BLANKET PURCHASE ORDER
STATE OF MARYLAND

********** STATE OF MARYLAND **********

BPO NO: 001B0400068 **PRINT DATE:** 07/28/09 **PAGE:** 01

SHIP TO:

AS SPECIFIED ON INDIVIDUAL ORDERS

VENDOR ID: 1521259153
K NEAL INTERNATIONAL TRUCKS INC
5000 TUXEDO RD

HYATTSVILLE, MD 20781
(301)772-5100

REFER QUESTIONS TO:

LINDA RULEY
(410)767-4608
LINDA.RULEY@DGS.STATE.MD.US

ITB: 001IT817691	**EXPR DATE:** 07/14/10 **POST DATE:** 07/28/09	**DISCOUNT TERMS:** . NET 30 DAY **CONTRACT AMOUNT:** .00

TERMS:

ARTICLES HEREIN ARE EXEMPT FROM MARYLAND SALES AND USE TAXES BY EXEMPTION CERTIFICATE NUMBER 3000256-3 AND FROM FEDERAL EXCISE TAXES BY EXEMPTION NUMBER 52-73-0358K. IT IS THE VENDOR'S RESPONSIBILITY TO ADVISE COMMON CARRIERS THAT AGENCIES OF THE STATE OF MARYLAND ARE EXEMPT FROM TRANSPORTATION TAX.

VENDOR CONTACT: JACK CLAUNCH (301) 772-5100

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STATEWIDE CONTRACT
INSTALLATION SERVICES FOR
DIESEL EMISSIONS CONTROL DEVICES
==========

SCOPE OF CONTRACT: REQUIREMENTS CONTRACT FOR SUPPLYING THE USING AUTHORITY WITH THEIR NEEDS FOR LABOR TO INSTALL VARIOUS TYPES OF DIESEL EMISSION CONTROL DEVICES ON HEAVY-DUTY DIESEL VEHICLES FOR THE CONTRACT PERIOD SPECIFIED.

RELEASES SHALL BE MADE AS REQUESTED BY THE USING AUTHORITY ON AN "AS-REQUIRED" BASIS.

CONTRACT PERIOD: JULY 1, 2009 THROUGH JUNE 30, 2010.

THE TERM OF THE CONTRACT WILL BE A PERIOD OF ONE (1) YEAR BEGINNING FROM DATE OF AWARD. THE STATE RESERVES THE UNILATERAL OPTION TO RENEW THE CONTRACT FOR ONE (1) ADDITIONAL CONTRACT PERIOD.

NOTE: RENEWAL OPTIONS ARE AT THE DISCRETION OF THE STATE AND THE

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TERMS (cont'd):

CONTRACTOR WILL NOT BE RELIEVED OF THE COMMITMENT TO RENEW THE CONTRACT. PRICES SUBMITTED AT THE TIME OF THE BID MUST REFLECT THE POTENTIAL INCREASES THROUGH THE TERM AND THE OUT YEARS OF THE CONTRACT.

CONTRACT SHALL REMAIN IN EFFECT FOR THE TIME PERIOD SPECIFIED UNLESS THE CONTRACT IS TERMINATED BY THE BUREAU. THE BUREAU MAY TERMINATE ANY CONTRACT WITHOUT SHOWING CAUSE UPON THIRTY (30) DAYS WRITTEN NOTICE TO THE CONTRACTOR.

THIS CONTRACT IS TO BE A FIRM FIXED PRICE CONTRACT. ALL PRICES CONTAINED HEREIN SHALL BE FIRM FOR THE ENTIRE CONTRACT PERIOD.

PAYMENT TERMS ARE TO BE NET, 30 DAYS.

PURSUANT TO ARTICLE 41, SECTION 18-201 OF THE ANNOTATED CODE OF MARYLAND, EXCEPT AS PROVIDED IN (B) THE FOLLOWING ENTITIES MAY PURCHASE MATERIALS, SUPPLIES, AND EQUIPMENT UNDER THIS CONTRACT:

(1) A COUNTY OR BALTIMORE CITY;
(2) A MUNICIPAL CORPORATION;
(3) A GOVERNMENTAL AGENCY IN THE STATE;
(4) A PUBLIC OR QUASI-PUBLIC AGENCY THAT:

(I) RECEIVES STATE MONEY; AND
(II) IS EXEMPT FROM TAXATION UNDER SECTION 501(C)(3) OF THE INTERNAL REVENUE CODE:

(5) A PRIVATE ELEMENTARY OR SECONDARY SCHOOL THAT:

(I) EITHER HAS BEEN ISSUED A CERTIFICATE OR APPROVAL FROM THE STATE BOARD OF EDUCATION OR IS ACCREDITED BY THE ASSOCIATION OF INDEPENDENT SCHOOLS; AND

(II) IS EXEMPT FROM TAXATION UNDER SECTION 501 (C)(3) OF THE INTERNAL REVENUE CODE:

OR

(6) A NONPUBLIC INSTITUTION OF HIGHER EDUCATION UNDER SECTION 17-106 OF THE EDUCATION AFTICLE.

A PRIVATE ELEMENTARY OR SECONDARY SCHOOL OR A NONPUBLIC INSTITUTION OF HIGHER EDUCATION MAY NOT PURCHASE RELIGIOUS MATERIALS UNDER THIS CONTRACT

THE RIGHT TO PURCHASE UNDER THIS SECTION SHALL BE IN ADDITION TO, BUT NOT IN SUBSSITUTION FOR, THE APPLICABLE PURCHASING POWER GRANTED TO

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TERMS (cont'd):

ANY OF THE LISTED ENTITIES PURSUANT TO ANY STATUTORY OR CHARTER PROVISION.

ALL PURCHASES UNDER THIS CONTRACT BY ANY SUCH ENTITY WHICH IS NOT A UNIT OR AGENCY OF THE STATE OF MARYLAND FOR WHICH THE STATE OF MARYLAND MAY BE HELD LIABLE IN CONTRACT (1) SHALL NOT CONSTITUTE A PURCHASE OR CONTRACT BETWEEN THE CONTRACTOR AND THAT ENTITY ONLY, (2) SHALL NOT CONSTITUTE A PURCHASE OR CONTRACT OF THE STATE OF MARYLAND, (3) SHALL NOT BE BINDING OR ENFORCEABLE AGAINST THE STATE OF MARYLAND OR ANY OF ITS UNITS OR AGENCIES, AND (4) MAY BE SUBJECT TO OTHER TERMS AND CONDITIONS AGREED TO BY THE CONTRACTOR, AND THE PURCHASER. CONTRACTOR BEARS THE RISK OF DETERMING WHETHER OR NOT ANY ENTITY FROM WHICH THE CONTRACTOR RECEIVES AN ORDER UNDER THE CONTRACT IS A UNIT OR AGENCY OF THE STATE OF MARYLAND SUCH THAT THE CONTRACT MAY BE ENFORCED AGAINST THE STATE OF MARYLAND.

A REPORT MUST BE FURNISHED BY THE SUCCESSFUL VENDOR EVERY THREE (3) MONTHS DETAILING THE PURCHASE OF ALL ITEMS ON THE CONTRACT. FORMAT SHALL BE AT VENDORS OPTION PROVIDING THAT, AS A MINIMUM, THE REPORT REFLEC TS THE CONTRACT NUMBER, CONTRACT ITEM NUMBER, THE DOLLAR VOLUME PURCHASED OF EACH ITEM, AGENCY IDENTIFICATION, AND THE CONTRACT TOTAL. THE REPORT MUST BE FILED WITHIN THIRTY (30) DAYS AFTER THE END OF EACH REPORTING PERIOD. ANY EXCEPTION TO THIS REQUIREMENT MAY RESULT IN CANCELLATION OF THE AWARD. FAILURE TO PROVIDE THE REPORT WITH THE MINIMUM REQUIRED INFORMATION MAY ALSO NEGATE ANY CONTRACT EXTENSION CLAUSES. ADDITIONALLY, VENDORS WHO ARE DETERMINED TO BE IN DEFAULT OF THIS MANDATORY REPORT REQUIREMENT WILL NOT BE ALLOWED TO BID ON ANY FUTURE REQUIREMENTS.

VENDOR MUST INCLUDE THE 9-DIGIT ZIP CODE OF COMPANY ADDRESS ON ALL INVOICES. FAILURE TO DO SO MAY RESULT IN DELAY OF PAYMENT.

1. REQUIREMENTS

A. LABOR AND MINOR MATERIALS COVERED BY THIS SOLICITATION TO INSTALL DIESEL EMISSION CONTROL DEVICES INCLUDES, BUT IS NOT LIMITED, TO THE FOLLOWING:

DIESEL OXIDATION CATALYSTS (DOC)
DIESEL PARTICULATE FILTERS (DPF)
CLOSED CRANKCASE VENTILATION FILTRATION (CCVF) SYSTEMS
DIESEL PARTICULATE FILTER CLEANING

REFLASHING OF INTERNATIONAL T444E ENGINES (ECM PROGRAMMING). THE ELECTRONIC CONTROL MODULE (ECM) PROGRAMMING OF THE INTERNATIONAL T444E ENGI NES MODEL YEARS 1999-2003 MUST COMPLY WITH EPA EMISSIONS

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TERMS (cont'd):

CERTIFICATION LEVELS FOR THE MODEL YEAR 2003 INTERNATIONAL T444E LEV ENGINE

B. ONLY DIESEL EMISSION CONTROL DEVICES CONTAINED IN THE FOLLOWING CONTRACT QUALIFY FOR INSTALLATION UNDER THE TERMS OF THIS CONTRACT:
THE MARYLAND DEPARTMENT OF THE ENVIRONMENT
PURCHASE OF DIESEL EMISSION CONTROL DEVICES

C. DIESEL EMISSION CONTROL DEVICES WILL BE INSTALLED ON SA&LG VEHICLES INCLUDING SCHOOL BUSES, FIRE ENGINES AND TRUCKS, MEDIC UNITS, DUMP TRUCKS, TRASH TRUCKS AND TRANSIT BUSES.

D. THE SA&LG RESERVES THE RIGHT TO EITHER FURNISH THE CONTRACTOR WITH THE DIESEL EMISSION CONTROL DEVICES OR REQUIRE THE CONTRACTOR TO PURCHASE DIESEL EMISSION CONTROL DEVICES. THE CONTRACTOR WILL BE REIMBURSED BY THE REQUESTING STATE AGENCY OR LOCAL GOVERNMENT IF REQUIRED TO PURCHASE THE DIESEL EMISSION CONTROL DEVICES. CONTRACTOR MUST PROVIDE COPIES OF ORIGINAL INVOICES FOR THE DEVICES TO THE REQUESTING AGENCY BEFORE REIMBURSEMENT.

E. THE CONTRACTOR IS REQUIRED TO SUPPLY ALL INCIDENTAL HARDWARE INCLUDING BUT NOT LIMITED TO MUFFLER CLAMPS, BRACKETS, HANGERS

F. ADDITIONAL WORK: IF DURING THE INSTALLATION, THE CONTRACTOR IDENTIFIES OTHER RELATED WORK (E.G., REPLACING OTHER PARTS OF THE EXHAUST SYSTEM) THAT IS REQUIRED, THE CONTRACTOR MUST RECEIVE PERMISSION FROM THE RESPECTIVE SA&LG REPRESENTATIVE BEFORE PROCEEDING WITH SUCH WORK. THE SA&LG WILL RENDER A DECISION WITHIN ONE BUSINESS DAY OF BEING NOTIFIED THAT ADDITIONAL WORK IS REQUIRED.

G. THE VENDOR MAY BID ON INSTALLATION OF ONE OR ALL DIESEL EMISSION CONTROL DEVICES. HOURLY LABOR RATE MUST BE THE SAME FOR ALL DIESEL EMISSION CONTROL DEVICES.

H. THE SA&LG RESERVES THE RIGHT TO ASSIGN VEHICLES TO CONTRACTORS IN ANY WAY IT FINDS CONVENIENT IN ORDER TO ENSURE ORDERLY, ECONOMICAL AND TIMELY PROGRESS TOWARDS COMPLETION OF ALL PLANNED PROJECTS

2. CONTRACTOR'S RESPONSIBILITY

A. CONTRACTOR PERFORMS WORK AT ITS OWN LOCATION. THE CONTRACTOR MUST STATE THE PLANNED LOCATIONS FOR ALL WORK AND RECEIVE PRIOR APPROVAL FROM THE STATE OF MARYLAND FOR ANY CHANGES DURING THE CONTRACT PERIOD.

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TERMS (cont'd):

-THE REQUESTING AGENCY WILL BE RESPONSIBLE TO TRANSPORT VEHICLES BETWEEN THE SA&LG PARKING/STORAGE LOCATION AND THE CONTRACTOR LOCATION.

-THE CONTRACTOR'S EMPLOYEES DRIVING THE VEHICLES ON CONTRACTOR'S PREMISES MUST POSSESS AN APPROPRIATE COMMERCIAL DRIVER'S LICENSE (CDL) AND ENDORSEMENTS

-THE CONTRACTOR WILL SUPPLY ALL LABOR TO PERFORM AND COMPLETE THE WORK. DIESEL EMISSION CONTROL DEVICES WILL BE PROVIDED BY THE REQUESTING AGENCY. THE CONTRACTOR WILL PROPERLY DISPOSE OF ANY MATERIALS REMOVED FROM THE VEHICLE IN THE INSTALLATION PROCESS.

-THE CONTRACTOR MUST BE INSURED IN AN AMOUNT SUFFICIENT TO COVER ALL DAMAGES TO ANY/ALL SA&LG VEHICLES ON ITS PREMISES RESULTING FROM (BUT NOT LIMITED TO) COLLISION, THEFT, FIRE, FLOOD, VANDALISM, ETC. PROOF OF INSURANCE MUST BE PROVIDED UPON REQUEST.

B. CONTRACTOR PERFORMS WORK AT A SA&LG LOCATION. SA&LG WORKING SPACE WILL BE AVAILABLE BETWEEN THE HOURS OF 6:00 A.M. AND 4:00 P.M. (EXCEPT HOLIDAYS) ON MONDAY THROUGH FRIDAY. THE RESPECTIVE SA&LG WILL MAKE AT LEAST ONE WORKING SPACE AVAILABLE IN A SA&LG FACILITY FOR COMPLETION OF THE RETROFITS.

-ONE WORK BAY WILL BE AVAILABLE AT THE: LOCATION(S) WILL BE PROVIDED UPON REQUEST.

-DURING THE PERIOD OF THE CONTRACT, THE AVAILABLE BAY LOCATION MAY CHANGE WITHIN OR BETWEEN THE RESPECTIVE SA&LG FACILITIES. THE RESPECTIVE SA&LG WILL NOTIFY THE CONTRACTOR AT LEAST FIVE WORKING DAYS PRIOR TO A LOCATION CHANGE.

-THE CONTRACTOR WILL PERFORM THE WORK AND SUPPLY ALL LABOR AND INCIDENTAL HARDWARE

-DIESEL EMISSION CONTROL DEVICES WILL BE PROVIDED BY THE REQUESTING AGENCY

-THE CONTRACTOR WILL PROPERLY DISPOSE OF ANY MATERIALS REMOVED FROM THE VEHICLE IN THE INSTALLATION PROCESS.

-THE CONTRACTOR'S EMPLOYEES DRIVING THE VEHICLES MUST POSSESS AN APPROPRIATE COMMERCIAL DRIVER'S LICENSE (CDL) AND ENDORSEMENTS.

-THE CONTRACTOR WILL BE NOT RESPONSIBLE TO TRANSPORT VEHICLES FROM

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TERMS (cont'd):

THE PARKING/STORAGE LOCATIONS TO THE RESPECTIVE SA&LG MAINTENANCE FACILITY AND TO RETURN THEM WHERE THEY WERE PICKED UP WHEN RETROFITTING IS FINISHED

3. QUALITY CONTROL AND DOCUMENTATION

A. THE MARYLAND DEPARTMENT OF THE ENVIRONMENT (MDE) AND/OR THE RESPECTIVE SA&LG WILL PERFORM QUALITY CONTROL AUDITS ON AS MANY VEHICLES AS IT DEEMS NECESSARY TO ENSURE THE SUCCESSFUL COMPLETION OF THE WORK.

B. THE CONTRACTOR WILL DOCUMENT PARTS AND METHODS USED TO COMPLETE THE IN STALLATION ON EACH VEHICLE CONFIGURATION COMPLETED. THE INTENT IS TO MAKE THIS DOCUMENTATION AVAILABLE TO OTHER JURISDICTIONS THAT WISH TO INSTALL THE SAME RETROFIT DEVICES IN SIMILAR VEHICLES. MDE AND THE SA&LG, THEREFORE, WILL OWN ANY KNOWLEDGE GAINED BY THE CONTRACTOR FROM THE EXPERIENCE OF INSTALLING THE RETROFITS THAT WOULD ENABLE EFFICIENT AND ECONOMICAL COMPLETION OF SIMILAR WORK. THE CONTRACTOR WILL PARTICIPATE IN PROGRESS REVIEWS WITH THE SA&LG AT LEAST MONTHLY OR, AT THE SA&LG DISCRETION, MORE FREQUENTLY, AND AT WHICH TIMES THE CONTRACTOR WILL UPDATE THE SA&LG STAFF ON THE RETROFITTING PROGRESS, THE PARTS AND METHODS DOCUMENTATION, AND ANY OTHER RELEVANT INFORMATION.

C. INSTALLATIONS WILL CARRY A WARRANTY FOR LABOR FOR AT LEAST ONE YEAR AGAINST FAILURE OF THE INSTALLATION TO MAINTAIN REQUIRED EMISSIONS REDUCTIONS AND AGAINST DAMAGE OR OTHER DEGRADED PERFORMANCE OF THE ENGINE OR OTHER COMPONENTS OF THE VEHICLE DUE TO PRESENCE OF THE INSTALLATION

D. THE CONTRACTOR MUST CERTIFY THAT RETROFITS ARE COMPATIBLE WITH THE APPLICATION. THE CONTRACTOR MUST PRESENT OEM CONCURRENCE THAT THE RETROFIT WILL NOT AFFECT OEM WARRANTIES ON VEHICLES AND ENGINES THAT ARE STILL UNDER WARRANTY.

E. MDE AND SA&LG RESERVES THE RIGHT FOR SITE VISITS TO ANY VENDOR TO ASCERTAIN ABILITY TO PERFORM THE WORK.

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0001	92045-MEMA00	EA	85.0000

HOURLY LABOR RATE - THE CONTRACTOR MUST PROVIDE TO THE USING AGENCY A WRITTEN QUOTE FOR THE REQUIRED INSTALLATION STATING THE NUMBER OF HOURS THAT THE INSTALLATION WILL REQUIRE MULTIPLIED BY THE QUOTED HOURLY RATE. NO OTHER CHARGES SHALL APPLY UNLESS OTHERWISE NOTED.

AUTHORIZED TO INSTALL THE FOLLOWING:
- DIESEL OXIDATION DATALYSTS (DOC)
- ACTIVE AND PASSIVE DIESEL PARTICULATE FILTERS (DPF)
- CLOSED CRACKCASE VERTILATION FILTRATION SYSTEMS (CCVF)

NOTE: A REFLASHING CHARGE OF $1175.00 FOR A T444E ENGINE SHALL APPLY.

LOCATIONS:
1. 5000 TUXEDO ROAD, HYATTSVILLE, MD
2. 18970 WOODFIELD ROAD, GAITHERSBURG, MD

END OF ITEM LIST

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AUTHORIZED BY: Linda Ruby **DATE:** 7/28/09

BUYER AUTHORIZED DESIGNEE

FMIS-5 (4/96)