



Maryland
STATE
TREASURER
Investing for Maryland's future.

Nancy K. Kopp
State Treasurer

Bernadette T. Benik
Chief Deputy Treasurer

MARYLAND STATE TREASURER'S OFFICE

**Louis L. Goldstein Treasury Building, Room 109
80 Calvert Street
Annapolis, Maryland 21401**

INVITATION FOR BIDS

FOR

**AUGUST 2021 TAX-EXEMPT EQUIPMENT LEASE-PURCHASE FINANCING
IFB #AUGEL-06242021**

DUE DATE: JULY 20, 2021

**Fixed Rate Private Placement Equipment
Financing of \$3,868,627.94**

Issued: June 24, 2021

KEY INFORMATION SUMMARY SHEET

**Maryland State Treasurer's Office
Invitation for Bids
For
August 2021 Tax-Exempt Equipment Lease-Purchase Financing
IFB #AUGEL-06242021**

Procurement Officer: Anne Jewell
Tel.: (410)260-7903
Fax: (410)974-3530
Email: procurement@treasurer.state.md.us

Submit Bids to: Maryland State Treasurer's Office
Attn: Procurement Officer
Louis L. Goldstein Treasury Building
80 Calvert Street
Annapolis, Maryland 21401

IFB Release Date: June 24, 2021

Bid Due Date and Opening: July 20, 2021, by 3:00 PM Eastern Daylight Time (EDT)

**Board of Public Works Meeting
Approval of Award:** July 28, 2021

Closing of Financing: August 11, 2021

Notice: A prospective Bidder who received this document from a source other than the Issuing Office or eMaryland Marketplace Advantage ("eMMA"), should immediately contact the Issuing Office and provide their name and email address in order that amendments to the IFB or other communications can be sent to them. A prospective Bidder should also register on eMMA at: (<https://procurement.maryland.gov>). Any prospective Bidder who fails to register on eMMA assumes complete responsibility in the event that they do not receive amendments to the solicitation prior to the closing date.

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SECTION I. OBJECTIVE

1.1 **Summary Statement**

The Maryland State Treasurer's Office (the "Office"), which is issuing this Invitation For Bids ("IFB"), is requesting bids for financing, on a consolidated basis, the acquisition by agencies (the "Agencies") of the State of Maryland (the "Lessee" or the "State") of certain equipment under a tax-exempt lease-purchase financing arrangement (the "Lease", also referred to herein as the "Contract"). The successful bidder (the "Lessor" or "Contractor") will provide financing for \$3,868,627.94 in new equipment purchases (the "Equipment"). The financing is expected to close August 11, 2021 (the "Financing Date"). The financing shall be provided as described in Section III of this Invitation for Bids ("IFB").

1.2 **Issuing Office; Procurement Officer**

State Treasurer's Office
Louis L. Goldstein Treasury Building, Room 109
80 Calvert Street
Annapolis, Maryland 21401

Procurement Officer: Anne Jewell
(410)260-7903
E-mail: procurement@treasurer.state.md.us

The sole point of contact for purposes of this procurement is the Procurement Officer. The Procurement Officer may designate others to act on her behalf. The Office may change the Procurement Officer or change the limits of her authority at its discretion.

Prospective bidders who have received this document from a source other than the Issuing Office should immediately contact the Issuing Office and provide their name, mailing and email address so that any amendments to the IFB and other communications may be sent to them.

This IFB is also available on the State Treasurer's website in PDF format at <https://www.treasurer.state.md.us> by clicking on "Procurement Information" and then "IFB for August 2021 Tax-Exempt Equipment Lease-Purchase Financing," and on the State of Maryland's eMaryland Marketplace Advantage at: <https://procurement.maryland.gov>. See Section 1.5 of the IFB for further information.

1.3 **Procurement Method**

This contract will be awarded in accordance with the competitive sealed bidding process under COMAR 21.05.02.

1.4 Contract Officer

The Contract Officer monitors the daily activities of the Lessee and Lessor under the terms of the Lease and provides technical guidance to the Lessor. The Contract Officer is:

Tanya M. Mekeal
Lease Administrator
Maryland State Treasurer's Office
Louis L. Goldstein Treasury Building
80 Calvert Street, Room 109
Annapolis, Maryland 21401
Tel: (410)260-7154
Email: tmekeal@treasurer.state.md.us

1.5 Use of eMaryland Marketplace Advantage (eMMA)

eMMA is a free electronic commerce system administered by the Maryland Department of General Services. The IFB and all other solicitation-related material will be provided via eMMA. Subscribers will receive solicitation notifications as well as solicitation update/change order notifications. It is recommended that all bidders interested in doing business with Maryland State agencies subscribe to eMMA. Go to: <https://procurement.maryland.gov>, click on "Login and Register for eMMA" under Quick Links to begin the process and then follow the prompts. In order to receive a contract award, a vendor must be registered on eMMA.

1.6 Schedule of Events

<u>Event</u>	<u>Date:</u>
Notice in eMMA	06/24/2021
IFB Release Date	06/24/2021
Submission Deadline for Bids and Bid Opening	07/20/2021 by 3:00 PM EDT
Date of Approval of Award	07/28/2021
Funding/Closing Date	08/11/2021

1.7 Pre-Bid Conference

There will be no pre-bid conference.

1.8 Submission Deadline

To be considered, Bids must be received by the Procurement Officer at the Issuing Office no later than Tuesday, July 20, 2021 3:00 p.m. Eastern Daylight Time (EDT). The Office will not grant requests for extension of the submission deadline. Bidders mailing bids should allow sufficient mail and internal delivery time to ensure the timely receipt of the bids by the Procurement Officer at the Issuing Office. Except as permitted under COMAR 21.05.02.10, bids received by the Procurement Officer after the submission deadline,

regardless of the method of their transmission, will not be considered. The Office will not consider bids submitted by electronic means only (facsimile or e-mail).

1.9 False Statements

Bidders are advised that State Finance and Procurement Article, § 11-205.1, Annotated Code of Maryland provides as follows:

- (a) *In general.* - In connection with a procurement contract a person may not willfully:
 - (1) falsify, conceal, or suppress a material fact by any scheme or device;
 - (2) make a false or fraudulent statement or representation of a material fact; or
 - (3) use a false writing or document that contains a false or fraudulent statement; or entry of a material fact.
- (b) *Aiding or conspiring with others.* - A person may not aid or conspire with another person to commit an act under subsection (a) of this section.
- (c) *Penalty.* - A person who violates any provision of this section is guilty of a felony and on conviction is subject to a fine not exceeding \$20,000 or imprisonment not exceeding five years or both.

1.10 Duration of Offer

Bids submitted in response to this IFB are irrevocable through the Financing Date. At the request of the Procurement Officer, the bidder may agree in writing to extend this period.

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SECTION II. GENERAL INFORMATION

2.1 **Purpose**

The overall purpose of this IFB is to provide information to bidders interested in submitting bids to meet the State's needs for tax-exempt equipment lease-purchase financing in the amount of \$3,868,627.94. The financing is expected to close August 11, 2021.

2.2 **Electronic Distribution**

This IFB is published on *eMMA*, posted on the websites for the National Association of State Treasurers and the Office, and emailed to financial firms known to be interested in receiving IFBs. Potential bidders wishing to receive copies of the written document should contact the Procurement Officer identified in Section I, 1.2, above.

2.3 **Revisions to the IFB**

The Office reserves the right to amend this IFB at any time prior to the submission deadline. If it becomes necessary to revise this IFB at any time prior to the submission deadline, the Office will provide amendments to all prospective bidders that were sent this IFB or otherwise are known by the Procurement Officer to have obtained this IFB. Bidders will be required to acknowledge in writing the receipt of all amendments. In addition, the Office will post amendments to the IFB on the Office's Procurement Web Page at www.treasurer.state.md.us, (select "Procurement" and then "IFB for August 2021 Tax-Exempt Equipment Lease-Purchase Financing"), and also on eMMA at: <https://procurement.maryland.gov>.

2.4 **Cancellation of the IFB; Rejection of All Bids**

The Office may cancel this IFB, in whole or in part, or may reject all bids submitted in response to this solicitation whenever this action is determined by the State, in its sole discretion, to be fiscally advantageous or otherwise in the State's best interests.

2.5 **Bid Acceptance; Discussions**

The Office reserves the right to accept or reject any and all bids, in whole or in part, received in response to this IFB, to waive or permit cure of minor irregularities, and to conduct discussions with all qualified bidders in any manner necessary to serve the best interests of the State of Maryland. The Office also reserves the right, in its sole discretion, to award a contract based upon the written bids received without prior discussions or negotiations.

2.6 Incurred Expenses

The State will not be responsible for any costs incurred by a bidder in preparing and submitting a bid in response to this IFB, including costs incurred in making an oral presentation, if required.

2.7 Bid Form

Bidders must submit their bids on a completed and signed (in ink) Bid Form, which is included as Appendix B to this solicitation. The Office will not accept oral, telegraphic, facsimile, mailgram, or electronically transmitted bids.

2.8 Access to Public Records Act Notice

A bidder should give specific attention to the identification of those portions of its bid that it considers confidential, proprietary commercial information or trade secrets, and provide justification why such materials, upon request, should not be disclosed by the State under the Access to Public Records Act, State Government Article, Title 10, Subtitle 6, Annotated Code of Maryland. The Office may charge a fee for copies and search and preparation time, in accordance with COMAR 25.01.04.09. The Office may require payment of such fees before releasing the requested information.

2.9 Protests

Any protest or dispute related respectively to this solicitation or the resulting contract shall be subject to the provisions of COMAR 21.10 (Administrative and Civil Remedies).

Bidders must file in writing with the Procurement Officer only any protest regarding this solicitation. If the reason for the protest is apparent before the bid opening, the bidder must file the protest before the bid opening. In all other cases, the bidder must file the protest within seven calendar days after the reason for the protest is known or should have been known.

The term "filed" means received by the Procurement Officer who has issued this solicitation.

The protest must be in writing and must contain (1) the name and address of the protester; (2) the appropriate identification of the solicitation and, if a contract has been awarded, the contract number if it is known; (3) a statement of the reasons for the protest; and (4) any supporting exhibits, evidence, or documents to substantiate any claims unless the documents are not available within the filing time, in which case the date by which the supporting documents are expected to be available is to be noted.

2.10 Bid Opening

The Office shall open the bids publicly at the Maryland State Treasurer's Office, Louis L. Goldstein Treasury Bldg., 80 Calvert Street, Annapolis, Maryland 21401, 1st Floor Conference Room, on Tuesday, July 20, 2021 at 3:00 p.m. Eastern Daylight Time (EDT). The Office shall read aloud or otherwise make available the name of each bidder, the financing bid rates, and such other information as is deemed appropriate. The Office shall tabulate the bids or make a bid abstract. The Office shall make available for public inspection opened bids at a reasonable time after bid opening, but in any case, before contract award, except to the extent a bidder designates trade secrets or other proprietary data to remain confidential.

2.11 Minority Business Enterprises (MBE)

There is no MBE subcontractor goal for this procurement.

2.12 Veteran-Owned Small Business Enterprise (VSBE)

There is no VSBE goal for this procurement.

2.13 Small Business Reserve (SBR)

This solicitation is not designated as a SBR procurement.

2.14 No Guarantee of Work

No Lessor is guaranteed any minimum amount of work or compensation.

2.15 Bid Affidavit

All bids submitted by a bidder must be accompanied by a completed Bid Affidavit. A copy of this affidavit is included as Appendix C to this IFB.

2.16 Contract Affidavit

All Bidders are advised that if a Contract is awarded as a result of this solicitation, the successful Bidder will be required to complete a Contract Affidavit. A copy of this Affidavit is included for informational purposes as Appendix D to this RFP. This Affidavit need not be submitted with an Bidder's proposal. For purposes of completing Section "B" of this Affidavit, (Certification of Registration or Qualification with the State Department of Assessments and Taxation), a business entity that is organized outside the State of Maryland is considered a "foreign" business.

Before a business entity can do business in the State, it must be registered with the State Department of Assessments and Taxation (SDAT). For registration information, visit <https://www.egov.maryland.gov/businessexpress>.

All bidders are advised that if a contract is awarded as a result of this solicitation, the successful bidder will be required to complete a Contract Affidavit. A copy of this affidavit is

included for informational purposes in Appendix D. This Affidavit should not be submitted with a bidder's bid.

2.17 Living Wage Requirements/Affidavit of Agreement

A solicitation for services under a State contract valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement Article, Annotated Code of Maryland. Additional information regarding the State's wage requirement is contained in this solicitation (see Appendix E, entitled Living Wage Requirements for Service Contracts). If the bidder fails to complete and submit the required documentation under State law, the State may determine a bidder to be not responsible.

Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least \$14.42 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total value are performed in the Tier 2 Area, a bidder shall pay each covered employee at least \$10.83 per hour. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. If the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to § 18-102(d) shall assign the tier based upon where the recipients of the services are located.

The contract resulting from this solicitation has been deemed to be a Tier 1 contract.

All bids must be accompanied by a completed Living Wage – Affidavit Agreement. A copy of this Affidavit is included as Appendix F to the IFB.

2.18 Acceptance of Terms and Conditions

2.18.1. By submitting a bid in response to this IFB, the bidder (a) accepts all of the terms and conditions set forth in this IFB, and (b) represents that it is not in arrears in the payment of any obligation due and owing the State or any department or unit thereof, including but not limited to the payment of taxes and employee benefits (the "State Obligations").

2.18.2. If selected for award, the bidder agrees (a) that it will comply with all federal, State and local laws applicable to its activities and obligations under the Contract, (b) that it shall not become in arrears under any State obligation during the term of the Contract, and (c) to all terms and conditions set forth in the Equipment Lease-Purchase Agreement and its Equipment Schedules, including related Attachments and Exhibits (collectively, the "Lease Documentation"), forms of which are included as Appendix G to this IFB.

There will be no changes to the Lease Documentation other than the rates, amounts, and Equipment descriptions. Inclusion of changes to the Lease Documentation as part of a bid proposal may result in rejection of the bid.

2.19 Order of Precedence

The contract between the parties will be embodied in the contract documents which will consist of the following, listed in their order of precedence:

1. the executed Lease Documentation;
2. the IFB; and
3. the Lessor's Bid.

Modifications to the order of precedence provision of this solicitation will not be accepted.

2.20 Payment by Electronic Funds Transfer

By submitting a response to this solicitation, the bidder agrees to accept any payments from the State by electronic funds transfer unless the State Comptroller's Office grants an exemption. The selected bidder shall register using form COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form. Any request for exemption must be submitted to the State Comptroller's Office for approval at the address specified on the COT/GAD X-10 form and must include the business identification information as stated on the form and include the reason for the exemption. The COT/GAD X-10 Vendor Electronic Funds (EFT) Registration Request Form may be downloaded from: [2018 GADX10Form20150615 \(2\).pdf](#) (marylandtaxes.gov).

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SECTION III. SCOPE OF SERVICES AND REQUIREMENTS

3.1 General Background

The State of Maryland is a general-purpose government providing a wide variety of governmental and enterprise services throughout the State. The State operates, among other activities, colleges and universities, prisons, a highway system, railroads, parks and forests, wildlife preserves, law enforcement programs, environmental protection activities, and regulatory programs.

The State authorizes expenditures either through the annual operating budget or through the capital budget. Much of the capital budget is financed by the State's General Obligation Bonds, which had the highest rating (AAA) from Moody's Investors Service, Inc., Standard & Poor's, and Fitch Ratings. In addition, a number of Agencies have authority to issue bonds for specific classes of facilities or to provide financing for individuals and businesses.

Most equipment expenditures are financed either on a pay-as-you-go basis or through the bond-financed capital program; however, since about 1986, the State has financed, on a consolidated basis, the acquisition by Agencies of certain equipment under a lease-purchase financing arrangement.

Since the inception of the program, the State has never delayed or cancelled the closing on a lease-purchase financing except for one lease closing that was delayed due to the snowstorms in February 2010. The State has also never failed to make lease payments on any lease-purchase financing.

History of Equipment Lease-Purchase Financings in Maryland

The State has previously financed the following amounts in the Fiscal Years indicated:

FY 2005	-	\$16.7 million
FY 2006	-	\$23.0 million
FY 2007	-	\$51.0 million
FY 2008	-	\$17.3 million
FY 2009	-	\$ 5.9 million
FY 2010	-	\$17.4 million
FY 2011	-	\$ 5.5 million
FY 2012	-	\$ 4.6 million
FY 2013	-	\$ 3.2 million
FY 2014	-	\$ 3.1 million
FY 2015	-	\$ 3.8 million
FY 2016	-	\$ 8.6 million
FY 2017	-	\$ 1.9 million
FY 2018	-	\$ 5.6 million
FY 2019	-	\$ 2.2 million
FY 2020	-	\$ 0.0 million

Because of the extensive amount of lease and bond financing undertaken by the State on an annual basis, this lease-financing is NOT A “BANK QUALIFIED LOAN”.

The documentation included as Appendices G and H to this IFB will be used by the State and Agencies in connection with the Lease and is substantially similar to the documentation used by the State in its previous capital equipment lease-purchase financings. There will be no changes to the documentation included as Appendices G and H for this financing other than the rates, amounts, and Equipment descriptions.

3.2 Financing Terms

3.2.1. The Office invites sealed bids for the tax-exempt financing, on a consolidated basis, of equipment summarily described below and in Appendix A-1 of this IFB (collectively, the “Equipment”) in the aggregate principal amount of \$3,868,627.94(the “Aggregate Principal Amount”), to be amortized semi-annually. The principal must fully amortize with the last payment on July 1, 2024 for the 3-year term and on July 1, 2026 for the 5-year term. As further described in Section 3.3 and Appendix B to this IFB, a bidder shall prepare and submit amortization schedules using the following terms on a tax-exempt basis:

Terms	Equipment to be Financed
Amount – \$3,147,149.38 Term – 3 Years Interest Only Payment Date – 01/01/2022 Number of Principal and Interest Payments – 5 semi-annual payments on January 1 and July 1 First Principal and Interest Payment Date - 07/01/2022 Final Principal and Interest Payment Date - 07/01/2024 30/360 Convention	Servers, Desktops, Laptops, Ruggedized Laptops, Tablets, Monitors, Computer Hardware, Dietary Equipment, Meal Delivery Carts, Food Slicer, Tray Drying Racks, Ovens, Grounds Maintenance Equipment, and Excavators
Amount – \$721,478.56 Term – 5 Years Interest Only Payment Date –01/01/2022 Number of Principal and Interest Payments – 9 semi-annual payments on January 1 and July 1 First Principal and Interest Payment Date 07/01/2022 Final Principal and Interest Payment Date – 07/01/2026 30/360 Convention	Computer Hardware, Desktops, Laptops, Servers, and PBX Equipment

See Appendix A-1 for a Summary of the Equipment Schedules by Agency, Location, Term, Cost, Equipment Description and Vendor. See Appendix A-2 for a Sample Form of Amortization Schedule.

3.2.2. This tax-exempt equipment lease financing is expected to close on the Financing Date. Prospective bidders must certify on the Bid Form that they are unconditionally and

irrevocably committing to provide the Lease financing on the terms described in this IFB and in their bid as provided on Appendix B, if their bid is selected, and that no additional credit committee or other approvals are needed to provide the Lease financing. The Lessee will provide insurance for the Equipment only as described in Section 16 of the Lease.

- 3.2.3. Under the Lease, Lessor will provide the financial resources to acquire, directly or through a third-party lessor designated by the Lessor and approved by the Office (the "Lessor's Designee"), the Equipment, as requested by the Agencies and approved for financing by the Office and the Department of Budget and Management (the "Department"). The Lessor will lease the Equipment to the requesting Agencies. The Lease will provide the Lessor or its subsequent assignee the right to Lease payments payable by the State under the Lease.
- 3.2.4. The Lessor shall be required to finance all and not less than all the Equipment approved for financing by the Office and the Department in accordance with the terms stated in Section 3.2.1 of this IFB.
- 3.2.5. Equipment acquisitions are consolidated to permit a single financing.
- 3.2.6. The Lessor shall provide sufficient funds to pay vendors or reimburse the Agencies on the Funding/Closing Date, and the Lease term shall commence on such date, with Lease payments (the "Lease Payments") due on the dates specified in Section 3.2.1 of this IFB.
- 3.2.7. The forms attached hereto as Appendix G (collectively, the "Standard Lease Documents") shall be prepared by the Agencies or the Office and executed in connection with the Lease on the Funding/Closing Date as follows:

The Agencies are responsible for preparing the Acceptance Certificates (Exhibit C to the Equipment Schedules), the Equipment Use Certificates (Exhibit D to the Equipment Schedules), and the Acknowledgement and Certification as to Appropriation (authorizing the transfer of Agency funds to the Office in an amount sufficient to make the lease payments to the Lessor). The Office is responsible for preparing the Equipment Lease-Purchase Agreement (including the summary description of the Equipment on Attachment A thereto), and each Equipment schedule (including the Equipment invoices and location on Exhibit A thereto, and the financing terms and related amortization schedule for each Equipment schedule on Exhibit B thereto) (each, an "Equipment Schedule" and collectively, the "Equipment Schedules"), and the Certificate of the State of Maryland. **There will be no changes to the Standard Lease Documents other than the rates, amounts, and Equipment descriptions.**

- 3.2.8. The Lessor is responsible for preparing the following additional documents (collectively, the "Additional Documents") in connection with the Lease, which must be in forms reasonably acceptable to the Office:

Certificate of Lessor, certifying Lessor's acquisition of its interest in the Lease and/or the respective Equipment Schedules, certifying the purchase price including any payments made in respect of accrued interest, acknowledging Section 19 – Assignment of the Equipment Lease-Purchase Agreement, and certifying the fair market value of the Lease and/or the respective Equipment Schedules.

Payment Certificate, certifying the date, amounts, and recipients (e.g., contractors or Agencies being reimbursed) of the payments made by Lessor under the Lease.

Notice of Assignment, in accordance with Section 19 – Assignment of the Equipment Lease-Purchase Agreement, identifying the Lease and/or Equipment Schedules being assigned, if any, the name, address and contact information for the Assignee, if any, the date of the assignment, if any, and the actual consideration paid for the assignment, if any.

- 3.2.9. After the award of the contract under this IFB to the successful bidder, the Office will forward the applicable Standard Lease Documents to the Lessor or Lessor's designee for signature. On the Funding/Closing Date, all documents will be executed, and the Lessor or Lessor's designee will make payments due directly to the vendors for invoices that have not previously been paid, and otherwise to the Office to reimburse Agencies. The Lessor then may file the required documents with the appropriate governmental entity to perfect its security interest.
- 3.2.10. The Office will administer the Lease on behalf of the participating Agencies. The Office and the Department will assure, upon execution of the applicable Standard Lease Documents and Additional Documents, that funds for the Lease Payments during the then-current fiscal year will be encumbered or withheld from the appropriations available to the participating Agency, and will be paid by the Office on behalf of the Lessee by a single payment semi-annually on January 1 and July 1 of each year (the "Payment Dates") to the Lessor or the Lessor's assignee (the "Assignee"). The payment will be accomplished by an Electronic Funds Transfer, settling on the payment due date.
- 3.2.11. **Payments of principal and interest shall not be subject to optional prepayment and will be subject to termination only as set forth in the Lease.**

3.3 Bid Calculations and Basis for Award

Bids shall be submitted using the Bid Form attached as Appendix B. The bidder must propose tax-exempt fixed rates for each term in column (b). See Bid Form (Appendix B) for detailed instructions as to how to calculate the bid.

The winning bid will be awarded to the bidder with the lowest weighted average interest rate.

In addition to the rates, each bidder shall attach an amortization schedule for the amounts and terms specified in Section 3.2.1 of this IFB using their bid rates. See Appendix A-2 for sample amortization schedules and the terms described in detail below:

- The first interest period should be calculated based on the number of days using the 30/360 convention from the Financing Date to 01/01/2022 (140 days).
- Amortization of principal should begin on 07/01/2022. Thereafter, there will be level debt service.
- Debt should fully amortize no later than 07/01/2024 (3-year term) and 07/01/2026 (5-year term).

Bidders are advised that the actual amortization schedules based on the winning bid to be utilized in connection with the Lease will be prepared by the Office and may differ slightly from the amortization schedules submitted by the winning bidder. To the extent there is a material discrepancy, the Office will notify the winning bidder before finalizing the amortization schedule.

3.4 Process for Determining Payments to the Lessor

Semi-Annual Payments to the Lessor

The Office will make payments to the Lessor in accordance with the Lessor's bid rates and amortization schedules approved by the Office. The Payment Dates begin on January 1, 2022 and continue July 1 and January 1 thereafter for the applicable term described in Section 3.2.1 of this IFB. Should a Payment Date not be a banking business day, payment will be due on the next banking business day.

No Other Fees or Payments

Payments to the Lessor will be based solely on the fixed interest rates proposed by the Lessor in column (b) of Appendix B. The Lessee will not pay any breakage fees or other fees or spreads.

3.5 General Terms and Conditions

3.5.1. Optional Prepayment/Termination: There are no provisions for optional prepayment of this Lease, and the Lease is subject to termination only as set forth in the Lease Documentation.

3.5.2. Substitution of Security: The Lessee reserves the right to substitute equipment of equivalent or greater value in any Equipment Schedule.

3.5.3. Bond Insurance: The Lessor may not secure bond insurance on the Lease or lease payments or fractionalized interests or participations therein.

3.5.4. Ratings: The Lessor may not secure ratings on the Lease or lease payments or fractionalized interests or participations therein.

3.5.5. Restriction on Resale: The Lessor, or by acceptance of an assignment agreement from Lessor, the Assignee(s), shall be deemed to certify that:

- a. The Lessor or the Assignee is purchasing for its own account or, after obtaining the prior written consent of the State as required by Section 19 of the Lease, intends to sell or distribute fractionalized interests or participations in the right to receive lease payments only to individuals or entities that meet the requirements of subsections (b) and (c), below, and that have no intention of redistributing such interests or participations;
- b. The Lessor or the Assignee has knowledge and experience in financial and business matters that renders it capable of evaluating the merits and risks of the investment in the Lease and has received such information as it has deemed necessary to make such an evaluation;
- c. The Lessor or the Assignee is able to bear the economic risk of investment in the Lease; and
- d. If the Lessor or the Assignee, after obtaining consent of Lessee, sells or distributes, in fractionalized interests or participations, its interest in its right to receive payment of the aggregate amount of the monthly draw, it shall limit such sale or distribution to fractionalized interests or participations of \$100,000 or more, and it shall limit such sale or distribution to no more than 35 "sophisticated investors." Neither the Lessor nor the Assignee may undertake a public offering of its interest in payments due under the Lease.

In addition, should the Lessor or its Assignee contemplate the sale or distribution in fractionalized interests or participations of its right to receive lease payments, Lessor must provide legal counsel to the Office with a copy of all offering materials thirty (30) days prior to the time any such interests or participations are offered for sale or distribution.

THE STATE HAS NOT PREPARED AN OFFERING DOCUMENT OR OTHER OFFERING MATERIALS IN CONNECTION WITH THIS IFB OR THE LEASE AND DOES NOT INTEND TO PREPARE SUCH MATERIALS.

IT IS THE STATE'S INTENT THAT THE RESTRICTIONS ON RESALE CONTAINED IN SECTION 19 OF THE EQUIPMENT LEASE-PURCHASE AGREEMENT PRECLUDE THE USE OF CERTIFICATES OF PARTICIPATION.

3.5.6. Documents: The Lessee, from time to time, shall provide certificates of essential use, certificates of acceptance, IRS Forms 8038-G, financing statements and such other documents as reasonably may be necessary to effect the purposes of the Lease.

- 3.5.7. Tax Opinion: The Lessee shall provide at closing an opinion of tax counsel as to the excludability from gross income for federal income tax purposes of interest payments under the Lease.
- 3.5.8. Other Legal Matters: The Lessee's execution of the Lease and related documents will be subject to the following:
- a. review and approval of the Lease and related documents pursuant to which Lessee may be bound by legal counsel to the Office; and
 - b. delivery of an opinion of legal counsel to the Office substantially in the form attached as Appendix H to this solicitation.
- 3.5.9. Bid Form: A bidder's failure to submit an executed Bid Form attached as Appendix B to this IFB may result in rejection of the bid. The State reserves the right to reject any conditional bid(s).
- 3.5.10. Irrevocability of Bids: Each bid submitted in response to this solicitation shall be irrevocable until the Financing Date.
- 3.5.11. Availability of Funds: By submitting a bid in response to this IFB, a bidder shall be deemed to evidence its understanding that the Lessee's obligations under the Lease specifically are subject to annual appropriation of funds (see Section 5 of the Equipment Lease-Purchase Agreement).

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SECTION IV. EVALUATION AND SELECTION

4.1 Bid Evaluation

The Office will evaluate all responsive bids received by the Procurement Officer from responsible bidders by the submission deadline.

4.2 Bidder Qualifications

4.2.1. In General. The Office shall identify, in its sole discretion, all the responsible bidders. In doing so, the Office may make such reasonable investigations as deemed proper and necessary to determine the ability of any bidder to meet the requirements of this solicitation. By submitting a bid in response to this IFB, a bidder shall be deemed to have agreed to provide to the Office all such information for this purpose as reasonably may be requested. The Office reserves the right to reject any bid if the information submitted by, or the investigation of, the bidder fails to satisfy the Office that such bidder is (a) capable of meeting the requirements of this solicitation and the agreements contemplated herein, or (b) possesses the integrity and reliability that will ensure good faith performance of such requirements. By submitting a bid in response to this IFB, a bidder shall be deemed to have agreed to provide financing in a manner consistent with the State's current program as described in this IFB, with the Lease Documentation attached to this IFB, including the amortization schedules approved by the Office.

4.2.2. Qualification Conditions. In order to be selected for award, a bidder must, in the exercise of the Office's reasonable judgment:

- a. possess the ability, capacity, and skill to perform its obligations under the Lease and the documents to be executed in connection therewith;
- b. possess the appropriate character, integrity, reputation, judgment, and experience to fully perform all of its obligations under the Lease;
- c. possess sufficient financial resources to perform fully its obligations under the Lease;
- d. have not been terminated for default or failed to provide funding when due under any lease-financing program within the last three years; and
- e. if a bidder does not possess sufficient financial resources of its own, provide an unconditional, irrevocable commitment from a third-party lessor providing the required financial resources to the Lessor ("Lessor's Designee") to provide funding for this Lease using the Lease Documentation included in Appendix G attached hereto, without modification other than the rates, amounts, and Equipment descriptions. This commitment **must** be provided with the bid. The selection and use of Lessor's Designee is subject to approval of the Office.

Each bidder shall provide to the Office such information and certificates as the Office, upon the advice of counsel, shall deem sufficient to establish compliance with the conditions enumerated in Section 4.2.2 of this IFB.

- 4.2.3. Bid Responsiveness. The Office will not consider bid to be responsive if it does not conform in all material respects to the IFB. See Section 2.5, Bid Acceptance; Discussion, and Section V, Bid Format, of this IFB.

4.3 Selection

Pursuant to COMAR 21.05.02.13, the Office will make the award to the responsible and responsive bidder, as determined pursuant to Sections 4.1 and 4.2 of this IFB, who submitted a bid determined by the Office to represent the lowest interest cost to the State under the contemplated financing. In determining the lowest interest cost, the Office will use the weighted average of the fixed rates bid by the bidder. Refer to the Bid Form attached as Appendix B and to Section III, 3.3 and 3.5.9 of this IFB. The Office will confirm the calculation of the weighted average and will confirm that the amortization schedules attached to the bid conform to the terms set forth in 3.2.1 of this IFB.

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SECTION V. BID FORMAT

5.1 Financial Adequacy

Each bidder must submit with its bid information needed to demonstrate the financial ability to carry out this Lease by providing copies of or links to:

- For privately-held companies, a Compilation Report by a Certified Public Accountant of the most recent Financial Statements of the bidder. If the compiled statements are more than six months old, the bidder shall also provide interim statements which include a certification by the Chief Financial Officer (or equivalent officer) that the interim statements are accurate and reliable.
- For publicly-held enterprises, an Audited Report by a Certified Public Accountant of the most recent Financial Statements of the bidder. If the audited statements are more than six months old, the bidder shall also provide interim statements which include a certification by the Chief Financial Officer (or equivalent officer) that the interim statements are accurate and reliable.

If the Lease is to be assigned, the bidder must also provide similar financial statements for the assignee.

The Office may at its discretion obtain a financial report from Dun and Bradstreet for the bidder and any assignee. The Office may also confirm the bidder's status with the Maryland State Department of Assessments and Taxation.

5.2 Similar Engagements/Client References

- Each bidder must submit with its bid a brief description (including terms and amounts) of similar financings that were successfully performed for other clients or for the State of Maryland in the past three years. At least three such clients must be identified by name, address, telephone number, and contract reference. The State reserves the right to contact these and any other known clients.
- Each bidder must disclose any lease financings that were terminated by either the lessor or lessee within the last three years and state the reason for the termination. This disclosure should include the client name, address and telephone number, and contract reference.
- Each bidder must disclose any instances of its failure to provide funding when due under any lease financing within the last three years and state the reason for such failure.

5.3 Bid Submission

Each bidder must submit no later than 3:00 p.m. Eastern Daylight Time (EDT) on Tuesday, July 20, 2021, a completed and signed Bid Form (Appendix B), Amortization Schedules (see Appendix A-2 for sample) Bid Affidavit (Appendix C), and Living Wage Affidavit (Appendix F), evidence of the bidder's financial ability to carry out this contract, and client references. The Bid Form must be completed and signed by an individual authorized to bind the bidder to all terms and conditions of this IFB and the agreements contemplated hereunder. The State reserves the right to reject any conditional bid(s).

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APPENDIX A-1
AUGUST 2021 TAX-EXEMPT EQUIPMENT LEASE-PURCHASE FINANCING
SUMMARY OF EQUIPMENT SCHEDULES

<u>Schedule No.</u>	<u>Agency</u>	<u>Locations</u>	<u>Term</u>	<u>Amount Financed</u>	<u>Equipment Description</u>	<u>Vendor</u>
21-08-01	Department of Public Safety Correctional Services	DPSCS IT&CD 1201 Reisterstown Road Rd, Bldg. F Baltimore, MD 21215	3 years	\$1,798,100.00 (R)	Servers, Desktops, Laptops, Ruggedized Laptops, Monitors, Computer Hardware and Associated Peripherals	ATS Middle River, MD 21220
	Department of Public Safety Correctional Services	DPSCS IT&CD 1201 Reisterstown Road Rd, Bldg. F Baltimore, MD 21215	3 years	\$197,875.83 (R)	Servers and Associated Peripherals	CAS Severn Laurel, MD 20707
	Department of Public Safety Correctional Services	DPSCS IT&CD 1201 Reisterstown Road Rd, Bldg. F Baltimore, MD 21215	3 years	\$10,248.00 (R)	Servers and Associated Peripherals	EDS Baltimore, MD 21237
	Department of Public Safety Correctional Services	DPSCS IT&CD 1201 Reisterstown Road Rd, Bldg. F Baltimore, MD 21215	3 years	\$398,425.83 (R)	Servers and Associated Peripherals	NEC Corporation of America Irving, TX 75063
	Department of Public Safety Correctional Services	DPSCS IT&CD 1201 Reisterstown Road Rd, Bldg. F Baltimore, MD 21215	3 years	\$37,150.00 (R)	Servers and Associated Peripherals	USC/Canterbury Corp. Annapolis, MD 21401
	Department of Public Safety Correctional Services	DPSCS -MCIW 7943 Brockbridge Road Jessup, MD 20794	3 years	\$12,025.00 (R)	Dietary Equipment/Meal Delivery Carts, Food Slicer	Pasco Brokerage Inc. Plano, TX 75026
	Department of Public Safety Correctional Services	DPSCS -MCIW 7943 Brockbridge Road Jessup, MD 20794	3 years	\$4,175.00 (R)	Dietary Equipment/Tray Drying Racks	Pueblo Hotel Supply Pueblo, CO 81004
	Department of Public Safety Correctional Services	DPSCS -MCIW 7943 Brockbridge Road Jessup, MD 20794	3 years	\$16,756.06 (R)	Dietary Equipment/Ovens	Beltway Cleaning Services, LLC Bowie MD, 20702
		Schedule No. 1 Total		\$2,474,755.72		
21-08-02	Maryland Department of the Environment	Maryland Department of the Environment 1800 Washington Boulevard Baltimore, MD 21230	3 years	\$114,673.00 (R)	Desktop, Laptops, Ruggedized Laptops, Tablets, Monitors and Associated Peripherals	ATS Middle River, MD 21220
		Schedule No. 2 Total		\$114,673.00		
21-08-03	Department of Housing and Community Development	Department of Housing and Community Development 7800 Harkins Road Lanham, MD 20706	3 years	\$182,400.00 (R)	Desktops, Laptops and Associated Peripherals	DSR, Inc. Hanover, MD 21067
	Department of Housing and Community Development	Department of Housing and Community Development 7800 Harkins Road Lanham, MD 20706	3 years	\$45,793.00 (R)	Desktops, Laptops, Ruggedized Laptops, Monitors and Associated Peripherals	ATS Middle River, MD 21220
		Schedule No. 3 Total		\$228,193.00		
21-08-04	Maryland Department of Veterans Affairs	Maryland Department of Veterans Affairs 16 Francis Ave., 4 th floor Annapolis, MD 21403	3 years	\$329,527.66 (R)	Grounds Maintenance Equipment/Excavators	Security Equipment Co. Baltimore, MD 21227
		Schedule No. 4 Total		\$329,527.66		
		Total 3 Year Leases		\$3,147,149.38		

APPENDIX A-1
AUGUST 2021 TAX-EXEMPT EQUIPMENT LEASE-PURCHASE FINANCING
SUMMARY OF EQUIPMENT SCHEDULES
Cont.

21-08-05	Office of the Public Defender	Office of the Public Defender 839 Elkridge Landing Road Linthicum Heights, MD 21090	5 years	\$151,350.00 (R)	Computer Hardware, Desktops, Laptops and Associated Peripherals	ATS Middle River, MD 21220
	Office of the Public Defender	Office of the Public Defender 839 Elkridge Landing Road Linthicum Heights, MD 21090	5 years	\$190,222.51 (R)	Server and Peripherals	IP Data Systems, Inc. Ellicott City, MD 21043
	Office of the Public Defender	Office of the Public Defender 839 Elkridge Landing Road Linthicum Heights, MD 21090	5 years	\$11,932.36 (R)	PBX Equipment and Peripherals	NEC Corporation of America Irving, TX 75063
	Office of the Public Defender	Office of the Public Defender 839 Elkridge Landing Road Linthicum Heights, MD 21090	5 years	\$270,222.69 (R)	Computer Hardware, Laptops, Servers and Peripherals, PBX Equipment and Peripherals	DELL Marketing, L.P. Round Rock, TX 78682
	Office of the Public Defender	Office of the Public Defender 839 Elkridge Landing Road Linthicum Heights, MD 21090	5 years	\$97,751.00 (R)	Computer Hardware	CDW Government Chicago, IL 60675
		Schedule No. 5 Total		\$721,478.56		
		Total 5 Year Leases		\$721,478.56		
		Total August 2021 Lease		<u>\$3,868,627.94</u>		

*(R) Reimbursed to Agency.

APPENDIX A-2
AUGUST 2021 TAX-EXEMPT EQUIPMENT LEASE-PURCHASE FINANCING
SAMPLE 3-YEAR FORM OF AMORTIZATION SCHEDULE

DATE OF FINANCING	8/11/2021
COST	3,147,149.38
INTEREST	1.000%
NO. OF DAYS IN FIRST PERIOD	140
PV OF ANNUITY	5.00 periods 4.926
LEVEL PAYMENT	638,902.72

SCHEDULE BY PAYMENT DATE

FISCAL YEAR	PAYMENT DATE	INTEREST	PRINCIPAL	P&I PAYMENT	PRINCIPAL OUTSTANDING
2022	01-Jan-22	12,238.91	0.00	12,238.91	3,147,149.38
2023	01-Jul-22	15,735.75	623,166.97	638,902.72	2,523,982.41
2023	01-Jan-23	12,619.91	626,282.81	638,902.72	1,897,699.60
2024	01-Jul-23	9,488.50	629,414.22	638,902.72	1,268,285.38
2024	01-Jan-24	6,341.43	632,561.29	638,902.72	635,724.09
2025	01-Jul-24	3,178.62	635,724.09	638,902.71	0.00
		59,603.12	3,147,149.38	3,206,752.50	

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APPENDIX A-2
AUGUST 2021 TAX-EXEMPT EQUIPMENT LEASE-PURCHASE FINANCING
SAMPLE 5-YEAR FORM OF AMORTIZATION SCHEDULE

DATE OF FINANCING	8/11/2021
COST	\$721,478.56
INTEREST	1.000%
NO. OF DAYS IN FIRST PERIOD	140
PV OF ANNUITY	8.779
LEVEL PAYMENT	82,181.72

SCHEDULE BY PAYMENT DATE

FISCAL YEAR	PAYMENT DATE	INTEREST	PRINCIPAL	P&I PAYMENT	PRINCIPAL OUTSTANDING
2022	01-Jan-22	2,805.75	0.00	2,805.75	721,478.56
2023	01-Jul-22	3,607.39	78,574.33	82,181.72	642,904.23
2023	01-Jan-23	3,214.52	78,967.20	82,181.72	563,937.03
2024	01-Jul-23	2,819.69	79,362.03	82,181.72	484,575.00
2024	01-Jan-24	2,422.88	79,758.84	82,181.72	404,816.16
2025	01-Jul-24	2,024.08	80,157.64	82,181.72	324,658.52
2025	01-Jan-25	1,623.29	80,558.43	82,181.72	244,100.09
2026	01-Jul-25	1,220.50	80,961.22	82,181.72	163,138.87
2026	01-Jan-26	815.69	81,366.03	82,181.72	81,772.84
2027	01-Jul-26	408.86	81,772.84	82,181.70	0.00
		20,962.65	721,478.56	742,441.21	

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**APPENDIX B
 BID FORM
 FIXED RATE PRIVATE PLACEMENT
 AUGUST 2021 TAX-EXEMPT EQUIPMENT LEASE-PURCHASE FINANCING
 of \$3,868,627.94**

A. Bid Table

		(a)	(b)	(c)	(d)
Type of Lease	Term	Amount Expected to be Financed	Fixed Rate	Total	Weighted Average
Tax-exempt	3 Years	\$3,147,149.38	%		
Tax-exempt	5 Years	\$721,478.56	%		
	Total	\$3,868,627.94			

Instructions to Complete the Bid Table (See Section 3.3 of the IFB).

Column (b) To be completed by bidder.

Column (d) Calculate the weighted average of the rates in column (b) to three decimal places:

Multiply column (a) by column (b). Put answer in column (c).

Total column (c).

*Divide the **Total** of column (c) by the **Total** of column (a).*

The weighted average in column (d) is _____.

The award will go to the bid with the lowest weighted average.

B. In addition to the rates, each bidder shall attach an amortization schedule in a format similar to that shown in Appendix A-2 for the amounts and terms specified in Section 3.2.1 of the IFB using their bid rates. The first payment will be interest only and will be calculated based on the number of days (140) using the 30/360 convention from the Financing Date to the first Payment Date, January 1, 2022. Thereafter, there will be level debt service.

There will be no changes, other than the rates, amounts, and Equipment descriptions, to the Lease Documentation to be prepared by the State and the Agencies for this financing, which are attached to the IFB as Appendix G.

C. Please check off each item “Yes” or “No”:

YES	NO	
		1. We have completed the Bid Table (Appendix B) and amortization schedules (3-year and 5-year) in a format similar to that shown in Appendix A-2 for the amounts and terms specified in Section 3.2.1 of the IFB using the weighted average bid rate on Appendix B.
		2. We agree to the State’s Lease Documentation without changes except for rates, amounts and equipment descriptions.
		3. We certify that we possess sufficient financial resources to perform the Lease obligations, or we have provided a current, unconditional, irrevocable commitment from a third party to provide lease funding with repayments as set forth in the debt service schedule, and the third party’s agreement to use the State’s current Lease Documentation without modification. (Section 4.2.2.e of the IFB).
		4. We certify that we are unconditionally and irrevocably committed to provide the Lease financing described in the IFB in accordance with the terms of the IFB and our Bid, as provided in Appendix B, and no additional credit committee or other approvals are needed to provide the Lease financing.
		5. We have attached a copy of (or a link to) our most recent Audited Financial Statements, or a Compilation Report of our most recent Financial Statements as required by Section 5.1 of the IFB.
		6. We have attached the information required by Section 5.2 of the IFB relating to similar engagements and client references.
		7. We have completed and attached the following Affidavits: Bid/Proposal Affidavit and Living Wage Affidavit.
		8. We agree that this bid is irrevocable through the Financing Date.

Failure to properly respond and fully comply with the requirements for this Invitation for Bids may result in your bid being eliminated from consideration.

In compliance with the IFB and with all terms and conditions set forth therein, the undersigned represents that he/she has full authority to submit the above bid and to bind his/her principal to the obligations contemplated thereunder.

Firm Name: _____

By: _____
(signature)

Name: _____
(typed name)

Title: _____

Date: _____

**APPENDIX C
BID AFFIDAVIT**

BID/PROPOSAL AFFIDAVIT

A. Authority

I HEREBY AFFIRM THAT:

I hereby affirm that I, _____ (name of affiant) am the _____ (title) and duly authorized representative of _____ (name of business entity) and that I possess the legal authority to make this affidavit on behalf of the business for which I am acting.

B. CERTIFICATION REGARDING COMMERCIAL NONDISCRIMINATION

The undersigned bidder hereby certifies and agrees that the following information is correct: In preparing its bid on this project, the bidder has considered all proposals submitted from qualified, potential subcontractors and suppliers, and has not engaged in “discrimination” as defined in §19-103 of the State Finance and Procurement Article of the Annotated Code of Maryland. “Discrimination” means any disadvantage, difference, distinction, or preference in the solicitation, selection, hiring, or commercial treatment of a vendor, subcontractor, or commercial customer on the basis of race, color, religion, ancestry, or national origin, sex, age, marital status, sexual orientation, sexual identity, genetic information or an individual’s refusal to submit to a genetic test or make available the results of a genetic test, disability, or any otherwise unlawful use of characteristics regarding the vendor’s, supplier’s, or commercial customer’s employees or owners. “Discrimination” also includes retaliating against any person or other entity for reporting any incident of “discrimination”. Without limiting any other provision of the solicitation on this project, it is understood that, if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid. As part of its bid or proposal, the bidder herewith submits a list of all instances within the past four years where there has been a final adjudicated determination in a legal or administrative proceeding in the State of Maryland that the bidder discriminated against subcontractors, vendors, suppliers, or commercial customers, and a description of the status or resolution of that determination, including any remedial action taken. Bidder agrees to comply in all respects with the State’s Commercial Nondiscrimination Policy as described under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland.

B-1. Certification Regarding Minority Business Enterprises.

The undersigned bidder hereby certifies and agrees that it has fully complied with the State Minority Business Enterprise Law, State Finance and Procurement Article, §14-308(a)(2), Annotated Code of Maryland, which provides that, except as otherwise provided by law, a contractor may not identify a certified minority business enterprise in a bid or proposal and:

(1) Fail to request, receive, or otherwise obtain authorization from the certified minority business enterprise to identify the certified minority proposal;

(2) Fail to notify the certified minority business enterprise before execution of the contract of its inclusion in the bid or proposal;

(3) Fail to use the certified minority business enterprise in the performance of the contract; or

(4) Pay the certified minority business enterprise solely for the use of its name in the bid or proposal.

Without limiting any other provision of the solicitation on this project, it is understood that if the certification is false, such false certification constitutes grounds for the State to reject the bid submitted by the bidder on this project, and terminate any contract awarded based on the bid.

B-2. Certification Regarding Veteran-Owned Small Business Enterprises. The undersigned bidder hereby certifies and agrees that it has fully complied with the State veteran-owned small business enterprise law, State Finance and Procurement Article, §14-605, Annotated Code of Maryland, which provides that a person may not:

(1) Knowingly and with intent to defraud, fraudulently obtain, attempt to obtain, or aid another person in fraudulently obtaining or attempting to obtain public money, procurement contracts, or funds expended under a procurement contract to which the person is not entitled under this title;

(2) Knowingly and with intent to defraud, fraudulently represent participation of a veteran-owned small business enterprise in order to obtain or retain a bid preference or a procurement contract;

(3) Willfully and knowingly make or subscribe to any statement, declaration, or other document that is fraudulent or false as to any material matter, whether or not that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;

(4) Willfully and knowingly aid, assist in, procure, counsel, or advise the preparation or presentation of a declaration, statement, or other document that is fraudulent or false as to any material matter, regardless of whether that falsity or fraud is committed with the knowledge or consent of the person authorized or required to present the declaration, statement, or document;

(5) Willfully and knowingly fail to file any declaration or notice with the unit that is required by COMAR 21.11.12; or

(6) Establish, knowingly aid in the establishment of, or exercise control over a business found to have violated a provision of §B-2(1)—(5) of this regulation.

C. AFFIRMATION REGARDING BRIBERY CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business (as is defined in Section 16-101(b) of the State Finance and Procurement Article of the Annotated Code of Maryland), or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies has been convicted of, or has had probation before judgment imposed pursuant to Criminal Procedure Article, §6-220, Annotated Code of Maryland, or has pleaded nolo contendere to a charge of, bribery, attempted bribery, or conspiracy to bribe in violation of Maryland law, or of the law of any other state or federal law, except as follows (indicate the reasons why the affirmation cannot be given and list any conviction, plea, or imposition of probation before judgment with the

date, court, official or administrative body, the sentence or disposition, the name(s) of person(s) involved, and their current positions and responsibilities with the business):

D. AFFIRMATION REGARDING OTHER CONVICTIONS

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities including obtaining or performing contracts with public bodies, has:

(1) Been convicted under state or federal statute of:

(a) A criminal offense incident to obtaining, attempting to obtain, or performing a public or private contract; or

(b) Fraud, embezzlement, theft, forgery, falsification or destruction of records or receiving stolen property;

(2) Been convicted of any criminal violation of a state or federal antitrust statute;

(3) Been convicted under the provisions of Title 18 of the United States Code for violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C. §1961 et seq., or the Mail Fraud Act, 18 U.S.C. §1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract;

(4) Been convicted of a violation of the State Minority Business Enterprise Law, §14-308 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(5) Been convicted of a violation of §11-205.1 of the State Finance and Procurement Article of the Annotated Code of Maryland;

(6) Been convicted of conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any law or statute described in subsections (1)—(5) above;

(7) Been found civilly liable under a state or federal antitrust statute for acts or omissions in connection with the submission of bids or proposals for a public or private contract;

(8) Been found in a final adjudicated decision to have violated the Commercial Nondiscrimination Policy under Title 19 of the State Finance and Procurement Article of the Annotated Code of Maryland with regard to a public or private contract;

(9) Been convicted of a violation of one or more of the following provisions of the Internal Revenue Code:

- (a) §7201, Attempt to Evade or Defeat Tax;
- (b) §7203, Willful Failure to File Return, Supply Information, or Pay Tax,
- (c) §7205, Fraudulent Withholding Exemption Certificate or Failure to Supply Information,
- (d) §7206, Fraud and False Statements, or
- (e) §7207 Fraudulent Returns, Statements, or Other Documents;

(10) Been convicted of a violation of 18 U.S.C. §286 Conspiracy to Defraud the Government with Respect to Claims, 18 U.S.C. §287, False, Fictitious, or Fraudulent Claims, or 18 U.S.C. §371, Conspiracy to Defraud the United States;

(11) Been convicted of a violation of the Tax-General Article, Title 13, Subtitle 7 or Subtitle 10, Annotated Code of Maryland;

(12) Been found to have willfully or knowingly violated State Prevailing Wage Laws as provided in the State Finance and Procurement Article, Title 17, Subtitle 2, Annotated Code of Maryland, if:

- (a) A court:
 - (i) Made the finding; and
 - (ii) Decision became final; or
- (b) The finding was:
 - (i) Made in a contested case under the Maryland Administrative Procedure Act; and
 - (ii) Not overturned on judicial review;

(13) Been found to have willfully or knowingly violated State Living Wage Laws as provided in the State Finance and Procurement Article, Title 18, Annotated Code of Maryland, if:

- (a) A court:
 - (i) Made the finding; and
 - (ii) Decision became final; or
- (b) The finding was:
 - (i) Made in a contested case under the Maryland Administrative Procedure Act; and
 - (ii) Not overturned on judicial review;

(14) Been found to have willfully or knowingly violated the Labor and Employment Article, Title 3, Subtitles 3, 4, or 5, or Title 5, Annotated Code of Maryland, if:

(a) A court:

(i) Made the finding; and

(ii) Decision became final; or

(b) The finding was:

(i) Made in a contested case under the Maryland Administrative Procedure Act; and

(ii) Not overturned on judicial review; or

(15) Admitted in writing or under oath, during the course of an official investigation or other proceedings, acts or omissions that would constitute grounds for conviction or liability under any law or statute described in §§B and C and subsections D(1)—(14) of this regulation, except as follows (indicate reasons why the affirmations cannot be given, and list any conviction, plea, or imposition of probation before judgment with the date, court, official or administrative body, the sentence or disposition, the name(s) of the person(s) involved and their current positions and responsibilities with the business, and the status of any debarment):

E. AFFIRMATION REGARDING DEBARMENT

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, or any of its officers, directors, partners, controlling stockholders, or any of its employees directly involved in the business's contracting activities, including obtaining or performing contracts with public bodies, has ever been suspended or debarred (including being issued a limited denial of participation) by any public entity, except as follows (list each debarment or suspension providing the dates of the suspension or debarment, the name of the public entity and the status of the proceedings, the name(s) of the person(s) involved and their current positions and responsibilities with the business, the grounds of the debarment or suspension, and the details of each person's involvement in any activity that formed the grounds of the debarment or suspension).

F. AFFIRMATION REGARDING DEBARMENT OF RELATED ENTITIES

I FURTHER AFFIRM THAT:

(1) The business was not established and it does not operate in a manner designed to evade the application of or defeat the purpose of debarment pursuant to Sections 16-101, et seq., of the State Finance and Procurement Article of the Annotated Code of Maryland; and

(2) The business is not a successor, assignee, subsidiary, or affiliate of a suspended or debarred business, except as follows (you must indicate the reasons why the affirmations cannot be given without qualification):

_____.

G. SUB-CONTRACT AFFIRMATION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business, has knowingly entered into a contract with a public body under which a person debarred or suspended under Title 16 of the State Finance and Procurement Article of the Annotated Code of Maryland will provide, directly or indirectly, supplies, services, architectural services, construction related services, leases of real property, or construction.

H. AFFIRMATION REGARDING COLLUSION

I FURTHER AFFIRM THAT:

Neither I, nor to the best of my knowledge, information, and belief, the above business has:

(1) Agreed, conspired, connived, or colluded to produce a deceptive show of competition in the compilation of the accompanying bid or offer that is being submitted;

(2) In any manner, directly or indirectly, entered into any agreement of any kind to fix the bid price or price proposal of the bidder or offeror or of any competitor, or otherwise taken any action in restraint of free competitive bidding in connection with the contract for which the accompanying bid or offer is submitted.

I. CERTIFICATION OF TAX PAYMENT

I FURTHER AFFIRM THAT: Except as validly contested, the business has paid, or has arranged for payment of, all taxes due the State of Maryland and has filed all required returns and reports with the Comptroller of the Treasury, the State Department of Assessments and Taxation, and the Maryland Department of Labor, as applicable, and will have paid all withholding taxes due the State of Maryland prior to final settlement.

J. CONTINGENT FEES

I FURTHER AFFIRM THAT:

The business has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency working for the business, to solicit or secure the Contract, and that the business has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee, bona fide agent, bona fide salesperson, or commercial selling agency, any fee or any other consideration contingent on the making of the Contract.

K. CERTIFICATION REGARDING INVESTMENTS IN IRAN

(1) The undersigned certifies that, in accordance with State Finance and Procurement Article, §17-705, Annotated Code of Maryland:

(a) It is not identified on the list created by the Board of Public Works as a person engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland; and

(b) It is not engaging in investment activities in Iran as described in State Finance and Procurement Article, §17-702, Annotated Code of Maryland.

2. The undersigned is unable to make the above certification regarding its investment activities in Iran due to the following activities: _____

L. CONFLICT MINERALS ORIGINATED IN THE DEMOCRATIC REPUBLIC OF CONGO (FOR SUPPLIES AND SERVICES CONTRACTS)

I FURTHER AFFIRM THAT:

The business has complied with the provisions of State Finance and Procurement Article, §14-413, Annotated Code of Maryland governing proper disclosure of certain information regarding conflict minerals originating in the Democratic Republic of Congo or its neighboring countries as required by federal law.

M. I FURTHER AFFIRM THAT:

Any claims of environmental attributes made relating to a product or service included in the bid or proposal are consistent with the Federal Trade Commission's Guides for the Use of Environmental Marketing Claims as provided in 16 CFR §260, that apply to claims about the environmental attributes of a product, package, or service in connection with the marketing, offering for sale, or sale of such item or service.

N. ACKNOWLEDGEMENT

I ACKNOWLEDGE THAT this Affidavit is to be furnished to the Procurement Officer and may be distributed to units of: (1) the State of Maryland; (2) counties or other subdivisions of the State of Maryland; (3) other states; and (4) the federal government. I further acknowledge that this Affidavit is subject to applicable laws of the United States and the State of Maryland, both criminal and civil, and that nothing in this Affidavit or any contract resulting from the submission of this bid or proposal

shall be construed to supersede, amend, modify or waive, on behalf of the State of Maryland, or any unit of the State of Maryland having jurisdiction, the exercise of any statutory right or remedy conferred by the Constitution and the laws of Maryland with respect to any misrepresentation made or any violation of the obligations, terms and covenants undertaken by the above business with respect to (1) this Affidavit, (2) the contract, and (3) other Affidavits comprising part of the contract.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

Date: _____

By: _____
(print name of Authorized Representative and Affiant)

(signature of Authorized Representative and Affiant)

APPENDIX D
CONTRACT AFFIDAVIT

A. AUTHORITY

I hereby affirm that I, _____ (name of affiant) am the _____ (title) and duly authorized representative of _____ (name of business entity) and that I possess the legal authority to make this affidavit on behalf of the business for which I am acting.

B. CERTIFICATION OF REGISTRATION OR QUALIFICATION WITH THE STATE DEPARTMENT OF ASSESSMENTS AND TAXATION

I FURTHER AFFIRM THAT:

The business named above is a (check applicable items):

- (1) Corporation — domestic or foreign;
- (2) Limited Liability Company — domestic or foreign;
- (3) Partnership — domestic or foreign;
- (4) Statutory Trust — domestic or foreign;
- (5) Sole Proprietorship

and is registered or qualified as required under Maryland Law. I further affirm that the above business is in good standing both in Maryland and (IF APPLICABLE) in the jurisdiction where it is presently organized, and has filed all of its annual reports, together with filing fees, with the Maryland State Department of Assessments and Taxation. The name and address of its resident agent (IF APPLICABLE) filed with the State Department of Assessments and Taxation is:

Name and Department ID Number: _____

Address: _____

and that if it does business under a trade name, it has filed a certificate with the State Department of Assessments and Taxation that correctly identifies that true name and address of the principal or owner as:

Name and Department ID Number: _____

Address: _____.

C. FINANCIAL DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, the provisions of State Finance and Procurement Article, §13-221, Annotated Code of Maryland, which require the business to file with the Secretary of State of Maryland certain specified information, including disclosure of beneficial ownership of the business, within 30 days of the date the aggregate value of any contracts, leases, or other agreements that the business enters into with the State of Maryland or its agencies during a calendar year reaches \$200,000.

D. POLITICAL CONTRIBUTION DISCLOSURE AFFIRMATION

I FURTHER AFFIRM THAT:

I am aware of, and the above business will comply with, Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contributions in a cumulative amount of \$500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31.

E. DRUG AND ALCOHOL-FREE WORKPLACE

(Applicable to all contracts unless the contract is for a law enforcement agency and the agency head or the agency head's designee has determined that application of COMAR 21.11.08 and this certification would be inappropriate in connection with the law enforcement agency's undercover operations.)

I CERTIFY THAT:

(1) Terms defined in COMAR 21.11.08 shall have the same meanings when used in this certification.

(2) By submission of its bid or offer, the business, if other than an individual, certifies and agrees that, with respect to its employees to be employed under a contract resulting from this solicitation, the business shall:

(a) Maintain a workplace free of drug and alcohol abuse during the term of the contract;

(b) Publish a statement notifying its employees that the unlawful manufacture, distribution, dispensing, possession, or use of drugs, and the abuse of drugs or alcohol is prohibited in the business' workplace and specifying the actions that will be taken against employees for violation of these prohibitions;

(c) Prohibit its employees from working under the influence of drugs or alcohol;

(d) Not hire or assign to work on the contract anyone who the business knows, or in the exercise of due diligence should know, currently abuses drugs or alcohol and is not actively engaged in a bona fide drug or alcohol abuse assistance or rehabilitation program;

(e) Promptly inform the appropriate law enforcement agency of every drug-related crime that occurs in its workplace if the business has observed the violation or otherwise has reliable information that a violation has occurred;

(f) Establish drug and alcohol abuse awareness programs to inform its employees about:

(i) The dangers of drug and alcohol abuse in the workplace;

(ii) The business's policy of maintaining a drug and alcohol free workplace;

(iii) Any available drug and alcohol counseling, rehabilitation, and employee assistance programs; and

(iv) The penalties that may be imposed upon employees who abuse drugs and alcohol in the workplace;

(g) Provide all employees engaged in the performance of the contract with a copy of the statement required by §E(2)(b), of this regulation;

(h) Notify its employees in the statement required by §E(2)(b), of this regulation, that as a condition of continued employment on the contract, the employee shall:

(i) Abide by the terms of the statement; and

(ii) Notify the employer of any criminal drug or alcohol abuse conviction for an offense occurring in the workplace not later than 5 days after a conviction;

(i) Notify the procurement officer within 10 days after receiving notice under §E(2)(h)(ii), of this regulation, or otherwise receiving actual notice of a conviction;

(j) Within 30 days after receiving notice under §E(2)(h)(ii), of this regulation, or otherwise receiving actual notice of a conviction, impose either of the following sanctions or remedial measures on any employee who is convicted of a drug or alcohol abuse offense occurring in the workplace:

(i) Take appropriate personnel action against an employee, up to and including termination;
or

(ii) Require an employee to satisfactorily participate in a bona fide drug or alcohol abuse assistance or rehabilitation program; and

(k) Make a good faith effort to maintain a drug and alcohol-free workplace through implementation of §E(2)(a)—(j), of this regulation.

(3) If the business is an individual, the individual shall certify and agree as set forth in §E(4), of this regulation, that the individual shall not engage in the unlawful manufacture, distribution, dispensing, possession, or use of drugs or the abuse of drugs or alcohol in the performance of the contract.

(4) I acknowledge and agree that:

(a) The award of the contract is conditional upon compliance with COMAR 21.11.08 and this certification;

(b) The violation of the provisions of COMAR 21.11.08 or this certification shall be cause to suspend payments under, or terminate the contract for default under COMAR 21.07.01.11 or 21.07.03.15, as applicable; and

(c) The violation of the provisions of COMAR 21.11.08 or this certification in connection with the contract may, in the exercise of the discretion of the Board of Public Works, result in suspension and debarment of the business under COMAR 21.08.03.

F. CERTAIN AFFIRMATIONS VALID

I FURTHER AFFIRM THAT:

To the best of my knowledge, information, and belief, each of the affirmations, certifications, or acknowledgements contained in that certain Bid/Proposal Affidavit dated _____, and executed by me for the purpose of obtaining the contract to which this Exhibit is attached remains true and correct in all respects as if made as of the date of this Contract Affidavit and as if fully set forth herein.

I DO SOLEMNLY DECLARE AND AFFIRM UNDER THE PENALTIES OF PERJURY THAT THE CONTENTS OF THIS AFFIDAVIT ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE, INFORMATION, AND BELIEF.

By: _____
Signature of Authorized Representative and Affiant

Printed Name: _____
Printed Name of Authorized Representative and Affiant

Title: _____

Date: _____

APPENDIX E
Living Wage Requirements for Service Contracts

- A. This contract is subject to the Living Wage requirements under Title 18, State Finance and Procurement Article, Annotated Code of Maryland and the regulations proposed by the Commissioner of Labor and Industry. The Living Wage generally applies to a Contractor or Subcontractor who performs work on a State contract for services that is valued at \$100,000 or more. An employee is subject to the Living Wage if he/she is at least 18 years old or will turn 18 during the duration of the contract; works at least 13 consecutive weeks on the State Contract and spends at least one-half of the employee's time during any work week on the State Contract.
- B. The Living Wage Law does not apply to:
- (1) A Contractor who:
 - (A) has a State contract for services valued at less than \$100,000, or
 - (B) employs 10 or fewer employees and has a State contract for services valued at less than \$500,000.
 - (2) A Subcontractor who:
 - (A) performs work on a State contract for services valued at less than \$100,000,
 - (B) employs 10 or fewer employees and performs work on a State contract for services valued at less than \$500,000, or
 - (C) performs work for a contractor not covered by the Living Wage Law as defined in B(1)(B) above, or B (3) or C below.
 - (3) Service contracts for the following:
 - (A) services with a Public Service Company;
 - (B) services with a nonprofit organization;
 - (C) services with an officer or other entity that is in the Executive Branch of the State government and is authorized by law to enter into a procurement ("Unit"); or
 - (D) services between a Unit and a County or Baltimore City.
- C. If the Unit responsible for the State contract for services determines that application of the Living Wage would conflict with any applicable Federal program, the Living Wage does not apply to the contract or program.
- D. A Contractor must not split or subdivide a State contract for services, pay an employee through a third party, or treat an employee as an independent contractor or assign work to employees to avoid the imposition of any of the requirements of Title 18, State Finance and Procurement, Annotated Code of Maryland.

- E. Each Contractor/Subcontractor, subject to the Living Wage Law, shall post in a prominent and easily accessible place at the work site(s) of covered employees a notice of the Living Wage Rates, employee rights under the law, and the name, address, and telephone number of the Commissioner.
- F. The Commissioner of Labor and Industry shall adjust the wage rates by the annual average increase or decrease, if any, in the Consumer Price Index for all urban consumers for the Washington/Baltimore metropolitan area, or any successor index, for the previous calendar year, not later than 90 days after the start of each fiscal year. The Commissioner shall publish any adjustments to the wage rates on the Division of Labor and Industry's Website. An employer subject to the Living Wage Law must comply with the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate, required by the Commissioner, automatically upon the effective date of the revised wage rate.
- G. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of the health insurance premium, as provided in §18-103(c), State Finance and Procurement Article, Annotated Code of Maryland, shall not lower an employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's share of health insurance premium shall comply with any record reporting requirements established by the Commissioner of Labor and Industry.
- H. A Contractor/Subcontractor may reduce the wage rates paid under § 18-103(a), State Finance and Procurement, Annotated Code of Maryland, by no more than 50 cents of the hourly cost of the employer's contribution to an employee's deferred compensation plan. A Contractor/Subcontractor who reduces the wages paid to an employee based on the employer's contribution to an employee's deferred compensation plan shall not lower the employee's wage rate below the minimum wage as set in §3-413, Labor and Employment Article, Annotated Code of Maryland.
- I. Under Title 18, State and Finance Procurement Article, Annotated Code of Maryland, if the Commissioner determines that the Contractor/Subcontractor violated a provision of this title or regulations of the Commissioner, the Contractor/Subcontractor shall pay restitution to each affected employee, and the State may assess liquidated damages of \$20 per day for each employee paid less than the Living Wage.
- J. Information pertaining to reporting obligations may be found by going to the DLLR Website: <https://www.dllr.state.md.us/labor/prev/livingwage.shtml>.

APPENDIX F

**Affidavit of Agreement
Maryland Living Wage Requirements-Service Contracts**

Contract No. AUGEL-06242021

Name of Contractor _____

Address _____

City _____ State _____ Zip Code _____

If the Contract is Exempt from the Living Wage Law

The Undersigned, being an authorized representative of the above-named Contractor, hereby affirms that the Contract is exempt from Maryland's Living Wage Law for the following reasons: (check all that apply)

- Bidder/Offeror is a nonprofit organization
- Bidder/Offeror is a public service company
- Bidder/Offeror employs 10 or fewer employees and the proposed contract value is less than \$500,000
- Bidder/Offeror employs more than 10 employees and the proposed contract value is less than \$100,000

If the Contract is a Living Wage Contract

- A. The Undersigned, being an authorized representative of the above-named Contractor, hereby affirms our commitment to comply with Title 18, State Finance and Procurement Article, Annotated Code of Maryland and, if required, to submit all payroll reports to the Commissioner of Labor and Industry with regard to the above stated contract. The Bidder/Offeror agrees to pay covered employees who are subject to living wage at least the living wage rate in effect at the time service is provided for hours spent on State contract activities, and to ensure that its Subcontractors who are not exempt also pay the required living wage rate to their covered employees who are subject to the living wage for hours spent on a State contract for services. The Contractor agrees to comply with, and ensure its Subcontractors comply with, the rate requirements during the initial term of the contract and all subsequent renewal periods, including any increases in the wage rate established by the Commissioner of Labor and Industry, automatically upon the effective date of the revised wage rate.

APPENDIX F (continued)
Affidavit of Agreement
Maryland Living Wage Requirements-Service Contracts

B. _____ (initial here if applicable) The Bidder/Offeror affirms it has no covered employees for the following reasons: (check all that apply)

- All employee(s) proposed to work on the State contract will spend less than one-half of the employee's time during every work week on the State contract;
- All employee(s) proposed to work on the State contract will be 17 years of age or younger during the duration of the State contract; or
- All employee(s) proposed to work on the State contract will work less than 13 consecutive weeks on the State contract.

The Commissioner of Labor and Industry reserves the right to request payroll records and other data that the Commissioner deems sufficient to confirm these affirmations at any time.

Name of Authorized Representative: _____

Signature of Authorized Representative Date

Title

Witness Name (Typed or Printed)

Witness Signature Date

APPENDIX G

DRAFT

AUGUST 2021 EQUIPMENT LEASE - PURCHASE AGREEMENT

* * * * *

FIXED RATE PRIVATE PLACEMENT

FINANCING OF \$3,868,627.94

* * * * *

STATE OF MARYLAND

AND

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AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

THIS EQUIPMENT LEASE-PURCHASE AGREEMENT is dated as of _____ (the "Lease"), by and between _____, having a principal place of business at _____ (the "Lessor") and the **STATE OF MARYLAND** (the "Lessee" or the "State"), acting by and through the **STATE TREASURER'S OFFICE** (the "Office") acting on behalf of certain departments and units of the State (such departments and units shall be collectively referred to herein as the "Agencies"). The Office has a principal place of business at Louis L. Goldstein Treasury Building, Room 109, 80 Calvert Street, Annapolis, Maryland 21401.

WITNESSETH

WHEREAS, Lessee has determined that a present need exists for the acquisition of certain Equipment (hereinafter defined), and that Lessee is authorized under the Constitution and laws of the State to enter into this Lease for the purposes hereinafter set forth; and

WHEREAS, Lessor has agreed to finance the acquisition of the Equipment and to lease such Equipment to Lessee upon the terms and conditions set forth herein.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Lessor and Lessee agree as follows:

1. Agreement to Lease. Upon the terms and conditions contained in (a) this Lease, (b) the Office's Invitation for Bids, IFB #AUGEL-06242021 released on June 24, 2021 (the "IFB"), which is incorporated by reference herein and made a part hereof, and (c) Lessor's Bid Form dated _____, 2021, which is incorporated by reference herein and made a part hereof, Lessor shall provide funds in the aggregate amount of \$3,868,627.94 to finance Lessee's acquisition of Equipment in accordance with the Lease and Equipment Schedules Nos. 21-08-01 through 21-08-05 (each an "Equipment Schedule" and collectively, the "Equipment Schedules") to the Lease, attached hereto, of certain equipment described summarily on Attachment A hereto (the "Equipment"). Lessor agrees to lease to Lessee, and Lessee agrees to lease from Lessor for the respective Lease Term (hereinafter defined), the one or more items of Equipment described in the applicable Equipment Schedules executed and delivered by Lessor and Lessee in connection herewith.

2. Lease Term. This Lease will become effective upon the execution hereof by Lessee and Lessor as of the date first above written. Lessor's period of performance for providing lease financing under this Lease shall be from July 28 through August 11, 2021. The term of this Lease (the "Lease Term") with respect to each item of Equipment will commence on the date the Equipment is accepted pursuant to Exhibit C of the respective Equipment Schedule (the "Acceptance Date"), and unless earlier terminated as expressly provided for in this Lease, will continue for the period set forth in the applicable Equipment Schedule. The Lease Term with respect to the Equipment leased under each separate Equipment Schedule will terminate (a) if applicable, upon the purchase of the Equipment by the Lessee; (b) upon payment by Lessee of the Lease Payments (hereinafter defined) required to be paid by Lessee hereunder with respect to the Equipment; or (c) as otherwise provided in this Lease.

Upon termination of the Lease Term as to the Equipment leased under each separate Equipment Schedule as a result of the occurrence of either of the events specified in (a) or (b), above, the Lease will terminate with respect to the Equipment leased under such Equipment Schedule, the security interest, if any, of the Lessor in such Equipment shall terminate, and Lessee will acquire full and unencumbered title to such Equipment free and clear of all liens and encumbrances created by or arising through or under Lessor.

3. Cost of Equipment; Delivery of Equipment; and Payment of Equipment Costs.

- (a) The Agencies on behalf of Lessee have or will enter into certain purchase agreements or purchase orders (the "Purchase Agreements") with one or more vendors (the "Vendors") for various items of Equipment to be purchased from the respective Vendors and leased hereunder. Such Purchase Agreements shall provide for the delivery, installation, and purchase of the Equipment. Lessee does hereby assign to Lessor all of Lessee's rights, but none of its obligations, under the Purchase Agreements, including without limitation, the right to purchase the Equipment in accordance with the terms thereof. When used herein, the term "Equipment Costs" means the net purchase price payable to the respective Vendors under the respective Purchase Agreements, which shall not exceed the amount set forth in the Equipment Schedules of \$3,868,627.94 in the aggregate, and shall not be payable unless the Equipment on the respective Equipment Schedule has been delivered to the location specified on Exhibit A thereto. Each Equipment Schedule shall represent Equipment Costs of no less than \$10,000, unless authorized by special written exception issued by the Contract Officer specified in the IFB.
- (b) Lessor agrees to finance all and not less than all the Equipment approved for financing by the Office and the Department of Budget and Management (the "Department") at the terms in the amortization schedule.
- (c) The Purchase Agreements shall provide that the Equipment is to be delivered to Lessee at the location (the "Equipment Location") specified in the applicable Equipment Schedule. Lessee will accept the Equipment as soon as it has been delivered and is operational, or in the event that the Vendor allows a pre-acceptance test period, as soon as the test period has expired. Lessee will evidence its acceptance of the Equipment by executing and delivering to Lessor an Acceptance Certificate (herein so called), as set forth in the applicable Equipment Schedule.
- (d) Lessor agrees to make moneys available to pay to the Vendors or reimburse the Agencies specified on the Equipment Schedules such Equipment Costs when required and upon execution by the Lessor and Lessee of one or more Equipment Schedules.

4. Lease Payments.

- (a) Subject to Section 5 hereof, Lessee agrees to pay to Lessor or its assignee pursuant to Section 19 hereof the Lease Payments (herein so called) equal to the amounts specified in Exhibits B to the applicable Equipment Schedules. A portion of each semi-annual Lease Payment is paid as, and represents payment of interest, all as set forth in the applicable Equipment Schedules. The Lease Payments will be payable without notice or demand, except for the invoices hereinafter provided, at the office of Lessor (or such other place as Lessor or its assignee may from time to time designate in writing), and will commence on the first Lease Payment due date (the "Due Date") as set forth in Exhibits B to the applicable Equipment Schedules. Lessor shall prepare and submit to Lessee semi-annual invoices for the Lease Payments reflected on Exhibits B to each Equipment Schedule. Each consolidated invoice submitted for payment shall include on its face the Lessor's or the Lessor's assignee's Federal Tax Identification Number, the Lessor's complete address, and the date and amount of the total invoice. Consolidated payments will be made within thirty (30) days of receipt by the Office of approved invoices or the invoice due date, whichever is later. The Office may make a consolidated payment of all or any number of Lease Payments due to Lessor (or to the assignee of Lessor to whom such Lease payments are due) on the same date. Any payments received after the Due Date may bear interest from the Due Date in accordance with § 15-104 of the State Finance and Procurement Article, Annotated Code of Maryland. Except as specifically provided in Section 5, Section 26, and Section 27 hereof, Lessee's obligation to pay the Lease Payments will be absolute and unconditional in all events and, except for the provisions of § 7-222 of the State Finance and Procurement Article, Annotated Code of Maryland, will not be subject to any set-off, defense, abatement, reduction, counterclaim, or recoupment for any reason whatsoever.
- (b) Lessor and Lessee understand and intend that the obligation of Lessee to pay the Lease Payments required hereunder shall constitute a current expense of Lessee, subject to appropriated funds, and shall not in any way be construed to be a debt of Lessee in contravention of any applicable constitutional or statutory limitation or requirement concerning the creation of indebtedness by Lessee, nor shall anything contained herein constitute a pledge of the general tax revenues, funds, or moneys of Lessee beyond those appropriated for the purpose of acquiring the Equipment.
- (c) The Office, the Department through its acknowledgment and acceptance of this Lease, and the Agencies on behalf of Lessee reasonably believe that legally available funds can be obtained sufficient to make all Lease Payments during the Lease Term, and hereby covenant that they will do all things lawfully within their power to obtain, maintain, and pursue funds from which the Lease Payments may be made, including making provision for such payments to the extent necessary in each budget proposed for the purpose of obtaining funding, and that they will use their bona fide best efforts to obtain appropriation of the

necessary funds to avoid termination pursuant to Section 5 hereof by taking all appropriate action to seek adequate budgeted funds to maintain this Lease in force. It is the intent of the Office, the Department and the Agencies on behalf of Lessee to make the Lease Payments for the full Lease Term if funds are legally available therefor, and in that regard, Lessee represents that the use of the Equipment is essential to its proper, efficient, and economic operation.

5. Non-appropriation of Funds; Substitution.

- (a) In the event sufficient funds are not appropriated in any fiscal period for Lease Payments due hereunder, then Lessee will immediately notify the Lessor or its assignee of such occurrence and the Lease Term for the Equipment under an Equipment Schedule for which funds were not appropriated shall terminate on the last day of the fiscal period for which appropriations were authorized, without penalty or expense to Lessee of any kind whatsoever. In the event of such termination, Lessee agrees to peaceably surrender possession of such Equipment to Lessor or its assignee on the date of such termination. Lessor will have all legal and equitable rights and remedies to take possession of such Equipment upon such termination.
- (b) In the event that funds are not appropriated with respect to Equipment under one or more Equipment Schedules or for any other reason whatsoever, with the consent of the Lessor or its assignee with respect to such Equipment Schedule, Lessee shall have the right to substitute therefor other equipment of equivalent value so as to prevent termination of the Lease Term for such Equipment Schedule.

6. Limitation on Warranties.

- (a) Lessee acknowledges and agrees, and shall confirm its acknowledgment and agreement on each Equipment Schedule, that the Equipment is of a size, design, and capacity selected by the Lessee; that Lessee is satisfied that the Equipment is suitable for its purpose; that Lessor is neither a manufacturer nor a vendor of the Equipment; and that LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO, AND LESSOR SHALL NOT BE OBLIGATED OR LIABLE FOR ANY ACTUAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE EQUIPMENT AND THE MAINTENANCE THEREOF.

- (b) Lessor hereby assigns to Lessee during the Lease Term, so long as no Event of Default (as hereinafter defined) has occurred and is continuing, all manufacturers' warranties, if any, express or implied, with respect to the Equipment, and Lessor authorizes Lessee to obtain the customary services furnished in connection with such warranties at Lessee's expense, and shall cooperate fully with Lessee with respect to the resolution of any claims against such warranties.

7. Representations and Warranties.

- (a) Lessee represents and warrants as of the date hereof, as of the date of acceptance under each Equipment Schedule, and at all times during the respective Lease Term that (i) Lessee is a "state" within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), and will do or cause to be done all things necessary to preserve and keep in full force and effect its existence as such; (ii) the execution, delivery, and performance by the Lessee of this Lease, all Equipment Schedules, and all other documents executed in connection herewith by Lessee (all such documents shall be collectively referred to herein as the "Lease Documents"), have been duly authorized by all necessary action on the part of the Lessee; (iii) the Lease documents constitute legal, valid, and binding obligations of the Lessee enforceable in accordance with their respective terms except as may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity; (iv) the execution and performance of the Lease Documents will not violate any judgment, order, law, or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon the Equipment (other than as contemplated by this Lease), or any assets of the Lessee pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement, or other instrument to which Lessee is a party or by which it or its assets may be bound; (v) there are no actions, suits, or proceedings pending or, to the knowledge of the Lessee, threatened against or affecting Lessee in any court or before any governmental commission, board, or authority, which, if adversely determined, will have a material, adverse effect on the ability of Lessee to perform its obligations under the Lease Documents; (vi) no governmental orders, permissions, consents, approvals, or authorizations are required to be obtained, and no registrations or declarations are required to be filed in connection with the execution and delivery of the Lease Documents; (vii) the Equipment is personal property and when used by the State should not be or become fixtures under the laws of the State of Maryland presently in effect; and (viii) no more than 10% of the total use of any portion of the Equipment leased on behalf of any State agency shall be used, on an average yearly basis, directly or indirectly in any trade or business carried on by any person other than Lessee, provided that such private business use, if any, that is not related or disproportionate to the governmental use shall not exceed 5% of the total use of such Equipment on an average yearly basis.

- (b) In connection with each Equipment Schedule and as a condition precedent to the funding thereof by Lessor, Lessee shall deliver to Lessor: (1) an opinion of Lessee's counsel in form and substance reasonably acceptable to Lessor as to the validity of the statements made in subsections (i) through (vi), above; and (2) such other documents and certificates as shall be reasonably requested by the Lessor. In addition, for tax-exempt lease-financings, Lessee shall deliver to Lessor: (3) a certificate of a duly authorized officer of Lessee respecting the validity of the statements made in subsections (vii) and (viii), above; and (4) an opinion of nationally recognized bond counsel in form and substance reasonably acceptable to Lessor as to the excludability from gross income of the interest component of the Lease Payments under the laws of the United States and the State and other related matters.

8. Title. Upon Lessee's acceptance of the Equipment under an Equipment Schedule, title to the Equipment will vest in Lessee; provided, however, that (i) in the event of termination pursuant to Section 5 hereof; or (ii) upon the occurrence of an Event of Default hereunder, as long as such Event of Default is continuing, title to the Equipment will immediately vest in Lessor or the assignee of the Equipment Schedule on which the Equipment is described.

9. Security Interest. In order to secure all of its obligations hereunder, Lessee hereby (i) grants to Lessor a first priority security interest in any and all right, title, and interest of Lessee in: (a) the Equipment, and in all additions, attachments, and accessions thereto and substitutions thereof; and (b) any proceeds (including the Net Proceeds, as defined in Section 16 below, of any commercial insurance policy) of the foregoing; (ii) agrees that this Lease may be filed by Lessor at Lessor's expense as a financing statement evidencing such security interests; and (iii) agrees to execute and deliver all financing statements, certificates of title, and other instruments necessary or appropriate to evidence such security interest.

10. Personal Property. The Equipment is and will remain personal property and will not be deemed to be affixed to, or be a part of, the real estate on which it may be situated notwithstanding that the Equipment or any part thereof may be or hereafter may become in any manner physically affixed or attached to real estate or any building thereon. If requested by Lessor, Lessee will, at Lessee's expense, furnish a landlord or mortgagee waiver with respect to the Equipment.

11. Use; Repairs. Lessee will use the Equipment in a careful manner consistent with the use generally contemplated by the manufacturer of the Equipment and will comply with all laws, ordinances, insurance policies, and regulations relating to, and will pay all valid costs, claims, damages, fees, and charges arising out of, the possession, use, or maintenance of the Equipment. Lessee, at its expense, will keep the Equipment in good repair, ordinary wear and tear accepted, and will furnish all parts, mechanisms, and devices required therefor.

12. Alterations. Lessee will not make any alterations or additions to the Equipment that will result in a reduction in its value without Lessor's prior written consent or unless such alteration or addition may be readily removed without damage to the Equipment.

13. Location; Inspection. The Equipment will not be removed from, or if the Equipment consists of rolling stock, its permanent base will not be changed from, the Equipment Location without Lessor's prior written consent, which consent will not be unreasonably withheld. Lessor will be entitled to enter upon the Equipment Location or during normal business hours to inspect the Equipment or observe its use and operation.

14. Liens and Taxes. Lessee shall keep the Equipment free and clear of all levies, liens, and encumbrances except those created under this Lease. The parties contemplate that the Equipment will be used for a governmental purpose of Lessee and that the Equipment will be exempt from all taxes presently assessed and levied with respect to personal property. In the event that the use, possession, or acquisition of the Equipment is found to be subject to taxation, Lessee shall pay when due during the Lease Term, to the extent of available appropriated funds, all charges and taxes (local, State, and federal), that now or hereafter may be imposed upon the ownership, leasing, rental, sale, purchase, possession, or use of the Equipment, excluding, however, all local, federal and State taxes on or measured by Lessor's or its assignee's income. If Lessee fails to pay said charges and taxes when due, and after delivery of written notice to Lessee, Lessor shall have the right, but shall not be obligated, to pay said charges and taxes. If Lessor pays any charges or taxes for which Lessee is liable under this Lease, Lessee shall reimburse Lessor therefor, subject only to the availability of appropriated funds.

15. Risk of Loss; Damage, Destruction, and Condemnation; Use of Net Proceeds.

- (a) Lessee assumes all risk of loss of, or damage to, the Equipment from any cause whatsoever, and no such loss of, or damage to, the Equipment, defect therein, or unfitness or obsolescence thereof shall relieve Lessee of its obligation to make Lease Payments or to perform any other obligation hereunder.
- (b) If, prior to the termination of the Lease Term, (i) the Equipment or any portion thereof is destroyed (in whole or in part) or is damaged by fire or other casualty; or (ii) title to, or the temporary use of, the Equipment or any part thereof or the estate of Lessee or Lessor in the Equipment or any part thereof shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm, or corporation acting under governmental authority; or (iii) for any other reason, the Equipment or any portion thereof is no longer in the possession and control of Lessee; Lessee shall, at its option, repair, restore, or replace the affected Equipment with equipment of equivalent value, or purchase the affected Equipment on the Due Date (as set forth in the applicable Equipment Schedule) next succeeding the date of such loss at the Principal Outstanding amount applicable on such Due Date, plus the Lease Payment due on such date, plus any past due amounts then payable by Lessee hereunder with respect to such items of Equipment. Upon any such payment, the Lease Term with respect to such items of Equipment shall terminate, and Lessee will acquire full and unencumbered title to such items of Equipment. Within forty-five (45) days of the happening of any of the events described in clauses (i), (ii), and (iii) of the first sentence of this paragraph, Lessee shall give notice to Lessor and any assignee with respect to

such Equipment of such event and how Lessee proposes to comply with the provisions of the first sentence of this paragraph.

- (c) If appropriated funds are not available to permit Lessee to repair, restore, replace, or purchase such Equipment in accordance with subsection (b) hereof, Lessee shall cause the Net Proceeds, as defined in Section 16 hereof, of any commercial insurance claim or condemnation award to be applied to the payment of Lessee's obligations under this Lease. Any portion of the Net Proceeds in excess of the amount required to pay in full Lessee's obligations as set forth in this subsection shall be for the account of Lessee. Lessee agrees that if the Net Proceeds are insufficient to pay in full Lessee's obligations hereunder, Lessee shall, to the extent of appropriated funds, make such payments to the extent of any deficiency.

16. Insurance. At its own expense, subject to appropriated funds, Lessee shall self-insure, or at its option, commercially insure, the Equipment against loss or damage for not less than the full replacement value of the Equipment. In the event of a covered loss, commercial insurance typically includes the costs of removal of debris and installation of the replacement equipment. In the event the Equipment suffering a covered loss or damage is not repaired, restored, replaced, or purchased pursuant to Section 15 hereof, the Net Proceeds of commercial insurance, if any, shall be applied as provided in Section 15 hereof. As used herein, "Net Proceeds" means the amount remaining from the gross proceeds of any commercial insurance claim or condemnation award after deduction of expenses (including attorneys' fees) incurred in the collection of such claim or award. At the request of Lessor, Lessee shall provide written evidence of insurance.

17. Indemnification. To the extent allowed by applicable law and subject to available appropriations, Lessee shall indemnify Lessor against, and hold Lessor harmless from, any and all claims, actions, arising in connection with the Equipment unless any such action is based upon the negligence, illegal act, breach of duty, or intentional tort committed by the Lessor.

18. Reserved.

19. Assignment.

- (a) Without Lessor's prior written consent, Lessee will neither (i) assign, transfer, pledge, hypothecate, grant any security interest in, or otherwise dispose of this Lease, any Equipment, or any interest in this Lease or the Equipment; nor (ii) sublet or lend the Equipment.
- (b) Lessor may assign, in whole, or in part, its rights, title, and interest in and to this Lease, including all Equipment Schedules, the Equipment, and any other documents executed with respect to this Lease, grant or assign a security interest in this Lease and the Equipment after giving prior written notice to the Office. Any assignment in part may be only with respect to one or more Equipment Schedules and not to any portion of a single Equipment Schedule.

Any such assignee shall have all of the rights but none of the obligations of Lessor under this Lease other than the obligation to provide funds to Lessee in the aggregate amount specified on the Equipment Schedule assigned to such assignee as contemplated hereunder. Subject to the preceding sentence, the term Lessor as used herein shall include any such assignees. Subject to the foregoing, this Lease and the Equipment Schedules shall inure to the benefit of, and be binding upon, the successors and assigns of the parties hereto. Before assignment of any portion of Lessor's interest in this Lease, Lessor will cause written notice of such assignment to be sent to Lessee which will be sufficient if it discloses the name of the assignee and the address to which further payments hereunder should be made. No further action will be required by Lessor or by Lessee to evidence the assignment of rights hereunder, but Lessee will acknowledge any such permitted assignment in writing if so requested. Lessee shall retain notice of such assignment and maintain a record that identifies the owners of Lessor's interest in this Lease. Upon Lessee's receipt of written notice of Lessor's assignment of any portion of its interest in this Lease, Lessee agrees to attorn to and recognize such assignee as the owner of such portion of Lessor's interest in this Lease, and Lessee thereafter shall make such payments, including without limitation, such Lease Payments as are indicated in the notice of assignment, directly to such assignee; provided, however, that any such permitted assignment of a right to receive payment hereunder shall be accomplished in accordance with Lessee's instructions, if any, regarding invoicing or other processing of Lease Payments.

- (c) Lessor or its assignees may not sell or distribute, in fractionalized interests or participations, its interest in its rights to receive payment of the aggregate amount of all Equipment Schedules for any given draw hereunder without the prior written consent of the Lessee. The Lessor shall not sell Certificates of Participation in connection with this Lease. If Lessee gives its consent to such sale or distribution of such fractionalized interests or participations, Lessor or its assignee (i) shall limit the number of holders of such interests or participations to thirty-five (35) or fewer "accredited investors" (as defined in Rule 501 of Regulation D); (ii) shall issue any such interest or participation in the amount of \$100,000 or more; (iii) shall maintain, on behalf of the Lessee, registration books or a book entry system with respect to the ownership and transfer of such participations or interests that complies with the requirements of Section 149(a) of the Code; (iv) shall not establish any such participations or interests in a manner that would cause interest payments on this Lease received by owners of such participations or interests to be includable in gross income for federal income tax purposes; and (v) shall provide the Office's legal counsel with a copy of all offering materials thirty (30) days prior to the time any such interests or participations are offered for sale or distribution. Lessor (i) shall be solely responsible for the allocation of payments received from Lessee in accordance with subsection (b) hereof among any such participants as their interests may appear; and (ii) shall be solely responsible for the costs and other financial or other liabilities attendant to the establishment, maintenance, and operation of the aforesaid registration books or book entry

system. Lessee shall be given notice of the establishment of any such registration books or book entry system and a full written explanation of how such books or system works, including the right to inspect the same during normal business hours, or, if Lessor is not conveniently located for such inspection, Lessee shall be furnished, upon request, with photocopies of such books and records and/or book entry system. The foregoing to the contrary notwithstanding, Lessee may, at its option and expense, appoint another agent to establish, maintain, and operate the registration books or book entry system contemplated hereunder.

- (d) Lessor acknowledges and agrees that no offering document, prospectus, offering circular or other disclosure document has been or will be prepared in connection with this Lease and that Lessor was afforded the opportunity to examine information and documents and to make inquiries relating to this Lease and the matters contained herein and has received and reviewed all information it deemed necessary to make an investment decision with respect to this Lease.

20. Events of Default. With respect to each Equipment Schedule, an Event of Default (herein so called) shall occur upon the happening of an event hereinafter described, but in the case of events described in paragraphs (b) and (c) below, only if the Lessor shall have given the Office thirty (30) days' prior written notice of the default, unless the Lessor and Lessee shall agree to an extension of such time prior to its expiration:

- (a) Lessee fails to make any Lease Payment as it becomes due in accordance with the terms of this Lease and the respective Equipment Schedule (except as such failure results from nonappropriation by the Lessee of funds for such purposes);
- (b) Lessee fails to perform or observe any other covenant, condition, or agreement to be performed or observed by it hereunder or under the respective Equipment Schedule; or
- (c) the discovery by Lessor that any statement, representation, or warranty made by Lessee in this Lease or in any writing delivered by Lessee pursuant hereto or in connection herewith was false, misleading, or erroneous in any material respect at the time such statement, representation, or warranty was made.

21. Remedies. Upon the occurrence of an Event of Default, and as long as such Event of Default is continuing, Lessor, at its option, may declare this Lease to be in default by written notice to such effect to the Office, and thereafter Lessor may exercise any one or more of the following remedies:

- (a) by written notice to Lessee, declare an amount equal to all amounts then due or to become due during the then current fiscal year of Lessee under this Lease and the Equipment Schedules to which the Event of Default applies to be

immediately due and payable, whereupon the same shall become immediately due and payable;

- (b) request Lessee to (and Lessee agrees that it will), promptly return the Equipment described on the Equipment Schedules to which the Event of Default applies to Lessor, and Lessor may enter upon the premises where such Equipment is located and take immediate possession of and remove all or any portion of the same;
- (c) sell or lease the Equipment or sublease it for the account of Lessee holding Lessee liable, only for the fiscal year for which appropriated funds are available and only to the extent of those appropriated funds, for all Lease Payments and other payments due on or before the effective date of such selling, leasing, or subleasing, and for the difference between the purchase price, rental, and other amounts paid by the purchaser, lessee, or sublessee pursuant to such sale, lease, or sublease and the amount payable by Lessee hereunder; and
- (d) exercise any other right, remedy, or privilege that may be available to it under applicable laws of the State of Maryland or any other applicable law or proceed by appropriate legal action to enforce the terms of this Lease or to recover damages for the breach of this Lease, or to rescind this Lease as to the Equipment.

Any assignee of Lessor shall only have the right to declare the Lease in default and exercise the remedies described in paragraphs (a) through (d) above to the extent of the Equipment Schedules which Lessor has assigned to such assignee and the Lease Payments and Equipment described thereon.

In addition, Lessee will remain liable, to the extent permitted by law and to the extent of then currently available appropriated funds, for all covenants and indemnities under this Lease and for all reasonable legal fees and other costs and expenses, including court costs, incurred by Lessor with respect to the enforcement of any of the remedies listed above or any other remedy available to Lessor. No remedy herein conferred upon or reserved to Lessor is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Lease or now or hereafter existing at law or in equity. Lessor's remedies hereunder may be exercised separately with respect to items of Equipment. No delay or omission to exercise any right or power accruing upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right or power may be exercised from time to time and as often as may be deemed expedient.

22. Lessor's Right to Perform for Lessee. Except as provided in Sections 5, 26 and 27, if Lessee fails to perform or comply with any of its covenants contained herein, Lessor shall have the right, but shall not be obligated, to effect such performance or compliance, and the amount of any out-of-pocket expenses or other reasonable expenses of Lessor incurred in connection with the performance of, or compliance with, such covenant, together with interest thereon at the lesser of (i) the highest lawful rate permitted by applicable State law

on the date of payment by Lessor; or (ii) the same rate on the underlying Lease Payments shall be payable by Lessee to the extent of then currently available appropriated funds, upon demand. Lessee shall execute, endorse, and deliver to Lessor any conveyance, assignment, or other instrument in writing as may be required to vest in Lessor any right, title, or power that by the terms hereof is intended to be conveyed or conferred upon Lessor, including without limitation, (a) Uniform Commercial Code Financing Statements (including continuation statements); (b) documents and checks or drafts relating to or received in payment for any loss or damage on the insurance required hereunder, but only to the extent that same relates to the Equipment; and (c) at such time of default or nonappropriation, upon any bill of sale, document, instrument, invoice, freight bill, bill of lading, or similar document relating to the Equipment in order to vest title in Lessor and to transfer possession to Lessor within ten (10) days upon receipt of same.

23. Quiet Enjoyment of Equipment. Lessor hereby covenants to provide to Lessee during the term of this Lease quiet use and enjoyment of the Equipment and Lessee shall during the term of this Lease peaceably and quietly have and hold and enjoy the Equipment without suit, trouble, or hindrance from Lessor except upon the occurrence of an Event of Default.

24. Delivery of Related Documents. Lessee will execute or provide, as requested by Lessor, such other documents and information as are reasonably necessary with respect to the transactions contemplated by this Lease. At the request of the Lessor, Lessee will furnish current financial statements of Lessee within thirty (30) days after the date such statements become available to the public. During the Lease Term and upon annual request of the Lessor, Lessee will provide to Lessor the applicable budget, or relevant portions thereof at Lessee's election, with proof of appropriation for the ensuing fiscal year, and such other financial information relating to the ability of Lessee to continue this Lease as reasonably may be requested by Lessor.

25. Lessee's Covenants. Lessee specifically covenants that it shall comply with the provisions of the Code, including, without limitation, compliance with any provisions of such law regarding the timing of the expenditure of the proceeds of this Lease, the use of such proceeds, the restriction of investment yields, the filing of information with the Internal Revenue Service, and the rebate of certain earnings resulting from the investment of the proceeds of this Lease. Lessee further covenants that it shall make such use of the proceeds of this Lease, regulate the investment of the proceeds thereof, make required rebate payments and take such other and further actions as may be required to maintain exclusion from gross income for federal tax purposes of the interest portion of the Lease Payments. The Lessee shall provide such certification of facts and estimates regarding the amount and use of the proceeds of this Lease as may be necessary or appropriate from time to time to comply with, or to evidence Lessee's compliance with, the covenants set forth in this Section.

26. Termination for Cause. If Lessor (a) fails to fulfill its obligation under this Lease to provide funds sufficient to pay the Equipment Costs as described in Section 3 hereof properly and on time, Lessee may terminate this Lease with respect to any Equipment Schedule for which Lessor has failed to fulfill such payment obligation by written notice to Lessor; or (b) otherwise violates any provision of the Lease, Lessee may terminate this Lease by written

notice to Lessor; provided, however, that clauses (a) and (b) shall not be deemed to permit termination by Lessee with respect to Lease Terms for existing, previously financed Equipment Schedules. The notice shall specify the acts or omissions relied upon as cause for termination. Lessor shall pay Lessee the actual amount of damages caused by Lessor's breach. Lessor will remain liable after termination and Lessee can affirmatively collect damages.

27. Termination for Convenience. The performance of this Lease may be terminated by Lessee in accordance with this Section, in whole or in part, whenever the Lessee shall determine that such termination is in the best interest of Lessee; provided, however, that this clause shall not be deemed to permit termination by Lessee of any Lease Term of existing Equipment Schedules.

28. Contingent Fee Prohibition. Lessor warrants that it has not employed or retained any person, partnership, corporation, or other entity, other than a bona fide employee or agent working for Lessor, to solicit or secure this Lease, and that it has not paid or agreed to pay any person, partnership, corporation, or other entity, other than a bona fide employee or agent, any fee or other consideration contingent on the making of this Lease.

29. Financial Disclosure. The Contractor shall comply with the provisions of State Finance and Procurement Article §13-221, Annotated Code of Maryland. That section requires a business to file with the Secretary of State of Maryland certain specified information, including disclosure of beneficial ownership of the business, within 30 days of the date the aggregate value of any contracts, leases, or other agreements that the business enters into with the State of Maryland or its agencies during a calendar year reaches \$200,000.

30. Political Contribution Disclosure. The Contractor shall comply with Election Law Article, Title 14, Annotated Code of Maryland, which requires that every person that enters into a procurement contract with the State, a county, or a municipal corporation, or other political subdivision of the State, during a calendar year in which the person receives a contract with a governmental entity in the amount of \$200,000 or more, shall file with the State Board of Elections statements disclosing: (a) any contributions made during the reporting period to a candidate for elective office in any primary or general election; and (b) the name of each candidate to whom one or more contribution in a cumulative amount of \$500 or more were made during the reporting period. The statement shall be filed with the State Board of Elections: (a) before execution of a contract by the State, a county, a municipal corporation, or other political subdivision of the State, and shall cover the 24 months prior to when a contract was awarded; and (b) if the contribution is made after the execution of a contract, then twice a year, throughout the contract term, on or before: (i) May 31, to cover the six (6) month period ending April 30; and (ii) November 30, to cover the six (6) month period ending October 31. Additional information is available on the State Board of Election website:
http://www.elections.state.md.us/campaign_finance/index.html.

31. Retention of Records. If requested by Lessee, Lessor shall deliver to the Lessee background material prepared or obtained by Lessor incident to the performance of this

Lease. "Background Material" shall include, but not be limited to, work papers, notes, completed questionnaires, other printed materials, pamphlets, maps, drawings, and books acquired by Lessor during the term of this Lease and directly related to the services provided under this Lease. Any proprietary computer programs of Lessor are expressly excluded from the definition of "Background Material" as used in this Section. Lessor shall maintain records and documents relating to the performance of this Lease for three years following final payment under any Lease Term or any applicable statute of limitations, whichever is longer, and shall make such records available for inspection and audit by the authorized representatives of Lessee.

32. Nondiscrimination in Employment. The Lessor agrees: (a) not to discriminate in any manner against an employee or applicant for employment because of race, color, religion, creed, age, sex, sexual orientation, gender identification, marital status, national origin, ancestry or disability of a qualified individual with a disability; (b) to include a provision similar to that contained in subsection (a) above, in any subcontract except a subcontract for standard commercial supplies or raw materials; and (c) to post and to cause subcontractors to post in conspicuous places available to employees and applicants for employment, notices setting forth the substance of this Section.

33. Commercial Nondiscrimination Clause

(a) As a condition of entering into this Lease, Lessor represents and warrants that it will comply with the State's Commercial Nondiscrimination Policy, as described under Title 19, State Finance and Procurement Article, Annotated Code of Maryland. As part of such compliance, Lessor may not discriminate on the basis of race, color, religion, ancestry or national origin, sex, age, marital status, sexual orientation, or on the basis of disability or other unlawful forms of discrimination in the solicitation, selection, hiring, or commercial treatment of subcontractors, vendors, suppliers, or commercial customers, nor shall Lessor retaliate against any person for reporting instances of such discrimination. Lessor shall provide equal opportunity for subcontractors, vendors, and suppliers to participate in all its public sector and private sector subcontracting and supply opportunities, provided that this clause does not prohibit or limit lawful efforts to remedy the effects of marketplace discrimination that have occurred or are occurring in the marketplace. Lessor understands that a material violation of this clause shall be considered a material breach of this Lease and may result in termination of this Lease, disqualification of Lessor from participating in State contracts, or other sanctions. This Section is not enforceable by or for the benefit of, and creates no obligation to, any third party.

(b) As a condition of entering into this Lease, upon the Maryland Human Relations Commission's request, and only after the filing of a complaint against Lessor under Title 19, State Finance and Procurement Article, Annotated Code of Maryland, as amended from time to time, Lessor agrees to provide within 60 days after the request a complete list of the names of all subcontractors, vendors, and suppliers that Lessor has used in the past four years on any of its contracts that were undertaken within the state of Maryland, including the total dollar amount paid by Lessor on each subcontract or supply contract. Lessor further agrees to cooperate in any

investigation conducted by the State pursuant to the State's Commercial Nondiscrimination Policy as set forth under Title 19, State Finance and Procurement Article, Annotated Code of Maryland, and to provide any documents relevant to any investigation that is requested by the State. Lessor understands that violation of this clause is a material breach of this Lease and may result in contract termination, disqualification by the State from participating in State contracts, and other sanctions.

34. Non-Hiring of Employees. No employee of the State of Maryland or any unit thereof, whose duties as such employee include matters relating to or affecting the subject matter of this Contract, shall, while so employed, become or be an employee of the party or parties hereby contracting with the State of Maryland or any unit thereof.

35. Compliance with Laws. Lessor hereby represents and warrants that

- (a) it is qualified to do business in the State of Maryland and that it will take such action as, from time to time, may be necessary to remain so qualified;
- (b) it is not in arrears with respect to the payment of any moneys due and owing the State of Maryland, or any department or unit thereof, including, but not limited to, the payment of taxes and employee benefits, and that it shall not become so in arrears during the term of this Lease;
- (c) it shall comply with all federal, State, and local laws applicable to its activities and obligations under this Lease; and
- (d) it shall obtain, at its expense, all licenses, permits, insurance, and governmental approvals, if any, necessary to the performance of its obligations under this Lease.

36. Living Wage Requirements. A solicitation for services under a State contract valued at \$100,000 or more may be subject to Title 18, State Finance and Procurement Article, Annotated Code of Maryland.

Contractors and Subcontractors subject to the Living Wage Law shall pay each covered employee at least \$14.42 per hour, if State contract services valued at 50% or more of the total value of the contract are performed in the Tier 1 Area. If State contract services valued at 50% or more of the total contract value are performed in the Tier 2 Area, a bidder shall pay each covered employee at least \$10.83 per hour. The specific Living Wage rate is determined by whether a majority of services take place in a Tier 1 Area or Tier 2 Area of the State. The Tier 1 Area includes Montgomery, Prince George's, Howard, Anne Arundel, and Baltimore Counties, and Baltimore City. The Tier 2 Area includes any county in the State not included in the Tier 1 Area. In the event the employees who perform the services are not located in the State, the head of the unit responsible for a State contract pursuant to § 18-102(d) shall assign the tier based upon where the recipients of the services are located.

The contract resulting from this solicitation has been deemed to be a Tier 1 contract.

37. Administration. This Lease shall be performed under the direction of the Contract Office or other designee of the Maryland State Treasurer. All matters relating to administration and performance of this Lease shall be referred to the Contract Officer or other designee of the Maryland State Treasurer for determination.

38. Governing Law. This Lease shall be construed, interpreted, and enforced in accordance with the laws of the State of Maryland, including without limitations the applicable provisions of COMAR Title 21, State Procurement Regulations.

39. Notices. All notices (excluding invoices and communications in the ordinary course of business) to be given under this Lease shall be in writing and mailed by certified mail, return receipt requested, to the other party at its address set forth in the introduction to this Lease, or at such address as the party may provide in writing from time to time.

40. Section Headings. All section headings contained herein are for convenience of reference only and are not intended to define or limit the scope of any provision of this Lease.

41. Entire Agreement; Modification; Severability. This Lease, including the Office's Invitation for Bids and Lessor's Bid, together with all other Lease Documents, constitutes the entire agreement between the parties with respect to the lease of the Equipment, and neither the Lease nor any of the Lease Documents shall be modified, amended, altered, or changed except with the written consent of Lessor and Lessee, subject to any additional approvals required by State law. If any terms contained in any earlier writing, agreement, or proposal conflict with the terms and conditions of this Lease, the terms and conditions of the IFB and this Lease shall control. Any provision of this Lease found to be prohibited by law shall be ineffective to the extent of such prohibition without invalidating the remainder of this Lease. This Lease may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement. This Lease shall become effective when each of the Lessor and the Lessee shall have received counterparts thereof signed by the other party. The exchange of copies of this Lease and of signature pages by electronic or facsimile transmission shall constitute effective execution and delivery of this Lease. Signatures of the parties transmitted by electronic or facsimile transmission shall be deemed to be original signatures for all purposes.

42. Representations. Each party to this Lease represents and warrants to the other that it has full right, power, and authority to execute this Lease.

IN WITNESS WHEREOF, the parties hereto have caused this Lease to be executed as of the day and year first above written.

ATTEST:

LESSOR: _____

By: _____

Name
Title

WITNESS:

**LESSEE: STATE OF MARYLAND, acting by
and through the State Treasurer's Office**

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

**ACKNOWLEDGED AND ACCEPTED:
DEPARTMENT OF BUDGET
AND MANAGEMENT**

By: _____
David Brinkley
Secretary

Approved for form and legal sufficiency:

Catherine Allen
Assistant Attorney General

ATTACHMENT A
AUGUST 2021 TAX-EXEMPT EQUIPMENT LEASE-PURCHASE FINANCING
SUMMARY OF EQUIPMENT SCHEDULES

[See Appendix A-1 to the IFB above]

EQUIPMENT SCHEDULE NO. 21-08-__

TO

AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

(Agency Name)

THIS EQUIPMENT SCHEDULE NO. 21-08-__ dated as of _____, 2021, (the "Equipment Schedule"), is executed by and between _____ ("Lessor") and the **STATE OF MARYLAND** ("Lessee") acting by and through the **STATE TREASURER'S OFFICE** (the "Office") on behalf of the _____ (the "Agency").

WITNESSETH:

WHEREAS, Lessor and Lessee have entered into that certain August 2021 Equipment Lease-Purchase Agreement dated as of _____, 2021, (the "Lease") (unless otherwise defined herein all terms having a defined meaning in the Lease shall have the same meaning when used herein), which Lease provides for the execution and delivery of one or more Equipment Schedules for the purpose of identifying the equipment to be leased and purchased pursuant to the Lease and specifying certain terms and conditions applicable to the lease and purchase of such equipment; and,

WHEREAS, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor, the items of Equipment described in Exhibit A (the "Equipment") on the terms and conditions of the Lease and as herein provided.

NOW, THEREFORE, in consideration of the foregoing premises and mutual covenants of the parties, Lessor and Lessee hereby agree as follows:

1. EQUIPMENT. The items of Equipment described in Exhibit A shall be subject to the terms and conditions of the Lease, the terms of which Lease are incorporated by reference herein and made a part hereof and this Equipment Schedule. In the event of a conflict between the terms of the Lease and the terms of this Equipment Schedule, the terms of this Equipment Schedule shall prevail.

2. LOCATION OF EQUIPMENT. The Equipment shall be kept at the Equipment Location(s) (herein so called) set forth on Exhibit A.

3. LEASE TERM. The Lease Term (herein so called) with respect to the Equipment described in Exhibit A shall commence on the date of acceptance (the "Acceptance Date") as set forth in the Acceptance Certificate (Exhibit C attached hereto) and shall continue for an initial term ending on July 1, 2022. Unless earlier terminated pursuant to the terms of the Lease, the Lease Term hereunder shall automatically renew for two annual renewal terms commencing on July 2 of each year and ending on the following July 1.

4. LEASE PAYMENTS. (a) Lessee hereby agrees to make the Lease Payments (herein so called) to Lessor in such amounts and at such times as set forth on Exhibit B.

(b) Upon the exercise by Lessee of any right granted under the Lease to terminate the Lease or this Equipment Schedule prior to the expiration of the term thereof and hereof, Lessee agrees to pay to Lessor the applicable Principal Outstanding balance as shown on Exhibit B for the lease and purchase of the Equipment as of the date of termination.

(c) In the event of a termination or nonrenewal of the Lease Term pursuant to Section 5, Section 26, or Section 27 of the Lease, moneys received by the State, if any, shall be applied first to the payment of all obligations of Lessee then due and owing hereunder, and then to the payment of the Principal Outstanding balance as set forth in Exhibit B applicable at the time of such termination or nonrenewal.

(d) The principal components of the Lease Payments bear interest at the total interest cost of ____% per annum.

5. REPRESENTATIONS AND WARRANTIES. By execution and delivery of this Equipment Schedule, Lessee confirms that all representations and warranties contained in Section 7 of the Lease are true and correct as of the date hereof. Further, Lessee represents and warrants as of the date hereof that the use of the Equipment by Lessee is essential to the Lessee's proper, efficient, and economic operation and will be used for the purposes set forth on Exhibit C.

6. LIMITATIONS ON WARRANTIES. Lessee represents, warrants, acknowledges, and agrees that the Equipment is of a size, design, and capability selected by Lessee; that Lessee is satisfied that the Equipment is suitable for its purpose; that Lessor is neither a manufacturer nor a vendor of the Equipment; and that **LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO, AND LESSOR SHALL NOT BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE EQUIPMENT AND THE MAINTENANCE THEREOF.**

7. EQUIPMENT COST. The cost of all items of Equipment described on Exhibit A shall not exceed \$_____ of which the Equipment Cost (herein so called) of \$_____ is financed hereunder, and shall be disbursed in such amounts applicable to this Equipment Schedule as are reflected in Attachment A to the Lease, provided that the Equipment has been delivered to the Equipment Location(s) specified on Exhibit A hereto. To the extent the cost of the Equipment exceeds the amount of the Equipment Cost financed hereunder plus accrued interest, Lessee shall pay such excess cost to Vendor from other available funds.

8. COVENANTS, DELIVERY, AND ACCEPTANCE. (a) Lessee agrees to use its best efforts, and as of the date hereof, reasonably expects, to acquire the Equipment on or before August 11, 2021.

(b) Lessee will cause the Equipment to be delivered at the Equipment Location. Lessee will pay all transportation and other costs, if any, incurred in connection with the delivery of the Equipment. Lessee will accept the Equipment as soon as it has been delivered and is operational or, in the event the manufacturer or vendor allows a pre-acceptance test period, as soon as the test period has expired.

9. REQUEST FOR PAYMENT. Immediately following the Acceptance Date, Lessee will request that payment be made to the Vendor or to reimburse the applicable Agency by executing, if required, and delivering to Lessor the following:

(a) a request that payment be made to the Vendor or to reimburse the applicable Agency;

(b) a true copy of the applicable purchase order and, where applicable, a duplicate original of any change order approved by Lessee increasing the Equipment Cost in an amount in excess of the original purchase order price;

(c) bills of sale for any component of the Equipment for which a bill of sale may be delivered;

(d) a true copy of the Vendor's statement or invoice; and

(e) an Acceptance Certificate and an Equipment Use Certificate as set forth in Exhibits C and D, respectively.

10. PAYMENT. Upon receipt of the items required by Section 9 hereof in a form acceptable to Lessor, Lessor shall make payment to the Vendor or to reimburse the applicable Agency and shall certify the fact of such payment to Lessee.

IN WITNESS WHEREOF, Lessee and Lessor have executed this Equipment Schedule as of the date and year first above written.

**STATE OF MARYLAND acting
by and through the State
Treasurer's Office**

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

Lessor

By: _____
Name:
Title:

3 Year Schedule

EXHIBIT A

TO

EQUIPMENT SCHEDULE NO. 21-08-__

TO AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

(Agency Name)

Equipment Description

Equipment Location

3 Year Schedule

EXHIBIT B

TO

EQUIPMENT SCHEDULE NO. 21-08-__

TO AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

(Agency Name)

DATE OF FINANCING					
3 Year Amortization Schedule					
ANNUITY SCHEDULE					
COST					
PV OF ANNUITY	5.00	periods	5.896384		
INTEREST			0%		
No. of Days in first period					
<u>DUE</u>		<u>LEASE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>Principal</u>
<u>DATE</u>		<u>PAYMENT</u>			<u>Outstanding</u>
01-Jan-22		0	0	0	0
01-Jul-22		0	0	0	0
01-Jan-23		0	0	0	0
01-Jul-23		0	0	0	0
01-Jan-24		0	0	0	0
01-Jul-24		0	0	0	0
		0	0	0	

EQUIPMENT SCHEDULE NO. 21-08-__

TO

AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

(Agency Name)

THIS EQUIPMENT SCHEDULE NO. 21-08-__ dated as of ____, 2021, (the "Equipment Schedule"), is executed by and between _____ ("Lessor") and the **STATE OF MARYLAND** ("Lessee"), acting by and through the **STATE TREASURER'S OFFICE** (the "Office"), on behalf of the _____ ("Agency").

WITNESSETH:

WHEREAS, Lessor and Lessee have entered into that certain August 2021 Equipment Lease-Purchase Agreement dated as of _____, 2021, (the "Lease") (unless otherwise defined herein all terms having a defined meaning in the Lease shall have the same meaning when used herein), which Lease provides for the execution and delivery of one or more Equipment Schedules for the purpose of identifying the equipment to be leased and purchased pursuant to the Lease and specifying certain terms and conditions applicable to the lease and purchase of such equipment; and,

WHEREAS, Lessor desires to lease to Lessee and Lessee desires to lease from Lessor the items of Equipment described in Exhibit A (the "Equipment") on the terms and conditions of the Lease and as herein provided.

NOW, THEREFORE, in consideration of the foregoing premises and mutual covenants of the parties, Lessor and Lessee hereby agree as follows:

1. EQUIPMENT. The items of Equipment described in Exhibit A shall be subject to the terms and conditions of the Lease, the terms of which Lease are incorporated by reference herein and made a part hereof and this Equipment Schedule. In the event of a conflict between the terms of the Lease and the terms of this Equipment Schedule, the terms of this Equipment Schedule shall prevail.

2. LOCATION OF EQUIPMENT. The Equipment shall be kept at the Equipment Location(s) (herein so called) set forth on Exhibit A.

3. LEASE TERM. The Lease Term (herein so called) with respect to the Equipment described in Exhibit A shall commence on the date of acceptance (the "Acceptance Date") as set forth in the Acceptance Certificate (Exhibit C attached hereto) and shall continue for an initial term ending on July 1, 2022. Unless earlier terminated pursuant to the terms of the Lease, the Lease Term hereunder shall automatically renew for four annual renewal terms commencing on July 2 of each year and ending on the following July 1.

4. LEASE PAYMENTS. (a) Lessee hereby agrees to make the Lease Payments (herein so called) to Lessor in such amounts and at such times as set forth on Exhibit B.

(b) Upon the exercise by Lessee of any right granted under the Lease to terminate the Lease or this Equipment Schedule prior to the expiration of the term thereof and hereof, Lessee agrees to pay to Lessor the applicable Principal Outstanding balances as shown on Exhibit B for the lease and purchase of the Equipment as of the date of termination.

(c) In the event of a termination or nonrenewal of the Lease Term pursuant to Section 5, Section 26, or Section 27 of the Lease, moneys received by the State, if any, shall be applied first to the payment of all obligations of Lessee then due and owing hereunder, and then to the payment of the Principal Outstanding balance as set forth in Exhibit B applicable at the time of such termination or nonrenewal.

(d) The principal components of the Lease Payments bear interest at the total interest cost of _____% per annum.

5. REPRESENTATIONS AND WARRANTIES. By execution and delivery of this Equipment Schedule, Lessee confirms that all representations and warranties contained in Section 7 of the Lease are true and correct as of the date hereof. Further, Lessee represents and warrants as of the date hereof that the use of the Equipment by Lessee is essential to the Lessee's proper, efficient, and economic operation and will be used for the purposes set forth on Exhibit C.

6. LIMITATIONS ON WARRANTIES. Lessee represents, warrants, acknowledges, and agrees that the Equipment is of a size, design, and capability selected by Lessee; that Lessee is satisfied that the Equipment is suitable for its purpose; that Lessor is neither a manufacturer nor a vendor of the Equipment; and that **LESSOR HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION, WARRANTY, OR COVENANT, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DURABILITY, DESIGN, OPERATION, FITNESS FOR USE, OR SUITABILITY OF THE EQUIPMENT IN ANY RESPECT WHATSOEVER OR IN CONNECTION WITH OR FOR THE PURPOSES AND USES OF LESSEE, OR ANY OTHER REPRESENTATION, WARRANTY, OR COVENANT OF ANY KIND OR CHARACTER, EXPRESS OR IMPLIED, WITH RESPECT THERETO, AND LESSOR SHALL NOT BE OBLIGATED OR LIABLE FOR ACTUAL, INCIDENTAL, CONSEQUENTIAL, OR OTHER DAMAGES OF OR TO LESSEE OR ANY OTHER PERSON OR ENTITY ARISING OUT OF OR IN CONNECTION WITH THE USE OR PERFORMANCE OF THE EQUIPMENT AND THE MAINTENANCE THEREOF.**

7. EQUIPMENT COST. The cost of all items of Equipment described on Exhibit A shall not exceed \$_____ of which the Equipment Cost (herein so called) of \$_____ is financed hereunder, and shall be disbursed in such amounts applicable to this Equipment Schedule as are reflected in Attachment A to the Lease, provided that the Equipment has been delivered to the Equipment Location(s) specified on Exhibit A hereto. To the extent the cost of the Equipment exceeds the amount of the Equipment Cost financed hereunder plus accrued interest, Lessee shall pay such excess costs to Vendor from other available funds.

8. COVENANTS, DELIVERY, AND ACCEPTANCE. (a) Lessee agrees to use its best efforts, and as of the date hereof, reasonably expects, to acquire the Equipment on or before August 11, 2021.

(b) Lessee will cause the Equipment to be delivered at the Equipment Location. Lessee will pay all transportation and other costs, if any, incurred in connection with the delivery of the Equipment. Lessee will accept the Equipment as soon as it has been delivered and is operational, or in the event the manufacturer or vendor allows a pre-acceptance test period, as soon as the test period has expired.

9. REQUEST FOR PAYMENT. Immediately following the Acceptance Date, Lessee will request that payment be made to the Vendor or to reimburse the applicable Agency by executing, if required, and delivering to Lessor the following:

(a) a request that payment be made to the Vendor or to reimburse the applicable Agency;

(b) a true copy of the applicable purchase order and, where applicable, a duplicate original of any change order approved by Lessee increasing the Equipment Cost in an amount in excess of the original purchase order price;

(c) bills of sale for any component of the Equipment for which a bill of sale may be delivered;

(d) a true copy of the Vendor's statement or invoice; and

(e) an Acceptance Certificate and an Equipment Use Certificate as set forth in Exhibits C and D, respectively.

10. PAYMENT. Upon receipt of the items required by Section 9 hereof in a form acceptable to Lessor, Lessor shall make payment to the Vendor or to reimburse the applicable Agency and shall certify the fact of such payment to Lessee.

IN WITNESS WHEREOF, Lessee and Lessor have executed this Equipment Schedule as of the date and year first above written.

**STATE OF MARYLAND acting
by and through the State
Treasurer's Office**

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

Lessor

By: _____
Name:
Title:

5 Year Schedule

EXHIBIT A

TO

EQUIPMENT SCHEDULE NO. 21-08-__

TO AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

(Agency Name)

Equipment Description

Equipment Location

5 Year Schedule

EXHIBIT B

TO

EQUIPMENT SCHEDULE NO. 21-08-__

TO AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

(Agency Name)

DATE OF FINANCING:					
5 Year Amortization Schedule					
ANNUITY SCHEDULE					
COST					
PV OF ANNUITY	9.00	periods	9.733041		
INTEREST					
			1.0000%		
No. of Days in first period					
<u>DUE</u>		<u>LEASE</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>Principal</u>
<u>DATE</u>		<u>PAYMENT</u>			<u>Outstanding</u>
					0
01-Jan-22		0	0	0	0
01-Jul-22		0	0	0	0
01-Jan-23		0	0	0	0
01-Jul-23		0	0	0	0
01-Jan-24		0	0	0	0
01-Jul-24		0	0	0	0
01-Jan-25		0	0	0	0
01-Jul-25		0	0	0	0
01-Jan-26		0	0	0	0
01-Jul-26		0	0	0	0
		0	0	0	

EXHIBIT C

TO

EQUIPMENT SCHEDULE NO. 21-08-__

TO AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

ACCEPTANCE CERTIFICATE

In accordance with the terms of the Equipment Schedule referenced above, the undersigned official, on behalf of the Lessee, hereby certifies and represents to, and agrees with, Lessor as follows:

A. The Equipment described on Exhibit A to the Equipment Schedule (the "Equipment") has been delivered and installed at the Equipment Location specified in Exhibit A, and such delivery and installation has been completed on or before the date hereof.

B. Lessee has conducted such inspection and/or testing of the Equipment as it deems necessary and appropriate and hereby acknowledges that it accepts the Equipment for all purposes effective the date hereof.

C. The Equipment is essential to the proper, efficient, and economic operations of the above-referenced department or agency of the State of Maryland. The Equipment will be used by Lessee for the purpose of performing one or more of Lessee's governmental functions consistent within the permissible scope of Lessee's authority.

[PLACE YOUR AGENCY NAME HERE]

By: _____
(Name) _____
(Title) _____
(Phone) _____

Date: (must be the date of Financing), 20 __

EXHIBIT D
TO
EQUIPMENT SCHEDULE NO. 21-08-__
TO AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT
[PLACE YOUR AGENCY NAME HERE]
EQUIPMENT USE CERTIFICATE

1. Will all proceeds of this financing of your Agency's Equipment be used to make payment to the vendor(s) of that Equipment?

Yes _____

No _____

If your answer to Question 1 is "no", please complete parts (a) and (b); if your answer to Question 1 is "yes", please go to Question 2.

1.(a) What is the amount of proceeds of this financing that will not be used to make payment to the Equipment vendor(s)? _____

1.(b) What is the intended use of financing proceeds that will not be paid to the Equipment vendor(s)?

(If multiple uses, identify use and amount. Total amount must equal amount identified in response to Question 1(a)).

2. Will any item(s) of Equipment to be financed be used by any person or organization other than the State or the Agency? (For purposes of this question, property should be considered "used by any person or organization" if such person or organization owns, leases, occupies, manages, or in any other way uses or receives benefits from the Equipment).

Yes _____

No _____

If your answer to Question 2 is "yes", please complete parts (a) through (f); if your answer to Question 2 is "no", please go to Question 3.

2.(a) Please indicate the item(s) of Equipment and cost thereof that will be used by any person or organization other than the State or the Agency: _____
_____.

2.(b) Please describe the use: _____
_____.

2.(c) Will the person or organization use the item(s) of Equipment on an equal basis with the general public? (For purposes of this question, "general public" would include an Agency's clients, students, and other similar user classes that are granted use of the Equipment on a nondiscriminatory basis such as first-come-first-served, lottery, etc.)

Yes _____ No _____

2.(d) If "yes" to Question 2.(c), please describe:

(i) The user class: _____

(ii) The basis for user selection: _____

2.(e) Will there be any direct or indirect payments by any person or organization (other than the State or the Agency) back to the State, any of its agencies, or any other governmental unit with respect to the use of any item(s) of Equipment to be financed? (Direct or indirect payments may take the form of loan repayments, rental payments for the use of the Equipment, commissions, profit sharing, etc.).

Yes _____ No _____

2.(f) If yes to Question 2.(e), please describe the payments: _____
_____.

3. Will any proceeds of this financing be used to provide temporary financing in anticipation of the receipt of other moneys (for example, a federal grant) that are expected to be received for the lease or purchase of item(s) of Equipment to be financed by this financing?

Yes _____ No _____

3.(a) If yes to Question 3., please describe the other funds that are anticipated, including the expected amount and date of their receipt:

_____.

4. Will any of the proceeds of this Equipment financing be used to pay the principal of, or interest on, any prior issue of governmental obligations such as bonds, equipment leases, installment sales agreements, or the like?

Yes _____ No _____

4.(a) If yes to Question 4, please describe the prior issue(s) of governmental obligations:

_____.

5. Will any of the proceeds of this Equipment financing be used to replace any proceeds of an earlier issue of governmental obligations, including an earlier equipment lease, that (i) was issued to finance the same item(s) of Equipment, and (ii) the proceeds of which were not expended on the item(s) of Equipment?

Yes_____ No_____

5.(a) If yes to Question 5, please describe the prior proceeds to be replaced, the item(s) of Equipment affected, and the cost thereof:

_____.

I HEREBY CERTIFY that I am responsible for approving or authorizing payments for the items to be financed by this Equipment Schedule.

[PLACE YOUR AGENCY NAME HERE]

By:_____

(Name)

(Title)

(Phone)

Date:_____, 20__

AUGUST 2021 EQUIPMENT LEASE-PURCHASE AGREEMENT

CERTIFICATE OF THE STATE OF MARYLAND

I HEREBY CERTIFY as of the ___ day of _____, 2021, that I am the Chief Deputy Treasurer of the State of Maryland (the "Treasurer"), acting on behalf of the various departments or agencies (the "Agencies") of the State of Maryland (the "State") using the equipment identified on the hereinafter defined Equipment Schedules (the "Equipment"); that I hold the office set forth below, and that I hereby execute and deliver this Certificate for the benefit of all persons interested in the execution and delivery of that certain August 2021 Equipment Lease-Purchase Agreement (the "Lease") dated as of _____, 2021 and Equipment Schedules Nos. 21-08-01 through 21-08-05 (the "Equipment Schedules"), each dated as of August 11, 2021, by and between _____ and the State. Terms defined in the Lease and the Equipment Schedules are used in this Certificate with the same meanings as used therein. I do further certify as follows:

1. I am the Chief Deputy Treasurer of the State, and in such capacity, I am familiar with and have personal knowledge of the matters hereinafter stated.

2. The signature appearing opposite my name is my true and genuine signature:

<u>OFFICE</u>	<u>NAME</u>	<u>SIGNATURE</u>
Chief Deputy Treasurer	Bernadette T. Benik	_____

3. The Lease, the Equipment Schedules and all certificates and other documents relating to the Lease (collectively, the "Financing Documents"), to which the State is a party, are in compliance with the State's and the Agencies' operating budgets for the fiscal year ending June 30, 20__ (the "Budgets"). The Budgets were a part of the State's overall operating budget which was validly adopted and is in full force and effect. In making this certification, I have relied upon the representations of the appropriate official or officials of the Department of Budget and Management (the "Department") and the Agencies, and I am personally aware of no fact or other matter that would make my reliance upon the representations of the Department or the Agencies unreasonable.

4. To the best of my knowledge, (i) the representations and warranties of the State in the Financing Documents are true and correct on and as of the date hereof as though made on and as of the date hereof, and (ii) the State has complied with all terms on its part to be performed or satisfied by it under the Lease at or prior to the date hereof.

5. To the best of my knowledge, no litigation is pending or threatened in any court to restrain or enjoin the execution or delivery of the Financing Documents or the payment of the Lease Payments, or in any way contesting or affecting the Financing Documents, the operating budget, or the Lease, or contesting the powers of the State or contesting the authorization of the Financing Documents.

6. The Officials of the Department, the Treasurer, and the Agencies will take all actions necessary to appropriate or otherwise provide for all amounts required to be paid under the Lease and to the best knowledge and belief of the Department, the Treasurer and the Agencies, there is no reason to believe that the State will not make such appropriation or have sufficient other funds to make such payments as the same become due.

7. The Equipment is personal property and when used by the State should not be or become fixtures under State law currently in effect.

8. The Equipment will be used by the State only for the purpose of performing one or more of its governmental or proprietary functions consistent with the permissible scope of its authority. Except for that portion of the Equipment leased on behalf of any State agency that may involve limited related private business use, no portion of the Equipment will be leased to or operated by any person in connection with a nongovernmental trade or business. Use of the Equipment leased on behalf of a State agency by a nongovernmental trade or business shall not exceed 10% of the total use of such Equipment on a yearly average basis; provided that any such use by a nongovernmental trade or business that is not related or that is disproportionate to the governmental use shall not exceed 5% of the total use of such Equipment on an average yearly basis.

9. The Equipment is essential to the proper, efficient, and economic functioning of the State and to the services that the State provides. The State has an immediate need for and expects to make immediate use of substantially all the Equipment, which use is not temporary or expected to diminish in the foreseeable future.

10. The State will prepare, or cause to be prepared, and will file, or cause to be filed, a Form 8038-G, if applicable, in the manner and within the time provided by Section 149(e) of the Internal Revenue Code of 1986, as amended.

11. The Federal Taxpayer Identification Number of the State Board of Public Works, which approved the Lease, is 35-2384634.

IN WITNESS WHEREOF, I have executed this Certificate as of the day and year first above written.

WITNESS:

By: _____
Bernadette T. Benik
Chief Deputy Treasurer

**ACKNOWLEDGMENT
and
CERTIFICATION AS TO APPROPRIATION**

THIS ACKNOWLEDGMENT is executed by the _____ (the "Agency") for the purpose of acknowledging that the STATE OF MARYLAND, acting by and through the STATE TREASURER OF MARYLAND (the "Treasurer") and the DEPARTMENT OF BUDGET AND MANAGEMENT, has entered into that certain Equipment Lease-Purchase Agreement dated as of _____, 2021 and the related Equipment Schedule No. 21-08-__ (the "Equipment Schedule") and that the Agency will be responsible for transferring funds to the Treasurer, and hereby agrees to transfer funds, sufficient to make the Lease Payment set forth on Exhibit B to the Equipment Schedule in the amounts and at such times as are set forth therein. The Treasurer, moreover, is hereby authorized to charge such Lease Payments to the Agency's account indicated below.

FURTHERMORE, the Agency certifies that funds are included in the budget in an amount sufficient to cover the lease payments as set forth on Exhibit B to the Equipment Schedule for the current fiscal year, funds are or will be requested to be appropriated for the following fiscal year(s), and appropriations committees of the General Assembly have not disapproved of the procurement of the equipment described in Exhibit A to the Equipment Schedule.

AGENCY _____

By: _____
(Signature)

(Typed name and title)

DATE: _____ Phone: _____

Agency Charge Account:

Financial Agency	- - - - PCA	- - - - Object	- - - - Index
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Appropriation Account:

- - - - Financial Agency	- - - - - Appropriation Code	- - - - - Comptroller's Object	- - - - - Appropriated Fund
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If applicable:

- - - - - Agency Object	- - - - - Agency Fund
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Budget submission document page number _____

Not in budget - explanation attached _____ (check if attached)

DBM Use Only

Reviewed by: _____
(Budget Analyst)

STO Use Only

Amount _____

Date:

APPENDIX H

Date

Ladies & Gentlemen:

I have examined an original of a State of Maryland _____ Tax-Exempt Equipment Lease-Purchase Agreement dated as of _____, 2021 (the "Lease"), between the State of Maryland ("Lessee"), and _____ ("Lessor"), Equipment Schedules No. 21-08-01 through 21-08-05 dated August 11, 2021, and certain other documents executed by Lessee in connection with the Lease (the Lease, the Equipment Schedules, and such other documents are collectively referred to herein as the "Lease Documents").

Based upon such examination and upon such other examination of law and fact as I have deemed necessary or appropriate for purposes of the opinions set forth below, and assuming due execution, as appropriate, of the Lease Documents by Lessor, I am of the opinion, that:

1. Lessee is a "State" within the meaning of Section 103 of the Internal Revenue Code of 1986, as amended;

2. Lessee has full legal right, power and authority to authorize, enter into, execute and deliver the Lease Documents and to perform its duties, covenants, obligations and agreements thereunder;

3. Execution and delivery of the Lease Documents by the State Treasurer and Lessee's performance of the Lease Documents in accordance with their terms have been duly authorized by all necessary action on the part of Lessee and the State Treasurer;

4. The Lease Documents are legal, valid, and binding deferred payment obligations of Lessee enforceable against Lessee in accordance with their terms except as such enforceability may be limited by nonappropriation of funds or by applicable bankruptcy, insolvency, moratorium, reorganization, or similar laws from time to time in effect and equitable principles. In the event Lessor obtains a judgment against Lessee for money damages as a result of an event of default under the Lease, Lessee would be obligated to pay such judgment subject to any budget and appropriation limitations imposed pursuant to Article III, § 52 of the Constitution of Maryland and its implementing statutes;

5. The execution and performance of the Lease Documents does not, to my knowledge, violate any judgment, order, law, or regulation applicable to Lessee or result in any breach of, or constitute a default under, or result in the creation of any lien, charge, security interest, or other encumbrance upon, the Equipment (other than as contemplated by the Lease), or any assets of Lessee pursuant to any indenture, mortgage, deed of trust, bank loan, credit agreement, or other instrument to which Lessee is a party or by which it or its assets may be bound;

6. To the best of my knowledge, there are no actions or proceedings pending or threatened against or affecting Lessee in any court or before any governmental commission, board, or authority, which, if adversely determined, would have a material, adverse effect upon the ability of Lessee to perform its obligations under the Lease Documents;

7. To my knowledge, no further governmental orders, permission, consents, approvals, or authorizations are required to be obtained, and no registrations or declarations are required to be filed in connection with the execution and delivery of the Lease Documents; and

8. To the best of my knowledge, Lessee has complied with all requirements applicable to any of the Lease Documents under the State Finance and Procurement Article of the Annotated Code of Maryland.

This opinion may be relied upon by Lessor's permitted successors and/or assigns as if addressed to them. The opinions given herein: (a) shall not create any attorney-client relationship with any party other than the Lessee; (b) shall not create a duty to supplement or amend or modify opinions given herein; (c) shall be limited to those expressly stated herein; and (d) shall be limited to the facts, laws, and regulations in existence and known and contemplated at the time this opinion is given. This opinion may be relied upon by special tax counsel retained by the State to render an opinion with respect to the federal income tax consequences of this transaction. Except as expressly provided herein, however, I express no opinion as to any Federal or State tax or securities law matters.

Sincerely,

Assistant Attorney General