer network. All Volvo dealers will be required to submit for the NJPA discount through an internal discounting system. Based on that discount certificate Volvo can audit chassis ordered for NJPA members and make sure only NJPA members are receiving the NJPA discount. When an order is placed using the certificate the selling dealer will be required to submit all paperwork associated with the transaction including the purchase order, deal summary worksheet, sourced "goods" invoices, chassis specifications and order report. By monitoring orders placed against NJPA discount certificates Volvo can monitor and accurately report quarterly sales 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?**

It will be up to the selling dealer on whether or not they will accept P-Card procurement and payment.

Warranty

5) **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.**

- **Do your warranties cover all products, parts, and labor?**

Yes, except for the limited exclusions listed on the attached "Standard Truck Warranty Certificate", "Standard Engine Warranty Certificate" and where applicable. The exceptions mainly involve consumable items resulting from normal vehicle use.

Reference Files: Warranty EPA 2017 GHG Standard Engine Volvo.pdf, Warranty 042016 Volvo Standard Truck Certificate.pdf, Warranty 22354432 Volvo 2014 Emission Certificate MAR2014 NO HOURS.pdf, Warranty EPA (March 2014) 2010 and newer Standard Engine Volvo.pdf

- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?

No, Volvo warranties are inclusive and are only limited by time and mileage. Hours are only tracked to make sure maintenance is performed correctly and does not restrict length of coverage.

- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?

No, but towing is covered for limited periods on warrantable failures. For failures covered under the Standard Engine Warranty towing is provided for whichever occurs first either 24 months or 250,000 miles. For failures covered under the Standard Truck Warranty towing is provided for whichever occurs first either 90 days or 5,000 miles. Additionally, extended towing coverage is also available under NJPA contract pricing.

- 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?

Volvo can support their vehicles in all 50 States. Vehicles need to be brought to Volvo dealerships for warranty work unless otherwise arranged by the local dealer. Volvo will not support product in the U.S. Territories including Puerto Rico, American Samoa, Guam, Northern Marianas and the United States Virgin Islands. Volvo does not recommend operating North American Volvo trucks in these areas.

Reference File: Policy Export POL-27.pdf

- 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?

Volvo will perform warranty service on all components offered under this proposal save for Allison Transmissions. In the case an Allison Transmission requires repair the Volvo dealer may or may not be certified to perform the repair.

- What are your proposed exchange and return programs and policies?

Due to the nature of the product Volvo will repair the product if found to have defects. Individual state laws will dictate the return policy of Class 8 vehicles.

6) Describe any service contract options for the items included in your proposal.

Volvo offers three types of service contracts. Two of them are for monitoring and managing repairs and the third group is for maintaining the vehicles. Each set of contracts has varying degrees of complexity and length. The contracts are described, briefly, below. Product letters are attached to better describe the complete offerings.

- Remote Diagnostics, ASIST and Volvo Action Service – available between 24 to 84 month contracts in 12 month increments,
- ASIST and Volvo Action Service – available between 24 to 84 month contracts in 12 month increments,
- Premium Maintenance Plans – available between purchase date up to 500k miles/ 800k km in 100k mile increments.
 - Premium Maintenance Plan 1- Includes the routine service (oil change, filter replace and chassis lube) along with a comprehensive 74 point inspection.
 - Premium Maintenance plan 2- Most comprehensive plan, includes every element of maintenance recommended.

- Premium Maintenance After-treatment- Includes all maintenance services on the after-treatment components.

Reference Files: Service Contract ASIST and Volvo Action Service – 24 Months.pdf, Service Contract Premium Maintenance Plan Guidelines.pdf, Service Contract Remote Diagnostics, ASIST and Volvo Action Service – 24 Months.pdf

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.)

Chassis, including thus in stock and ordered, will be priced using the simple discount from list price method. The discount structure is listed below. Freight, Surcharges, Extended Warranties, Educational Services and Service and Maintenance Contracts are none discountable. Canadian trucks are priced in USD and are subject to the exchange rate in effect at the time of purchase. Volvo updates exchange rates twice a month, on the first and 15th of the month.

Discount from NJPA List Price		
Member Location	Chassis w/ Ishift Transmissions	Chassis w/ Manual & Allison Transmission
United States	47.5%	47.0%
Canada	46.5%	46.0%

Reference Files: NJPA List Price Book Volvo VNL & VNX.pdf, NJPA List Price Book Volvo VNM.pdf, NJPA List Price Book VHD.pdf

- 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.

See chart in answer to question 7

- 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).

This pricing is exclusive to NJPA members.

- 10) Describe any quantity or volume discounts or rebate programs that you offer.

No further discounting is offered. Volvo reserves the right to make further concession on a case by case basis.

- 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.

All “sourced” goods will be passed along to NJPA Members at no more than a 10% price increase. Invoices will be supplied for those sourced items

- 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 body company or dealer who takes delivery of the chassis may impose an un-decking fee. These handle charges vary based on location and should be disclosed in the quote.

Additionally, if the customer chooses to hold the chassis at the assembly plant there is a nominal storage fee imposed by Volvo. This fee is used to maintain the chassis in working condition while it Volvo's possession.

Furthermore, an order change and cancellation policy applies to all orders. Cancelled orders are subject to a fee as well as excessive order changes. Also order changes are limited to certain time periods prior to the schedule build week. The document "Order Change – Cancellation Policy" is attached for your reference

Finally, surcharges may apply depending on market conditions. A 90 day notice will be issued to the NJPA prior to the effective date and no orders made prior to the effective date will receive the surcharge. Currently all 2017 EPA Green House Gas engines are subject to a \$750 surcharge.

Reference Files: Policy Order Change – Cancellation.pdf, Policy Plant Storage SBU13-065.pdf

- 13) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program.

Shipping is an additional cost to the NJPA Member. Currently shipping within the lower 48 United States, the District of Columbia and Hawaii is a flat non-discountable fee of \$2,100.00. This fee is subject to change and the NJPA will be notified 90 days in advance of any adjustment. Orders placed prior to the announcement will not incur the increase.

- 14) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.

Volvo will deliver chassis only to the Port of Anchorage (POA) in Alaska for a fee of \$2,100.00. Transportation beyond the port is the customer's responsibility.

Volvo will deliver chassis in Canada for \$2275.00 USD. This fee is subject to the exchange rate at the time of order. The exchange rate is set on the 1st and 16th of every month. Additional fees may apply to chassis with destinations within the Yukon Territory, Northwest Territories, Nunavut.

These fees are subject to change and the NJPA will be notified 90 days in advance of any adjustment. Orders placed prior to the announcement will not incur the increase.

- 15) Describe any unique distribution and/or delivery methods or options offered in your proposal.

Chassis can be picked up at the plant by customers under the CPU (Customer Pick Up) policy outline below. The full policy is also attached for your reference. There is a net \$750 savings when a customer picks a unit up from the factory.

- Dealer/ Customer will be charged \$1350 for the CPU in lieu of the invoiced freight amount (this will be issued as a supplemental credit from NRV).
- Driver must be trained on the product. Only keys and truck location will be provided to the pick-up driver.
- Driver must have on customer letterhead at time of pick-up the name of driver, chassis # of the unit to be picked up and must be able to provide valid CDL and proof of insurance.
- Trucks can only be picked up between 8 am and 3 pm local time Monday through Friday.
- Volvo must be notified at least 24 hours in advance of driver's arrival to pick up trucks as the carrier requires 24 hours of notice to prepare CPUs.
- Please send requested information in an email to Marlena.Clark@volvo.com and Vickie.Wukich@volvo.com.
- Trucks will have minimal fuel and it is the driver's responsibility to purchase fuel.

Reference File: Policy Customer Pick-Up Rules and Procedure SBN16-039.pdf

- 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 Volvo dealers will be required to submit for the NJPA discount through an internal discounting system. Based on that discount certificate Volvo can audit chassis ordered for NJPA members and make sure only NJPA members are receiving the NJPA discount. When an order is placed using the certificate the selling dealer will be required to submit all paperwork associated with the transaction including the purchase order, deal summary worksheet, sourced "goods" invoices, chassis specifications and order report. With these documents Volvo can confirm compliance. At the close of every month deals will be reviewed to confirm compliance.

- 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.)

Volvo will pay the NJPA a per unit fee of \$750.00 USD for every Volvo chassis delivered through and adhering to the NJPA contract framework.

Industry-Specific Questions

- 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.

Volvo's frame rail offerings come with a minimum of five piece cross-members, their height is always 11.81" and a single rail can be rated at 3.1M RBM. These features make the frame very strong but light and also less susceptible to corrosion than double/ sleeved rails. The Volvo also uses 6 different high strength galvanized steels to construct its cab. This allows Volvo cabs to be strong yet light and also resistant to corrosion.

- 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.

Volvo cab is the only cab in the industry subjected to the Swedish Crash Test. This test includes the cab's roof being subjected to a weight of 15 tons. After this, a cylindrical pendulum strikes the cab's front left supporting pillar. Finally, the pendulum strikes the rear wall of the cab. This pendulum weighs one ton and is released from a height of three meters. In order to pass the test the occupants must remain safe and the doors must be able to open.

- 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."

Volvo products come standard with Remote Diagnostics which is a telematics system that monitors the health of the engine, emission system and IShift transmission. The information is reported via cellular transmissions to the Uptime Center in Greensboro, NC where it is processed by a Volvo employee. The Uptime Center is a standalone building on Volvo's office campus where all aftermarket support employees office and it is staffed 24/7/365. From this location the information is then passed onto the customer, in the method of their choosing, and the local dealer is contacted to help coordinate a repair. The repair process is then monitored by the Uptime Center through to completion. Remote Diagnostics is active during the warranty period and/or during the service contract period.

- 21) Provide any market data supporting the longevity and reliability of your proposed solutions.

All Volvo engines have an advertised 1,200,000 mile B50 life. This means 50% of all engines Volvo produced will not require major engine work until after 1,200,000 miles.

- 22) As a percentage of your total units sold over the past three years, what portion are day cabs?

On average 40% of Volvo's sales in any given year can be attributed to day cab vehicles.

23) What is your parts order fill rate?

For the first 25 weeks of 2016 Volvo had a consolidated parts fill rate, inclusive of all seven parts distributions centers in North America, of 97.1%.

24) What is your US market share? Canadian share (if any)?

In the 2015 calendar year the Volvo brand had a 12.4% market share in the United States. In the 2015 calendar year the Volvo brand had 16.3% market share in Canada.

Signature: A. B. Hansen

Date: Aug. 26, 2016