

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

Company Name: Kenworth Truck Company Division of PACCAR 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
3.35/10	Warranty:	Kenworth Truck Company offers a limited basic vehicle warranty and extended warranties in lieu of implied warranties. The terms and conditions of these warranties generally meet or exceed the warranties offered by other truck manufacturers.	Accepted as clarification.
3.36/10	Additional Warrants:	Kenworth Truck Company agrees to accept sole source responsibility for the vehicle and component parts warranted by Kenworth. Kenworth cannot accept responsibility for parts which are separately warranted (e.g. body installations, engines other than PACCAR branded engines). Typically, the Kenworth dealer will work with the responsible manufacturer or service supplier to rectify a defect or performance issue. Or, if desired, the Kenworth dealer will designate a point of contact for the NJPA member.	Accepted as clarification.
7.7/25	Awarded Vendors must report at least quarterly the total gross dollar volume of all products and services purchased by NJPA Members as it applies to this RFP and Contract. This report must include the name and address of the purchasing agency, Member number, amount of purchase, and description of the items purchased.	Kenworth dealers will report the total gross dollar, member name and address, member number, description of the items purchased, copy of member P.O. and final Kenworth dealer invoice to member monthly, or at least quarterly. In addition, Kenworth Truck Company will report quarterly the selling Kenworth dealer name, member name, and Kenworth vehicle number (last 6 of the VIN) and send with the NJPA fee.	Accepted as clarification.

Form C

Proposer's Signature: Mr. Mleg Date: 8/26/2016

NJPA's clarification on exceptions listed above:



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: Kenworth Truck Company, Date: 8/27/16
Division of PACCAR Inc.

Company Address: 10630 NE 38th Place

City: Kirkland State: WA Zip: 98033

Contact Person: Jason P. Skoog Title: Assistant General Manager - Sales - Marketing

Authorized Signature: [Signature] Jason P. Skoog
(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-KTC

Proposer's full legal name: Kenworth Truck Company, a Division of PACCAR 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/CFO SIGNATURE



NJPA EXECUTIVE DIRECTOR/CEO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

Chad Coauette
(NAME PRINTED OR TYPED)

Awarded on November 15, 2016

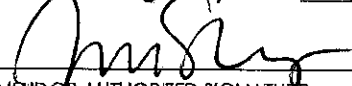
NJPA Contract # 081716-KTC

Vendor Authorized Signatures:

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

Vendor Name KENWORTH TRUCK COMPANY

Authorized Signatory's Title ASSISTANT GENERAL MANAGER



VENDOR AUTHORIZED SIGNATURE

JASON P. SKOWG
(NAME PRINTED OR TYPED)

Executed on 11/21, 2016

NJPA Contract # 081716-KTC

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: Kenworth Truck Company, Division of PACCAR Inc.

Address: 10630 NE 38TH Place

City/State/Zip: Kirkland, WA 98033

Telephone Number: (425) 828-5964

E-mail Address: jason.skogg@paccar.com

Authorized Signature: [Signature]

Authorized Name (printed): Jason Skogg

Title: Assistant General Manager - Sales & Marketing

Date: 8/29/16

Notarized



Subscribed and sworn to before me this 29TH day of AUGUST, 2016

Notary Public in and for the County of SNOHOMISH State of WA

My commission expires: MARCH 1, 2020

Signature: [Signature]



PROPOSER QUESTIONNAIRE

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

Proposer Name: Kenworth Truck Company, Division of PACCAR Inc.

Questionnaire completed by: Mike Kleespies

Payment Terms and Financing Options

- 1) What are your payment terms (e.g., net 10, net 30)?
 - Payment is net 5 days after delivery to the first destination in the continental U.S., or Canada for Canadian members, from the Kenworth factory assembly plant. Or, as mutually agreed upon between the Kenworth dealer and NJPA member as appropriate for each unique offer to meet the member's need.
- 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, Kenworth dealers will work with Paccar Financial or other financial institutions as needed to meet member's needs.
- 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.
 - All vehicle offers and orders will be through a Kenworth authorized dealer. No orders will be accepted by Kenworth Truck Company, Division of PACCAR Inc. directly. The anticipated process would be as follows:
 1. NJPA member and the local Kenworth dealer seek each other out to resolve a specific NJPA member class 6, 7 or 8 commercial vehicle need.
 2. Dealer Salesperson determines members specific commercial vehicle needs through questioning. This includes the intended purpose, vehicle capacity required, the geographic environment, the specific body characterizes and functions required, and any other relevant information needed to prepare a comprehensive vehicle solutions offer.
 3. Dealer Salesperson determines truck model and generates compatible specifications that meet the members need, meet the TEM's need for the specific body, and meets local road regulations and any other requirements. The Kenworth PROSPECTOR report generated will show the proposed chassis specification and total list price (also shown as Total Adjusted Price) equal to the base model list plus all the selected chassis options. This is the list price that the member discount will apply and include freight to the first continental U.S., or Canada for Canadian members, destination after chassis assembly at the Kenworth factory assembly plant.
 4. If applicable, dealer salesperson will seek competitive quotes for any required body, special services (i.e. body swap or other vehicle modification), truck related equipment, special transport requirements, or any other item or service needed to meet the members need and offer and complete solution.
 5. Dealer Salesperson calculates pricing using the appropriate NJPA member discount factor by Kenworth model and maximum, or less, markup for all sourced goods and services plus all nationally, state or locally required taxes, fees, tag, title, etc. Salesperson presents a comprehensive commercial vehicle offer with proposed terms and conditions to member.
 6. Member and dealer salesperson/dealer management mutually agree on all aspects of the proposed offer including final specification of the truck chassis, all sourced goods, total sales price, final terms and conditions and any tag, title, tax or other government mandated fees that are required.
 7. Member issues and offers formal purchase order to dealer salesperson/management.
 8. Dealer accepts members purchase order.
 9. Dealer salesperson orders chassis with NJPA tracking code, orders all sourced goods and coordinates all activities through final delivery to fulfill the member purchase order.

10. Upon delivery, member acceptance and member payment; dealer will warranty register the vehicle in the Kenworth system and email copies monthly, or at least quarterly, the following documents to NJPA administration and Kenworth administration:

- * A reporting form showing the NJPA member name and address, the NJPA member number, description of the products and services purchased, the Kenworth unit number (last 6 of the VIN), and the total gross dollar amount.
- * A copy of the member purchase order
- * A copy of the final PROSPECTOR or Chassis Pre-Bill showing the total chassis list price
- * Final vehicle invoice to the member.

11. Kenworth administration will generate a list of all NJPA units delivered / warranty registered to members quarterly. A report will be generated showing the chassis vehicle number (last 6 of the VIN), selling dealer name, purchasing NJPA member name, and remit with the appropriate NJPA administration fee for each unit.

12. Kenworth Truck Company will follow up with a standard customer survey to assure members total satisfaction. Any response deemed unacceptable will be forwarded to the Kenworth dealer for follow-up with the member for rectification.

13. Periodic and random audits will be conducted as deemed necessary to assure compliance with the NJPA offer, pricing calculations, terms, and Kenworth program.

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?

- P-card payment process is typically not used for commercial truck procurement. However, this would be mutually determined between the member and the selling Kenworth dealer.

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.

- Copies of all chassis warranties are included on the electronic device.
- When a vehicle is delivered to the NJPA member, the Kenworth dealer will warranty register the unit showing the customer name, mileage, and date the unit started in operation. The applicable warranties on each unit then start from based on the information supplied during the registration.
- If a warranty repair is needed, units are taken to the nearest authorized Kenworth dealer for service. If the repair is needed on a body or other related equipment that was added on after chassis assembly, it's best to contact the selling dealer to work out the warranty repair with the truck equipment manufacturer or service provider.
- Some components are covered by their respective manufacturer; Cummins engines for example. Kenworth will register the delivered unit with Cummins or other vendors as required based on the unit warranty registration information entered into the Kenworth warranty registration system.
- Members that wish to seek authorization for doing their own warranty repairs must first follow the procedures and application to obtain approval for dealer sponsored fleet warranty. The member fleet manager should contact the local Kenworth dealer service manager for further information on this subject.
- End user / owner is responsibilities for the proper operation and maintenance of the vehicle as specified in the applicable Operation and Maintenance Manuals supplied with the vehicle.

• Do your warranties cover all products, parts, and labor?

- Parts and labor is typically included in all the standard warranties with Kenworth, Cummins, Allison, TEM equipment, other components and add on devices. See each respective manufacturer warranties for more detail. Some, but not all, are included in this package.

- Regarding all Kenworth products, that depends on the specific model and components selected and does not include any add on body equipment. Some components are covered by their respective manufacturer. For example, Cummins Engines are covered under a Cummins warranty. Cummins warranty service is available at Kenworth dealers and claims passed through to Cummins directly. Another example is with Allison transmissions. These transmission are warranted by Allison, and unless the Kenworth dealer is an authorized Allison warranty location, the

Kenworth dealer would normally arrange for the transport and coordination of the repair with the local Allison authorized repair center.

- For add on bodies or other truck related equipment, it's best to work with the selling dealer to cooperatively manage the warranty repair with the appropriate sub-contractor.
- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
 - If a Kenworth truck is used in what is defined as a severe service application, a specific standard warranty is defined separately for units that fall into this category. Severe service definition and the specific warranty is included in the warranty documents on the electronic device.
- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
 - Each breakdown situation is unique. Kenworth dealers are trained to make judgment decisions necessary to determine the optimum method to resolve a warrantable breakdown. If the breakdown is within the first 6 months or 100,000 miles, and if the dealer has the resources and capability and determines that a technician road call is the best alternative; the dealer is reimbursed for such calls under a Kenworth warrantable repair.
- 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?
 - Kenworth authorized dealers are located in all U.S. states. See the included excel file with the dealer listing for locations or search via the dealer locator at www.kenworth.com. Kenworth warrantable repairs must be performed by an authorized Kenworth dealer location. Note that certain component warrantable repairs may be performed by any authorized location of that specific component make. For example, Cummins engines warrantable repairs can be performed by any Cummins authorized location.
- 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?
 - Many components made by other manufacturers that are assembled on the cab and chassis, and the warranty repair is performed at an authorized Kenworth dealer, all warranty claims to pass through Kenworth to the original manufacturer. Bodies and other related add on equipment are warrantable by those specific equipment manufacturers or service providers. In many situations, if the Kenworth dealer is capable of providing the warrantable repair needed on a body or other truck related equipment, the truck equipment manufacturers will allow the Kenworth dealer to make the repair on their behalf.
- What are your proposed exchange and return programs and policies?
 - Not applicable. No exchange or return program exists. However, any exceptions would be at the discretion of the selling Kenworth dealer.
- 6) Describe any service contract options for the items included in your proposal.
 - No service contract options are included in this proposal, but are typically available separately through the local Kenworth dealer.
 - Paccar Leasing Company is a Division of PACCAR Inc. that offers full maintenance lease, rental units, contract maintenance and other fleet services. Many Kenworth dealers are engaged in this type of business and can offer these services to members.

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.)
 - The NJPA member pricing model offered is as follows:

a. **Kenworth Truck Cab and Chassis Pricing:** The NJPA member price for a custom spec'd Kenworth chassis is the total list price, also known as the Total Adjusted Price in the PROSPECTOR report (a sample is provided on the electronic drive under folder Form P, NJPA Member Pricing, Pricing Examples), less the NJPA member discount (copy under folder Form P, NJPA Member Pricing), for the specific applicable Kenworth Model. This calculated member price includes the standard freight from Kenworth factory assembly plant to the first delivery destination in the continental U.S., or Canada for Canadian members. See the included NJPA member discount schedule with the specific discounts by Kenworth truck model, instructions and an example.

b. **Sourced Goods:** NJPA member price for all sourced goods is the Kenworth dealer sales department cost plus no more than 5%. This includes all potential truck mounted bodies, add on equipment, special training requests, additional or special manuals, special software and/or hardware, special subscriptions (online technical information access for example), special transportation (other than the transport included from the chassis assembly plant to the first specified delivery location which is included in the member chassis pricing), any and all truck related type services (for body swap from old chassis to new chassis for example).

c. **Extended Warranties:** All extended warranties offered by the Kenworth dealer for any manufacturer or item will be priced dealer sales department cost plus no more than 5%.

- Additional pricing detail: Kenworth Truck Company builds custom truck cab and chassis and each unit, or order of multiple identical units, is unique. Kenworth dealers use the Kenworth PROSPECTOR tool to generate a buildable unit that meets an end user's specific need. The PROSPECTOR tool will generate a report with the base list price plus all the required options list price and calculate a total list price, shown in the report as Total Adjusted Price (w/o freight & warranty & surcharges). It is the total list price that the applicable NJPA discount based on the specific Kenworth truck model will be applied to achieve a member price. It is important to note that all Kenworth models base chassis list price is just a starting point and typically cannot be ordered and built without adding additional chassis options required to create a compatible and buildable unit. Included in this response is a copy of the list price pages, also known as Kenworth data books, for all the Kenworth models offered. Additionally, there are non-published options that are sometimes required and not listed in the published data books. Unpublished options will be at the same price validity period (i.e. July 1, 2016 price pages) and be considered no different than as if these options were listed in the data books.

- Below (next page) is a copy of the NJPA member discount schedule that indicates the NJPA member discounts by Kenworth model along with multiplying factors to simplify the pricing calculation.

NJPA Member Discount for Kenworth Brand Truck Chassis

STEP 1. Any U.S. or Canadian authorized Kenworth Dealer establishes compatible chassis specifications that meets members need using the Kenworth PROSPECTOR system. A report is generated showing the Total Adjusted Price, also known as Total List Price, of the proposed chassis.

STEP 2. NJPA member chassis price will be determined by the Total List Price multiplied by the appropriate discount factor based on the model. Net 5 days after delivery to first location after chassis assembly plant, or as otherwise agreed upon between member and Kenworth dealer.

STEP 3. NJPA member price for all extended warranties, sourced goods, and sourced services is no more than Kenworth dealer sales department cost plus 5%.

STEP 4. NJPA member total price is STEP 2 plus STEP 3 plus all required federal, state and local taxes, fees, tag, title, permits, etc.

Example:

1. Kenworth Dealer generates a PROSPECTOR report with the T800 Daycab specifications that meets members need with a total list price of \$212,280 on 7/1/16 prices.
2. Discount Factor for T800 Daycab is .540, so members chassis price net 5 days after delivery to first location after assembly plant is \$114,631.
3. Sourced goods and services for dump body, transport from body mounting location, requested training, extra and custom manuals and diagnostic software is \$23,247. (No higher than Kenworth dealer sales department cost plus 5%)
4. Total member price for chassis plus sourced goods and services is \$137,878 plus applicable federal, state and local taxes, fees, tag, title, etc.
5. Final conditions and payment terms to be mutually agreed upon by the Kenworth dealer and member.

PROSPECTOR PRICE DATE TO USE: 7/1/2016

Kenworth Model	Total List Price	Member % Discount off	Equivalent Discount Factor
		Total List Price	
K270 (Cabover)	TBD Dlr/Mbr	21.80%	0.782
K370 (Cabover)	TBD Dlr/Mbr	22.50%	0.775
T170	TBD Dlr/Mbr	36.00%	0.640
T270	TBD Dlr/Mbr	35.60%	0.644
T270 4x4	TBD Dlr/Mbr	37.30%	0.627
T370 4x2 (Man/Automated Trans)	TBD Dlr/Mbr	35.50%	0.645
T370 4x2 (Allison Trans)	TBD Dlr/Mbr	36.50%	0.635
T370 4x4	TBD Dlr/Mbr	38.70%	0.613
T370 6x4 (Man./Automated Trans)	TBD Dlr/Mbr	35.50%	0.645
T370 6x4 (Allison Trans)	TBD Dlr/Mbr	37.10%	0.629
T370 HFA 4x2 or 6x4 (18K or 20K Front Axle)	TBD Dlr/Mbr	36.10%	0.639
T370 6x6	TBD Dlr/Mbr	39.00%	0.610
T440 4x2	TBD Dlr/Mbr	41.20%	0.588
T440 6x4	TBD Dlr/Mbr	46.60%	0.534
T470 4x2	TBD Dlr/Mbr	41.20%	0.588
T470 6x4	TBD Dlr/Mbr	46.70%	0.533
TBD	TBD Dlr/Mbr	0.00%	0.000
TBD	TBD Dlr/Mbr	0.00%	0.000
T680 Daycab	TBD Dlr/Mbr	44.90%	0.551
T680 Sleeper	TBD Dlr/Mbr	46.20%	0.538
T800 Daycab	TBD Dlr/Mbr	46.00%	0.540
T800 Sleeper	TBD Dlr/Mbr	46.00%	0.540
T800 Tridem	TBD Dlr/Mbr	46.40%	0.536
T880 Daycab	TBD Dlr/Mbr	45.00%	0.550
T880 Sleeper	TBD Dlr/Mbr	46.00%	0.540
T880 Tridem	TBD Dlr/Mbr	46.30%	0.537
W900 Daycab	TBD Dlr/Mbr	45.40%	0.546
W900 Sleeper	TBD Dlr/Mbr	45.90%	0.541
W900 Tridem	TBD Dlr/Mbr	46.80%	0.532
C500	TBD Dlr/Mbr	36.00%	0.640
TBD	TBD Dlr/Mbr	0.00%	0.000
TBD	TBD Dlr/Mbr	0.00%	0.000
TBD	TBD Dlr/Mbr	0.00%	0.000

Natural Gas Models

T440 4x2 or 6x4 - ISL-G	TBD Dlr/Mbr	43.00%	0.570
T680 Daycab ISX 12-G	TBD Dlr/Mbr	50.60%	0.494
T680 Sleeper ISX 12-G	TBD Dlr/Mbr	49.90%	0.501
T880 Daycab ISX 12-G	TBD Dlr/Mbr	49.90%	0.501
T880 Sleeper ISX 12-G	TBD Dlr/Mbr	50.50%	0.495
W900 ISL - G	TBD Dlr/Mbr	49.90%	0.501
TBD	TBD Dlr/Mbr	0.00%	0.000
TBD	TBD Dlr/Mbr	0.00%	0.000

- Since available options frequently change due to vendor updates, changing technologies, governmental mandates, and customer demands; our intent is to submit to NJPA at least annually a fresh update of all the pricing documents. The update will include a completely new set of Kenworth truck data books with latest list prices and an updated member discount schedule to match. Any increase or decrease in net member pricing follow the NJPA guidelines and process with the NJPA Vendor Price and Product Change Request Form.

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.

- The discounts provided in this response range approximately from 20% to 50% depending on specific model. See the included member discount schedule.

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.

 X 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.

- The discounts included in this offer includes discounts that take into account the total potential volume of all NJPA members combined.

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 and services will be priced at the Kenworth dealer sales department cost plus no more than 5%.

- The Kenworth dealer will solicit offers from sub-contractors for sourced goods and services needed to meet the members specific need. These sourced goods and services include, but are not limited to, any truck body, trailers, truck equipment, tools, support devices, parts and/or maintenance parts kits to be included with the chassis, additional or custom manuals, software, subscriptions, special transportation (other than the standard transportation included in the chassis price to the first delivery destination after the Kenworth factory assembly plant), requested training, extended warranties, and any specialized body or specialized service. An example of some of the common sourced bodies are dumps, mixers, vans, flatbeds, cranes, booms, conveyors, extension, service bodies, sweepers, scissor, refuse, maintenance, reefers, auto carrier, wrecker, logger, pump, tank, drilling, fire service, oil service, beverage, pot hole patcher, utility, block, pumper, rescue, ambulance, transport, vacuum, repair, fork lift, derrick, bulk, hopper, asphalt, bucket, lift, marine, slinger, hook, roll-on/off, roll-back, and knuckleboom. An example of common add on truck equipment is fairings, pintle hook, trailer brakes and electrical connections, sleepers, crewcab modifications, bulkhead, GPS devices, etc. An example of some specialized services are body swaps, body modifications, chassis wheelbase modifications, specialized training, maintenance program, etc. An example of special transportation that might be requested and required would be when needed truck related equipment, a body for example, is assembled and installed on incomplete truck chassis beyond the members community. Or when the members location requires specialized transport such as Hawaii or Alaska

- Extended warranties for base chassis, engines, transmissions, bodies or any other truck related option or combination will be offered through Kenworth dealers at dealer sales department cost plus no more than 5%.

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.

- All federal, state, or local taxes, fees, tag, title, permit, or other miscellaneous requirements are not included. These costs will be determined by the Kenworth dealer as required with each unique member offering.
- 13) If delivery or shipping is an additional cost to the NJPA Member, describe in detail the complete shipping and delivery program.
- NJPA member chassis pricing (total list price less member discount by model) includes transportation from the Kenworth factory assembly plant to the first specified delivery location in the continental United States, or Canada for Canadian members. This does not include additional transport required to deliver to Alaska, Hawaii or other U.S. territories. Any additional transportation services required to meet the members need will be priced at the Kenworth dealer sales department cost plus no more than 5%.
- 14) Specifically describe those shipping and delivery programs for Alaska, Hawaii, Canada, or any offshore delivery.
- As mentioned above, NJPA member chassis pricing includes transportation from the assembly plant to the first specified delivery location. This could include a port in the continental United States, or Canada for Canadian members. Additional ocean, rail, flatbed, or other transport service required to deliver to Alaska, Hawaii or off shore would be priced at the Kenworth dealer sales department cost plus no more than 5%.
- 15) Describe any unique distribution and/or delivery methods or options offered in your proposal.
- If a member were to require expedited shipping from the Kenworth factory assembly plant in a manner that is not customary, an additional amount above and beyond the included transportation from assembly plant would be quoted and priced at the Kenworth dealer sales department cost plus no more than 5%. Example: single drive or trailer transported delivery in lieu of 3 or 4 way combination to expedite delivery time.
- 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.
- A Kenworth NJPA dealer sales program will be published internally to our dealers that outlines the procedures, process, and compliance requirements. This will include the mandatory NJPA tracking code the dealer must add to allow a new order to qualify for the NJPA program.
 - Kenworth administration will generate a list of all NJPA units delivered to members and warranty registered in the Kenworth system quarterly. The report is generated by matching the NJPA tracking code against all Kenworth registered units in the quarter. A resulting report will display the chassis vehicle number (last 6 of the VIN), selling dealer name, and purchasing NJPA member name. This will then allow Kenworth administration to determine the total NJPA fee to remit.
 - Periodic and random audits will be conducted with dealers and documents reviewed to assure compliance with the NJPA offer, pricing calculations, terms, and Kenworth program.
- 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.)
- The proposed administrative fee to NJPA is \$750 per unit.

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
- Our chassis* are assembled with 120,000 PSI, North American steel. We also offer several different frame rail sizes up to 11-5/8" in order to accommodate each application. Kenworth also offers heavy duty bolted crossmembers which provide superior strength, durability, and serviceability over standard welded or stamped

steel crossmembers. On top of our component offerings, each spec is analyzed by a team of engineers to make sure that the chassis is spec'd properly and will be capable of the intended service.

- Kenworth uses high strength aluminum cabs and overall high quality materials and components.

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

- The Kenworth conventional product line utilizes aluminum cab construction which has been proven in the field to have industry leading durability. Not only are aluminum cabs lighter than stamped steel, they are also corrosion resistant. Because Kenworth was founded by building rugged vocational trucks, our cabs need to be able to withstand logging roads and other severe duty off road applications.

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."

- Truck Tech Plus is now available on Paccar MX engines and will be available shortly on Cummins ISX engines (hardware already installed on current ISX engines). This technology allows both fleet operators as well as the internal Kenworth team to monitor the truck's status while on the road. Not only is Truck Tech Plus a remote diagnostics system, it also provides insights as to what is actually triggering the fault rather than just displaying error codes. Once a fault is detected, the severity is determined and the driver can be advised to immediately find the next dealership or whether the fault can be addressed at the next scheduled service in order to maximize the amount of uptime.

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

- The best metric to showcase durability and longevity is used truck prices. Kenworth trucks have always demanded a premium in the used truck market because of their superior durability, longevity, and premium features.

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

- About 40% of all Kenworth models sold are day cabs (without some sort of sleeper).

23) What is your parts order fill rate?

- The national parts order fill rate is 98.6%.

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

- Kenworth US Market Share: 14.5%
- Kenworth Canadian Market Share: 12.5%

Signature: _____



Date: _____

8/26/2016