

Reference No.: **RFQ WS2774206727**

Date of Issue: 1/4/2021

Quotation Due: 1/22/2021

**Quotes are due at the date and time specified in the Event Details section of this sourcing event in SAP Ariba (SMUD's sourcing system).**

**BUYER: Rodney James**

Email: Rodney.james@smud.org

This is a "Sheltered Market" procurement solicitation, under Sacramento Municipal Utility District's (SMUD) Supplier Education & Economic Development (SEED) Program. It is available only to SEED Program qualified suppliers having California Department of General Services (DGS) certification and SMUD customer qualification. See SEED Program Qualification on Page 7 for detailed requirements.

Sacramento Municipal Utility District (SMUD) is requesting quotes for a three (3) year Contract for LARGE AND SMALL APPLIANCES for the period of FEBRUARY 1, 2021 TO JANUARY 31, 2024. SMUD estimates purchases for the three-year Contract not to exceed \$82,000.00.

1. The quantities listed for each item are **estimates only** of SMUD's requirements. SMUD does not guarantee the purchase of any particular item or quantity. SMUD will reserve the right to cancel any Contract resulting from this Request for Quotation at any time.
2. Suppliers must quote on a complete schedule, all-or-nothing basis. Failure to do so will be cause for rejection of bid. No partial bids will be accepted. An award will be made based on **ITEM NO. 8** and adherence to any mandatory requirements.
3. The agreement will expire at the end of the 3-year termination date or at the dollar value of the agreement, whichever comes first.
4. No minimum order quantities.
5. If submitting alternates, supplier must provide brand name and model number. Item quoted must be the same or equal to the item specified.

**FOB: DESTINATION--Price to include all freight/delivery charges.  
PLEASE INDICATE COUNTRY OF MANUFACTURE FOR ALL ITEMS.**

ITEM NO.	QTY/UNIT	DESCRIPTION	UNIT PRICE	EXTENDED AMOUNT
1	20 EA	25.2 CU. FT STAINLESS STEEL REFRIGERATOR, NO ICE MAKER SMUD APPROVED MANUFACTURER: WHIRLPOOL PART #WRB322DMBM or SMUD Approved Equal		
2	20 EA	2.0 CU. FT STAINLESS STEEL MICROWAVE SMUD APPROVED MANUFACTURER: GE PART #JES2051SNSS or SMUD Approved Equal		
3	20 EA	24 2.0 CU. COUNTERTOP MICROWAVE SMUD APPROVED MANUFACTURER: LG PART # LMC2075ST or SMUD Approved Equal		
4	20 EA	CLOVER COUNTERTOP HOT AND COLD BOTTLELESS WATER COOLER WITH FILTRATION SYSTEM, PART #D1K		
5	20 EA	KEURIG COMMERCIAL BREWING SYSTEM WITHOUT WATER RESERVOIR, PART #K150P		
6	20 EA	KEURIG COMMERCIAL BREWING SYSTEM WITH 90 OZ. WATER RESERVOIR, PART #K150		
7	1 EA	MISCELLANEOUS APPLIANCES AS NEEDED	\$8,000.00	\$8,000.00
8		<b>TOTAL OF ITEMS 1 THROUGH 7</b>		

Supplier to indicate brand name and model number.

Where manufacturers are listed, only those manufacturers are approved for purchases.

Indicate brand name and corresponding part number. Item quoted must be the same or equal to the item specified. Submit descriptive information for comparative evaluation

Award will be made on an all-or-nothing basis. Indicate the total amount of your bid.

**ESCALATION:**

Firm bids only, no escalation allowed.

**The supplier is required to quote per the following:**

The Contract prices applicable to bid items shall be adjusted as provided herein:

SMUD will allow for escalation in Year 2, and 3. The first year will have firm pricing. The escalation indicated below will be factored into the quote evaluation to determine award of Contract to low bidder. Escalation will be factored into the supplier’s unit price.

All future requests for escalation are subject to review and approval by SMUD.

The prices quoted above are bid with (use whole numbers, check appropriate line):

Allowed Second Year Escalation:

1. \_\_\_ An allowable second year escalation, up to but not exceeding \_\_\_%
2. \_\_\_ No second-year increase

Allowed Third Year Escalation:

1. \_\_\_ An allowable third year escalation, up to but not exceeding \_\_\_%
2. \_\_\_ No third-year increase

**SHIPPING AND RECEIVING GUIDELINES**

RECEIVING APPOINTMENT

All deliveries require receiving appointments. Appointments to be made five (5) business days in advance of delivery. No appointments will be scheduled without required information.

SMUD recognized holidays: New Year’s Day, Martin Luther King Birthday, President’s Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and the day after, and Christmas Day.

SMUD **requires** the following information for each appointment:

- Carrier's Name
- Pallet Count and/or Piece Count
- SMUD Purchase Order Number
- Requesters name and telephone number
- Shipper's Name

DELIVERY LOCATION AND SHIPPING METHODS

SMUD Main Warehouse (ECOC)  
9774 Kiefer Blvd., Sacramento, CA, 95827

Contact Information: SMUD Receiving Dept  
916.732.5643  
[WHReceiving@SMUD.org](mailto:WHReceiving@SMUD.org)

SHIPPING AND RECEIVING appointments shall be scheduled between 7:30 AM - 3:00 PM, local time Monday through Friday, excluding SMUD recognized holidays

RECEIVING

All loads are subject to delivery rejection due to non-compliance with the Shipping and Receiving Guidelines.

**IMMEDIATE REJECTION CRITERIA:**

- a. No scheduled receiving appointment
- b. Materials showing signs of potential internal damage

- c. Materials showing visible signs of damage
- d. Unsecured loads with signs of damage
- e. Unsecured loads where unloading is a safety hazard to SMUD personnel
- f. SMUD shall not except "Freight Collect" shipments.

**INBOUND SHIPMENT DOCUMENTATION REQUIREMENTS:**

1. PACKING SLIP

A separate packing slip is required for each purchase order (PO). If the shipment requires more than one trailer (e.g. multiple trailers for one PO), a separate packing slip outlining the contents of each trailer is mandatory.

Required information for each packing slip:

- a. 10-Digit PO Number (i.e. 4500022393) - **Requires Bar Code, if applicable**
- b. SMUD Material Code - for SMUD inventory items only (i.e. 10001225) **Requires Bar Code**
- c. PO Item Number (i.e. 00010 – Five-digit max. –Leading 0's are not required) -**Requires Bar Code, if applicable**
- d. Total PO Item Quantity Shipped (i.e. 1000- with **NO COMMAS**) - **Requires Bar Code, if applicable**
- e. Item Description - **No Bar Code**
- f. Manufacturer Part number - **No Bar Code**
- g. Backorder status - **No Bar Code**

2. BILL OF LADING (BOL) SEE EXAMPLE

All SMUD POs must be referenced on the BOL

BOL must indicate:

- a. the actual carton/piece count
- b. the number of pallets
- c. total shipment weight
- d. Note "DO NOT BREAK DOWN OR TOP LOAD" on pallets and BOL

Drivers must date, sign and print their name legibly on the BOL.

All Sellers using 3<sup>rd</sup> party logistics companies to distribute their product must ensure that the Seller's name appears in the shipper info, NOT just the name of the company physically tendering the freight to the carrier. Seller name must be listed first, followed by that of the 3<sup>rd</sup> party logistic company.

**EXAMPLE:**

ABCD Corporation 123 Any Ave, Yuma AZ 65009																									
Carrier: XYZ Transportation , Inc	Service Requested:  Air                      Surface Priority                  Track Standard                Ground	Charges To:  Shipper Consignee Third Party	Bill to: 123456  Date: 02-16-01																						
Shipper: Street: City/State	ABCD Corporation 962 Blossom Ave. Yuma, AZ 12345	Consignee: Attn: Street: City/State:	SMUD WH Receiving 9774 Kiefer Blvd Sacramento CA 95827																						
Bill To:	SMUD 6301 S Street Sacramento CA 958217	Trailer Seal Number:																							
<table border="1"> <thead> <tr> <th>Pieces</th> <th>Pallets</th> <th>Description</th> <th>RSF WPO</th> <th>Weight</th> </tr> </thead> <tbody> <tr> <td>72</td> <td>9</td> <td>SAP Forms</td> <td>40-01234</td> <td>1700</td> </tr> <tr> <td>109</td> <td>5</td> <td>Rock Salt</td> <td>40-58789</td> <td>2600</td> </tr> <tr> <td>181</td> <td>14</td> <td></td> <td></td> <td>4300</td> </tr> </tbody> </table>						Pieces	Pallets	Description	RSF WPO	Weight	72	9	SAP Forms	40-01234	1700	109	5	Rock Salt	40-58789	2600	181	14			4300
Pieces	Pallets	Description	RSF WPO	Weight																					
72	9	SAP Forms	40-01234	1700																					
109	5	Rock Salt	40-58789	2600																					
181	14			4300																					
Shippers Signature:			Date:	Time:																					
Print Name:			Received By:																						

**SHIPMENT PREPARATION**

**BANDING AND STRETCH STRAPPING SPECIFICATIONS**

Seal all boxes with polypropylene packing tape. Flaps may be spot glued.

When banding is required use four (4) straps, steel or nylon bands, and two (2) in each direction tightly securing the load where applicable. Corner edge posts are required the complete height of the corner, so the cartons will not be cut by the bands and the center layer will not move or shift.

If using stretch wrap, wrap the entire skid load so the center layers will not move or shift and the load on the skid is stabilized. We suggest using 3 wraps on the bottom of the skid and 4 wraps on the top of the skid. Ensure stretch wrap tension is adequately adjusted to stabilize load, but not damage cartons.

**CARTON GUIDELINES AND PRODUCT PROTECTION**

The physical appearance and structural integrity of the shippable carton is as important. Product will be refused if product is not sufficiently packaged for transit.

SMUD maintains that proper packaging is required to protect product as it moves through the supply chain. Cartons must be constructed and packed, so they will not collapse.

**LOOSE BOXES (COURIER SHIPMENTS)**

Shipping Labels should be located on top of the box, away from any packing tape. Each carton must be individually labeled. Labels must include the following information: Material Number (From PO), Material Description (from PO), U/M, Quantity in Carton, PO Number, and serial number information, if applicable, must be easily located. All labels shall be visible on the perimeter of the carton.

**CARTONS ON PALLETS**

Each carton must be individually labeled. Labels must include the following information: Material Number (From PO), Material Description (from PO), U/M, Quantity in Carton, PO Number, and serial number information, if applicable, must be easily located. All labels will be visible on the perimeter of the pallet. Shipping labels should be located on top of the pallet, away from any packing tape.

**SDS REQUIRED:** An SDS (formerly Material Safety Data Sheet or MSDS) is required for the item(s) indicated on this Bid Request. Please submit a complete SDS Form with your bid. SDS are also required with shipment.

**DELIVERY REQUESTED BY:**

Quote delivery dates only -- do not quote lead times.

**Failure on the part of a successful bidder to meet the quoted delivery schedule may have a serious impact on any consideration for future business with SMUD.**

**DELIVERY DATE AT DESTINATION:** \_\_\_\_\_  
(Indicate delivery date, not shipping date)

Terms of Payment: \_\_\_\_\_

Cash Discounts, if applicable, will commence from either the date of inspection and acceptance by SMUD or the date correct invoices are received, whichever is later.

**Complete and attach the Designation of Prime Contractor, SubContractors and Suppliers form.**

**Prompt Payment Program**     **Check if applicable**

SMUD has a prompt payment program for small businesses that are certified by the California Department of General Services.

**INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PROGRAM DESCRIPTION – 5/22/2007 ARE INCLUDED BELOW.**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
COMPANY NAME

\_\_\_\_\_  
SIGNATURE

\_\_\_\_\_  
ADDRESS

\_\_\_\_\_  
PRINT NAME

\_\_\_\_\_  
CITY, STATE AND ZIP CODE

\_\_\_\_\_  
TITLE

\_\_\_\_\_  
TELEPHONE

\_\_\_\_\_  
FAX NUMBER

\_\_\_\_\_  
DATE

\_\_\_\_\_  
E-Mail Address

**SEED PROGRAM SMALL BUSINESS DECLARATION**

Complete this form to apply for SEED Program consideration. To qualify for the SEED Program, a firm must have a current Certification ID as a Small Business from the California Department of General Services (DGS). In addition, the firm must qualify as a SMUD customer for the preceding six months by receiving SMUD electric service at the principal office\* listed by DGS. If your firm or one of your proposed subContractors qualifies under these criteria, SMUD will validate all submitted information and determine the proposing firm’s SEED Program qualification.

**To expedite the verification process:**

1) **Submit a copy of the most recent SMUD statement for the principal office shown on your DGS Small Business application**

**OR**

2) **\_\_\_\_\_ If the firm leases its principal space from a property management company or a landlord and the SMUD utilities are included in the lease, please initial in the blank space provided above and attach a copy of the current lease showing the dates of occupancy, principal office of property and signatures of both parties**

**AND**

Provide the DGS Small Business Certification ID in the space provided below.

<b>Proposed SEED firm:</b>
<b>Contact Name:</b>
<b>Title:</b>
<b>Phone Number:</b>
<b>DGS Small Business Certification ID</b>

I hereby certify that this firm qualifies for the SEED Program as defined above. This firm has been certified as a Small Business by DGS.

I hereby swear that I am duly authorized to legally act on behalf of the above-named company.

<b>Signed:</b>
<b>Print Name:</b>
<b>Title:</b>
<b>Date:</b>

If you or one of your proposed subContractors is not certified by DGS and would like to become certified for future Contracting opportunities, please refer to [www.smud.org/SEED](http://www.smud.org/SEED) or contact SMUD Supplier Education and Economic Development at [SEEDmgr@smud.org](mailto:SEEDmgr@smud.org) .

\***Principal office** means where the business is headquartered and conducts the management and operations of the business.

**INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND  
SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED)  
PROGRAM DESCRIPTION – 5/22/2007**

1. Sacramento Municipal Utility District (SMUD), a political subdivision of the State of California, is exempt from any Federal Manufacturer's Excise Tax under the provisions of Section 4221(a)(4) of the Internal Revenue Code. Exemption Certificate furnished upon request.
2. All prices quoted shall be exclusive of Sales or Use Tax. Cash discounts will be deducted by SMUD before computing Sales or Use Tax.
3. Any cash discount offered for payment within ten (10) days or less will not be considered during bid evaluation; however, all discounts offered will be taken at the time of payment, whether indicated on the invoice or not.
4. Charges for reels, drums and other containers or parking or drayage expense must be indicated separately on this Request for Quotation.
5. Seller represents that seller will comply with all Federal, State, and other Governmental Taxes and Regulations imposed upon the seller with respect to merchandise offered.
6. Passing of Title:
  - A. F. O. B. SMUD's Warehouse. Title to any material ordered will pass to SMUD upon receipt and acceptance by SMUD.
  - B. F. O. B. Point of Shipment and F. O. B. Point of Shipment with freight allowed to Destination. Title to any material ordered will pass to SMUD upon delivery of such material, by the shipper, to the carrier.
7. The right is reserved by SMUD to reject any or all quotations, to make an award of any item, group of items or in the aggregate, and to waive minor technical deviations if such actions are in the best interests of SMUD. In case of an error in the extension of prices, the unit price will govern.
8. Seller shall indemnify and save harmless SMUD from and against all costs, damages and expenses incurred by SMUD in connection with any claims or actions based upon infringement or alleged infringement of any patent and arising out of the use of the articles or equipment furnished hereunder.
9. Where brand names are used, they are intended to serve as a quality standard of for illustrative purposes only, and are not to be construed as restricting or limiting bids to those specific brand names. If brand equivalents are quoted, furnish descriptive information for comparative evaluation.
10. Firm prices only will be accepted for first year. Escalation will be allowed for second and third year(s).
11. Nuclear Liability Provision: With regard to equipment intended for use at SMUD's nuclear plant, SMUD agrees to enter into a Government Indemnity Agreement with the Nuclear Regulatory Commission pursuant to Subsection 170(c) or the Atomic Energy Act of 1954, as amended.
 

SMUD further agrees to secure and maintain liability insurance from the nuclear Energy Liability Insurance Association and/or the Mutual atomic Energy Liability Underwriters, or equivalent insurance, in such amount and in such form as shall meet the financial protection requirements of the Nuclear Regulatory Commission pursuant to Subsection 170(b) of the Atomic Energy Act of 1954, as amended. Such indemnity and insurance shall protect Contractor, its sub-Contractors and suppliers against liability for third party claims for bodily injury or property damage arising out of, or resulting from a "nuclear" incident (as defined in the Atomic Energy Act of 1954, as amended). SMUD hereby waives to insurers' right of recovery against Contractor, its sub-Contractors, and suppliers, on account of such liability.
12. Prompt Payment Program:
 

SMUD has a prompt payment program for small businesses that are certified by the California Department of General Services. Under the program, SMUD will guarantee payment of invoices within 20 calendar days from the date of inspection and acceptance by SMUD or the date correct invoices are received, whichever is later. Cash discount will be considered, evaluated and paid as indicated above.

## INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT PROGRAM DESCRIPTION CONTINUED

If SMUD fails to meet the 20 calendar days payment guarantee, the small business will be paid interest on the unpaid invoice at prime plus 2% APR. Late interest payments, if applicable, will be made without an additional invoice from the small business.

To select this program, please indicate “prompt payment”, along with any discounts offered, if applicable, and provide evidence of certification with your bid.

### 13. Franchise Tax:

SMUD shall withhold an amount equal to seven percent (7%) from payments made pursuant to the terms and conditions of this request for quotation as set forth herein, to all independent Contractors who are not residents of the State of California and who have not received an exemption from this requirement from the California Franchise Tax Board. This requirement applies to all Contractors performing personal services in California, for which SMUD pays in excess of fifteen hundred dollars (\$1,500.00) annually.

(Ref. Cal. Rev. and Tax Code Sec. 26131, California Code of Regulations, Title 18, Sec. 18805, 18805-3)

### 14. EQUAL OPPORTUNITY

A. Equal Employment Opportunity. Contractor shall not discriminate against any employee or applicant for employment contrary to the provisions of applicable State and/or Federal anti-discrimination laws. Contractor shall ensure that this requirement is applied to applicants and employees in actions including, but not limited to, employment, upgrading, demotion or transfer, recruitment of recruitment advertising, layoff of termination, rates of pay or other forms of compensation and selection for training, including apprenticeships.

### 15. PRODUCT PACKAGING:

Packaging should be limited to only that which will contain, adequately protect, and identify the contents within. The use of superfluous packaging is discouraged. Packaging Materials should utilize recycled materials and be as lightweight as possible with the ability to be reused, reconditioned for use, or recycled through existing recycling collection programs.

### 16. ENVIRONMENTAL PROCUREMENT:

SMUD has adopted an Environmental Protection Policy in which it commits to environmental stewardship, the conservation of natural resources, reductions in the use of hazardous substances, reductions in mobile sources of NOx emissions, and recycling and responsible disposal. SMUD will promote environmental procurement practices that will minimize environmental impacts, conserve natural resources, and reward environmentally conscious manufacturers and Contractors, while remaining fiscally responsive. To further its policy SMUD will favor environmentally preferable procurements when price, quality and availability are equal. To this end, SMUD will endeavor to reward environmentally conscious manufacturers, suppliers and Contractors with Contracting opportunities that address these policy goals in addition to providing SMUD and its customer-owners fiscally responsible procurement options.

**INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT PROGRAM DESCRIPTION CONTINUED**

**Electronic Invoices:**

SMUD highly encourages the use of Electronic Invoicing. Invoices delivered electronically must be:

1. In a **PDF File format** and e-mailed to: [smudinvoice@smud.org](mailto:smudinvoice@smud.org)
2. Invoice and supporting documents must be included in a single PDF file.
3. SMUD's **Contract** or **Purchase Order number** must be clearly displayed on the electronic invoice.
4. Show any Sales Tax or Use Tax as separate items, giving permit number authorizing collection of taxes.
5. Multiple invoices may be transmitted in a single email; however, each invoice and its related supporting documents must be contained in a separate PDF file.
6. Invoices may be e-mailed immediately upon shipment of materials. However, in no event will payment be made until proper receipt and acceptance of the material and freight documentation by SMUD. All statements of discounts shall be subject to this stipulation.

\*Note: Although not typical of a standard material purchase, if subject to 1099 reporting, include your Tax Payer Identification on the invoice for any service related charges.

**Mailed Invoices:**

Although not the preferred method, SMUD shall maintain for the present the ability to receive and pay against hard copy invoices.

Mail invoices in duplicate with Bill of Lading to:

Sacramento Municipal Utility District,  
Attention: Accounting Department, Post Office Box 15830  
Sacramento, California 95852-0830.

Show any Sales Tax or Use Tax as separate items, giving permit number authorizing collection of taxes.

Note: Invoices may be mailed immediately upon shipment of materials. However, in no event will payment be made until proper receipt of acceptance of the material and freight documentation by SMUD. All statements of discounts shall be subject to this stipulation.

# INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT PROGRAM DESCRIPTION CONTINUED

## SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT (SEED) PROGRAM

### 1. INTRODUCTION

The Sacramento Municipal Utility District (SMUD) is committed to achieving full and equal Contracting opportunity for customers doing business with SMUD. SMUD recognizes the economic benefit provided by its Contracting activity and has adopted this policy to promote the economic development of its customer businesses. This program will provide direct economic benefit to SMUD's customer-owners and will complement other SMUD economic development programs.

### 2. OVERVIEW

SMUD's SEED Program creates Contracting opportunities for local small businesses. To qualify, a business must be certified as a Small Business or Microbusiness by the California Department of General Services (DGS) and must be a SMUD customer for the past six months at the DGS certification address of record. Additional features are described below.

### 3. PROGRAM GOALS AND INCENTIVES

SMUD promotes a goal of 20% SEED participation in SMUD Contracts. To achieve this, SMUD has established the following program incentives:

- 3.1. SEED Price Advantage - SEED qualified bidders will receive a price advantage which is 5% of the lowest responsible bid as determined by SMUD. This amount will be subtracted from all SEED qualified bids for evaluation purposes. The maximum SEED price advantage is \$250,000, which is 5% of a bid of \$5,000,000.
- 3.2. RFP SEED Evaluation Points - (NOT APPLICABLE to this Request for Quotation)
- 3.3. SEED SubContracting – Non-SEED bidders may participate in the SEED program by subContracting with SEED vendors. SMUD currently promotes a goal of 20% SEED subContracting. **\*Note: Not applicable for "Materials Only" procurements**

***Need help locating a SEED SubContractor?***

Go to [www.smud.org/SEED](http://www.smud.org/SEED)

- 3.4. Non- SEED bidders proposing less than 20% SEED subContracting will receive a price advantage of 5% of the total value of all its SEED subContracting bids. This advantage is capped at \$250,000 but will not exceed the calculated price advantage available to SEED primes if it is less.
- 3.5. Non-SEED bidders proposing 20% SEED subContracting or more will receive the full calculated price advantage available to SEED prime bidders.
- 3.6. To receive SEED subContracting credit, non-SEED bidders and proposers must submit SMUD's "Designation of Prime, SubContractors and Suppliers Form" (form in this Request for Quotation) and must list the SEED subContractors they propose to utilize. In addition, prime bidders and proposers are responsible for completing a SEED Program Small Business Declaration form for each SEED-qualified vendor listed.

## INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT PROGRAM DESCRIPTION CONTINUED

- 3.7. “SubContractor” refers to firms named in a proposal and listed on the “Designation of Prime, SubContractors and Suppliers Form”, who will perform specific tasks of the Contracted work. For SMUD construction Contracts the definition of SubContractor as prescribed by the Public Contract Code shall apply. For all other SMUD Contracts, a SubContractor is defined as an individual or firm providing supplies or services to the Bidder, which are specific to a SMUD solicitation, and provided under a separate Contract agreement with the Bidder and having no employment relationship with the Bidder. As such, payments made by the Bidder to subContractor individuals must not be subject to payroll withholding taxes. SEED subContractors must fulfill a commercially useful function. Business arrangements where SEED subContractors do not add substantial, identifiable value to the deliverable product or service are not acceptable.
- 3.8. In consideration of the price and evaluation points provided for SEED subContracting, the Bidder, upon Contract award, will be legally obligated to subContract with all firms listed on the “Designation of Prime, SubContractors and Suppliers” form in the proposal. SMUD, at its option, will monitor the utilization of subContractors as declared by the prime Contractor in its proposal.
- 3.9. Substitution of any subContractor requires prior written approval from SMUD. If the winning bidder or Proposer received SEED subContractor price advantage(s) or evaluation points, SMUD, at its option, may require the Bidder to replace the rejected SEED subContractor with another qualified SEED subContractor.

### 4. SEED PROGRAM QUALIFICATION

Vendors must meet both of the following qualifications to participate in the SEED Program:

- 4.1 Certification- DGS, Office of Small Business and DVBE, certification must certify the vendor as a Small Business or Microbusiness. This is the only certification accepted by SMUD. Vendors must be certified by the bid-opening date (IFBs, BRs) or proposal/bid due date (RFPs, RFQs) as applicable, to qualify for the SEED Program.
- 4.2 Customer Qualification- the vendor must qualify as a SMUD customer for the preceding 6 months prior to the bid or proposal due date. The physical address of the business as recorded by DGS in its Small Business certification must be located in SMUD territory. If the address shown on the DGS Small Business certificate is a post office box, a mailbox at a private mailbox business or a leased facility, the vendor must be able to demonstrate, to SMUD’s satisfaction, that the vendor is a SMUD customer.

### 5. CONTRACT COMPLIANCE

SMUD may conduct post-award monitoring of any Contract, which includes SEED participation. Contractors are required to maintain certified payroll reports by the Contractor and all subContractors, regardless of Contract amount. SMUD may require the Contractor to provide other related documentation to verify SEED participation equal to or greater than the participation levels stated at the time of award.

### 6. FALSIFICATION OF INFORMATION

Falsification of information on the forms required by this solicitation may cause SMUD to cancel any existing Contracts with the Proposer/vendor and may disqualify the vendor from Contracting with SMUD in the future.

A firm claiming SEED/customer status under false pretenses will be disqualified from doing business with

**INSTRUCTIONS TO BIDDERS, GENERAL CONDITIONS AND SUPPLIER EDUCATION & ECONOMIC DEVELOPMENT PROGRAM DESCRIPTION CONTINUED**

SMUD for a period of not less than one year and not more than five years unless SMUD's General Manager & CEO determines that the offending firm should be permanently barred from bidding on a SMUD Contract. False pretenses include designating SEED subContractors for scopes of work that they will not fully perform, using SEED firms as a “pass-through” to inflate actual participation, or any other action that subverts SMUD’s intended benefits to SEED participation. SMUD may seek all legal remedies available under the law against such proposers.

**7. ADDITIONAL INFORMATION**

SMUD’s Supplier Education and Economic Development Department is responsible for the administration of the SEED Program. The Supplier Education and Economic Development Department is available during regular SMUD business hours, to provide all SEED Program participants with additional information resources to encourage participation in the SEED Program. In addition, SMUD publishes current procurement opportunities and program information on its Internet website at [www.bids.SMUD.org](http://www.bids.SMUD.org).