

Form C

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



Company Name:

The Charles Machine Works, 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
Form P, Section Pricing, Delivery, Audits, and Administrative Fee, item 8	Discount Structure for Canada	The discount structure for Canada is different due to brokerage fees, etc., to get products over the border. All billing for products sold to Canada will be invoiced by our Canadian Dealerships. Also, additional items are added to the equipment mandated in Canada that are not required in the U.S. These items will be shown on the quote.	Acknowledged.

Proposer's Signature: *[Signature]* Date: 1-19-18

NJPA's clarification on exceptions listed above:

Review and Approved: *[Signature]* 3-1-18
NJPA Legal Department

FORM D



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

PUBLIC UTILITY EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES

In compliance with the Request for Proposal (RFP) for **PUBLIC UTILITY EQUIPMENT WITH RELATED ACCESSORIES AND SUPPLIES**, 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: The Charles Machine Works, Inc. Date: January 19, 2018

Company Address: 1959 W. Fir Street

City: Perry State: OK Zip: 73077

CAGE Code/Duns & Bradstreet Number: #00-724-0088

Contact Person: Gary Lawson Title: Sr. Global Account Manager

Authorized 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 #: 012418-CMW

Proposer's full legal name: The Charles Machine Works, 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 March 14, 2018 and will expire on March 14, 2022 (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 March 12, 2018

NJPA Contract # 012418-CMW

Vendor Authorized Signatures:

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

Vendor Name The Charles Machine Works, Inc.

Authorized Signatory's Title Senior Global Account Manager



VENDOR AUTHORIZED SIGNATURE

Gary Lawson

(NAME PRINTED OR TYPED)

Executed on March, 13, 2018

NJPA Contract # 012418-CMW

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.

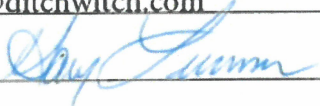
Company Name: The Charles Machine Works, Inc.

Address: 1959 W. Fir Street

City/State/Zip: Perry, OK 73077

Telephone Number: 580-572-2279

E-mail Address: glawson@ditchwitch.com

Authorized Signature: 

Authorized Name (printed): Gary Lawson

Title: Sr. Global Account Manager

Date: 1/19/2018


Notarized

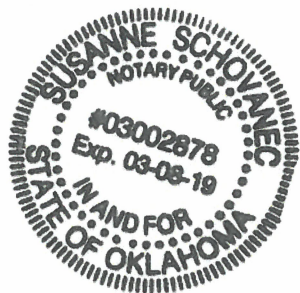
STATE OF OKLAHOMA)
)
COUNTY OF NOBLE)

Subscribed and sworn to before me this 19th day of January, 2018

Notary Public in and for the County of Noble State of OK

My commission expires: 3/8/2019

Signature: 





PROPOSER QUESTIONNAIRE

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

Proposer Name:

The Charles Machine Works, Inc.

Questionnaire completed by:

Gary Lawson

Payment Terms and Financing Options

1) What are your payment terms (e.g., net 10, net 30)?

Net 30

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?.

Ditch Witch[®] Financial Services, our in-house finance group, offers a complete package of leasing and conditional sales programs to meet the needs of our customers. Here is a list of what we offer through Ditch Witch Financial Services:

The 24, 36 & 48 month lease Index rate is determined based on the 3 year, 4 year and 5 year published swap rates on the Board of Governors of the Federal Reserve System and is adjusted quarterly. The Ditch Witch[®] Financial Services (DWFS) standard lease is a purchase option lease and not considered a fair market value lease. Residuals are determined before contract agreement has been signed.

Lease terms are 24,36,48 and 60 months.

Ditch Witch[®] Financial Services (DWFS) is a private label group under Bank of the West, which is a subsidiary bank of BNP Paribas.

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.

Our order process for NJPA is as follows:

Our dealership sales personnel work with the NJPA member to spec the equipment properly for their area. They give this information to our internal Global Account group to quote the unit with the NJPA pricing. Once

the NJPA customer decides to purchase, the Purchase Order is made out to The Charles Machine Works, Inc. The Ditch Witch® dealer orders the equipment or delivers out of their inventory to the NJPA customer and sends in a delivery receipt to the factory. The factory bills the NJPA member, and at the same time, funds our dealer for the sale. By having this type of system, all NJPA sales go through one entity, the factory, so we can track the sale and give the proper quarterly sales and fee to NJPA.

4) Do you accept the P-card procurement and payment process?

No, not at this time.

If so, is there any additional cost to NJPA Members for using this process?

Warranty

5) Describe in detail your manufacturer 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, excluding wear items
- Do your warranties impose usage restrictions or other limitations that adversely affect coverage?
No
- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
We pay our dealerships a fee for up to 400 miles if a service truck is dispatched, plus pay for parts and labor for the repairs.
- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? **No** How will NJPA Members in these regions be provided service for warranty repair? **N/A**
- 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?
Yes, excluding the following: Engines, tires, batteries or VanAir Systems
- What are your proposed exchange and return programs and policies?
One year warranty on any replacement part that is not considered a wear item.

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

The Ditch Witch dealership offers up to a 2000 hour service contract that can be purchased locally from them.

Pricing, Delivery, Audits, and Administrative Fee

- 7) Provide a general narrative description of the equipment/products and related services you are offering in your proposal.

We are offering special pricing on the entire Ditch Witch[®] product line, as well as Subsite[®] electronics, and HammerHead[®] pneumatic tools. These are all items carried by our specialist Ditch Witch dealer organization.

- 8) 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.)

Attached to this RFP are the NJPA price lists for Ditch Witch[®], Subsite[®] Electronics and HammerHead[®].

- 9) 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 listed in our pricing are from MSRP and vary depending on the specific product line.

- 10) 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).

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

We choose to give a premium discount on our products up front whether you purchase one or more than one unit. The discounts are spelled out in the pricing attached to this RFP.

- 12) 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.

A sourced product will be specified on the quote to the NJPA member and will be at the price given to us by our Ditch Witch[®] dealer. An example would be a trailer that we do not manufacture but is sourced by our dealer to go with a particular unit. We would call out the price of the trailer in the quote.

- 13) 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.

There are installation charges to install items on the Ditch Witch® products at our dealerships and are shown in the price list for those products.

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

A freight matrix is attached to this RFP that spells out our freight charges on the Ditch Witch® products. The freight is from the factory in Perry, Oklahoma, to our Ditch Witch dealership location. The Ditch Witch dealer does not charge freight from the dealership location to the NJPA customer when they deliver the unit. This is a part of their delivery program.

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

Freight rates for Canada are listed in the freight matrix, and freight to Alaska and Hawaii will be quoted separately as needed.

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

All of the equipment in this proposal receives a Pre-Delivery Inspection (PDI) from the Ditch Witch® dealer, plus a multi-point inspection of key components to insure everything is up to standard in operation. In addition, a Delivery Check list is performed during delivery that insures key areas are covered by the dealer, such as when training on the unit is performed or scheduled, operator's manual provided and understood, explanation of the warranty, and key personnel from the dealership to call with questions or problems.

We feel that this is one of the most important functions we can perform to insure that complete delivery and understanding has occurred with the customer.

- 17) 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.

Under our current contract with NJPA, we are set up to be invoiced by one entity, the Ditch Witch® factory. By doing this, all transactions with NJPA members are tracked by the factory so that proper reporting and fees can be paid quarterly to NJPA. Our dealers are very familiar with this system, as we use a similar process for other national programs with customers.

- 18) 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.)

We will pay a 2% fee of the contract sales price, less any freight or set up to NJPA, for all products in our proposal.

Industry-Specific Questions

- 19) Describe how the equipment you propose in response to this RFP simplifies the operation for end-users.

All of the products proposed in this RFP are designed to make the underground work an end-user performs faster, easier, safer with reliability and confidence. This holds true whether it is installing pipe and cable in the ground with a trencher, plow, directional drill or HammerHead[®] mole. In addition to installing pipe and cable in the ground, we offer other products in the RFP that help the end-user perform this task with safety in mind, such as Subsite[®] pipe and cable locators that enable the user to know exactly where current pipes or cables are located and Vacuum Excavation units to pothole the utility to confirm its location found with the locator.

- 20) Provide examples from your product offering that are not available from most competitors in this industry.

We have competitors in all of the products that we manufacture at Ditch Witch. What makes a difference is how we manufacture our products vs. our competition. Manufacturing a large portion of our products ourselves gives us advantages that are not the same as our competition. A good example is the fact that we design and manufacture our Directional Drills, the drill pipe that goes with that particular model, and the electronics that go with the drill to track its progress and give accurate location information. Our competitors don't make their own drill pipe or electronics as they depend on other manufacturers to supply them. We have better control and can make necessary changes faster by not having to depend on other companies.

We also manufacture our own digging teeth for our trenchers, sprockets for the digging chains, as well as tanks and trailers for our vac systems.

- 21) Explain how your equipment in this category reduces down-time on the job site.

We design and build more components that go into our products than anyone else in the underground construction industry. Since many of the components for our equipment are manufactured at our factory and custom-designed for our equipment, this prevents breakdowns that can occur from ill-fitting components and generic parts that might be purchased "off-the shelf."

In addition, we have the comprehensive solution for installing pipe and cable underground, and our products operate synergistically. Our Subsite[®] Electronics locate buried pipe and cable underground so that HDD drilling equipment operators know exactly where to drill to get to existing pipe and cable or to install new pipe and cable in the ground. As pipe and cable are being installed, our Subsite Electronics trackers give the HDD drilling equipment operators the precise location of their pipe and cable at all times during the bore. Our underground cameras are another tool that eliminate the unknowns of drilling underground. We also have a complete line of moles and HDD tooling that equip HDD equipment operators for drilling in every type of soil condition, ranging from sandy loam to the hardest rock. Our vacuum excavators remove mud and waste water from the drilling site, ensuring more accurate bores and less damage to the environment.

This synergistic approach to underground construction reduces down-time on the job site by having everything needed for the job available and on-site from the beginning to the end of the job from one comprehensive source.

- 22) Explain how your company has integrated technology into your equipment to provide efficiencies and analytics to save time and costs on the job.

The Charles Machine Works, Inc., is a family of companies that offers an entire range of fully integrated products that address the installation of pipe and cable underground. That is the singular purpose of our business. Our family of companies complement and complete each other so that we can be the sole source provider from the beginning to the end of every HDD bore.

Subsite[®] Electronics locate existing pipe and cable underground and track the installation of new pipe and cable being installed so that the HDD equipment operator virtually has "eyes that see underground." Ditch Witch[®] equipment offers a broad line of equipment ranging from mini skid steer units to trenchers to HDD machines to vacuum excavators. American Augers[®] and Trencor[®] offer HDD machines in sizes that exceed Ditch Witch models to accommodate the largest of jobs. DWTXS[®] offers an HDD line of equipment specifically designed for various segments of the international market. The HammerHead[®] line of equipment ranges from moles to pipe bursters. The Radius[®] line of HDD tooling complements those manufactured by Ditch Witch and HammerHead for the most complete line of HDD tooling offered by any manufacturer in the underground construction market today. When pre-owned equipment is the answer, MTI[®] is the one-stop shop for those needs.

The synergy created by The Charles Machine Works, Inc., family of companies is intended to give any contractor assurance that we have the product to complete the most difficult of installations of pipe and cable underground and that we do so with maximum productivity and cost efficiencies in mind.

- 23) How does your manufacturing process eliminate waste and non-value added options to keep price increases to a minimum?

Ditch Witch employs a number of methods to control costs and eliminate waste in our business. We call this approach to waste elimination The Orange Way, and it focuses all areas of the company on the pursuit of continuous improvement in our business processes. This approach to business keeps customer requirements in focus as we seek to increase value for them and other key stakeholders on an on-going basis. The Orange Way applies principles of lean manufacturing to drive waste out of our processes, which allows us to operate more efficiently and achieve a best cost position in the marketplace. Our new product introduction process partners design engineers with their manufacturing counterparts to improve product manufacturability and control cost at product launch. For more mature products we conduct value analysis (VAE) events on to intentionally review product designs and manufacturing process to ensure that value for the end customer is maximized. Finally, we apply a comprehensive approach to supplier management that allows us to partner with our supplier base to improve our relationships and minimize unexpected changes in cost. Each of these initiatives combines to form a robust set of tools and system to keep Ditch Witch on the cutting edge of value creation for our customers.

- 24) Explain how your distributors are set up to provide service and support for equipment in this industry.

We have a worldwide network of authorized Ditch Witch[®] dealers for the sale and service of the equipment and products we manufacture. Our network of dealers is the envy of the underground construction industry. Our dealers' parts and service personnel are factory-trained to ensure they are knowledgeable in all facets of the scope of our product and in its service and maintenance.

We have 96 locations in the mainland United States, Alaska and Hawaii, and we have 83 international locations in Canada and the rest of the world.

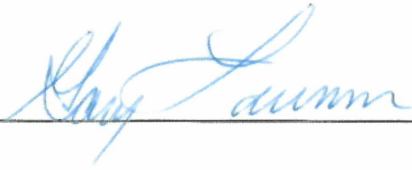
All of the equipment in this proposal would receive a Pre-Delivery Inspection (PDI) from our Ditch Witch® dealers, plus a multi-point inspection of key components to insure everything is up to standard in operation. In addition, a Delivery Check list would be performed during delivery that insures key areas are covered by the dealer, such as when training on the unit is performed or scheduled, operator's manual provided and understood, explaining of the warranty, and key personnel from the dealership to call with questions or problems.

We feel these services performed by our dealers are very important to ensure that a complete understanding and delivery of our equipment and products has occurred with our customers.

25) Identify how your products, services and supplies address the scope of this RFP.

As elaborated more fully in item #22, The Charles Machine Works, Inc., family of companies offers an entire range of underground construction equipment and products for the installation of pipe and cable underground, as well as a worldwide network of dealers for the service and support of said products after the sale.

Signature: _____



Date: _____

1-19-18