

STATE OF MISSISSIPPI  
DEPARTMENT OF FINANCE AND ADMINISTRATION  
OFFICE OF PURCHASING, TRAVEL AND FLEET MANAGEMENT

STATE CONTRACT AGREEMENT

CONTRACTOR: Krug Inc.

STATE CONTRACT #: 8200032370

SUPPLIER #: 3102001508

CONTRACT SMART #: 1130-17-C-SWCT-00278

COMMODITIES COVERED: Furniture

EFFECTIVE: July 1, 2017  
through  
June 30, 2018

This State Contract Agreement is made this 31<sup>st</sup> day of May 2017, between the Department of Finance and Administration, Office of Purchasing, Travel and Fleet Management for the State of Mississippi (hereinafter the "State") and Krug Inc. 421 Manitou Drive Kitchner, ON N2C1L5 (hereinafter the "Contractor").

SCOPE: The Contractor agrees to furnish the State its normal requirements of

**Cafeteria Furniture:** Mobile tables on rollers with or without benches or stools; round and rectangular cafeteria tables without benches or stools.

**Dormitory Furniture:** Metal, wood, or wood clad metal wardrobes, beds and mattresses, night stands, chest of drawers, and single pedestal dormitory student desks with keyboard or center drawers.

**Library Shelving and Related Items:** Cantilever, reversed cantilever, four post library shelving (all of which include mobile shelving), and end panels for covering end of panels; library related items, which includes book trucks, circulation desks, library tables, card catalogs, study carrels, storage cabinets, periodical racks, dictionary stands, and display cases.

**Lounge Furniture:** Upholstered wood, metal, or rotationally molded lounge seating (lounge chairs, recliners, love seats, sofas, and assemblies and replacements only); complimentary tables, benches, and ottomans for lounge seating; upholstered wood or metal multiple seating, ganging seating, and tandem seating.

**Modular Office Furniture:** Metal, wood, or laminate freestanding modular case goods, complimentary components, such as, keyboard drawers, task lights, tack boards, etc., and complimentary storage units; conference room tables, lecterns, media cabinets, storage cabinets and presentation boards.

**Seating:** Wood, metal or ergonomic seating which may include, but not be limited to, executive, managerial, task, operational, stools, side, occasional, stacking, conference, and theater type seating. Products must meet or exceed ANSI/BIFMA requirements.

**Wood Desks:** Wood conventional post and panels style, wood contemporary general purpose double pedestal with lock and center drawer, wood traditional general purpose double pedestal with lock and locking drawers, wood secretarial conventional post and panel style, wood secretarial contemporary single pedestal L shaped, and wood secretarial traditional single pedestal L shaped.

**Wood Credenzas:** Wood conventional two and three cabinet style, wood contemporary two and three cabinet style, and wood traditional two and three cabinet style.

on a nonexclusive basis for a period of twelve (12) months beginning July 1, 2017, and ending June 30, 2018, in accordance with all requirements in the *State of Mississippi Proposal Format and Guidelines For Cafeteria, Dormitory, Library Shelving and Related Furniture, Lounge, Modular Office, School Furniture, Seating and Wood Desks and Wood Credenzas* and the Contractor's Proposal submitted on April 12, 2017.

**AUTHORIZED PURCHASERS:** The State, as referred to herein, enters into this State Contract Agreement for the benefit of all state agencies, boards, commissions, departments, institutions, counties, municipalities, school districts and other political subdivisions of the State of Mississippi. These entities are authorized to purchase from this Contract in accordance with Miss. Code Ann. §§ 31-7-1, et seq., and the *Mississippi Procurement Manual*.

Purchase Orders prepared by these authorized purchasers shall include this State Contract Agreement Number referenced above.

**PRICE GUARANTEE:** The prices established herein shall prevail for the term of this Agreement, except in the event of a general market decline in prices of such commodities at any time during the period of this Contract, the Contractor agrees that the State of Mississippi shall receive full benefit of such decline.

**The percent discount offered to the State shall be a minimum of 40% off the list price for all furniture categories installed and delivered and a minimum of 50% off all furniture categories dock delivered that are included on the attached Furniture Catalog/Category Spreadsheet.**

**Orders will be limited to the MOL (maximum order limitation) limit of \$500,000 net purchase price after discount.**

State Bureau of Financial Control shall not approve any account nor order and direct payment of any account for the purchase of any commodity covered by this Contract when the purchase price is in excess of the maximum price fixed in this Agreement.

**PRICE DATA:** The Contractor has furnished a price list for the new period for authorized purchasers. The State agrees to notify all authorized purchasers of the existence of this Contract and to give the specific instructions relative to the procedures to be followed in making purchases under the provisions hereof.

Entities making purchases over \$50,000 may consider obtaining two competitive quotes from the authorized dealers' list on this manufacturer's contract. If this manufacturer does not have a dealers' list, the manufacturer should be prepared to submit a quote.

**PAYMENT TERMS:** Net Forty-five (45) days Without Penalty

**PAYMENT:** Payment for commodities or equipment purchased under the provisions of this Contract shall be made to the Contractor or to the authorized dealer making delivery in accordance with Miss. Code Ann. §§ 31-7-301, et seq. (as amended). Such payment is to be made only upon receipt, by the authorized purchaser, of properly certified invoices, which are priced strictly in accordance with the pricing provisions of this Contract.

**QUANTITY TO BE PURCHASED:** It is understood and agreed that the Contractor is entering into this Agreement as a multiple source of supply without any guarantee from the State as to the quantity of the items covered by this Contract that might be ordered during the specified period.

**TRANSPORTATION TERMS:** The Contractor shall deliver:

For "Delivered and Installed", transportation terms shall be F.O.B. (Freight on Board) destination, freight and installation cost prepaid. The term F.O.B. destination shall mean delivered and installed inside any state agency or local government agency within the State of Mississippi with all charges for transportation and installation paid by the vendor. On orders less than \$1000 the freight only charge shall be prepaid by the

vendor and may be added to the invoice. The vendor must include proof of actual shipping charges with the invoice.

For "Dock Delivered", transportation terms shall mean F.O.B. destination, freight charges paid by the vendor to the dock only. No installation included. On orders less than \$1000 the freight only charge shall be prepaid by the vendor and may be added to the invoice. The vendor must include proof of actual shipping charges with the invoice.

**INDEMNIFICATION:** To the fullest extent allowed by law, Contractor shall indemnify, defend, save and hold harmless, protect, and exonerate the State of Mississippi, its Commissioners, Board Members, officers, employees, agents, and representatives from and against all claims, demands, liabilities, suits, actions, damages, losses, and costs of every kind and nature whatsoever, including, without limitation, court costs, investigative fees and expenses, and attorneys' fees, arising out of or caused by Contractor's and/or its partners, principals, agents, employees, and/or subcontractors in the performance of or failure to perform this Agreement. In the State's sole discretion, Contractor may be allowed to control the defense of any such claim, suit, etc. In the event Contractor defends said claim, suit, etc., Contractor shall use legal counsel acceptable to the State; Contractor shall be solely liable for all reasonable costs and/or expenses associated with such defense and the State shall be entitled to participate in said defense. Contractor shall not settle any claim, suit, etc., without the State's concurrence, which the State shall not unreasonably withhold.

**ASSIGNMENT:** The Contractor shall not assign, subcontract or otherwise transfer in whole or in part, its right or obligations under this Agreement without prior written consent of the State. Any attempted assignment or transfer without said consent shall be void and of no effect.

**CANCELLATION:** It is agreed that either party may cancel this Agreement by giving thirty (30) days written notice prior to the effective date of cancellation. Contractor is advised that cancellation of this Agreement by the Contractor may result in disqualification from the awarding of future contracts with the State.

**TAXES:** No Federal Excise Tax or Mississippi Sales Tax will be added to or otherwise included in the prices submitted by the Contractor. The Contractor understands and agrees that the State and its authorized purchasers exempt from the payment of taxes.

**PRECEDENCE:** This Contract consists of this Agreement, the Proposal Format and Guidelines referenced herein above, and the Contractor's Proposal. Any ambiguities, conflicts, or questions of interpretation of this Contract shall be resolved by first reference to this Agreement and, if still unresolved, by reference to the Proposal Format and Guidelines, and, if still unresolved, by reference to the Contractor's Proposal.

**ORDERING INFORMATION:** Please place all orders under this agreement with an approved dealer/distributor from the attached list.

DEPARTMENT OF FINANCE AND ADMINISTRATION  
FOR THE  
STATE OF MISSISSIPPI

BY: Steve Tucker

THIS MUST BE SIGNED BY AN OFFICIAL  
OF THE COMPANY

BY: Laurer Banas

OFFICE OF PURCHASING, TRAVEL AND FLEET MANAGEMENT

TITLE: Vice President, Sales