

Tim Rose

From: craig.yokum@gsa.gov
Sent: Monday, June 05, 2006 9:57 AM
To: Tim Rose
Subject: Revised Final Proposal Revision Letter for MEWAF

Tim, I will also need to get from you a revised Final Proposal Revision Letter from you. Your last FPR letter, dated May 3, 2006 reflects discounts of 41.4% and 41%. The new FPR letter will be incorporated into Modification 7 and its terms should read:

Special Item Numbers: SIN 711-98, International Products is accepted.

Basic Discount: 42.4% off all MEWAF list prices (42%, inclusive of IFF of .75%).

FOB: Origin - Freight Prepay and Add from Belgium throughout Europe & the Middle East

Prompt Payment Terms: Net 30 days

Delivery Time: 4 - 6 weeks ARO

Maximum Order: \$500,000

Minimum Order: \$100

Warranty: Standard Commercial Warranty and Government Warranty Clause.

Cancellation: Prior to production, no cancellation charge applies. After production, only actual cost incurred that cannot be recovered through resale of the merchandise in a reasonable length of time (6 months).

Restocking Policy: The restocking charge will not exceed 25% of the net cost for items returned for other than warranty reasons. Agencies must notify the contractor for authorization prior to returning any items.

Price Reduction Clause: The category of customer upon which this award is predicated will be the manufacturer, MEWAF, from which NOVA International receives a 50% discount from the manufacturer's commercial pricelist. The price relationship that will be maintained throughout the contract period is a 16% markup when comparing the Government discount NOVA International receives from MEWAF. Further, for the purpose of the Price Reduction Clause any customer that receives a discount in excess of 42.4%, which is equal to the Government's discount, would constitute a price reduction that would allow the Government to be at least equal to NOVA International's best customer.

In accordance with Clause 552.238-74, entitled Industrial Funding Fee (IFF), the Government agreed to a discount of 42% which allows a 0.75% decrease for the IFF. However, the price reduction is based on the 42.4% basic discount agreed upon prior to allowance of the 0.75% IFF.

Thank you for following up with this promptly.

WE HAVE MOVED!

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Federal Acquisition Service
National Furniture Center
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NOVA INTERNATIONAL, INC.

WWW.NOVAINTERNATIONAL.COM

SALES@NOVAINTERNATIONAL.COM

May 3, 2006

US General Services Administration
Federal Supply Service
National Furniture Center
Crystal Plaza Building 4 Suite 400
Arlington, VA 22202

Re: Final Proposal Revisions to Contract No GS-28F-0017L.

Attention: Ms. Helen Zivkovic

Nova International, Inc. agrees to the final terms and conditions for the above referenced contract.

The following Special Item Number (SIN) has been accepted: SIN 711-98, *International Products*

Basic Discount: 41.4% off MEWAF 4 x 4 and Dynastore list prices (41% inclusive of IFF of .75%), NOVA International Pricelists, dated 3/23/2006

FOB: Origin – Freight Prepay and Add from Belgium throughout Europe & Middle East

Prompt Payment Terms: Net 30 days

Delivery Time: 4 - 6 weeks ARO

Maximum Order: \$500,000

Minimum Order: \$100

Warranty: Standard Commercial Warranty and Government Warranty Clause apply.

Cancellation: Prior to production, no cancellation charge applies. After production, only actual cost incurred that cannot be recovered through resale of the merchandise in a reasonable length of time (6 months).

Restocking Policy: The restocking charge will not exceed 25% of the net cost for items returned for other than warranty reasons. Agencies must notify the contractor for authorization prior to returning any items.

Price Reduction Clause: In accordance with Clause 552.238-75, entitled Price Reduction, the category of customer upon which this award is predicated will be NOVA International's discount it receives from MEWAF: currently 50% off list prices. The Government receives a discount of 41.4%*. For the purpose of the price reduction clause, any change in MEWAF's pricing arrangement with NOVA International that disturbs this relationship will constitute a price reduction and will result in an equivalent improvement in the Government's pricing.