

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



Company Name: Morbark, 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 Sourcewell or included in the final contract. Sourcewell 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	Sourcewell ACCEPTS
		NO EXCEPTIONS TAKEN	

Proposer's Signature: *Ken Cotton* Date: 04/26/2019

Sourcewell's clarification on exceptions listed above:

LEGAL
HCP
Initials
July 2, 2019
Date

Contract Award
RFP #050119



FORM D

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

RECYCLING AND REPURPOSING EQUIPMENT WITH RELATED ACCESSORIES, SUPPLIES, AND SERVICES

In compliance with the Request for Proposal (RFP) for RECYCLING AND REPURPOSING EQUIPMENT WITH RELATED ACCESSORIES, SUPPLIES, 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.

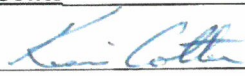
Company Name: Morbark, LLC Date: 04/26/2019

Company Address: 8507 S. Winn Rd. P.O. Box 1000

City: Winn State: MI Zip: 48896

CAGE Code/DUNS: 195586185

Contact Person: Kevin Cotter Title: General Counsel & Governmental Sales Manager

Authorized Signature:  Kevin Cotter
(Name printed or typed)

FORM E
CONTRACT ACCEPTANCE AND AWARD



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

Sourcewell Contract #: 050119-MBI

Proposer's full legal name: Morbark, LLC

Based on Sourcewell'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 the terms and conditions set forth in this RFP, in any amendments to this RFP, and in any exceptions that are accepted by Sourcewell.

The effective date of the Contract will be July 15, 2019 and will expire on July 15, 2023 (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 Sourcewell Chief Procurement Officer awards the Contract). This Contract may be extended for a fifth year at Sourcewell's discretion.

Sourcewell Authorized Signatures:

DocuSigned by:
Jeremy Schwartz
C0FD2A139D08489
SOURCEWELL DIRECTOR OF OPERATIONS AND
PROCUREMENT/CPO SIGNATURE

Jeremy Schwartz
(NAME PRINTED OR TYPED)

DocuSigned by:
Chad Coquette
7E42B8F817A84CC...
SOURCEWELL EXECUTIVE DIRECTOR/CEO SIGNATURE

Chad Coquette
(NAME PRINTED OR TYPED)

Awarded on July 10, 2019

Sourcewell Contract # 050119-MBI

Vendor Authorized Signatures:

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

Vendor Name Morbark LLC

Authorized Signatory's Title Wayne Walter Gov. Sales Rep.

Wayne Walter
VENDOR AUTHORIZED SIGNATURE

Wayne Walter
(NAME PRINTED OR TYPED)

Executed on July 12, 20 19

Sourcewell Contract # 050119-MBI



Form F

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 Sourcewell 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 Sourcewell, or any person, firm, or corporation under contract with Sourcewell, 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 Sourcewell 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 Sourcewell Members. Unless otherwise agreed to, the Proposer must provide only new and first-quality products and related services to Sourcewell 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 Sourcewell 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 Sourcewell for reasonable measures that Sourcewell 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: Morbark, LLC

Address: 8507 S. Winn Rd. P.O. Box 1000

City/State/Zip: Winn, MI 48896

Telephone Number: (800) 831-0042 ext. 1711

E-mail Address: kevin.m.cotter@morbark.com

Authorized Signature: *Kevin Cotter*

Authorized Name (printed): Kevin Cotter

Title: General Counsel and Governmental Sales Manager

Date: 04/24/2019

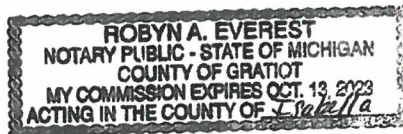
Notarized

Subscribed and sworn to before me this 24 day of April, 20 19

Notary Public in and for the County of Isabella State of Michigan

My commission expires: 10/13/2023

Signature: *Robyn A. Everest*





Form P

PROPOSER QUESTIONNAIRE

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

Proposer Name: Morbark, LLC

Questionnaire completed by: Kevin Cotter

Payment Terms and Financing Options

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

Net 30 days.

- 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, Morbark has an in-house Finance Manager who helps facilitate financing between our customers and lending institutions. Morbark has also partnered with National Cooperative Leasing (NCL) to offer Sourcewell members a complete suite of finance solutions. NCL is a current Sourcewell financing contract holder (#032615-NCL) and is an industry expert in municipal financing solutions. NCL will offer leasing terms from 12-120 months on transactions from \$5,000.00 and up. Traditional leasing and financing programs will be offered along with programs specifically designed for schools and governmental entities including Tax-Exempt Municipal Leases and a Purchase Order Only program. There is no ownership, common ownership, or control between Morbark, LLC and NCL. Please see the enclosed brochure for additional details.

- 3) Briefly describe your proposed order process. Please include enough detail to support your ability to report quarterly sales to Sourcewell. For example, indicate whether your dealer network is included in your response and whether each dealer (or some other entity) will process the Sourcewell Members' purchase orders.

Since the award of our first Sourcewell contract in 2015, the system that we initially put in place is functioning very well. We do not miss sales and our reporting is accurate. Sourcewell members contact Morbark directly or one of Morbark's dealers to request a quote. If it is a direct quote, Morbark's Governmental Support Representative will supply them with the requested information. If it is a dealer

request, the dealer representative will contact Morbark's Governmental Support Team and a quote will be generated and returned to the dealer. The dealer will then contact the Sourcewell member and supply them with the requested information. Purchase orders are issued directly to Morbark and all Sourcewell orders are monitored to ensure timely delivery and accurate reporting to Sourcewell.

Our dealers do not process Sourcewell member purchase orders directly. This allows us to control the transaction from start to finish - ensuring administrative fees are paid, and reporting is properly filed in a timely manner. Over the last several years our dealer network has bought into the solution our Sourcewell contract offers and they work to promote our contract to existing and potential customers.

- 4) Do you accept the P-card procurement and payment process? If so, is there any additional cost to Sourcewell Members for using this process?

Morbark does accept the P-card procurement and payment process and there is no additional cost to Sourcewell members for this service.

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, all products, parts and labor are covered. Coverage varies based on equipment category. Please see the enclosed Warranty Handbooks for complete details.

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

Yes, please see the table below as well as the enclosed Warranty Handbooks. Extended warranty coverage is also available.

Product Description	Company-Manufactured Components	Vendor-Purchased Components	Extended Coverage
New Forestry, Recycling and Sawmill Equipment	One (1) year or 1,500 hours, whichever comes first	One (1) year from date in service	May be purchased prior to start-up
New Eger Beaver Chippers, except Eger	Two (2) years or 3,000 hours, whichever comes first	One (1) year from date in service	May be purchased prior to start-up

Beever 2230 (f/k/a M20R)			
New Eger Beever Chippers 1215 (f/k/a M12RX) and Eger Beever 2230 (f/k/a M20R)	One (1) year or 1,500 hours, whichever comes first	One (1) year from date in service	May be purchased prior to start-up
Rayco Forestry Mulchers	One (1) year	Not applicable	Contact Factory Representative
DENIS CIMAF mulcher heads	One (1) year or 1,200 hours, whichever comes first	Not applicable	Contact Factory Representative
Used Equipment	As stated on Equipment Order	Not applicable	Not applicable
New Engines	Not applicable	See Engine Warranty Statement	May be purchased prior to startup or possibly two (2) years after startup, depending on the programs offered by the engine supplier
Wear items such as conveyor belting, chipper and counter knives, flail chain, anvils, hammers, screens, bearings and tires	Manufacturer's limited warranty extended to the original purchaser to cover conditions reasonably considered to have been within manufacturer's control. Conditions not within manufacturer's control, such as irregular wear, lack of maintenance, damage due to	Manufacturer's limited warranty extended to the original purchaser to cover conditions reasonably considered to have been within manufacturer's control. Conditions not within manufacturer's control, such as irregular wear, lack of maintenance, damage due to	Not applicable

		accidents or vandalism, are not covered.	accidents or vandalism, are not covered.	
New Morbark-Manufactured Components		Ninety (90) days from the date of purchase	Not applicable	Not applicable
Advantage 3 Drum Assembly		New equipment: Three (3) years from the date in service Replacement: Covered for the remainder of the original equipment warranty Purchased: One (1) year from date of purchase	Not applicable	Not applicable
New After-Market Purchased Components		Not applicable	One (1) year	Not applicable

The following circumstances are not covered by our warranty:

- Maintenance
 - o Required scheduled maintenance including proper maintenance schedule intervals.
 - o Procedures to maintain correct fluid levels: fuel, oil, and lubricants recommended in the Operator's manual.
 - o Labor involved in adjusting, lubricating, as well as performing other normal maintenance services detailed in the Maintenance Schedule and/or Operator's manual.
 - o Items considered expendable or normal maintenance items such as: lubricants, anti-freeze, fluids, filters, clutch linings, brake pads, wear parts (i.e. such as knives, inserts, and grates), light bulbs.

- Damages Due to Accidents, Misuse, or Alterations
 - o Collision, fire, theft, abuse, negligence, freezing, vandalism, riot, explosion or objects striking the equipment, environmental damage, and caustic cleaning solutions.
 - o Modifications or temporary repairs made to equipment.
 - o Use of equipment for something other than it's intended use.

- Unauthorized Service

- o Repairs or service work performed by unauthorized service outlets, without prior approval.
- Damage resulting indirectly from a prior warranty issue.
 - o Warranty will only be allowed for direct cause
 - o Any damage caused because equipment was allowed to continue to operate with a warrantable problem allowing additional issues to develop will not be covered.
- Freight Inbound to Dealer/Customer
 - o Expenses over and above normal ground transportation for procurement of warranty materials.
- Freight Outbound to Morbark
 - o Morbark will not always require that a component be returned for warranty. Complete the Warranty Preliminary Review Form to find out whether or not an item must be returned.
 - o Freight to Morbark will not be reimbursed if Morbark did not require the component be returned.
- Towing
- Payment for lost profits or downtime
- Materials - Shop materials; maintenance items
- Travel expenses including lodging and meals
- Rental Equipment Expenses

- Do your warranties cover the expense of technicians' travel time and mileage to perform warranty repairs?
Travel is considered on a case-by-case basis.

- Are there any geographic regions of the United States for which you cannot provide a certified technician to perform warranty repairs? How will Sourcewell Members in these regions be provided service for warranty repair?

There is no region of the United States where Morbark cannot provide a certified technician to perform warranty repairs. Our extensive dealer network will be handling warranty repairs, but if there is an area not represented by a dealer, a Morbark service technician will be able to service those customers. Dealer service technicians are factory trained and certified by Morbark.

- 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?

All engine services are handled directly by the nearest servicing distributor. Other purchased components not related to the engine are handled by Morbark directly.

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

For warranty purposes, replacement parts are ordered by the customer through their authorized Morbark dealer. The servicing dealer will submit the warranty claim to Morbark and schedule the return of failed parts if requested by Morbark.

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

Service contracts are handled through our dealer network. Most of our dealers do offer service contracts with scheduled maintenance programs performed by factory-trained personnel.

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 our durable and high-performing tub grinders, horizontal grinders, enclosed grinders, solid waste grinders, whole tree chippers, hand-fed brush chippers, shredders, stacking/separating conveyors, recycling picking stations, rubber tire shredders, chiparvestors, flails, forestry mulchers and mulcher heads. Morbark equipment helps customers harvest, process and convert organic materials into valuable, usable and environmentally sound products. Product specification sheets with additional product detail are included with this proposal.

- 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 Sourcewell discounted price) on all of the items that you want Sourcewell to consider as part of your RFP response. If applicable, 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.)

An electronic copy of our price book for all of our equipment is included. The price book shows the standard retail price of the equipment and options, as well as the Sourcewell price. Customers can order a base model and then add options as they wish.

- 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.

Morbark is offering 13.5% off the base price and options on our hand-fed brush chippers, from the Eger Beaver 812 through the Eger Beaver 2230 and other products included in the Tree Care Products (TCP) pricebook. We are offering 10% off the base price and options on the Morbark Industrial line of equipment which includes all equipment listed in the Industrial Products (IND) pricebook.

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.

Morbark does offer a set volume discount but we do consider larger discounts on a case-by-case basis.

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.

Our equipment is built-to-order and thus we are very familiar with "non- standard options," which we handle through a well-defined cost/project request process. The first requirement is clearly defined requirements from the customer and a final review of those requirements before a cost/project request form is submitted for internal review. Once completed, a quote is returned to the customer for review and approval. The open market item is clearly noted on our quote and invoice and our discount applies to open market items as well.

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 no additional or hidden costs. Freight charges will be added at cost and start - up costs are included in the base price of the machines.

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

We obtain a freight quote before a quote is given to a Sourcewell member. The best freight quote is then added to Morbark's equipment quote that is then shared with the Sourcewell member. We feel this practice is in the Sourcewell member's best interest. If we used a standard flat rate, members would not receive the benefit of a price reduction for closer deliveries, and our method provides the best rate possible at the time of the sale.

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

Shipments to Alaska, Hawaii and Canada are handled the same way as those described in response number 14 above.

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

To minimize cost for all of our customers we go to great lengths to ship full loads whenever possible by pairing shipments if the customer's timeline for delivery allows.

- 17) Please specifically describe any self-audit process or program that you plan to employ to verify compliance with your proposed Contract with Sourcewell. This process includes ensuring that Sourcewell 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 Sourcewell.

Over the last several years we have developed a very detailed and reliable system to ensure that we are always in compliance with our Sourcewell contract. Morbark has two individuals dedicated to ensure compliance with our Sourcewell contract. A series of checks and balances are in place such as quote reviews, quarterly reports and contract evaluations. All Sourcewell orders are closely reviewed by the Governmental Support Representative (GSR) and the Governmental Sales Manager. Quarterly reminders are emailed to the GSR and a dedicated back up to ensure reports are filed in a timely manner. All administration fees are processed by an administrative assistant, reviewed and approved by the GSR and then signed off by the Vice President of Strategy and Aftermarket Service before mailing. Conformance to contract requirements is of the highest priority.

- 18) Identify a proposed administrative fee that you will pay to Sourcewell for facilitating, managing, and promoting the Sourcewell 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.)

Morbark is proposing to pay an administrative fee of 1.5% of net contract sales less freight.

Industry-Specific Questions

19) Describe any key designs, processes or innovations that promote or enhance the safety, reduce down-time and simplify the operation of your equipment.

1. The markets that we serve view our equipment as a premium brand because of its durability and the service and support offered before, during and after the sale.
2. Safety and education are a cornerstone of our business. Currently, we offer a unique safety option on all our brush chippers, the ChipSafe® Operator Safety Shield.
In addition, we actively encourage all tree care customers to participate in the Tree Care Industry Association (TCIA). In fact, all first-time, tree care equipment customers are offered a FREE one-year membership, which Morbark pays for, so they can become familiar with and participate in the organization's Chipper Operator, Chain Saw, Grounds Operations, and Aerial Lift Specialists safety training programs.
3. We continue to develop tools and offerings for the market based on customer input. Examples of these initiatives include:
 - Our recently developed model specific Parts Kits, which NJPA members can easily order at a discount through our Municipal Sales Team; and
 - Maintenance Made Easy program – a complete set of how to videos that walk customers step-by-step through frequent equipment maintenance tasks. These videos are accessible by scanning a QR Codes on decals that are strategically located on equipment or on a set of cards that can be ordered on our website or through a Morbark dealer.

20) Describe any service programs and products that are unique in the marketplace that you or your dealer network offer.

- Of the companies that provide similar equipment, Morbark offers the most comprehensive and complete spectrum of Recycling and Repurposing Equipment.
- Having invented many of the machines that make up this market, Morbark has been building and innovating this equipment longer than any competitor.

- Morbark has the ability to engineer and adapt its equipment to meet specific customer needs.
- Morbark is able to provide electric-powered equipment and also provide installation assistance of electric powered solutions.

21) Describe the various types of configurations your equipment can be supplied in such as tracked, wheeled, electric, etc.

Most models of our equipment can be configured with tires or tracks. We also offer electric power options on many of our models in lieu of diesel power.

22) Identify any third-party issued eco-labels, ratings or certifications that your company has received for the equipment or products included in this Proposal related to fuel efficiency, emission reductions, or other green/sustainability factors.

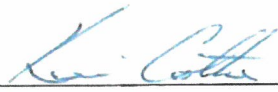
All engines used to power Morbark, Rayco, DENIS CIMAF, and Boxer equipment meet the stringent emission standards that have been phased-in throughout the United States and Canada.

23) If you are awarded a contract, provide a few examples of internal metrics that will be tracked to measure whether you are having success with the contract.

We track our sales very closely. Beyond the volume of our sales, we track the method by which municipalities and non-profits purchase equipment. We also monitor our dealer network to determine their level of buy-in and use of our Sourcewell contract. When we identify a dealer who appears to be below their potential, we intervene and often find that some education on the process can often resolve the issue. We also monitor our annual Sourcewell sales and pay close attention to our year-over-year growth.

Signature: _____ Date: _____

level of buy-in and use of our Sourcewell contract. When we identify a dealer who appears to be below their potential, we intervene and often find that some education on the process can often resolve the issue. We also monitor our annual Sourcewell sales and pay close attention to our year-over-year growth.

Signature:  Date: 04/26/2019

**AMENDMENT #1
TO
CONTRACT #050119-MBI**

THIS AMENDMENT is by and between **Sourcewell** and **Morbark, LLC** (Vendor).

Sourcewell awarded a contract to Vendor for Recycling and Repurposing Equipment with Related Accessories, Supplies, and Services effective July 15, 2019, through July 15, 2023 (Contract).

The parties wish to amend the following terms within the Contract:

1. This Amendment is effective upon the date of the last signature below.
2. Vendor wishes to clarify the information contained in question 13 of Form P of the Contract. Freight will be estimated at the time of quoting and added as an additional line item. Pre-Delivery Inspection and/or Start-up Training may be added as a separate line item.

Except as amended above, the Contract remains in full force and effect.

Sourcewell

DocuSigned by:
 By: Jeremy Schwartz
 Jeremy Schwartz, Chief Procurement Officer
 Date: 5/27/2021 | 7:11 AM CDT

Morbark, LLC

DocuSigned by:
 By: Erika Snyder
 Erika Snyder, Governmental Sales Repres.
 Date: 5/27/2021 | 7:05 AM CDT

Approved:

DocuSigned by:
 By: Chad Coquette
 Chad Coquette, Executive Director/CEO
 Date: 5/27/2021 | 7:13 AM CDT