MASTER SERVICE AGREEMENT FOR SERVICES OF INDEPENDENT CONTRACTOR

A Contract between the Western States Contracting Alliance
Acting by and through the State of Nevada
Department of Administration, Purchasing Division Attn: Gail Burchett
515 East Musser Street, 3rd Floor, Carson City, Nevada 89701
Telephone (775) 684-0170 Facsimile (775) 684-0188
And
Milliken and Company, Attn: Donald Hooper
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Pursuant to Nevada Revised Statute (NRS) 277.100, NRS 277.110, NRS 333.162(1) (d), and NRS 333.480 the Chief of the Purchasing Division of Nevada is authorized to enter into cooperative group-contracting consortium.
The Western States Contracting Alliance is a cooperative group-contracting consortium for state government departments, institutions, agencies and political subdivisions (i.e., colleges, school districts, counties, cities, etc.,) for the states of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Minnesota, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington and Wyoming.

In consideration of the above premises, the parties mutually agree as follows:

1. REQUIRED APPROVAL. This contract shall not become effective until and unless approved by the Western States Contracting Alliance Board of Directors.
2. DEFINITIONS. "WSCA" means the Western States Contracting Alliance. "State" and/or "Lead State" means the State of Nevada and its state agencies, officers, employees and immune contractors as defined in NRS 41.0307. "Participating State(s)" means state(s) that have signed (and not revoked) an Intent to Contract at the time of the award of this contract, or who have executed a Participating Addendum. "Buyer" means any WSCA agency or political subdivision participating under this contract. "Contractor" and/or Contracting Agency" means a person or entity that performs services and/or provides goods for WSCA under the terms and conditions set forth in this contract. "Solicitation" means RFP # 1621 incorporated herein as Attachment AA. "Fiscal Year" is defined as the period beginning July 1 and ending June 30 of the following year.
3. CONTRACT TERM. This contract shall be effective from June 15, 2008 subject to WSCA Board of Directors' approval to June 30, 2010, unless sooner terminated by either party as specified in paragraph (21).
4. NOTICE. Unless otherwise stated in the special terms and conditions, any contract entered into as a result of the Solicitation may be canceled by either party upon written notice sixty (60) days prior to the effective date of the cancellation. Further, any Participating State may cancel its participation upon thirty (30) days written notice, unless otherwise limited or stated in the special terms and conditions of the Solicitation. Cancellation may be in whole or in part. Any cancellation under this provision shall not effect the rights and obligations attending orders outstanding at the time of cancellation, including

any right of any Participating State to indemnification by the Contractor, rights of payment for goods/services delivered and accepted, rights for Contractor to receive reasonable and actual costs of materials purchased specifically for the contact, for work completed prior to notice of cancellation and for cancellation charges incurred by Contractor as a result of termination and rights attending any warranty or default in performance in association with any order. Cancellation of the contract due to Contractor default may be immediate.

5. INCORPORATED DOCUMENTS. The parties agree that the scope of work shall be specifically described; this contract incorporates the following attachments in descending order of constructive precedence:

ATTACHMENT AA:SOLICITATION #1621 (Scope of Work) and ATTACHMENTS
ATTACHMENT BB: NEGOTIATED BEST AND FINAL OFFERS # 1 and #2
ATTACHMENT CC: CONTRACTOR'S ORIGINAL RESPONSE

A Contractor's attachment shall not contradict or supersede any WSCA specifications, terms or conditions without written evidence of mutual assent to such change appearing in this contract.

7. ASSENT. The parties agree that the terms and conditions listed on incorporated attachments of this contract are also specifically a part of this contract and are limited only by their respective order of precedence and any limitations specified.

8. BID SPECIFICATIONS. Contractor certifies that any deviation from the specifications in the scope of work, incorporated herein as part of Attachment AA, have been clearly indicated by Contractor in its response, incorporated herein as Attachment BB and CC; otherwise, it will be considered that the bid is in strict compliance. Any BRAND NAMES or manufacturers' numbers are stated in the specifications are intended to establish a standard only and are not restrictive unless the Solicitation states "no substitute," and unless so stated, bids have been considered on other makes, models or brands having comparable quality, style, workmanship and performance characteristics. Alternate bids offering lower quality or inferior performance have not been considered.

9. ACCEPTANCE OR REJECTION OF BIDS, AND AWARD. WSCA has the right to accept or reject any or all bids or parts of bids, and to waive informalities therein. This contract is based the lowest responsive and responsible bid and meets the specifications of the Solicitation and terms and conditions thereof. Unless stated otherwise in the Solicitation, WSCA has the right to award items separately or by grouping items in a total lot.

10. BID SAMPLES. Any required samples have been specifically requested in the Solicitation. Samples, when required, have been furnished free of charge. Except for those samples destroyed or mutilated in testing, samples will be returned at a bidder's request, transportation collect.

11. CONSIDERATION. The parties agree that Contractor will provide the services specified in paragraph (5) at a cost of as listed in the pricing and freight matrixes supplied in Attachment BB. Unless otherwise stated in the special terms and conditions, for the purpose of award, offers made in accordance with the Solicitation must be good and firm for a period of ninety (90) days from the date of bid opening. Contracted prices represent ceiling prices for the supplies and services offered. The Contractor shall report to the Lead State any price reduction or discount, or other more favorable terms offered to any Purchasing Entity and the Contractor agrees to negotiate in good faith to re-establish ceiling prices or

other more favorable terms and conditions applicable to future orders. Bid prices must remain firm for the full term of the contract. However, Contractor may pass through, and WSCA will pay, a mutually agreed to annual price increase, not to exceed 5% incurred by Contractor that are generally applicable to the industry and arise from raw material or commodity shortages or price disruptions. In the case of error in the extension of prices in the bid, the unit prices will govern. WSCA does not guarantee to purchase any amount under this contract. Estimated quantities in the Solicitation are for bidding purposes only and are not to be construed as a guarantee to purchase any amount. Unless otherwise stated in the special terms and conditions offers made in accordance with the Solicitation must be good and firm for a period of ninety (90) days from the date of bid opening. Bid prices must remain firm for the full term of the contract. In the case of error in the extension of prices in the bid, the unit prices will govern. If Contractor has quoted a cash discount based upon early payment; discounts offered for less than thirty (30) days have not been considered in making the award. The date from which discount time is calculated shall be the date a correct invoice is received or receipt of shipment, whichever is later; except that if testing is performed, the date shall be the date of acceptance of the merchandise. WSCA is not liable for any costs incurred by the bidder in proposal preparation.

12. PAYMENT. Payment for completion of a contract is normally made within thirty (30) days following the date the entire order is delivered or the date a correct invoice is received, whichever is later. After forty-five (45) days the Contractor may assess overdue account charges up to a maximum rate of one (1) percent per month on the outstanding balance. Payments will be remitted by mail. Payments may be made via a Participating State's "Purchasing Card."

13. TAXES. Prices shall be exclusive of state sales and federal excise taxes. Where a Participating State is not exempt from sales taxes on sales within its state, the Contractor shall add the sales taxes on the billing invoice as a separate entry. Contractor will be responsible to pay all taxes, assessments, fees, premiums, permits, and licenses required by law. The Lead State's real property and personal property taxes are the responsibility of Contractor in accordance with NRS 361.157 and NRS 361.159. Contractor agrees to be responsible for payment of any such government obligations not paid by its subcontractors during performance of this contract. Nevada may set-off against consideration due any delinquent government obligation in accordance with NRS 353C.190.

14. FINANCIAL OBLIGATIONS OF PARTICIPATING STATES. Financial obligations of Participating States are limited to the orders placed by the departments or other state agencies and institutions having available funds. Participating States incur no financial obligations on behalf of political subdivisions. Unless otherwise specified in the Solicitation, the resulting award(s) will be permissive.

15. ORDER NUMBERS. Contract order and purchase order numbers shall be clearly shown on all acknowledgments, shipping labels, packing slips, invoices, and on all correspondence.

16. REPORTS. The Contractor shall submit quarterly reports to the WSCA Contract Administrator showing the quantities and dollar volume of purchases by each Participating State.

17. DELIVERY. The prices bid shall be the delivered price to any WSCA state agency or political subdivision inclusive of all freight costs. All deliveries shall be F.O.B. destination with all transportation and handling charges paid as negotiated in Attachment BB. Responsibility and liability for loss or damage shall remain with the Contractor until final inspection and acceptance, when

responsibility shall pass to the Buyer except as to latent defects, fraud and Contractor's warranty obligations. The minimum shipment amount will be found in the special terms and conditions. Any order for less than the specified amount is to be shipped with the freight prepaid and added as a separate item on the invoice. Any portion of an order to be shipped without transportation charges that is back-ordered shall be shipped without charge.

18. HAZARDOUS CHEMICAL INFORMATION. The Contractor will provide one set of the appropriate material safety data sheet(s) and container label(s) upon delivery of a hazardous material to any Buyer. All safety data sheets and labels will be in accordance with each Participating State's requirements.

19. INSPECTIONS. Goods furnished under this contract shall be subject to inspection and test by the Buyer at times and places determined by the Buyer. If the Buyer finds goods furnished to be incomplete or in non-compliance with bid specifications, the Buyer may reject the goods and require Contractor to either correct them without charge or deliver them at a reduced price which is equitable under the circumstances. If Contractor is unable or refuses to correct such goods within a time deemed reasonable by the Buyer, the Buyer may cancel the order in whole or in part. Nothing in this paragraph shall adversely affect the Buyer's rights including the rights and remedies associated with revocation of acceptance under the Uniform Commercial Code.

20. INSPECTION & AUDIT.

a. Books and Records. The Contractor will maintain, or supervise the maintenance of all records necessary to properly account for the payments made to the Contractor for costs authorized by this contract. Contractor agrees to keep and maintain under generally accepted accounting principles (GAAP) full, true and complete records, contracts, books, and documents as are necessary to fully disclose to WSCA, the State or United States Government, or their authorized representatives, upon audits or reviews, sufficient information to determine compliance with all state and federal regulations and statutes.

b. Inspection & Audit. Contractor agrees that the relevant books, records (written, electronic, computer related or otherwise), including, without limitation, relevant accounting procedures and practices of Contractor or its subcontractors, financial statements and supporting documentation, and documentation related to the work product shall be subject, at any reasonable time, to inspection, examination, review, audit, and copying at any office or location of Contractor where such records may be found, with or without notice by WSCA; the United States Government; the State Auditor or its contracted examiners, the Department of Administration, Budget Division, the Nevada State Attorney General's Office or its Fraud Control Units, the State Legislative Auditor, and with regard to any federal funding, the relevant federal agency, the Comptroller General, the General Accounting Office, the Office of the Inspector General, or any of their authorized representatives. All subcontracts shall reflect requirements of this paragraph.

c. Period of Retention. All books, records, reports, and statements relevant to this contract must be retained a minimum four (4) years after the contract terminates or until all audits initiated within the four (4) years have been completed, whichever is later, and for five (5) years if any federal funds are used in the contract. The retention period runs from the date of payment for the relevant goods or services by the State, or from the date of termination of the Contract, whichever is later. Retention

time shall be extended when an audit is scheduled or in progress for a period reasonably necessary to complete an audit and/or to complete any administrative and judicial litigation which may ensue.

21. CONTRACT TERMINATION. Any of the following events shall constitute cause for WSCA to declare Contractor in default of the contract: (1) nonperformance of contractual requirements; and/or (2) a material breach of any term or condition of this contract. WSCA shall issue a written notice of default providing a period in which Contractor shall have an opportunity to cure. Time allowed for cure shall not diminish or eliminate Contractor's liability for liquidated or other damages. If the default remains, after Contractor has been provided the opportunity to cure, WSCA may do one or more of the following: (1) exercise any remedy provided by law; (2). terminate this contract and any related contracts or portions thereof; (3) impose liquidated damages; and/or (4) suspend Contractor from receiving future bid solicitations.

Winding Up Affairs Upon Termination. In the event of termination of this contract for any reason, the parties agree that the provisions of this paragraph survive termination:

i. The parties shall account for and properly present to each other all claims for fees and expenses and pay those which are undisputed and otherwise not subject to set off under this contract. Neither party may withhold performance of winding up provisions solely based on nonpayment of fees or expenses accrued up to the time of termination;

ii. Contractor shall satisfactorily complete work in progress at the agreed rate (or a pro rata basis if necessary) if so requested by WSCA;

iii. Contractor shall execute any documents and take any actions necessary to effectuate an assignment of this contract if so requested by WSCA;

iv. Contractor shall preserve, protect and promptly deliver into WSCA's possession all proprietary information in accordance with paragraph (31).

22. REMEDIES. Except as otherwise provided for by law or this contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs. It is specifically agreed that reasonable attorneys' fees shall include without limitation $125 per hour for attorneys employed by the Lead State. Nevada may set off consideration against any unpaid obligation of Contractor to any State agency in accordance with NRS 353C.190.

23. LIMITED LIABILITY. Nevada will not waive and intends to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both parties shall not be subject to punitive damages. Liquidated damages shall not apply unless otherwise specified in the incorporated attachments. Damages for any breach by the Lead State shall never exceed the amount of funds appropriated for payment under this contract, but not yet paid to Contractor, for the fiscal year budget in existence at the time of the breach. Damages for any Contractor breach shall not exceed 150% of the contract maximum "not to exceed" value. No party's tort liability shall be limited.

24. FORCE MAJEURE. Neither party to this contract shall be deemed to be in violation of this contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including, without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the party asserting such an excuse, and the excused party is obligated to promptly perform in accordance with the terms of the contract after the intervening cause ceases. WSCA

may terminate this contract after determining such delay or default will reasonably prevent successful performance of the contract.

25. INDEMNIFICATION. To the fullest extent permitted by law, Contractor shall indemnify, hold harmless and defend, not excluding the State's right to participate, Nevada from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of Contractor, its officers, employees and agents. The Contractor shall release, protect, indemnify and hold WSCA and the respective states and their officers, agencies, employees, harmless from and against any damage, cost or liability, including reasonable attorney's fees for any or all injuries to persons, property or claims for money damages arising solely from acts or omissions of the contractor, his employees or subcontractors or volunteers.

26. INSURANCE SCHEDULE. Unless expressly waived in writing by the Lead State or Participating States, Contractor, as an independent contractor and not an employee of the Lead State or Participating States, must carry policies of insurance in amounts specified in this Insurance Schedule and/or any Insurance Schedule agreed by Contractor and a Participating State via a participating addendum, and pay all taxes and fees incident hereunto. The Lead State and Participating States shall have no liability except as specifically provided in the contract. The Contractor shall not commence work before:

1) Contractor has provided the required evidence of insurance to the Lead State.

The Lead State's approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent this contract. Any failure of the Lead State to timely approve shall not constitute a waiver of the condition.

Insurance Coverage: The Contractor shall, at the Contractor's sole expense, procure, maintain and keep in force for the duration of the contract the following insurance conforming to the minimum requirements specified below. Unless specifically stated herein or otherwise agreed to by the Lead State, the required insurance shall be in effect prior to the commencement of work by the Contractor and shall continue in force as appropriate until the latter of:

1. Final acceptance by the Lead State of the completion of this contract; or
2. Such time as the insurance is no longer required by the Lead State under the terms of this contract.

Any insurance or self-insurance available to the State shall be excess of and non-contributing with any insurance required from Contractor. Contractor's insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by the Lead State, Contractor shall provide the Lead State with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the contract, an insurer or surety shall fail to comply with the requirements of this contract, as soon as Contractor has knowledge of any such failure, Contractor shall immediately notify the State and immediately replace such insurance or bond with an insurer meeting the requirements.

Workers' Compensation and Employer's Liability Insurance

1) Contractor shall provide proof of worker's compensation insurance.
2) Employer's Liability insurance with minimum limits of $500,000 each employee per accident for bodily injury by accident or disease.

Commercial General Liability Insurance

1) Minimum Limits required:

   $2,000,000.00 General Aggregate

   $1,000,000.00 Products & Completed Operations Aggregate

   $_____ Personal and Advertising Injury

   $1,000,000.00 Each Occurrence

2) Coverage shall be on an occurrence basis and shall be at least as broad as ISO 1996 form CG 00 01 (or a substitute form providing equivalent coverage); and shall cover liability arising from premises, operations, independent contractors, completed operations, personal injury, products, civil lawsuits, Title VII actions and liability assumed under an insured contract (including the tort liability of another assumed in a business contract).

Business Automobile Liability Insurance

1) Minimum Limit required: **$1,000,000.00** Each Occurrence for bodily injury and property damage.

2) Coverage shall be for "any auto" (including owned, non-owned and hired vehicles).
   The policy shall be written on ISO form CA 00 01 or a substitute providing equivalent liability coverage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

Professional Liability Insurance

1) Minimum Limit required: $ **Waived** Each Claim
2) Retroactive date: Prior to commencement of the performance of the contract
3) Discovery period: Three (3) years after termination date of contract.
4) A certified copy of this policy may be required.

Umbrella or Excess Liability Insurance

1) May be used to achieve the above minimum liability limits.
2) Shall be endorsed to state it is "As Broad as Primary Policy"

Commercial Crime Insurance

Minimum Limit required: **$ 25,000.00** Per Loss for Employee Dishonesty

This insurance shall be underwritten on a blanket form amending the definition of "employee" to include all employees of the Vendor regardless of position or category.

General Requirements:

b. Waiver of Subrogation: Each liability insurance policy shall provide for a waiver of subrogation as to additional insureds.

c. Cross-Liability: All required liability policies shall provide cross-liability coverage as would be achieve under the standard ISO separation of insureds clause.

d. Deductibles and Self-Insured Retentions: Insurance maintained by Contractor shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by the Lead State or Participating States. Such approval shall not relieve Contractor from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed five thousand dollars ($5,000.00) per occurrence, unless otherwise approved.

e. Policy Cancellation: Except for ten (10) days notice for non-payment of premium, each insurance policy shall be endorsed to state that; without thirty (30) days prior written notice to the Lead State,

the policy shall not be canceled, non-renewed or coverage and /or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mailed to the address identified on page 1 of the contract.

f. Approved Insurer: Each insurance policy shall be:
   1) Issued by insurance companies authorized to do business in the Lead State and Participating States or eligible surplus lines insurers acceptable to the Lead State and Participating States and having agents upon whom service of process may be made, and
   2) Currently rated by A.M. Best as "A- VII" or better.

Evidence of Insurance:

Prior to the start of any Work, Contractor must provide the following documents to the Lead State:
1) Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to the State to evidence the insurance policies and coverages required of Contractor.
2) Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the Underlyer Schedule from the Umbrella or Excess insurance policy may be required.

Review and Approval: Documents specified above must be submitted for review and approval by the Lead State prior to the commencement of work by Contractor. Neither approval by the Lead State nor failure to disapprove the insurance furnished by Contractor shall relieve Contractor of Contractor's full responsibility to provide the insurance required by this contract. Compliance with the insurance requirements of this contract shall not limit the liability of Contractor or its sub-contractors, employees or agents to the Lead State or others, and shall be in addition to and not in lieu of any other remedy available to the Lead State or Participating States under this contract or otherwise. The Lead State reserves the right to request and review a copy of any required insurance policy or endorsement to assure compliance with these requirements.

Mail all required insurance documents to the Lead State identified on page one of the contract.

27. COMPLIANCE WITH LEGAL OBLIGATIONS. Any and all supplies, services and equipment bid and furnished shall comply fully with all applicable Federal and State laws and regulations. Contractor shall procure and maintain for the duration of this contract any state, county, city or federal license, authorization, waiver, permit, qualification or certification required by statute, ordinance, law, or regulation to be held by Contractor to provide the goods or services required by this contract. The Lead State may set-off against consideration due any delinquent government obligation in accordance with NRS 353C.190.
28. WAIVER OF BREACH. Failure to declare a breach or the actual waiver of any particular breach of the contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.
29. SEVERABILITY. If any provision of this contract is declared by a court to be illegal or in conflict with any law, the validity of the remaining terms and provisions shall not be affected; and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular provision held to be invalid.
30. ASSIGNMENT/DELEGATION. To the extent that any assignment of any right under this contract changes the duty of either party, increases the burden or risk involved, impairs the chances of obtaining the

performance of this contract, attempts to operate as a novation, or includes a waiver or abrogation of any defense to payment by State, such offending portion of the assignment shall be void, and shall be a breach of this contract. Contractor shall not assign, sell, transfer, subcontract or sublet rights, or delegate responsibilities under this contract, in whole or in part, without the prior written approval of the WSCA Contract Administrator.

31. OWNERSHIP OF PROPRIETARY INFORMATION. Any reports, histories, studies, tests, manuals, instructions, photographs, negatives, blue prints, plans, maps, data, system designs, computer code (which is intended to be consideration under the contract), or any other documents or drawings, prepared or in the course of preparation by Contractor (or its subcontractors) in performance of its obligations under this contract shall be the exclusive property of WSCA and all such materials shall be delivered into WSCA possession by Contractor upon completion, termination, or cancellation of this contract. Contractor shall not use, willingly allow, or cause to have such materials used for any purpose other than performance of Contractor's obligations under this contract without the prior written consent of WSCA. Notwithstanding the foregoing, WSCA shall have no proprietary interest in any materials licensed for use that are subject to patent, trademark or copyright protection.

32. PATENTS, COPYRIGHTS, ETC. The Contractor shall release, indemnify and hold WSCA, the State, and Participating States and their officers, agents and employees harmless from liability of any kind or nature in connection with the Products or Services provided by Contractor under this contract, including the Contractor's use of any copyrighted or un-copyrighted composition, secret process, patented or unpatented invention, article or appliance furnished or used in the performance of this contract.

33. PUBLIC RECORDS. Pursuant to NRS 239.010, information or documents received from Contractor may be open to public inspection and copying. The State will have the duty to disclose unless a particular record is made confidential by law or a common law balancing of interests. Contractor may label specific parts of an individual document as a "trade secret" or "confidential" in accordance with NRS 333.333, provided that Contractor thereby agrees to indemnify and defend the State for honoring such a designation. The failure to so label any document that is released by the State shall constitute a complete waiver of any and all claims for damages caused by any release of the records.

34. CONFIDENTIALITY. Contractor shall keep confidential all information, in whatever form, produced, prepared, observed or received by Contractor to the extent that such information is confidential by law or otherwise required by this contract.

35. NONDISCRIMINATION. Contractor agrees to abide by the provisions of Title VI and Title VII of the Civil Rights Act of 1964 (42 USC 2000e), which prohibit discrimination against any employee or applicant for employment, or any applicant or recipient of services, on the basis of race, religion, color, or national origin; and further agrees to abide by Executive Order No. 11246, as amended, which prohibits discrimination on basis of sex; 45 CFR 90 which prohibits discrimination on the basis of age, and Section 504 of the Rehabilitation Act of 1973, or the Americans with Disabilities Act of 1990 which prohibits discrimination on the basis of disabilities. Contractor further agrees to furnish information and reports to requesting Participating Entities, upon request, for the purpose of determining compliance with these statutes. Contractor agrees to comply with each individual Participating State's certification requirements, if any, as stated in the special terms and conditions. This contract may be canceled if the Contractor fails to comply with the provisions of these laws and

regulations. Contractor must include this provision in very subcontract relating to purchases by the States to insure that subcontractors and vendors are bound by this provision.

36. FEDERAL FUNDING. In the event federal funds are used for payment of all or part of this contract:

a. Contractor certifies, by signing this contract, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency. This certification is made pursuant to the regulations implementing Executive Order 12549, Debarment and Suspension, 28 C.F.R. pt. 67, § 67.510, as published as pt. VII of the May 26, 1988, Federal Register (pp. 19160-19211), and any relevant program-specific regulations. This provision shall be required of every subcontractor receiving any payment in whole or in part from federal funds.

b. Contractor and its subcontractors shall comply with all terms, conditions, and requirements of the Americans with Disabilities Act of 1990 (P.L. 101-136), 42 U.S.C. 12101, as amended, and regulations adopted thereunder contained in 28 C.F.R. 26.101-36.999, inclusive, and any relevant program-specific regulations.

c. Contractor and its subcontractors shall comply with the requirements of the Civil Rights Act of 1964, as amended, the Rehabilitation Act of 1973, P.L. 93-112, as amended, and any relevant program-specific regulations, and shall not discriminate against any employee or offeror for employment because of race, national origin, creed, color, sex, religion, age, disability or handicap condition (including AIDS and AIDS-related conditions.)

37. LOBBYING. The parties agree, whether expressly prohibited by federal law, or otherwise, that no funding associated with this contract will be used for any purpose associated with or related to lobbying or influencing or attempting to lobby or influence for any purpose the following:

a. Any federal, state, county or local agency, legislature, commission, counsel or board;

b. Any federal, state, county or local legislator, commission member, counsel member, board member, or other elected official; or

c. Any officer or employee of any federal, state, county or local agency; legislature, commission, counsel or board.

38. NON-COLLUSION. Contractor certifies that this contract and the underlying bid, have been arrived at independently and have been without collusion with, and without any agreement, understanding or planned common course of action with, any other vendor of materials, supplies, equipment or services described in the invitation to bid, designed to limit independent bidding or competition.

39. WARRANTIES.

a. Uniform Commercial Code. The Contractor acknowledges that the Uniform Commercial Code applies to this contract. In general, the contractor warrants that: (a) the product will do what the salesperson said it would do, (b) the product will live up to all specific claims that the manufacturer makes in their advertisements, (c) the product will be suitable for the ordinary purposes for which such product is used, (d) the product will be suitable for any special purposes that the Buyer has relied on the Contractor's skill or judgment to consider.

b. General Warranty. Contractor warrants that all services, deliverables, and/or work product under this contract shall be completed in a workmanlike manner consistent with standards in the trade, profession, or industry; shall conform to or exceed the specifications set forth in the incorporated attachments; and shall be fit for ordinary use, of good quality, with no material defects.

c. System Compliance. Contractor warrants that any information system application(s) shall not experience abnormally ending and/or invalid and/or incorrect results from the application(s) in the operating and testing of the business of the State. This warranty includes, without limitation, century recognition, calculations that accommodate same century and multicentury formulas and data values and date data interface values that reflect the century.

40. CONFLICT OF INTEREST. Contractor certifies that it has not offered or given any gift or compensation prohibited by the state laws of any WSCA participants to any officer or employee of WSCA or participating sates to secure favorable treatment with respect to being awarded this contract.

41. INDEPENDENT CONTRACTOR. Contractor shall be an independent contractor, and as such shall have no authorization, express or implied to bind WSCA or the respective states to any agreements, settlements, liability or understanding whatsoever, and agrees not to perform any acts as agent for WSCA or the states, except as expressly set forth herein.

42. POLITICAL SUBDIVISION PARTICIPATION. Participation under this contract by political subdivisions (i.e., colleges, school districts, counties, cites, etc.,) of the WSCA Participating States shall be voluntarily determined by the political subdivision. The Contractor agrees to supply the political subdivisions based upon the same terms, conditions and prices.

43. PROPER AUTHORITY. The parties hereto represent and warrant that the person executing this contract on behalf of each party has full power and authority to enter into this contract. Contractor acknowledges that as required by statute or regulation this contract is effective only after approval by the WSCA Board of Directors and only for the period of time specified in the contract. Any services performed by Contractor before this contract is effective or after it ceases to be effective are performed at the sole risk of Contractor. The Contractor certifies that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency.

44. GOVERNING LAW; JURISDICTION. This contract and the rights and obligations of the parties hereto shall be governed and construed in accordance with the laws of the state of Nevada, without giving effect to any principle of conflict-of-law that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of the First Judicial District Court, Carson City, Nevada for enforcement of this contract. The construction and effect of any Participating Addendum or order against the contract(s) shall be governed by and construed in accordance with the laws of the Participating State. Venue for any claim, dispute or action concerning an order placed against the contract(s) or the effect of a Participating Addendum or shall be in the Purchasing State.

45. SIGNATURES IN COUNTERPART. Contract may be signed in any number of counterparts, each of which shall be an original, but all of which together shall constitute one in the same instrument.

46. ENTIRE CONTRACT AND MODIFICATION. This contract and its integrated attachment(s) constitute the entire agreement of the parties and such are intended as a complete and exclusive statement of the promises, representations, negotiations, discussions, and other agreements that may have been made in connection with the subject matter hereof. Unless an integrated attachment to this contract specifically displays a mutual intent to amend a particular part of this contract, general conflicts in language between any such attachment and this contract shall be construed consistent with the terms of this contract. The terms of this contract shall not be waived, altered, modified, supplemented or amended in any manner whatsoever without prior written approval of the WSCA Contract Administrator.

IN WITNESS WHEREOF, the parties hereto have caused this contract to be signed and intend to be legally bound thereby.

Independent Contractor's Signature	6-16-08 Business Manager Date Independent's Contractor's Title
Signature	Date Title
Greg Smith, Administrator, State of Nevada	APPROVED BY WSCA BOARD OF DIRECTORS On 6-23-08 (Date)

Approved as to form by:

Deputy Attorney General for Attorney General	On 3 July 08 (Date)

Effective 04/07

April 7, 2008

Donald Hooper
Milliken & Company
201 Lukens Ind. Drive
La Grange, GA 30240

E-mail: Donald.hooper@milliken.com

Dear Mr. Hooper:

The State of Nevada, Purchasing Division on behalf of the Western States Contracting Alliance (WSCA) has completed the evaluation process of RFP No.1621 for Carpet, Carpet Tile, Vinyl Tile and Other Flooring Materials. You should have received the letter of intent issued to you on March 21, 2008.

The resulting award of this contract could result in substantial gross revenues and lead to Participating Addendums (PA) with many States including States outside of WSCA. This being the case, the evaluation committee has decided it is in the best interest of WSCA to request clarification in the form of a Best and Final Offering (BAFO). We invite Milliken & Company to improve its' proposal with a Best and Final Offer specifically including the following items:

I. Pricing

1. WSCA is requesting that each vendor include pricing for **all** backing options available for each style already provided. It is the desire of the members to have access to both vinyl and non-vinyl options, if that tile style can be accessed in multiple backing constructions. Broadlooms shall be listed the same way; place those options in the "cost" brackets that are appropriate (good, better, best). Minimum compliance with all "California Gold" (EPP Gold) standards for each option and the various backing constructions is preferred; i.e. the same style but different backing constructions generating a separate line/price point. Please note on the pricing sheet if the product you will be supplying meets the California Gold (EPP Gold) standards.

   All of Milliken's carpet tile products come on the cushion back construction. Milliken was a pioneer in developing this construction. It accounts for 99% of our sales today. The impact on performance from a cushion back construction is significant as evidenced by our broad success in meeting the federal government's SEVERE rating in the Appearance Retention Rating System. In addition, the cushion provides a number of plusses to the occupant. On the grid in Section I line item 2, you will see our references to the backing.

2. Please provide a pricing grid, FOB Mill that is universal to all WSCA and non-WSCA Participating State users of this agreement. These price points are to be valid for two years from the contract signing date.

Milliken Contract - State of Nevada Product & Pricing Grid
(State of Nevada price is FOB, LaGrange)

Product / Collection	Tile Size	Backing System	WSCA Price FOB, Mill ES Backing	WSCA Price FOB, Mill ESP Backing
GOOD (< $17.00)				
New Vistas	1mx1m	PVC-Free Underscore™ Cushion	$16.88	$17.89
BETTER ($17.00 to $28.00)				
Centro	36"x36"	PVC-Free Underscore™ Cushion	$17.96	$18.97
Tango	36"x36"	PVC-Free Underscore™ Cushion	$18.27	$19.28
Best of the Best	1mx1m & 50cm x 50cm	PVC-Free Comfort Plus® Cushion	$19.04	$20.05
Way	36"x36"	PVC-Free Underscore™ Cushion	$19.22	$20.23
Simply This	36"x36"	PVC-Free Comfort Plus® Cushion	$21.13	$22.14
Plan A	1mx1m & 50cm x 50cm	PVC-Free Comfort Plus® Cushion	$21.42	$22.43
Remix	36"x36"	PVC-Free Comfort Plus® Cushion	$21.71	$22.72
Coir 2 Collection	1mx1m & 50cm x 50cm	PVC-Free Comfort Plus® Cushion	$22.66	$23.67
BEST (> $28.00)				
Simply That	36"x36"	PVC-Free Comfort Plus® Cushion	$22.01	$23.02
Colorweave	36"x36"	PVC-Free Comfort Plus® Cushion	$23.96	$24.97
Midnight Sparkle	36"x36"	PVC-Free Comfort Plus® Cushion	$23.97	$24.98
Sante'	36"x36"	PVC-Free PerformaBac™ Cushion	$24.99	$26.00
Intervals	1mx1m & 50cm x 50cm	PVC-Free Comfort Plus® Cushion	$25.33	$26.34
Foreign Intrigue	36"x36"	PVC-Free Comfort Plus® Cushion	$35.59	$36.60
Discovery Collection	36"x36"	PVC-Free Comfort Plus® Cushion	$35.59	$36.60
First Appearance - Clean Sweep	18"x18"	PVC-Free EverWher® Cushion	$41.14	N/A

Backing Systems: Milliken offers all of its products with two levels environmental backings (ES and ESP).
The Engineered towards Sustainability (ES) backing meets the EPP Gold Standard
The Engineered towards Sustainability Plus (ESP) backing meets the EPP Platinum Standard

3. Please acknowledge that any WSCA or non-WSCA Participating State that elects to utilize this agreement in the future, will receive the same price FOB mill as listed in the original contract and/or pricing amendments.

We acknowledge this.

4. List a single not to exceed percent (%) over cost of the original price points to extend this agreement for years 3, 4 and 5 (i.e. add % per year for years 3, 4 & 5).

Up to 5% per year.

In supplying pricing on the WSCA Schedule, we believed it to be a high volume channel for us. As a result, we supplied pricing just above our GSA pricing. We will continue this parallel. As we look forward, we are concerned about the continued impact of oil prices. As results, we have included the language "Up to 5% per year". As information, our last overall yearly pricing increase was 3%.

5. Vendors may lower the original pricing provided in your RFP response in this BAFO and are encouraged to do so; vendors may not increase the pricing from the original proposal.

   In supplying pricing on the WSCA Schedule, we believed it to be a high volume channel for us. As a result, we supplied pricing just above our GSA pricing. As a result, we can go no lower on our price submittal to WSCA.

6. In addition to the WSCA contract administration fee of ½ (.5) of 1%, some Participating States may require an additional administrative fee. This State specific administrative fee shall be agreed upon by the contractor(s) and each individual Participating State. Please indicate any effect that this additional administrative fee may have on the pricing listed above.

   If there are fees beyond the fees listed in the overall agreement, we respectfully request the ability to add them to the pricing for the local entity.

II. Environmental

1. Does your company have third party verification to support all environmental claims? If so, please send a copy of this verification with your BAFO response.

ISO 14001

ISO 14000

CERTIFICATE OF REGISTRATION

This certifies that IT3, Inc. Management Systems Certification Services has assessed the Environmental Management System of:

MILLIKEN & COMPANY

920 Milliken Road
Spartanburg, SC 29304

(Additional off-site locations as listed in Appendix)

And found it in compliance with the requirements of:

ISO 14001:2004

For the activities of:

The Environmental Management System associated with the manufacture of textile and packaging products at the locations as attached. The corporate function performs tasks in support of all locations including setting policy and objectives and targets, resource provision for legal and other requirements, and management review.

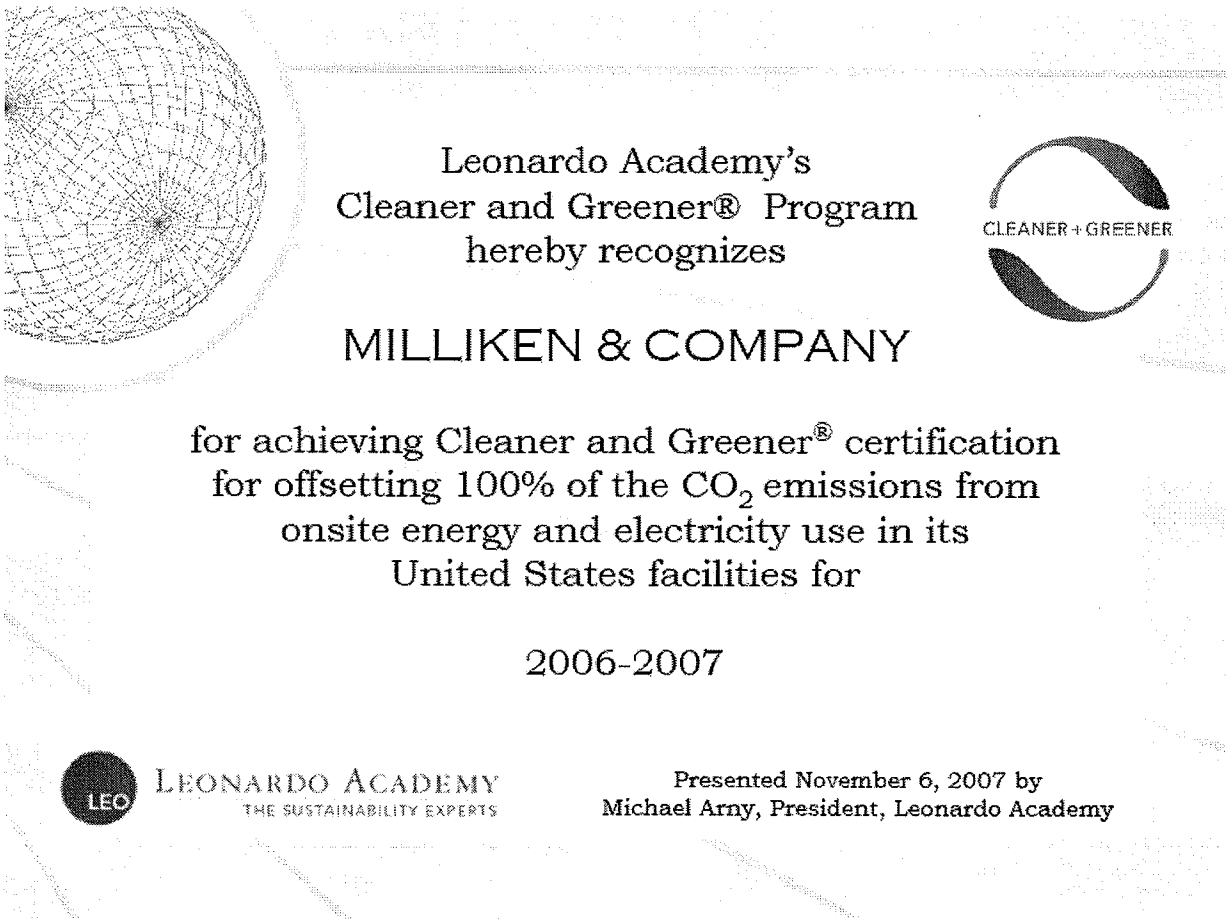
This environmental management system registration is listed in the Registered Firms Directory of IT3 as indicated above. This certificate remains the property of IT3 and is not transferable. Continued compliance to the applicable standard and the policies of IT3 are required for this certificate to remain in effect.

Certificate Number:	200301
Issue Date:	June 26, 2006
Revision Date:	June 26, 2006
Expiration Date:	June 26, 2009

President

Manager of ISO Registration Services

CLEANER AND GREENER



2. Does your company have any LEED certified buildings? If yes, please list.

   Yes, Chicago Merchandise Mart Space 1149 (LEED CI Gold) Pending certification for NY office, Spartanburg, SC corporate headquarters and LaGrange, GA carpet headquarters.

3. Does your company meet the most current NSF/ANSI 140 standards?

   Yes, all products are NSF 140 Gold and Platinum certified

4. Please list any sanctions, citations received for violating any environmental laws both in the manufacturing and supplying of product.

   None. Our environmental record is among the best in the world.

5. Does your company maintain ISO 14001 and 9001 registrations? If so, please list the manufacturing locations including international locations if any that are registered.

   Yes, all global manufacturing locations are certified.

CERTIFICATE OF REGISTRATION

This certifies that IT3, Inc. Management Systems Certification Services has assessed the Environmental Management System of:

MILLIKEN & COMPANY

920 Milliken Road
Spartanburg, SC 29304

(Additional off-site locations as listed in Appendix)

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Certificate Number:	200301
Issue Date:	June 28, 2006
Revision Date:	June 28, 2006
Expiration Date:	June 28, 2009

President

Manager of ISO Registration Services

APPENDIX TO CERTIFICATE

The following facilities have been assessed against the requirements of ISO 14001:2004 in accordance with the policies and procedures of IT3 Management Systems Certification Services. They have been found to conform with the policies and procedures as well as the requirements of the standard. They are therefore considered as off-site facilities associated with the registration as listed below.

Abbeville Plant Abbeville, SC	Duncan M. Stewart Kex II LaGrange, GA	Hatch Plant Columbus, NC	Live Oak Plant LaGrange, GA	Newton Plant Hartwell, GA
Alma Plant Nicholls, GA	Elm City Plant LaGrange, GA	Hillcrest Plant Simpsonville, SC	Kingstree Plant Kingstree, SC	Pendleton Plant Pendleton, SC
Avalon Plant Toccoa, GA	Enterprise Plant Marietta, SC	Hillside Plant LaGrange, GA	Magnolia Plant Blacksburg, SC	Pine Mountain Plant Pine Mountain, GA
Barnwell Plant Barnwell, SC	Excelsior Union Plant Union, SC	Humphrey Plant Toccoa, GA	McCormick Plant McCormick, SC	Sharon Plant Abbeville, SC
Cedar Hill Plant Jonesville, SC	Gayley Plant Marietta, SC	Johnston Plant Johnston, SC	Midway Distribution Center Union, SC	Sibley Plant Lavonia, GA
Cotton Blossom / Auto Lamination Plant Spartanburg, SC	Gerrish Plant Pendleton, SC	Judson Plant Greenville, SC	Milliken Packaging Whitestone, SC	Sycamore Clinton, SC
Cushman Plant Williamston, SC	Gilliland Plant Laurens, SC	Kex Plant LaGrange, GA	Monarch Plant Union, SC	Unity Plant LaGrange, GA
DeFore Plant Clemson, SC	Golden Valley Plant Bostic, NC	Kingsley Plant Thomson, GA	New Holland Plant Gainesville, SC	Valway Plant LaGrange, GA

Certificate Number:	200301
Issue Date:	June 28, 2006
Revision Date:	June 28, 2006
Expiration Date:	June 28, 2009

6. Please explain your reclamation procedures for the continental US. In detail, explain your recycle and reclamation procedures for Alaska and Hawaii's. Please note that no storage of used product to be recycled may occur on the purchasing entities property unless specifically approved by the agency.

   All products follow the process shown on the following page (including Alaska and Hawaii)

Milliken Carpet Reclamation Program

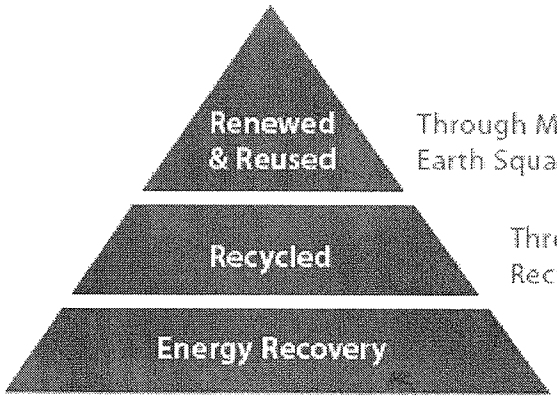
v 1.0
1/1/2008

Milliken will continually improve it's products, processes & services, in order to maximize our sustainable value to our environment, shareholders, customers, and communities.

ECO 360™

Environmental Responsibility. It's a Lifestyle.

Milliken Carpet Reclamation



Through Milliken's Earth Square® Process

Through Milliken's Recycling Network

WTE Partners

Milliken prioritizes it's reclamation solutions based on what's best for the environment.

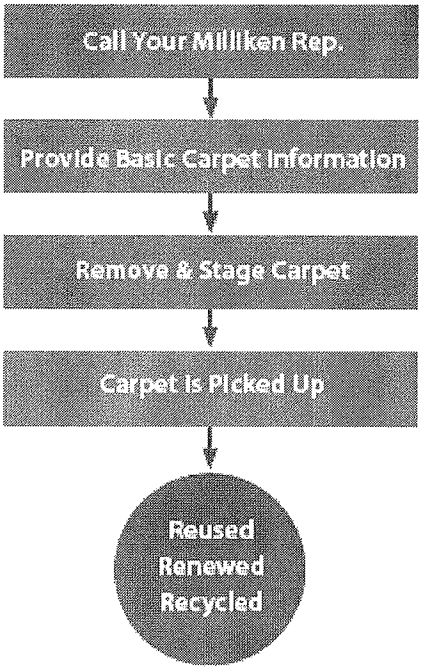
Milliken's Earth Square® process was able to find renewal/reuse solutions for 33% of its reclaimed carpet last year.

Where does my old carpet go?

We're glad you asked. The Milliken Reclamation Program allows the processes of removing your old carpet to actually become a bright spot in your ambitious renovation time line. In fact, your carpet may find a "second life" through our Earth Square® process. Our program ensures that the replaced carpet is managed in the most environmentally and socially responsible way. No carpet ends up in the local landfill — period.

Milliken & Company's first documented recycling program is over one hundred years old. We truly believe that a successful enterprise must be accountable to more than its shareholders. Milliken's business philosophy is founded on the premise that we are also accountable to our environment and the communities in which we operate. Keeping unnecessary waste out of our landfills is a key part of that commitment.

Proper disposal of old carpet can be a complex undertaking. Let us help. There are often many considerations before choosing the best solution — carpet condition, face fiber, backing type — not to mention logistics and economics. Milliken's Reclamation Program provides you with one or more solutions that will be good for the environment and, in most cases, your budget. Here's how the process works — it's easy:



7. Please state the manufacturer origin of all products offered. It is preferable that all products in the program are manufactured in the US. Please list this information as a separate column on your price sheet, i.e. a listing of point of original manufacture for each product.

All products are manufactured in LaGrange, GA.

III. Freight

1. All States will require that the term F.O.B. (Freight on Board) Destination is used, even if the product and freight are listed as separate items. The FOB Destination definition shall as follows: Free on Board to the destination requires the seller to, at its own expense and risk, transport the goods to the destination and there tender delivery of them in the manner provided in NRS 104.2503. Title and transfer will not occur until delivery is made to the purchaser's location.

2. Please note that many States will require the final cost of the product and freight to be listed as one total price. This will be negotiated per State on each Participating Addendum. Alaska's should be provided by location; Juneau, Anchorage and Fairbanks.

3. Provide an individual, State by State secure per yard freight cost using the same pricing page grid used for products; list/identify each individual product the same way. Place the freight rate in the price per yard column. These numbers must be static and guaranteed for the first two years as originally detailed in the RFP. Provide a freight rate formula that can utilized for years 3, 4 & 5. Using the same format noted for carpet, detail final freight costs per yard of sheet vinyl and per carton of VCT any WSCA or non-WSCA participating State will receive with this program during the first two (2) years. In the freight section grid, separate from product cost, identify the delivery cost to each State that when added to the product costs at the mill can provide a total cost FOB Distributor. Each State's Participating Addendum (PA) will repackage this data to use that total. Product and freight shall be listed separately for BAFO purposes and combined as needed by each State to reach the final pricing total.

Milliken Contract
Freight Rates by State by Order size

State Freight Cost	Order Size 100 Yards $'s/yard	250 Yards $'s/yard	500 Yards $'s/yard	1000 Yards $'s/yard	2000 Yards $'s/yard
Washington	$1.82	$1.82	$1.76	$1.73	$1.73
Nevada	$1.58	$1.58	$1.58	$1.54	$1.49
Utah	$2.10	$2.10	$2.10	$2.05	$2.02
Montana	$2.23	$2.23	$2.23	$2.23	$2.23
South Dakota	$1.85	$1.85	$1.85	$1.81	$1.74
Hawaii	$5.11	$5.11	$5.11	$5.11	$5.11

4. Identify how additional States will access "best" available freight rates should they elect to utilize this contract.

   As mentioned, Milliken is a global supplier. We have a traffic department that continually works with our client base to optimize the logistics of product flow in most parts of the developed world.

5. Please list your expected delivery time frames. Please be specific for all continental U.S. States, Alaska and Hawaii'. This must include all estimated time frames for ship, barge, air, truck, rail or any other method used.

   Normally, our lead times are much shorter that the rest of the industry on Manufacturing Lead Times. As an average, our lead times will be 3.5 to 4.5 weeks. Please, note that we are often well below this.

IV. Installation

1. Please provide a comprehensive and detailed list with a minimum of two (2) recommended flooring installation firms per Participating State that will capably service this program as the installing contractor(s). More populated States expect the selected vendors to provide a greater number of capable installation firms allowing the States a competitive opportunity by having access to 2 or 3 contractors for any given project.

Milliken Contract
Western States Contracting Alliance
Suggested Dealer List

State	Reccomended Flooring Dealer	Address	City, State	Phone	Contact Person
Nevada	BT Mancini	320 S. Rock Blvd., Ste. 210	Reno, NV	775-858-3400	Gary Ramos
Nevada	JKP Flooring	1435 South Vernon Street	Anaheim, CA	714-493-2301	Larry Abajian
Utah	Diversified Flooring	45 West Louise Avenue	Salt Lake City, UT	801-486-3582	Ken Clifford
Utah	Midwest Commercial Interiors	987 South West Temple	Salt Lake City, UT	801-359-7681	William Cluff
Utah	Floorstyles	6763 South 400 West	Salt Lake City, UT	801-281-4747	Steve Jones
Washington	Sustainable Interiors	2520 - 10th St. SW	Puyallup, WA	253-588-2280	Colin Higgingbottom
Washington	Great Floors	346 West Bakerview Road	Bellingham, WA	206-793-6681	Shad Waite
Washington	Pacific Modular	1420 Maple Ave., S.W.	Renton, WA	425-231-0499	Troy Bucy
Washington	Diversified Flooring	3808 North Sullivan Road	Spokane, WA	509-954-5797	
Washington	Rubensteins	711 S. Capital Way	Olympia, WA	360-753-9156	Bernie Friedman
Montana	Pierce Flooring & Design	2950 King Avenue West	Billings, MT	406-652-4666	Dave Kalberg
Montana	Northwestern Floors	2792 Enterprise Ave	Billings, MT	406-294-8080	Brit Moffet
Montana	Western Flooring	1015 Mount Ave	Missoula, MT	406-728-8184	Jeff
Montana	Rich's Modern Flooring	713 Main Street	Billings, MT	406-248-3656	
Hawaii	Island Flooring	500 Ala Kawa Street	Honolulu, HI	808-847-6577	Brent Shimokawa
South Dakota	Sioux Falls Interiors	3601 West Tickman Street	Sioux Falls, SD	605-221-0771	Paul Koupal

2. Please list all distribution firms in each State that will service the sheet vinyl and VCT program. Identify name, address, phone, e-mail, etc.

   We will not be supplying VCT or sheet vinyl.

3. Provide references for the installers/distributors named for each State.

   The aforementioned dealer partners have a long history of installing in the given area and Milliken's experience with them is significant. A quality product relies on a quality installation. We have spent time over the decades aligning ourselves with partners who strive for the same levels of quality that we do as a manufacturer.

4. Please acknowledge that as a selected vendor, you will supply carpet sample books, sheet vinyl samples, VCT sample/chip boxes, etc. Please note how many complete sets will be provided to each Participating State.

   We will supply all the needed books to each state, to each supporting dealer in each state, and to the appropriate A/D Firms. As a long time supplier of modular carpeting, we depend on the mass distribution of comprehensive libraries of our standard collections. That same practice will be employed here and will be regularly updated by the local sales representative. In addition, our on-line support and collateral material has proven to be a valuable asset in the sales process.

5. Please detail any installation programs you have access to or wish to propose as options that individual States can review should they wish to add that scope to this product only

program. Each State can and will coordinate any options for an installation program individually through their own PA's.

We have none to add. As a side note here, we do encourage all WSCA partners to examine our Tractionback feature. With Tractionback, we greatly minimize the need to apply releasable adhesive during the installation process. This allows for more efficient installations and also eliminates much of the odor historically associated with carpet installations. This has been a huge plus for us over the last four years. Please, note that Tractionback is not a peel and stick method. We just place the tiles back to back as they are packaged allowing for easy deployment in the field.

V. Marketing Plan

1. Please explain your intended marketing plan within each of the Participating States. This should include your strategy for individually dealing with the various concerns over shipping, deliveries, installers and environmental issues that may vary from State to State.

One of Milliken Carpet's greatest strengths historically is the ability to leverage large contracts. Prior to January of this year, Milliken Carpets and US Communities worked together in an effort to expand floor covering sales in the local and state reach of that organization. This effort enjoyed significant growth over these years. The relationship ended in January of 2008 due to an unusual and unrealistic requirement from US Communities.

In our effort to rapidly expand with WSCA, we will hit the ground running with a wealth of experience in these markets.

Our sales and marketing plans will center on the following:

a) An immediate and comprehensive effort to educate the Milliken sales force on the WSCA Schedule and how to leverage the schedule
The Milliken sales organization is a very experienced group who is known for its ability to coordinate national issues… Their reception of this education will be very efficient. Their deployment will be immediate.
b) Development of merchandizing material that supports our sales efforts.
c) Working with WSCA to determine what trade shows are meaningful and will support them with our messaging
d) Continually publish case studies to the Milliken sales force showing successful implementation of the schedule.
e) Measure schedule sales by sales associate and publish the results internally to build energy.
f) Conduct appropriate mailings to leverage our common message.

Our internal accounting systems are known for accurately tracking all sales associated with National Contracts. Our goal is to account for every dollar that flows through the WSCA channel and to provide these payments in accord with our agreement.

On the environmental front, we are constantly on the cutting edge of all things environmental as evidenced by our presentation to the team. We are attentive to this cutting edge and to the various unique needs of local entities. We are strong believers in the NSF 140 standard and believe it to soon be the dominant standard on the environmental front.

As far as service goes, we provide a host of benefits including the best average lead times in the industry, a 10 year pattern sustainability warranty, an incredible custom program, etc etc…

And, as one of the first suppliers of carpet tile in the world, we have become a global supplier whose logistical management is accustomed to the needs of various markets.

2. Will your marketing plan include representatives in all participating States?

We have a history of supporting the entirety of North America. Our current deployment of sales representatives in your core 6 states are as follows:

WA	- 2 Salaried Sales Associates
NV	- 2 Salaried Sales Associates
UT	- 1 Salaried Sales Associate
MT	- 1 Salaried Sales Associate
SD	- 1 Salaried Sales Associate
HI	- 1 Salaried Sales Associate

All other states are also covered by a large and experienced Milliken Sales Force…

3. Will this representative travel to all regions within his/her assigned State including all regions in Alaska and Hawaii's?

Absolutely. As mentioned, our coverage is significant in North America and around the globe. We have sales associates who regularly call on Alaska and Hawaii.

4. Please explain your intended website and how authorized users will be able to access this contract and services provided. Explain in detail, how to view and access products not currently listed on your RFP response. Your response to these additional program product options must include an acceptable formula to secure pricing (percentage off list etc) that guarantee's a competitive cost similar to the discounts the original products received. Provide and example of your format to handle this issue.

We will develop a WSCA/Milliken specific website that will house all of the key details about our messaging. Given our experience with large multinational companies, we have developed an effective format for such websites that serve as a tremendous tool for the participants. The site will be both informative and stimulating.

On pricing, we viewed the WSCA channel as a high volume channel. As a result, we priced it slightly higher that the GSA Schedule pricing. Going forward, our intent is to continue this parallel as we grow together.

5. Can your website be both WSCA and Participating State specific?

   Yes, the dedicated website can be. But, we would prefer to house the site under the one WSCA umbrella and then handle the individual issues under this umbrella.

6. Please include an estimated time frame for the general WSCA website to be live, bearing in mind that contracts may begin May 2008. List an expected time frame for individual Participating State websites after the signing of the Participating Addendum.

   3 months from approval

7. List any locations within the US, including Alaska and Hawai'i, which cannot be serviced by your company.

   There are no locations that can't be serviced.

Your response should restate the items above and your solution to each. Please forward your response to Gail Burchett, Purchasing Officer no later than 5:00 pm April 15, 2008. You may contact me for clarification via telephone at (775) 684-0172 or e-mail at gburchet@purchasing.state.nv.us. I look forward to your reply.

Sincerely,

Gail Burchett, Purchasing Officer
Nevada State Purchasing

PARTICIPATING ADDENDUM
WESTERN STATES CONTRACTING ALLIANCE

Carpet, Carpet Tiles and Flooring RFP 1621
Lead State- Nevada
Contract # MSA 1621-B
The participating vendor for this MSA is
Milliken And Company
Attn: Donald Hooper
201 Lukken Industrial Drive West, La Grange, Georgia 30240
Telephone: 706.880.3410 Facsimile: 866.513.6858

1. Scope: The State of Iowa, along with all agencies throughout the State of Iowa (including governmental subdivisions, i.e. county, city, school district, or a combination thereof) may purchase Carpet, Carpet Tiles and Flooring available in the current WSCA product offering, which reflects a discount. This agreement is not a purchase order, nor does it guarantee any purchases to be made by the customers.

2. Changes:

A. The laws of the State of Iowa shall govern this agreement.

B. Without affecting the approved product prices or discounts specified in the Western States Contracting Alliance (WSCA) Master Price Agreement, the Contractor shall provide to the State of Iowa a 1.00% rebate of all sales made within the State of Iowa against this agreement. The rebate is to be paid quarterly to the Iowa Department of Administrative Services, General Services Enterprises – Procurement Services, Hoover State Office Building, Level A, Des Moines, IA 50319-0105.

C. The Contractor shall provide an electronic detailed quarterly report on all sales made against this agreement within the State of Iowa to the State's primary contact below. The report file format shall be Microsoft Excel compatible format. The report at minimum shall include the date of sale, customer name and address, product description, quantity, invoice number, unit and extended invoice prices.

D. Contractor's stated prices shall be discounted using the discounts and price lists approved and agreed to with WSCA under the Master Price Agreement. The stated discounts are considered to be the minimum discount offered. The Contractor may offer, within written questions a higher discount than the approved minimum discount for volume purchases or for competitive reasons.

3. Primary Contact: The primary government contact individual for

this participating addendum is as follows:

Contact Name:	Pamela Dickey
Entity Name:	Department of Administrative Services General Services Enterprise, Procurement Serv
Address:	Hoover State Office Bldg, Level A
City, State, Zip:	Des Moines IA 50319-0105
Telephone:	515-281-6355
Fax:	515-242-5974
E-mail:	pam.dickey@iowa.gov

4. Subcontractors: This section is not applicable to this participating addendum.

This Addendum and the Price Agreement together with its exhibits, set forth the entire agreement between the parties with respect to the subject matter of all previous communications, representations or agreements, whether oral or written, with respect to the subject matter hereof. Terms and conditions inconsistent with, contrary or in addition to the terms and conditions of this Addendum and the Price Agreement, together with its exhibits, shall not be added to or incorporated into this Addendum or the Price Agreement and its exhibits, by any subsequent purchase order or otherwise, and any such attempts to add or incorporate such terms and conditions are hereby rejected. The terms and conditions of this Addendum and the Price Agreement and its exhibits shall prevail and govern in the case of any such inconsistent or additional terms.

IN WITNESS WHEREOF, the parties have executed this Addendum as of the date of execution by both parties below.

For The State of Iowa:	Contractor:
Debbie O'Leary	
Signature	Signature
Name: Debbie O'Leary	Name: Donald Hooper
Procurement Services, Administrator	Title:
Dept of Administrative Services	
General Services Enterprise	
By: Debbie O'Leary	By:
Name: Debbie O	Name:
Title: Administrator	Title:
Date: 10/23/08	Date: