

**State of New York Executive Department
Office of General Services - Procurement Services Group
New York State Strategic Sourcing
Corning Tower - 38thFloor
Empire State Plaza
Albany, NY 12242**

**INVITATION FOR BIDS
BIDS MAY BE SENT TO THE ABOVE ADDRESS ONLY
(E-Mail or Facsimile Bid Submissions Are NOT Acceptable)**

BID OPENING DATE: August 2, 2012 TIME: 11:00 A.M. ET	TITLE: Group 02450 - FOOD (Commercial, Retail and Baked Goods) (Statewide) Classification Code: 50
INVITATION FOR BIDS NUMBER: 22407	SPECIFICATION REFERENCE: As Incorporated Herein
CONTRACT PERIOD: Five Year Term	
DESIGNATED CONTACTS:	
Primary Contact: Jill McCabe E-mail address: SST_food@ogs.ny.gov	Secondary Contact: Tammy Rock E-mail address: SST_food@ogs.ny.gov
Tertiary Contact: Patty Billen E-mail address: SST_food@ogs.ny.gov	

The bid must be fully and properly executed by an authorized person. **By signing you certify your express authority to sign on behalf of yourself, your company, or other entity and full knowledge and acceptance of this INVITATION FOR BIDS, Appendix A (Standard Clauses For New York State Contracts), Appendix B (OGS General Specifications), and State Finance Law §139-j and §139-k (Procurement Lobbying), and that all information provided is complete, true and accurate. By signing, Bidder affirms that it understands and agrees to comply with the OGS procedures relative to permissible contacts as required by State Finance Law §139-j (3) and §139-j (6) (b).** Information may be accessed at:
http://www.ogs.ny.gov/aboutOgs/regulations/defaultSFL_139j-k.asp

Bidder's Federal Tax Identification Number: <i>(Do Not Use Social Security Number)</i>	NYS Vendor Identification Number: <i>(See "New York State Vendor File Registration" clause)</i>			
Legal Business Name of Company Bidding:				
D/B/A - Doing Business As (if applicable):				
Street	City	State	Zip	County
If you are not bidding, place an "x" in the box and return this page only. <input type="checkbox"/> WE ARE UNABLE TO BID AT THIS TIME BECAUSE _____				
Bidder's Signature: Title:		Printed or Typed Name: Date:		
Phone : () - ext ()	Toll Free Phone : () - ext ()			
Fax : () - ext ()	Toll Free Fax : () - ext ()			
E-mail Address:		Company Web Site:		

Table of Contents

SECTION 1	INTRODUCTION	7
1.1	OVERVIEW AND SCOPE	7
1.2	ESTIMATED QUANTITIES	8
1.3	KEY EVENTS/DATES	8
1.4	INTENT TO BID	8
1.5	INQUIRIES/ISSUING OFFICE/DESIGNATED CONTACTS	9
1.6	PRE-BID CONFERENCE	9
1.7	IFB DOCUMENTS	9
1.8	DEFINITIONS	10
SECTION 2	QUALIFICATIONS OF BIDDERS	12
2.1	GENERAL	12
2.1.1	QUALITY CONTROL AND SAFETY	12
2.1.2	RECALLED PRODUCTS	13
2.1.3	CONTRACTOR STOCKING AND FURNISHING OF PREFERRED SOURCE PRODUCTS – For LOT 1 COMMERCIAL	13
2.1.4	BUSINESS EXPERIENCE	13
2.2	LOT SPECIFIC REQUIREMENTS	14
2.3	CONFLICT OF TERMS AND CONDITIONS	14
SECTION 3	SPECIAL TERMS & CONDITIONS	15
3.1	PRICE	15
3.1.1	COST	15
3.1.2	PERCENT MARKUP	16
3.1.3	INCOMING FREIGHT	17
3.1.4	ALLOWANCES	17
3.1.5	COST ADJUSTMENTS FROM BID OPENING TO AWARD	18
3.1.6	ROUNDING CALCULATIONS FOR DETERMINING COSTS AND FINAL PRICE	18
3.1.7	REBATES	18
3.1.8	PACKAGING/CONTAINER SECURITY REQUIREMENTS FOR SELECTED AUTHORIZED USERS	18
3.2	PURCHASES FROM PRICE GUIDE	18
3.2.1	PRICE GUIDES	19
3.2.2	PREFERRED SOURCE ITEM ADDITIONS AND DELETIONS	19
3.2.3	PRICE GUIDE MAINTENANCE	20
3.2.4	PRICE CHANGES	20
3.2.5	CONTRACT UPDATES - ADDITION AND DELETION OF PRODUCTS	21
3.3	ORDERS	21
3.3.1	WEB BASED ORDERING SYSTEM (Lot 1 Commercial only)	21
3.4	OPPORTUNITY BUYS	22

3.5	DELIVERY REQUIREMENTS	22
3.5.1	INVOICING.....	22
3.5.2	RESTRICTED DELIVERY	23
3.5.3	SMALLER VEHICLE USE FOR DELIVERY – For Lot 2 RETAIL and Lot 3 BAKED GOODS	23
3.5.4	REFRIGERATION.....	23
3.5.5	PALLETIZATION – For Lot 1 COMMERCIAL and Lot 2 RETAIL.....	23
3.5.6	STRAPPING/SHRINK WRAPPING – For Lot 1 COMMERCIAL and Lot 2 RETAIL	23
3.5.7	PICK-UP/EXCHANGE OF BREAD RACKS – For Lot 3 BAKED GOODS	23
3.5.8	MINIMUM ORDER	24
3.6	OUT OF STOCK/NOT AVAILABLE PRODUCT	24
3.7	UNUSABLE PRODUCT	24
3.8	PRODUCT RETURNS	24
3.9	PRODUCTS LEFT ON DOCK	25
3.10	FILL RATE.....	25
3.11	FUEL SURCHARGE	25
3.12	NEW ACCOUNTS.....	25
3.13	CUSTOMER SERVICE AND TOLL-FREE NUMBERS	26
3.14	STANDARD PACKAGING	26
3.15	DISCREPANCIES.....	26
3.16	BILLING/ORDERING SYSTEMS.....	26
3.17	OTHER EXPENSES	26
3.18	PRODUCT LEAD TIME	26
3.19	ADMINISTRATIVE AND REPORTING REQUIREMENTS.....	27
3.20	AGENCY COMPLAINTS.....	27
3.21	AUDIT REPORTING	27
3.21.1	REQUIRED CERTIFICATION.....	28
3.21.2	CONTRACTOR PRICING TO AUTHORIZED USER	28
3.21.3	CONTRACTOR COST VERIFICATION.....	28
3.21.4	AUDIT SUMMARY FOR OSC.....	28
3.21.5	ADMINISTRATIVE FEE	28
SECTION 4	METHOD OF AWARD	29
4.1	WEIGHTED MARKET BASKET.....	29
4.1.1	EVALUATION PROCESS.....	30
4.2	RESERVATION OF RIGHT	30
4.3	MARKET BASKETS.....	31
4.4	MARKET BASKET SUBSTITUTION.....	31
4.4.1	FDA NUTRITION FACTS LABEL/SPECIFICATION SHEET.....	32
4.5	NO AWARD.....	33

4.6	CONTRACT CANCELLATION.....	33
SECTION 5 PRODUCT REQUIREMENTS		34
5.1	GENERAL PRODUCT REQUIREMENTS	34
5.1.1	PATHOGENS.....	34
5.1.2	FROZEN PRODUCT.....	34
5.1.3	KOSHER AND PASSOVER CERTIFICATION.....	34
5.1.4	GRADES & SPECIFICATIONS.....	34
5.1.5	SAMPLES AND TESTING	35
5.1.6	NEW YORK STATE FOOD PRODUCTS	35
5.2	ALL LOTS - DETAILED PRODUCT SPECIFICATIONS	35
5.2.1	MOLD, BACTERIA, ETC.....	35
5.2.2	FRESHNESS CODES	35
5.2.3	TRANS FATS.....	35
5.3	LOT 1 COMMERCIAL - DETAILED PRODUCT SPECIFICATIONS.....	35
5.4	LOT 2 RETAIL - DETAILED PRODUCT SPECIFICATIONS.....	35
5.5	LOT 3 BAKED GOODS - DETAILED PRODUCT SPECIFICATIONS.....	36
5.5.1	KOSHER	36
5.5.2	SHELF LIFE	36
5.5.3	FDA NUTRITION FACTS LABEL	36
5.5.4	DIMENSIONS AND WEIGHTS.....	37
5.5.5	FLOUR	37
SECTION 6 GENERAL TERMS AND CONDITIONS.....		38
6.1	CONTRACT PERIOD AND RENEWALS	38
6.2	SHORT TERM EXTENSION.....	38
6.3	APPENDIX A AND APPENDIX B	38
6.4	INSURANCE	39
6.4.1	WORKERS' COMPENSATION INSURANCE AND DISABILITY BENEFITS REQUIREMENTS	39
6.5	JOINT VENTURE OR PARTNERSHIP BIDS	39
6.6	NON-COLLUSIVE BIDDING CERTIFICATION	39
6.7	SUMMARY OF POLICY AND PROHIBITIONS ON PROCUREMENT LOBBYING.....	40
6.8	NEW YORK STATE VENDOR FILE REGISTRATION.....	40
6.9	NEW YORK STATE VENDOR RESPONSIBILITY QUESTIONNAIRE FOR-PROFIT BUSINESS ENTITY (hereinafter the "Questionnaire").....	41
6.10	TAX LAW §5-A AMENDED APRIL 26, 2006	41
6.11	EXTENSION OF USE	42
6.12	CONTRACT AMENDMENT PROCESS	42
6.13	USE OF RECYCLED OR REMANUFACTURED MATERIALS.....	43
6.14	DIESEL EMISSION REDUCTION ACT OF 2006 (NEW REQUIREMENT OF LAW)	43

6.15	ENVIRONMENTAL ATTRIBUTES AND NYS EXECUTIVE ORDER 4	43
6.16	APPENDIX B AMENDMENTS	44
6.17	PERFORMANCE AND BID BONDS	44
6.18	NEW YORK STATE PROCUREMENT RIGHTS	45
6.19	CONTRACTOR REQUIREMENTS AND PROCEDURES FOR BUSINESS PARTICIPATION OPPORTUNITIES FOR NEW YORK STATE CERTIFIED MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES AND EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITY GROUP MEMBERS AND WOMEN	45
6.20	IRAN DIVESTMENT ACT	47
SECTION 7 USE OF CONTRACT BY STATE AGENCIES, POLITICAL SUBDIVISIONS AND OTHER AUTHORIZED USERS		48
7.1	NON-STATE AGENCIES PARTICIPATION IN CENTRALIZED CONTRACTS.....	48
7.2	OVERLAPPING CONTRACT ITEMS	48
7.3	PREFERRED SOURCE NOTE.....	48
7.4	"OGS OR LESS" GUIDELINES APPLY TO THIS CONTRACT	48
SECTION 8 ADMINISTRATIVE.....		50
8.1	IMPORTANT NOTICE TO POTENTIAL BIDDERS	50
8.2	ELECTRONIC BID OPENING RESULTS.....	50
8.3	DISPUTE RESOLUTION POLICY	50
8.4	BIDDER DEBRIEFING.....	50
8.5	BID DEVIATIONS	50
8.6	RESPONSIVENESS	50
8.7	DOCUMENTATION UPON REQUEST	51
8.8	INCORPORATION.....	51
8.9	BID FORMAT	51
8.9.1	SUBMISSION OF ELECTRONIC MEDIA	52
8.10	BID DELIVERY INSTRUCTIONS	52
8.11	BID LIABILITY	52
8.12	IMPORTANT BUILDING ACCESS PROCEDURES.....	53
8.13	BID VALIDITY	53
8.14	BIDDERS TAKE SPECIAL NOTE OF THE FOLLOWING:	53

Appendix A – Standard Clauses for New York State Contracts (December 2011)

Appendix B – General Specifications (July 2006)

Appendix C – Equal Employment Opportunity Staffing Plan (EEO 100)

Attachment 1 - Price Page

Attachment 2 - General Questions

Attachment 3 - Spend Summary and Locations

Attachment 4 - MacBride and Non-Collusive Bidding Certifications

Attachment 5 - Insurance Requirements

Attachment 6 - Report of Contract Usage

Attachment 7 - Inquiries Template

SECTION 1 INTRODUCTION

1.1 OVERVIEW AND SCOPE

Overview: Since taking office in January 2011, Governor Andrew Cuomo has committed his administration to implementing enterprise-wide changes that will utilize modern business practices in running New York State government. New Yorkers need a government in which they can take pride, and this comprehensive overhaul of operations will help accomplish that goal. This IFB is a part of Governor Cuomo's Procurement Transformation, by the Division of the Budget and the Office of General Services, and focuses on implementing best practices and identifying opportunities for savings. The new procurement process will balance the needs of achieving savings with the administration's policy goals of encouraging small businesses and certified minority and women business enterprises. The scope, contents and format of this IFB are structured in accordance with the goals of the initiative and Bidders are encouraged to review the information contained in this IFB thoroughly to understand the extent of changes from the present contracts. For more information on the initiative, Bidders can refer to: <http://www.governor.ny.gov/press/10122011ImproveGovernmentEfficiency> and <http://www.ogs.ny.gov/BU/PC/SourcingFAQ.asp>.

This Invitation For Bids (IFB) is issued by the New York State Office of General Services (OGS) Procurement Services Group, in conjunction with the New York State Strategic Sourcing Team. The contracts awarded as a result of this IFB will be centralized contracts primarily for, but not limited to, New York State Agencies (see Section 7.1 Non-State Agencies Participation in Centralized Contracts). Accordingly, references to the State and its agencies as Authorized Users under this solicitation and the ensuing contract(s) encompass and include all such entities within the definition of "Authorized User" set forth in Appendix B, §5, *Definitions*.

This IFB outlines the terms and conditions, and all applicable information required for submitting a bid. A Bidder should pay strict attention to the bid submission date and time to prevent disqualification. To insure compliance with bid requirements and prevent possible disqualification, Bidder must follow the format and instructions in SECTION 8 Administrative.

Scope: The scope of this IFB is for the establishment of centralized contracts for Authorized Users to acquire Food and Non-Food products from qualified providers. Contracts will be awarded for the following three Lots:

- Lot 1 – Commercial;
- Lot 2 – Retail; and
- Lot 3 – Baked Goods.

A Bidder should note that this IFB is different in nature from historical OGS Food IFBs and contracts.

While these lots were previously bid under separate solicitations, it is the intent of OGS to award a centralized contract to a single Contractor for each Bid Section (up to 12 combinations of three lots and four regions) as described in SECTION 4 Method of Award. Bidder may bid on any combination of lots and regions, and be awarded any combination of lots and regions on one contract. However, when bidding on a region, Bidder must be capable of supplying to all Authorized Users in such region. Bidder must also bid on at least the minimum number of items described in the market basket for each Lot for at least one region to be considered, as described in Section 4.3 Market Baskets.

The four regions are:

Central Region: Broome, Cayuga, Chenango, Cortland, Delaware, Herkimer, Jefferson, Lewis, Madison, Oneida, Onondaga, Oswego, Otsego, Saint Lawrence, Sullivan, Tioga, and Tompkins counties

Downstate Region: Bronx, Kings, Nassau, New York, Queens, Richmond, Rockland, Suffolk, and Westchester counties

Eastern Region: Albany, Clinton, Columbia, Dutchess, Essex, Franklin, Fulton, Greene, Hamilton, Montgomery, Orange, Putnam, Rensselaer, Saratoga, Schenectady, Schoharie, Ulster, Warren, and Washington counties

Western Region: Allegany, Cattaraugus, Chautauqua, Chemung, Erie, Genesee, Livingston, Monroe, Niagara, Ontario, Orleans, Schuyler, Seneca, Steuben, Wayne, Wyoming, and Yates counties

Further details are set forth in Attachment 1 - Price Pages, tab entitled "Region List".

The intent of this IFB is to produce contracts for the supply of Food and Non-Food items. Items which are sold by Bidders, but do not fit into these categories are excluded from purchase through the resulting contracts.

1.2 **ESTIMATED QUANTITIES**

The quantities or dollar values listed in this solicitation are estimated. (See Appendix B, § 39 "Participation in Centralized Contracts" and § 42 "Estimated/Specific Quantity Contracts".) The estimated total yearly value is expected to exceed \$56,000,000.00 (NYS Agency contract spend, April 1, 2010 – March 31, 2011) for all three lots on a statewide basis.

Attachment 3 – Spend Summary and Locations, tab entitled "Representative Locations" identifies high dollar volume NYS sites that have used the relevant awards in the past. There is no guarantee these sites will continue to use the resultant award. This listing is not restrictive; other Authorized Users, county facilities, etc., may also use the resultant contracts.

1.3 **KEY EVENTS/DATES**

<u>EVENT</u>	<u>DATE</u>	<u>TIME</u>
IFB Release	May 15, 2012	
Intent to Bid (Discretionary)	June 15, 2012	
Closing Date for Inquiries	May 30, 2012	
Closing Date for Round 2 Inquiries	July 23, 2012	5:00 PM
Submission of IFB and Bid Opening	August 2, 2012	11:00 AM
Tentative Award Notification	October 31, 2012	

1.4 **INTENT TO BID**

A Bidder is requested to indicate its intent to bid by sending an email titled INTENT TO BID_ **YOURCOMPANYNAME** to SST_food@ogs.ny.gov on or before June 15, 2012. The email should include:

- Company Name
- Designated Contact Name and Contact Information
- Regions interested in bidding
- Lots interested in bidding

Note: The Intent to Bid is discretionary, not mandatory, and as such is not binding in any way. However, it is highly recommended.

1.5 INQUIRIES/ISSUING OFFICE/DESIGNATED CONTACTS

All inquiries concerning this IFB will be addressed to the following Designated Contact(s) and issuing office:

PRIMARY CONTACT

Jill McCabe
NYS Office of General Services
Strategic Sourcing Team
Corning Tower - 37th Floor
Empire State Plaza
Albany, New York 12242

SECONDARY CONTACT

Tammy Rock
NYS Office of General Services
Strategic Sourcing Team
Corning Tower - 37th Floor
Empire State Plaza
Albany, New York 12242

TERTIARY CONTACT

Patricia Billen
NYS Division of Budget
Strategic Sourcing Team
Corning Tower - 37th Floor
Empire State Plaza
Albany, New York 12242

E-Mail: SST_food@ogs.ny.gov

E-Mail: SST_food@ogs.ny.gov

E-Mail: SST_food@ogs.ny.gov

All questions should be submitted in writing no later than the date specified in 1.3 Key Event/Dates, citing the particular Bid Section and paragraph number and using the form provided in Attachment 7 - Inquiries Template, to the listed e-mail. A Bidder is strongly encouraged to submit questions to clarify any term or requirement in the IFB. The Bidder should notify the designated contact of any term, condition, etc., that precludes the Bidder from submitting a compliant, responsive bid. Bidders are cautioned to read this document thoroughly to become familiar with all aspects of the bid. Bidders should note that all clarifications and exceptions including those relating to the terms and conditions of the contract are to be resolved prior to the submission of a bid. Bidders entering into a contract with the State are expected to comply with **all** the terms and conditions contained herein. If there are questions that result in changes to the IFB, the State will issue an amended IFB, and, if necessary, a purchasing memorandum that sets forth a summary of the changes.

1.6 PRE-BID CONFERENCE

There is no PRE-BID CONFERENCE for this Contract.

1.7 IFB DOCUMENTS

This IFB is composed of the following documents:

- This document
- Appendix A - Standard Clauses for New York State Contracts (December 2011)
- Appendix B - General Specifications (July 2006)
- Appendix C - Equal Employment Opportunity Staffing Plan (EEO 100)
- Attachment 1 - Price Pages
- Attachment 2 - General Questions
- Attachment 3 – Spend Summary and Locations
- Attachment 4 - MacBride and Non-Collusive Bidding Certifications
- Attachment 5 - Insurance Requirements
- Attachment 6 - Report of Contract Usage
- Attachment 7 - Inquiries Template

1.8 DEFINITIONS

“**Authorized User(s)**” as defined in Appendix B.

“**Baked Goods Lot**” shall refer to a group of products comprised of fresh bread and rolls including bread loaves, individual bread slices, hamburger rolls, frankfurter rolls, and dinner rolls. The Baked Goods Lot is currently covered by Group 02200, Awards 20444 and 21217.

“**Bidder**” shall refer to any business entity who submits a response to this IFB. At the time that the Bidder executes a contract with the State for their commodities or services, a Bidder shall become a “Contractor”. See also “Contractor”.

“**Bid Section**” shall refer to each of the 12 combinations of REGION and LOT. For example, the Commercial Lot for the Eastern Region would constitute one bid section.

“**Commercial Lot**” shall refer to a group of products comprised of food, household items and sundries. The Commercial Lot is currently covered by Group 02450, Award 02832.

“**Contract**” as defined in Appendix B.

“**Contractor**” shall refer to a responsive and responsible Bidder who has offered the lowest price for a Bid Section and is working under an executed contract with New York State. Also see “Bidder”.

“**Cost of Product**” shall be defined as the cost paid by the Contractor to its supplier/manufacturer/processor for the product.

“**Finished Product Cost**” shall consist of the cost of a baked good when it is ready for sale (i.e., a loaf of bread, a box of donuts, a pack of dinner rolls, etc.), net of any applicable allowances/rebates/discounts granted to the Bidder whether on-invoice or off-invoice, plus incoming freight, if applicable.

“**Invitation for Bids (IFB)**” shall refer to this document, and its appendices and attachments.

“**Lots**” shall refer to several items bid as a single group. For the purposes of this solicitation, there are three separate lots: Lot 1, Commercial; Lot 2, Retail; and Lot 3, Baked Goods.

“**Market Basket**” denotes the products selected for price evaluation. One market basket was created for each lot across all regions for a total of three market baskets.

“**May**” denotes the permissive in a contract clause or specification. “May” does not mean “required.” Also see “Shall” and “Must”

“**Must**” denotes the imperative in a contract clause or specification. “Must” is synonymous with “required.” Also see “Shall” and “May”.

“**M/WBE**” shall refer to a business certified with Empire State Development (ESD) as a Minority and/or Women-owned Business Enterprise.

“**n/a**” is a common abbreviation for *not applicable* or *not available*, used to indicate when information in a certain field on a table is not provided, either because it does not apply to a particular case in question or because it is not available.

“**Non-Food**” shall refer to products that are not edible but related to the handling, preparing or dispersing of food items.

“**Preferred Source**” shall refer to Industries for the Blind of New York State, Inc. (IBNYS) and/or New York State Industries for the Disabled (NYSID), and Correctional Industries (Corcraft). IBNYS and NYSID are both facilitating agencies under the Preferred Source Program.

“**Preferred Source Offering**” shall refer to those commodities or services that have been approved in accordance with State Finance Law §162. For the purpose of this solicitation, the term is limited to food and food-related products.

“**Preferred Source Program**” shall refer to the special social and economic goals set by New York State in State Finance Law §162 that require a governmental entity to purchase select commodities and services from designated organizations when the commodities or services meet the "form, function, and utility" requirements of the governmental entity. Under State Finance Law §163, purchases of commodities and services from Preferred Sources are given the highest priority and are exempt from the competitive bidding requirements. The New York State Preferred Sources include: Corcraft; Industries for the Blind of New York State, Inc.; New York State Industries for the Disabled; and the Office of Mental Health. These requirements apply to a state agency, political subdivision and public benefit corporation (including most public authorities).

“**Price Guide**” is a complete product line listing created and maintained by the Contractor. The Price Guide contains “Net” pricing for NYS Authorized Users, and shall be updated as listed herein under Section 3.2.4 Price Changes.

“**Procurement Services Group (PSG)**” shall mean a division of the New York State Office of General Services which is authorized by law to issue centralized, statewide contracts for use by New York agencies, political subdivisions, schools, libraries and others authorized by law to participate in such contracts.

“**Related Party**” shall be any affiliate or subsidiary of, or any entity owned, supported, managed or controlled by, the Bidder or Contractor that sells or supplies goods to the Bidder or Contractor.

“**Retail Lot**” shall mean a group of products comprised of various grocery products delivered directly to Authorized User locations. The Retail Lot is currently covered by Group 02400, Awards 18030, 19958, and 21497.

“**Regions**” for the purposes of this IFB, New York State is divided into four regions: Central, Downstate, Eastern and Western. Further details are set forth in Attachment 3 – Spend Summary and Locations.

“**Shall**” denotes the imperative in a contract clause or specification. “Shall” is synonymous with “required.” Also see “Must” and “May”.

“**Sub-Lots**” shall refer to classifications given to each product to define which percent markup is applied within each of the three lots. Sub-lots for each lot are detailed in Section 3.1.2 Percent Markup.

“**Supplier Cost**” shall consist of the cost of product from a Supplier that is not a Related Party, net of any applicable allowances/rebates/discounts granted to the Bidder whether on-invoice or off-invoice, plus incoming freight.

“**0 (Zero)**” is both a number and the numerical digit used to represent that number in numerals. It is the integer immediately preceding 1 (one).

SECTION 2 QUALIFICATIONS OF BIDDERS

A Bidder is advised that the State's intent in having the requirements listed below is to ensure that only qualified and reliable contractors perform the work of the contract. A Bidder shall have the burden of demonstrating to the Office of General Services' (OGS) satisfaction that it can in fact perform the work. OGS retains the right to request any additional information pertaining to the Bidder's ability, qualifications, and procedures used to accomplish all work under this Contract as it deems necessary to ensure safe and satisfactory work.

2.1 GENERAL

Bidder and any of its participating branches, warehouses, distribution centers, etc., (hereafter "Bidder") must maintain a business establishment with access to adequate inventories of complete product lines for their awarded lots as identified and contained in all product categories listed herein, and must be capable of processing and shipping large numbers of consolidated orders to various destinations. See Attachment 3 – Spend Summary and Locations.

Bidder must be able to service all delivery locations in the Region in a timely and efficient manner and in accordance with the requirements of this solicitation.

The Bidder must be responsible for administering contract, resolving problems, etc., for all participating branches/warehouses/distribution centers, etc.

Upon tentative award, Bidder shall be required to procure all required contract-specific insurance (Attachment 5 - Insurance Requirements, Section B. Insurance Requirements) within 20 business days of notification of tentative award.

A Bidder must commit to obtaining and submitting all necessary proof of insurance as listed in the Bidder Agreement tab in Attachment 2 – General Questions.

A Bidder shall agree to meet the reporting requirements in Section 3.19 Administrative and Reporting Requirements.

OGS's interpretation of specifications shall be final and binding upon the Contractor.

2.1.1 QUALITY CONTROL AND SAFETY

Bidder shall have a written quality control program readily available for submission to OGS upon request that ensures all products are handled in a manner that complies with all Hazard Analysis & Critical Control Points (HACCP) regulatory requirements as well as NYS Circular 933 - Good Manufacturing Practices (GMP) a copy of which is available at:<http://www.agriculture.ny.gov/FS/industry/04circs/goodmanufpracticesCIR933.htm>, and Sanitation Standard Operating Procedures (SSOP) which can be found here: http://www.fsis.usda.gov/PDF/SSOP_module.pdf

Bidder shall verify that all manufacturers supplying product have verifiable HACCP programs in place at their manufacturing facilities.

Bidder must provide a recent (less than 12 months prior to bid opening) New York State Department of Agriculture and Markets inspection report (or acceptable equivalent as determined by OGS) with bid submission or shortly thereafter, for each distribution center used for bid.

2.1.2 RECALLED PRODUCTS

The Bidder shall have the ability to track all products delivered. The Bidder shall have a product recall program that provides for immediate notification to all facilities including OGS and Authorized Users' central offices that have received the recalled products. The Bidder is responsible for picking up and replacing all products that are subject to recall, and insuring that all manufacturers and suppliers to the Bidder have the same requirements in place. The Authorized User shall not be responsible for the pickup and replacement cost of any recalled product. Subsequent credits must be applied, as applicable. A final report shall be made to OGS and all Authorized Users' central offices stating number of cases shipped, locations and number of returns.

2.1.3 CONTRACTOR STOCKING AND FURNISHING OF PREFERRED SOURCE PRODUCTS – FOR LOT 1 COMMERCIAL

State Finance Law §162 requires that many governmental entities, including Executive Agencies, afford first priority to the products/services of Preferred Source suppliers such as Correctional Industries (Corcraft), Industries for the Blind of NYS (IBNYS), and NYS Industries for the Disabled (NYSID), when such products/services meet the form, function, and utility of the agency. Some products/services in the resultant contract(s) may be available from one or more Preferred Sources.

A list of current commonly used Preferred Source items which fall within the scope of this solicitation can be found in Attachment 1 - Price Pages, Preferred Source Product List worksheet. This list is neither final nor exhaustive.

It shall be the awarded contractor's responsibility to stock, furnish and invoice for these Preferred Source List items to all Authorized Users. For these items, the mark-up that Bidder bids for the Commercial Lot will automatically be applied as the mark-up for corresponding sub-lots in Attachment 1 – Price Pages, Preferred Source Product List. See SECTION 4 Method of Award. Contractors may experience a need to carry additional inventory due to longer than average lead-time for ordering certain Preferred Source products. Contractors should not anticipate prompt pay discounts when making payments to Preferred Sources.

Authorized Users may purchase products from Preferred Sources either directly from the designated preferred source OR from the Contractor. The historic purchase volume of the Preferred Source items in Attachment 1 - Price Pages, Preferred Source Product List is approximately \$2 million per year. Contractor will be expected to stock, furnish, and invoice Preferred Source products when OGS Procurement Services Group (PSG) has granted approval to a Preferred Source item through its regular approval process as discussed further in Section 3.2.2 Preferred Source Item Additions And Deletions and historic volume is 150 cases or more per year.

A Bidder must affirm its ability to meet these Preferred Source participation requirements and agree to enter into an agreement with each Preferred Source regarding such participation requirements.

2.1.4 BUSINESS EXPERIENCE

A Bidder shall provide evidence that it has maintained an organization capable of performing the work hereinafter described for each lot that it bids on, in continuous operation for at least the past three years. The preferred documentation is the submission of a Dun & Bradstreet Business Information Report. If the required business experience is not proven through the submission of a Dun & Bradstreet Business Information Report, then Bidder must provide additional evidence that it meets this requirement.

2.2 **LOT SPECIFIC REQUIREMENTS**

Lot 1 - COMMERCIAL

ABILITY TO PROVIDE EMERGENCY SERVICE

Some Authorized Users may, on occasion, require emergency same-day service either for direct delivery or Authorized User pick-up of products. Bidder shall have staff or an emergency contact available on a 24-hour basis. In the event of a Gubernatorial declared emergency in accordance with Executive Law §28, Contractor shall coordinate with the Authorized Users for emergency contingency plans.

AUTHORIZED DISTRIBUTOR

By submitting a bid, Bidder is affirming that they are an authorized distributor for products being offered. The State reserves the right to request proof of authorization.

DELIVERY AFTER RECEIPT OF ORDER

Regular delivery days will be scheduled as far as three weeks in advance, but Contractor may be required to add to existing orders or deliver new orders for next business day delivery.

Lot 2 - RETAIL

AUTHORIZED DISTRIBUTOR

By submitting a bid, Bidder is affirming that they are an authorized distributor for products being offered. The State reserves the right to request proof of authorization.

DELIVERY AFTER RECEIPT OF ORDER

Delivery is required within seven calendar days unless otherwise arranged with Authorized User.

Lot 3 - BAKED GOODS

AUTHORIZED DISTRIBUTOR

Bids shall be accepted only from established manufacturers/bakeries/processors or their authorized dealers or distributors. Any dealer or distributor submitting a bid hereby affirms that it is an authorized dealer or distributor of the manufacturer/bakery/processor, and that the manufacturer/bakery/processor has agreed to supply the dealer or distributor with all quantities of products required by the dealer or distributor in fulfillment of its obligations under any resultant contract with the State. The State reserves the right to request proof of authorization of any dealer or distributor submitting a Bid.

DELIVERY AFTER RECEIPT OF ORDER

Delivery is required within seven calendar days unless otherwise arranged with Authorized User.

2.3 **CONFLICT OF TERMS AND CONDITIONS**

Unless otherwise set forth in the procurement or contract documents, conflicts among documents shall be resolved in the following order of precedence:

- Appendix A (Standard Clauses For NYS Contracts)
- This Invitation For Bids
- Appendix B (General Specifications)
- All other appendices and attachments
- Bidder's bid

SECTION 3 SPECIAL TERMS & CONDITIONS

This section sets forth the terms and conditions that shall be incorporated into the resulting Contract.

3.1 PRICE

For Lots 1 and 2 - Bids will be evaluated based on “NYS Net Delivered Price” as computed in Attachment 1 - Price Pages.

“NYS Net Delivered Price” is computed as follows:

$$\begin{array}{r} \text{Supplier Cost} \\ + \text{Sub-Lot Percent Markup} \\ = \text{“NYS Net Delivered Price”} \end{array}$$

Prices for Preferred Source items stocked, furnished and invoiced by Contractor will be calculated as follows:

$$\begin{array}{r} \text{Preferred Source Price} \\ + \text{Markup on Preferred Source goods will be calculated using the Markup Bidder bid on } \underline{\text{Commercial Sub-Lots}} \\ = \text{Price for Preferred Source Goods stocked, furnished, and invoiced by Contractor.} \end{array}$$

For Lot 3 – Bids will be evaluated based on “NYS Net Delivered Price” as computed in Attachment 1 - Price Pages.

“NYS Net Delivered Price” is computed as follows:

$$\begin{array}{r} \text{Finished Product Cost} \\ + \text{Sub-Lot Percent Markup} \\ = \text{“NYS Net Delivered Price”} \end{array}$$

The same formulas are used for all products in the PRICE GUIDE (being the same to each location regardless of shipping point).

3.1.1 COST**SUPPLIER COST USED FOR BID (Lots 1 and 2)**

For purposes of determining the “NYS Net Delivered Price” for the bid, Bidder's Supplier Cost shall be based on all invoices, billings and/or agreements for pricing obtained within two months prior to bid submittal. See also 4.1.1.3 for more information regarding the Financial Evaluation process.

FINISHED PRODUCT COST USED FOR BID (Lot 3)

For purposes of determining the “NYS Net Delivered Price” Bidder's Finished Product Cost shall be comparable to what Bidder charges other entities for government/public contracts. Upon request by OGS, Bidder is required to provide documentation that pricing offered is reasonable and comparable to other government/public contracts. This documentation may be invoices and/or copies of contracts, as requested by OGS. Documents provided by Bidder must be current within the past four months. See also 4.1.1.3 for more information regarding the Financial Evaluation process.

A Bidder shall designate the warehouse/distribution center(s) used to calculate costs for the Bid in Attachment 1 - Price Pages, Bid Sections worksheet.

Cost shall **not** include the Percent Markup bid, but shall include all incoming freight, if applicable, and shall be calculated net of any applicable allowances.

SUPPLIER COST USED FOR RESULTANT CONTRACTS (Lots 1 and 2)

When calculating the cost portion of prices charged to the State, a Contractor shall calculate cost by applying a weighted average of the Supplier Cost for product over the last three invoices, not to exceed SIX months old. If the Contractor's direct supplier is a Related Party, Supplier Cost shall be based on the weighted average of the cost(s) paid to the first unrelated party. See also 3.21.3 Contractor Cost Verification.

FINISHED PRODUCT COST USED FOR RESULTANT CONTRACTS (Lot 3)

Bidder's NYS Net Delivered Price shall be comparable to what Bidder charges other entities for government/public contracts. Upon request by OGS, Bidder is required to provide documentation that pricing offered is reasonable and comparable. See also 3.21.3 Contractor Cost Verification.

The successful Contractor shall not modify its manner and method for deriving costs or determining applicable allowances to the detriment of the State.

After award, Contractor shall be required to aggressively monitor costs (including but not limited to price increases and any applicable rebates, allowances, etc. impacting Supplier Cost, Finished Product Cost or NYS Net Delivered Price) in comparison with market conditions, State usage, supplier pricing and Authorized User requests and to negotiate decreases, seek competition, or change suppliers as necessary to ensure the best value for the State in the most efficient, effective procurement manner.

The State reserves the right to negotiate lower pricing or to advertise for bids, whichever is in the State's best interest.

3.1.2 PERCENT MARKUP

Bidder's percent markup shall be bid in Attachment 1 - Price Pages on the tab entitled *Markups* and shall include, but not be limited to, any and all costs necessary to successfully serve all NYS Authorized Users, such as:

- delivery to the door at facilities where there is no dedicated receiving dock
- palletized or cart/hand truck delivery as required by Authorized User (see Section 3.5 Delivery Requirements)
- "restricted" delivery (see Section 3.5.2 Restricted Delivery)
- use of appropriate vehicles to accommodate site limitations
- compliance with local ordinances and restrictions
- furnishing special packaging for certain Authorized Users security requirements
- maintenance and furnishing of updated Price Guides (for all lots) and web-based ordering system (for Lot 1)

Different percent markups may be bid for each Sub-Lot in a Lot. The percentage markup bid for each Sub-Lot in each Lot shall be the same across all regions that are bid. Bidder will designate which regions they are bidding in Attachment 1 – Price Pages, Bid Sections tab.

If a Bidder wishes to submit different percent markup for a Lot in different regions, a Bidder may submit Alternate Bids by marking them as such, i.e., "Alternate Bid A", "Alternate Bid B", etc. Alternate Bids may be mailed together with "Original" bids but must be clearly distinguished.

Lot 1 - COMMERCIAL (Bulk) Sub-Lots:

Ambient, Canned, Dry
Baked Goods
Dairy
Frozen (Includes prepared foods and entrees; frozen eggs, frozen vegetables and fruits, frozen meats, and frozen juices)
Meat, Poultry & Fish (Fresh, including breaded products)
Non-Food
Produce

Lot 2 - RETAIL (Grocery) Sub-Lots:

Ambient, Canned, Dry

Baked Goods

Dairy

Frozen (Includes prepared foods and entrees; frozen eggs, frozen vegetables and fruits, frozen meats, and frozen juices)

Meat, Poultry & Fish (Fresh, including breaded products)

Non-Food

Produce

Lot 3 - BAKED GOODS (Bread) Sub-Lots:

Baked Goods

The percent markup bid shall not exceed two decimal places (e.g., 6%, 6.5%, 6.25% are permitted; 6.875% is not permitted). Any percent markup bid which goes beyond the allowed decimal place shall be rounded. Percent markup for all items, including Preferred Source, shall not increase during the resultant contract award. A decrease in percent markup is permitted at any time.

3.1.3 INCOMING FREIGHT

Incoming freight is defined as common or contract carrier charges billed to the Bidder by a third-party vendor or a third-party carrier, or charges billed to the Bidder by a freight management service operated by an affiliated corporation of the Bidder. After issuance of award and throughout the contract period, a Contractor may be required to demonstrate the reasonableness of the method of freight chosen, either direct or backhaul, is the best value for the state. The State reserves the right to determine that the lowest price available should be applied if Contractor selects a shipping methodology that is higher than common carrier published rates charged for similar deliveries.

3.1.4 ALLOWANCES

Applicable allowances shall include those granted to Bidder and shall be defined as:

- Any off-invoice manufacturers/suppliers credits, allowances or rebates that reduce Supplier Cost, Finished Product Cost, or NYS Net Delivered Price
- Governmental and non-profit promotions, discounts or allowances
- Special negotiated pricing agreements for NY State
- Volume discounts negotiated directly by OGS or Authorized Users
- New York State's proportional allocation of a Contractor's discounts or rebates for aggregate volume or growth programs, or additional reductions based upon size of order and deliveries by Contractor.

Allowances shall not include:

- Earned income rebates such as merchandising, freight management, consolidated warehousing distributions, performance based product marketing, or other value-added logistical, promotional or operational services, etc.

Discounts for commercial activities relating to the procurement from manufacturers, Related Parties or other sellers of goods sold to the State or Authorized Users shall not be deemed earned income.

The State must directly benefit in the form of price reductions, credits, refunds or other rebate pass-throughs from all applicable allowances including those obtained by Contractor or a Related Party. If a Bidder is able to capture any other allowances due to NY State volume, it is required to use the additional savings to lower “NYS Net Delivered Price” by specifically enumerating the other allowances. The successful Contractor shall seek to secure for the State the best overall value for Authorized Users through competitive bids, negotiations, aggregation and choice of products. All applicable allowances must be passed through to the State whether or not such allowances are disclosed or accounted for in Bidder's Bid or Price Guides.

3.1.5 COST ADJUSTMENTS FROM BID OPENING TO AWARD

Since there may be a time lapse between the opening of bids and the start of the contract, if the time elapsed exceeds the update frequency in the Section 3.2.4 Price Changes, the relevant Sub-Lots of the Price Guide submitted by the Bidder recommended for award will be adjusted to reflect any increase or decrease to the cost for each item using the method detailed in Section 3.2.4 Price Changes.

This adjustment will be allowed once OGS has awarded contract(s) to winning Bidders. Awardees will be notified and then provided the opportunity to issue its latest Price Guide, if applicable.

3.1.6 ROUNDING CALCULATIONS FOR DETERMINING COSTS AND FINAL PRICE

All prices used to determine “NYS Net Delivered Prices” are to be rounded to no more than two decimal places. Any quoted price which goes beyond the allowed decimal place shall be rounded (i.e. \$6.246 shall be rounded to \$6.25 and \$7.232 shall be rounded to \$7.23)

3.1.7 REBATES

The State reserves the right to determine the disposition of any rebate settlement, restitution, liquidated damage, etc. which arise from the administration of this Contract.

3.1.8 PACKAGING/CONTAINER SECURITY REQUIREMENTS FOR SELECTED AUTHORIZED USERS

Correctional facilities, and other self-identified Authorized Users, require packaging and containers that minimize possible security problems (i.e., do not include wire, metal, sharp edges, glass, etc., that may possibly be fashioned into a weapon). Contractor and Authorized User shall mutually agree to modify and/or change packaging and/or containers for delivery to some locations, in order to reduce potential security risks. There shall be no surcharge in pricing for Contractor's packaging or containers used to meet security requirements

3.2 PURCHASES FROM PRICE GUIDE

Authorized Users are to make purchases from the Contractor's Price Guide identified in Section 3.2.1 Price Guides. Prices established in the Price Guide shall be calculated as described in Section 3.1 Price using cost as defined in Section 3.1.1 Cost, paragraph entitled Supplier Cost Used For Resultant Contracts (Lots 1 and 2) and Finished Product Cost Used for Resultant Contracts (Lot 3).

3.2.1 PRICE GUIDES

Price Guides shall be updated weekly, monthly, and quarterly as noted in Section 3.2.4 Price Changes. OGS will determine the effective dates of the Price Guides being used immediately succeeding contract start date(s). The effective dates of the weekly Price Guide shall be specified by the Contractor and shall be fixed for a one week period. The monthly prices shall be effective beginning the first day of the month and shall be fixed for the one-month period. The quarterly prices shall be effective beginning the first day of the calendar quarter and shall be fixed for the one-quarter period. Electronic and paper price guides shall be effective on the same date. Pricing shall be effective on the day of order.

After award, all prices in the Price Guides distributed to Authorized Users shall be identical for all distribution locations. Additionally all items in the Price Guides shall be available to all Authorized Users in the awarded region. Ideally, the product numbers (i.e., stock numbers) should be the same for identical items from all participating branches/warehouses /distribution centers/etc. Where products are not numbered identically, Contractor shall be required to submit cross-reference sheets.

Bidders are required to submit their Price Guides electronically in an editable Excel file (2003 or newer), no later than 10 business days after bid opening date. The Price Guides shall include the following items:

- All products proposed in the Market Basket(s), including substitutes, for the lot bid;
- All products regularly stocked by Bidder that are provided to the trade in general for the specific Lots they are bidding.

Upon submission of Price Guide from Bidder, OGS will verify the “NYS Net Delivered Price” is identical to what Bidder bid in applicable Market Basket. Price Guides will also be reviewed and verified against current market prices to ensure that the State is receiving pricing that is reasonable when compared with the industry at large. **Not supplying the required Price Guide in the specified timeframe shall be cause for disqualification of bid.** Please also see 3.1.5 Cost Adjustments from Bid Opening To Award and 3.2.4 Price Changes.

Price Guides shall include at least the following fields:

- Product Sub-Lot (i.e., Dairy, Produce, Meat/Poultry/Fish, Frozen, Baked Goods, etc.);
- Sub-Lot Markup;
- Product Stock Number;
- Product Brand or Manufacturer;
- Product Description;
- Pack, Size, Unit; and
- “NYS Net Delivered Price” (as defined in Section 3.1 Price).

The State reserves the right to add or delete products from the Price Guides as deemed necessary.

3.2.2 PREFERRED SOURCE ITEM ADDITIONS AND DELETIONS

Contractor shall include new Preferred Source items in their Price Guide when OGS Procurement Services Group (PSG) has granted approval to a Preferred Source item through its regular approval process. Notification of the approval shall be provided by PSG to the Contractor for that item. Contractor shall only be required to add new Preferred Source items to their Price Guide in weekly, monthly and quarterly updates as noted under 3.2.4 Price Changes.

Preferred Source items can only be deleted from the Price Guide with express written notice from the relevant Preferred Source or if the item is no longer approved by OGS. Contractor shall provide PSG with a copy of Preferred Source’s written notification.

3.2.3 PRICE GUIDE MAINTENANCE

At no charge to Authorized Users, the Contractor must prepare, supply, and keep Price Guide current. Identical Price Guides must be made available electronically to Authorized Users and OGS and must be available at least 1 business day before the effective date of the Price Guide. Pre-approval of Price Guides by OGS is not required. Electronic and/or hard copies of the Price Guide must be submitted to Authorized Users, upon request. All information in all distributed copies of the Price Guide (hard copies, electronic transmittals and web-based pricing) shall be identical. In the event of a discrepancy, it is the Contractor's obligation to notify OGS and Authorized Users. Prices may be reduced at any time; however, price increases other than those discussed in Section 3.2.4 Price Changes shall not be permitted.

Failure to maintain accurate, timely Price Guides may result in contract cancellation and disqualification of contractor for future contracts.

3.2.4 PRICE CHANGES

Products in PRICE GUIDE:

Prices established in the Price Guide shall be calculated as detailed in Section 3.1 Price (less applicable allowances etc.). Adjustments (increases or decreases) shall be made as shown below:

Lot	Sub-Lot	Adjustment Frequency
Lot 1 Commercial		
	Dairy	Weekly
	Produce	Weekly
	Meat, Poultry and Fish	Weekly
	Frozen	Monthly
	Ambient, Canned and Dry	Monthly
	Baked Goods	Quarterly
	Non-food	Quarterly
Lot 2 Retail		
	Dairy	Weekly
	Produce	Weekly
	Meat, Poultry and Fish	Weekly
	Frozen	Monthly
	Ambient, Canned and Dry	Monthly
	Baked Goods	Quarterly
	Non-food	Quarterly
Lot 3 Baked Goods		
	Baked Goods	Quarterly

Adjustments shall be calculated and reflect the reduction from applicable allowances as defined in Section 3.1 Price. All Price Guides created for this solicitation and resultant award are subject to audit by the State.

RESTRICTIONS ON PURCHASING

Alcoholic beverages are expressly excluded from the scope of the resultant contracts. Authorized Users shall not seek to purchase alcoholic beverages under such contracts.

3.2.5 CONTRACT UPDATES - ADDITION AND DELETION OF PRODUCTS

Product changes to items listed on Contract Price Guide are addressed in the following manner: Updates/Additions/Deletions include: i) adjusting pricing for Products previously incorporated under the Contract as per Section 3.2.4 Price Changes, ii) adding new products within the established, previously approved pricing structure as necessitated by such changes as seasonal availability, manufacturer pack size changes, changing Authorized User needs etc., and iii) deleting Products previously incorporated under the Contract.

For deletions, if requested by the State, Contractor must supply documentation supporting the reason for removal of the product from the Contractor's Price Guide.

3.3 ORDERS

Orders shall be accepted by the Contractor between the hours of 8:00 A.M. through 5:00 P.M. ET, Monday through Friday, except legal holidays. Contractor shall be capable of accepting orders manually, via facsimile, and electronically via e-mail. All orders shall reference contract number, requisition and/or purchase order number as required. For Lot 1 - Commercial, as a requirement for a responsive bid, Contractor must be able to accept orders via a web based ordering system as described below in Section 3.3.1. The order entry system shall allow an Authorized User to enter orders and shall have full order inquiring capabilities.

3.3.1 WEB BASED ORDERING SYSTEM (LOT 1 COMMERCIAL ONLY)

Information required in the Price Guide shall also be included on the web based ordering system. The web based ordering system shall allow Authorized Users to perform ordering, reporting, tracking, and promotions in a fully secure, real-time system by using the Internet. Web based ordering systems shall acknowledge receipt of a customer's order, allow multiple users at once and allow access to order history. The Contractor must provide software at no charge, if needed by an Authorized User to use the Contractor's web based ordering system. The system shall be capable of designating certain items as available for purchase only with prior authorization as designated by Authorized Users. The system must be capable of processing, controlling, documenting, and reporting on at least the following data elements:

- Product name;
- Contractor Name and Address;
- Agency/Facility/Political Subdivision, etc.;
- Contract Number;
- Purchase Order/Requisition Numbers;
- Contact (individual placing order); and
- Extended and Total Amounts.

The State requires that successful Bidder has a designated website for Authorized Users' direct access of NYS Price Guide with the ability to download a copy for offline use. The website will be the responsibility of the Contractor to maintain and keep updated. Hard copy Price Guides, either in paper format or electronic format, must be available to all Authorized Users upon request.

3.4 **OPPORTUNITY BUYS**

The State may utilize drop shipment, spot or opportunity buy, or trailer load incentives when an Authorized User is able to benefit from either the Contractor or third party food vendor. To qualify for the drop shipment, spot or opportunity buy, or trailer load incentive, the order must be greater than \$2,500. The Contractor shall have the right of first refusal to fulfill the Authorized User's request. The Contractor will have 48 hours, from when an Authorized User initiates a drop shipment, spot or opportunity buy, or trailer load request to notify the Authorized User whether they would like to fulfill the Authorized User's request. Should the Contractor be unable to fulfill the request, the Authorized User shall be able to initiate a drop shipment, spot or opportunity buy or trailer load order with a third party vendor. The third party vendor will transport the food order directly to the Authorized User location, bypassing the Contractor from physically handling the food order. In the instance that the Authorized User utilizes a third party for transportation, the Contractor will not be responsible for the actual receiving of the drop shipment at its warehouse or transporting it to the Authorized User facility.

To process the drop shipment, spot or opportunity buy, or trailer load, the Contractor may add a Percent Markup to the delivered invoiced price of the order not to exceed the Sub-Lot Markup bid in Attachment 1 - Price Pages for the appropriate Sub-Lot. Opportunity buy purchases must be identified in the Contractor's regular reporting requirements to OGS.

3.5 **DELIVERY REQUIREMENTS**

Contractor directly, or through its subcontractor, shall be able to deliver all items/product categories listed herein with evenly spaced deliveries including weeks with legal holidays to all Authorized Users on a consolidated basis. Delivery shall be made in accordance with instructions on the purchase order from each facility. Deliveries shall be on weekdays during normal business hours except/excluding legal holidays.

NOTE: Some large Authorized Users may require as many as three deliveries per week.

Some locations (psychiatric and developmental facilities) may accept Saturday delivery. Correctional facilities will not accept Saturday delivery. For some facilities, delivery may be required to more than one building. For Baked Goods, it is anticipated that most locations will require delivery to be made at least three alternate days each week (it could be up to five consecutive days in some cases) generally between the hours of 7:00 A.M. and 11:00 A.M ET.

After an Authorized User places an order, Contractor shall work with the Authorized User to establish mutually beneficial dates of delivery, to the extent possible. Contractor shall contact Authorized User prior to making delivery if regularly scheduled delivery date is changed. Any deviations from the set delivery schedule must be acceptable to both parties.

3.5.1 **INVOICING**

Contractor invoices must include detailed line item information to allow Authorized Users to verify delivered pricing matches the correct price on the date of order. At a minimum, the following fields must be included on all invoices to Authorized Users:

- Order Date;
- Authorized User's Purchase Order Number;
- SKU Number;
- Description;
- NYS Net Delivered Price separated by order date;
- Contractor's Federal ID Number, and
- NYS Vendor ID Number

3.5.2 RESTRICTED DELIVERY

Price includes “restricted” delivery. Delivery to some Authorized Users, particularly Correctional and NYS Office of Mental Health facilities, have “restricted” deliveries, which include restrictions around time or process for delivery. Delivery must be made during certain hours, generally between 8:30 A.M. to 10:30 A.M. and 12:30 P.M. to 2:30 P.M.ET, and must be made only on weekdays (Monday through Friday) except/excluding holidays. Other restrictions, include but are not limited to, thorough inspection of vehicle/trailer and needing security clearances. These restrictions may also apply for deliveries to other Authorized Users. It should be noted that correctional facilities occasionally have “lock downs” during which time there is no exit or entry.

NOTE: There are certain Authorized Users that require specific delivery schedules due to security concerns. The hours listed herein are "general" hours and it is expected that the resultant contractor and the Authorized Users will come to a mutual agreement on times and days for recurring delivery.

3.5.3 SMALLER VEHICLE USE FOR DELIVERY – FOR LOT 2 RETAIL AND LOT 3 BAKED GOODS

Since many delivery sites are located in residential areas, it is anticipated local ordinances may restrict and/or prohibit the use of 40,000 pound (40') vehicles. Consequently, deliveries to these locations are required to be with smaller vehicles - 26,000 pound (20' straight trucks or 24' "pups") or smaller capacity/size vehicles. In such cases, it is not only a requirement to use smaller vehicles, but it also remains the Contractor's responsibility to determine and comply with local ordinances and requirements.

3.5.4 REFRIGERATION

Contractor must preserve product integrity, wholesomeness, safety, fitness, etc., by maintaining proper temperature with the use of refrigerated/freezer trucks for refrigerated and frozen goods; ambient trailers shall not be used to ship refrigerated/frozen product.

3.5.5 PALLETIZATION – FOR LOT 1 COMMERCIAL AND LOT 2 RETAIL

Contractor shall furnish commodity palletized on either 48" x 40" OR 40" x 32" four way GMA pallets as instructed by the Authorized User. Overall height, commodity plus pallet, shall not exceed 66"; maximum weight not to exceed 2,500 pounds. All shipping units shall have a uniform block and tier. Containers shall be strapped to pallets or shrink-wrapped to prevent movement of the load. Pallet shall be returned or exchanged to Contractor at time of delivery, on subsequent deliveries, or as arranged between the Contractor and the Authorized User.

While Contractor may utilize double palleting in shipping, Authorized Users do NOT have the ability to unload or handle double pallets. If double palleting is used, Contractor is responsible for unloading and ensuring safe handling.

Mixed loads of dissimilar products are to be avoided, as well as inappropriate stacking of heavy/dense items on top of light items.

Some Authorized Users have limited receiving capabilities. Contractor must provide cart/hand truck delivery when required by Authorized User.

3.5.6 STRAPPING/SHRINK WRAPPING – FOR LOT 1 COMMERCIAL AND LOT 2 RETAIL

Stacked product shall be adequately strapped or shrink wrapped to prevent tipping and other movement during shipping, to ensure prompt unloading, and to avoid the need for restacking, etc.

3.5.7 PICK-UP/EXCHANGE OF BREAD RACKS – FOR LOT 3 BAKED GOODS

Bread racks or other containers used by the Contractor for delivery of product to the Authorized User shall be returned or exchanged by the Contractor in a timely manner either at time of delivery, on subsequent deliveries, or as arranged between the Contractor and the Authorized User.

3.5.8 MINIMUM ORDER

Lot 1 - Commercial

Minimum order is \$1,500 for delivery to a single location. The \$1,500 minimum is for aggregate total of all products delivered to one location; products may be on more than one purchase order, products may be on more than one invoice.

Lot 2 - Retail

Minimum order is \$300 for delivery to a single location. The \$300 minimum is for aggregate total of all products delivered to one location; products may be on more than one purchase order, products may be on more than one invoice.

Lot 3 - Baked Goods

Minimum order is \$50 for delivery to a single location. The \$50 minimum is for aggregate total of all products delivered; products may be on more than one purchase order, products may be on more than one invoice.

All Lots

All orders shall be labeled and packaged adequately to assure safe handling and proper delivery. Authorized Users shall be advised to combine orders to meet the minimum order. Contractor shall not be required to identify and combine multiple orders received from various departments within a single Authorized User in order to meet the minimum. Contractor may choose to waive delivery fees if multiple orders, under the minimum, are delivered on the same day to the same Authorized User.

There shall be no additional charges, fees, delivery costs, etc., for back orders (product previously ordered and not delivered by contractor). Contractor may elect to honor orders for less than the minimum order.

3.6 **OUT OF STOCK/NOT AVAILABLE PRODUCT**

Contractor shall inform Authorized User of the availability date of non-filled and partial orders within 24 to 36 hours prior to scheduled delivery. In the event of out of stock/not available product situations, including Preferred Source items stocked and furnished by the Contractor, there shall be no substitution of products ordered without the express authorization of the Authorized User. Such substitutions shall be of same or better grade, quality, etc. Substitutions should not be made on a continuing basis. Explanation of repeated/continued substitutions shall be made to the State. Out-of-stock/not available product situations may be a basis for cancellation of contract and/or charging back for open market purchase or any other appropriate remedies. The Authorized User shall not be liable for unauthorized product substitution.

3.7 **UNUSABLE PRODUCT**

Any claim that delivered product is unusable (damaged, rotten, non-edible, unacceptable substitution, etc.), shall be resolved by credit, substitution or any other applicable means for resolution within three days upon written notice from receiving Authorized User. If a satisfactory resolution is not reached between the Authorized User and the Contractor, a decision may be made by OGS that shall be final.

3.8 **PRODUCT RETURNS**

Products ordered in error by the Authorized User must be returned in resalable condition. The Contractor may charge a restocking fee of 5% of the total dollar value of the returned product.

3.9 **PRODUCTS LEFT ON DOCK**

Deliveries left on the loading dock without acceptance by the Authorized User shall be considered “abandoned goods” and may be returned at the Contractor’s expense or disposed of at the discretion of the Authorized User.

3.10 **FILL RATE**

Bidder certifies it will use commercially reasonable standards to provide the Authorized User with the requested product in the requested time frame on 98% of all orders, not including preferred source items stocked and furnished as described in Section 2.1.3 Contractor Stocking and Furnishing of Preferred Source Products.

3.11 **FUEL SURCHARGE**

The State shall consider the implementation of a fuel surcharge as a result of a national or worldwide catastrophe that causes the "Weekly US On-Highway Diesel Fuel Price" for the Central Atlantic (New York State) region to exceed 1.5 times the price per gallon at the time of bid opening. For example, if the price at the time of Bid Opening is \$4.00 a gallon; the price per gallon would have to exceed \$6.00 a gallon before NYS would consider implementing a fuel surcharge. Prices shall be tracked using information obtained through the Energy Information Administration, United States Department of Energy's (EIA DOE) web site: (<http://tonto.eia.doe.gov/oog/info/gdu/gasdiesel.asp>).

For every twenty (\$.20) cents per gallon that the price exceeds 1.5 times the cost of the referenced diesel fuel price at the time of bid opening, a delivery surcharge of \$1.00 per delivery will be allowed.

For example, if \$4.00 is the price of diesel on the date of bid opening and \$6.20 is the current price, the difference above 1.5 times the price at time of bid opening is \$.20. Therefore, a surcharge of \$1.00 (\$1.00 for every twenty cents) per delivery may be added.

The increase shall be figured in whole increments only. It is the responsibility of the Contractor to notify OGS of any request. All fuel surcharges shall take effect after approval by OGS.

Once the "Weekly US On-Highway Diesel Fuel Price" for the Central Atlantic (New York State) region drops below 1.5 times the price per gallon threshold based upon the original bid opening date, the fuel surcharges shall be removed.

In the event fuel prices decrease by more than 50% of the price per gallon based upon the price in effect at the time of the bid opening using the "Weekly US On-Highway Diesel Fuel Price" the State shall apply a credit to each invoice as per the above example.

Contractor shall collect only one surcharge per delivery, when applicable. Contractor shall not be allowed to collect additional delivery surcharges if additional delivery to the same site is made due to Contractor error, (i.e. backorder or shortage).

If Contractor is participating in an Opportunity Buy as the distributor, Contractor shall be allowed to charge the delivery surcharge, when applicable (See 3.4 Opportunity Buys).

3.12 **NEW ACCOUNTS**

Contractor may ask State agencies and other Authorized Users to provide information such as documentation of eligibility to use New York State contracts, agency code, name, address, and contact person in order to facilitate the opening of a customer account. Authorized Users shall not be required to complete a standard credit application or provide credit references.

3.13 CUSTOMER SERVICE AND TOLL-FREE NUMBERS

The Contractor shall provide a sufficient number of employees who are knowledgeable and responsive to customer needs and who can effectively service the Contract. The Contractor shall also designate a customer service representative for the resulting contract.

Contractor must provide a toll-free telephone number for the Authorized Users' usage. Contractor must staff this toll-free number at a minimum from 9:00 A.M. to 5:00 P.M. ET Monday through Friday. If Contractor does not currently maintain a toll-free number, the Contractor must certify its willingness to establish one after award of Contract.

3.14 STANDARD PACKAGING

Orders are to be drawn in quantities reflecting Contractor's standard packaging, as long as Contractor's packaging is the industry standard.

EXCEPTION: See Section 3.1.8 Packaging/container security requirements for selected Authorized Users.

3.15 DISCREPANCIES

OGS or the Authorized User must notify Contractor of all order and/or invoice discrepancies within five business days from receipt. Contractor shall take all commercially reasonable steps to resolve discrepancies (e.g., shortages etc.) within five business days.

3.16 BILLING/ORDERING SYSTEMS

Cost centers or branch offices within an Authorized User may require separate invoicing as specified by each Authorized User. The Contractor's billing system shall be flexible enough to meet the needs of varying ordering systems in use by different Authorized Users.

3.17 OTHER EXPENSES

The Authorized User shall not be liable for any expense incurred by the Contractor as a consequence of any traffic infraction or parking violations attributable to Contractor's contract performance.

3.18 PRODUCT LEAD TIME

In cases where a special order product, such as holiday meals, may have a longer than normal lead time, Contractor shall notify Authorized Users of the additional time needed to fill orders.

3.19 **ADMINISTRATIVE AND REPORTING REQUIREMENTS**

Contractor shall furnish a certified report of sales volume for all products provided under the Contract during each month, no later than the 10th of the following month starting with the first month after contract inception, in accordance with Section 3.21 Audit Reporting.

Preferred Source List items provided by Contractor and Preferred Source item equivalents purchased when Preferred Source items are not available must be specifically identified as directed in Attachment 6 – Report of Contract Usage.

Purchases by non-state agencies, political subdivisions and others authorized by law shall be reported in the same report and indicated as required.

A template for such report is included herein Attachment 6 - Report of Contract Usage.

All fields of information shall be accurate and complete. The report is to be submitted electronically in Microsoft Excel 2003 or newer (or as otherwise directed by OGS), via electronic mail to the attention of the individual designated by the Contract and shall reference the Group Number, the Award Number, Contract Number, Sales Period, Contractor's (or other authorized agent) Name, and all other fields required, using the report template.

OGS reserves the right to amend the report template without seeking the approval of the Department of Law or the Office of the State Comptroller.

Additionally, a certified Allowance Report shall be furnished to OGS every quarter. Such certification shall be in accordance with Section 3.21 Audit Reporting. The certified report shall include all the above-defined applicable allowances, discounts, and special negotiated pricing agreements for New York State. The report must contain the item, description stock number of item, the terms of the agreement and the amount of the allowance. Any change to any allowance, discount or special negotiated pricing agreement shall be reported to OGS at the time of the report.

Additional related sales information may be required by OGS and must be supplied upon request.

PERFORMANCE SURVEYS - Contractor shall be required, upon request, to provide performance surveys to customer agencies. Contract performance measures may include, but not be limited to, the following: delivery time, fill rate, response time to inquiries, resolution of problems, employee courtesy, and staff knowledgeability. The information reported on the surveys will be used to assess Contractor's performance and may, if necessary, be used to determine continuation or cancellation of award.

The State reserves the right to request monthly documentation of Contractor's fill rate.

3.20 **AGENCY COMPLAINTS**

Authorized Users should notify OGS promptly of quality or delivery issues that should arise.

3.21 **AUDIT REPORTING**

The State (or the State's designee) shall have the right to verify and audit Supplier Costs and Finished Product Costs, billings, agreements, allowances, promotions, discounts, and rebates as identified above in Section 3.1 Price and its subsections. If the Contractor's direct supplier is a Related Party, the State reserves the right to audit the Contractor's supplier/manufacturer/processor's price, as first purchaser from the original manufacturer. Contractor shall issue refunds, credits for sums due as a result of any overcharges, incorrect billings, incorrect payments, improperly retained applicable allowances etc. to the Authorized User when possible or as designated by OGS. The following requirements are not intended to be restrictive; the State reserves the right to expand or diminish audit requirements as it deems proper and necessary to preserve the integrity of the contract. The number of products involved and the frequency of requests may be modified for both the bid evaluation and contract audits.

3.21.1 REQUIRED CERTIFICATION

Bidder agrees it shall include the following statement with every invoice or other cost information, including but not limited to sales volumes and allowance reports, provided to the State: “We certify the invoices and other cost information submitted are correct and include all applicable allowances, promotions and discounts available to the State of New York.” Such statement shall be signed by an authorized representative of the Bidder and shall be dated. The State will also accept an attachment or addendum containing the above certification as long as all invoice numbers are listed that Contractor is certifying to be correct.

3.21.2 CONTRACTOR PRICING TO AUTHORIZED USER

The State may perform audits of the contract each month by requesting Contractor invoices or billings for at least 20 products and validating prices charged against the relevant Price Guide. Failure to provide requested information within 14 calendar days may be the basis to cancel the contract, request a responsibility hearing or initiate other appropriate action.

Contractor must supply Price Guides to OGS electronically in an editable Microsoft Excel 2003 or newer file (or as otherwise directed by OGS), with the frequency described in Section 3.2.4 Price Changes.

The selection of items sold will be traced to supporting documentation to confirm cost used to calculate price and auditors will verify that the correct mark-up percentage was applied to calculate the price. The design of the sampling methodology will seek to cover the contract spend, it will be implemented based on comparison of contract pricing to benchmarking of pricing and changes from prior pricing.

3.21.3 CONTRACTOR COST VERIFICATION

The State shall also have the right to verify costs, allowances, billings, etc. Failure of Contractor to provide requested information or to provide their supplier(s) verification of invoice(s)/bid pricing, etc., (when requested) to the State within 14 calendar days may be the basis to cancel the contract, request a responsibility hearing or initiate other appropriate action.

3.21.4 AUDIT SUMMARY FOR OSC

Summaries of monthly audits may be furnished to the Office of the State Comptroller (OSC) by OGS. The summary will include a spreadsheet identifying time period, product, stock number, Supplier/Finished Product Cost, allowances, subtotal cost, incoming freight, markup, calculated “NYS Net Delivered Price”, price on Price Guide, comparison of “calculated” vs. Price Guide, and other applicable fields as necessary. Reasons for differences, monetary amounts involved, and follow-up action to be taken will be stated.

3.21.5 ADMINISTRATIVE FEE

In order to assist with the cost of administering and auditing for contract compliance, the Contractor must return to OGS, Office of Financial Administration, in the form of a business check or money order, a fee of 1/4 percent (.0025) of the total sales during each quarter, to be paid no later than 30 days after each calendar quarter. Included with the payment, Contractor must provide a statement listing each invoice on which the fee is based. The State may make use of any available contracts for auditing purposes.

SECTION 4 METHOD OF AWARD

One award shall be made per Lot per Region (also referred to as Bid Section) based on a determination of the lowest price bid by a responsive and responsible Bidder. Lowest price bid shall be determined based on the total cost for “NYS Net Delivered Prices” for ALL products in the market basket for each lot in a region as described in Section 4.1 Weighted Market Basket and Section 4.3 Market Baskets.

Each item in the Market Basket will be evaluated as follows:

A. For each item with a cost OR an acceptable substitute product and cost:

$$\begin{aligned} & \text{Supplier Unit Cost (Lots 1 and 2) or Finished Product Cost (Lot 3) for listed item OR acceptable} \\ & \text{substitute item} \\ & + \\ & \text{Sub-Lot Markup Bid} \\ & \times \\ & \text{Volume} \\ & = \text{Total item Bid} \end{aligned}$$

B. For all items in Lot 1 and Lot 2 (above the minimum number of items stated on the bottom of the price pages) where no cost is Bid or an unacceptable substitute product offered:

$$\begin{aligned} & \text{Highest acceptable Supplier Cost Bid for that item among ALL Bidders who pass the} \\ & \text{Administrative and Technical evaluations and who submit the mandatory minimum number of} \\ & \text{items for the Lot} \\ & + \\ & 10\% \\ & + \\ & \text{Bidder's own Sub-Lot Markup Bid} \\ & \times \\ & \text{Volume} \\ & = \text{Total item Bid} \end{aligned}$$

C. For all items in Lot 3 where there is an unacceptable substitute product offered:

$$\begin{aligned} & \text{Highest acceptable Finished Product Cost Bid for that item among ALL Bidders who pass the} \\ & \text{Administrative and Technical evaluations and who submit the mandatory minimum number of} \\ & \text{items for the Lot} \\ & + \\ & 10\% \\ & + \\ & \text{Bidder's own Sub-Lot Markup Bid} \\ & \times \\ & \text{Volume} \\ & = \text{Total item Bid} \end{aligned}$$

In the case where a Bidder is the lowest price bid in more than one Bid Section, a single contract will be issued which includes terms for all awarded Bid Sections.

4.1 WEIGHTED MARKET BASKET

The determination of lowest price shall be made on a “weighted” basis for combined total amounts for “NYS Net Delivered Prices” for ALL products listed in a Market Basket with the weighting based on historic sales volumes. Base costs bid will be multiplied by the applicable markup percentage and then by historic sales volumes. All line items will then be totaled to determine total bid for a given Bid Section.

4.1.1 EVALUATION PROCESS

4.1.1.1 Administrative Bid Screening

After the bid opening, each Bidder's Bid will be screened for completeness and conformance with requirements for bid submission as specified in Section 8.9 Bid Format. Bids that do not meet the Administrative requirements as set forth in this IFB may be deemed nonresponsive and given no further consideration. Bids meeting the requirements of the Administrative Section will proceed to the Technical and Financial Bid Evaluations.

4.1.1.2 Technical Evaluation

The Technical Score Evaluation will be based on requirements set forth in the Attachment 2 - General Questions. Failure to meet any mandatory requirements or specifications found in this IFB may result in a Bidder's removal from further consideration.

4.1.1.3 Financial Evaluation

Each Bidder whose Administrative Bid is deemed responsive and satisfies the Technical Requirements will be evaluated financially. The Financial Score Evaluation will be based on the Bidder's financial response provided in Attachment 1 - Price Pages.

Each Financial bid will be opened and reviewed for responsiveness to the financial requirements. If a Financial bid is found to be non-responsive, that Bidder will be disqualified from consideration for this procurement. Each responsive bid that meets the Financial Bid requirements will receive a total "NYS Net Delivered Price" by Bid Section. For purposes of evaluation the total "NYS Net Delivered Price" for Lot 1 – Commercial will include the items listed on the Preferred Source Product list.

Financial bids from a Bidder must be presented as directed in Attachment 1 - Price Pages to enable the evaluation of financial costs according to the State's prescribed formula. A Financial Bid will be evaluated based on a pre-determined formula using the Bidder's Costs and corresponding Markup percentages for each Sub-Lot as listed in Attachment 1. Each Bid Section will be awarded to the Bidder with the lowest financial cost according to this formula. (See 4.1 Weighted Market Basket.)

As part of the financial evaluation process, after the bid opening, OGS will conduct a review of all market basket pricing. OGS shall request from Bidders, invoices, bills, agreements, etc., to verify market basket costs as follows: up to 30 items of Lot 1 – Commercial items; up to 40 items for Lot 2 – Retail items; and up to nine items of Lot 3 – Baked Goods to verify costs. The State reserves the right to request pricing documentation on more than the numbers stated above. See also 3.21 Audit Reporting. Failure of Bidder to furnish requested information/documents within 14 calendar days of written request or failure of Bidder to provide their supplier(s) verification of invoice(s)/bid pricing etc. to the State within 14 calendar days, may be the basis to reject a bid. If discrepancies between price paid to Suppliers and offered Supplier Cost or Finished Product Cost are found, the State reserves the right to reject the bid.

4.2 **RESERVATION OF RIGHT**

The State reserves the right to remove a product from the evaluation for all Bidders, if there is difficulty in Bidders providing the item or if a question arises during the evaluation process for determining an appropriate substitute. The State shall attempt to reconcile differences whenever possible in order to afford all Bidders fair and equal treatment.

4.3 MARKET BASKETS

A Bidder is encouraged to submit costs on all products in each lot bid, but at a minimum a Bidder must bid at least the following percentages of products from each market basket that it elects to bid on to be deemed a responsive bid:

- Lot 1 Commercial - A Bidder must provide pricing for at least 90% of products in the market basket (minimum of 125 119 items);
- Lot 2 Retail - A Bidder must provide pricing for at least 90% of the products in the market basket (minimum of 185 items); and
- Lot 3 Baked Goods - A Bidder must provide pricing for 100% of the products in the market basket (9 items).

Both listed items and acceptable substitutes shall be counted towards the minimum requirement. Failure to provide pricing for at least these numbers of items for the market basket shall result in a Bidder's disqualification for such lot.

Once a Bidder meets the minimum requirement, in the event of a blank (i.e., no cost entered by Bidder on price sheet) or an unacceptable substitute product offered, the State will replace the Bidder's Supplier/Finished Product/Substitute Cost on that item with the highest acceptable Supplier Cost or Finished Product Cost Bid for that item among ALL Bidders who pass the Administrative and Technical evaluations and who submit the mandatory minimum number of items for the lot before markup is applied (see Section 4.4 Market Basket Substitution). If there are no or limited acceptable products bid for that item, the State reserves the right to remove that item from evaluation for all Bidders. Failure to comply with requirements contained in this IFB may be cause to consider a bid incomplete or non-responsive. OGS shall make the final determination on completeness and responsiveness.

The State reserves the right to consider different pack sizes on a prorated basis for non-"individual serve" products (i.e., if a 24 ounce size is offered for a 26 ounce listing or 26 ounce size is offered for 24 ounce listing, the cost will be compared on an ounce basis). However, for "individual serve" products such as certain juices, cereals, fruits, desserts, dinner entrees, etc., as noted in Attachment 1 – Price Pages, the State does not intend to prorate bids (i.e., if a 6 ounce size is offered for a 5.5 ounce listing, no prorating will occur).

Please note that the products listed in the Market Baskets are for purposes of evaluating bids only; they do not necessarily indicate actual products or pack sizes which will be ordered or which the Contractor will be required to provide.

4.4 MARKET BASKET SUBSTITUTION

For each item listed in Attachment 1 – Price Pages, a Bidder shall bid either the original item listed or an appropriate substitute item, but not both. In order for an item to qualify as an acceptable substitute product for bidding purposes, it must meet or exceed the following characteristics:

Food Products:

The substitute product must meet or exceed the following nutritional dimensions on an equivalent serving basis:

- Calories - Same or fewer
- Total fat grams - Same or fewer
- Trans fat grams - Same or fewer
- Cholesterol milligrams - Same or fewer
- Sodium milligrams - Same or fewer
- Protein grams - Same or more
- Vitamins for juices – Same or more

The substituted product must match the listed product on whether or not it includes any of the eight most common ingredients that trigger food allergies listed here: milk, eggs, peanuts, tree nuts, fish, shellfish, soy, and wheat. (For example, if Brand X cookie products contain no nuts, then the substituted product must also contain no nuts.)

The substitute product's characteristics must be the same or better for an item to qualify as an acceptable substitute product:

Water content - Net weight of food product is same or more, where applicable

Pack and case size - Same or minor deviation

Lot 1 Commercial Only: Same or higher Servings Yield/Portions (where available)

For the purposes of the "Food Products" section, the word "same" shall mean that the specific characteristic is within 20% from listed product's characteristic if the difference is determined to have no material effect on the form, function and utility of a product. The State reserves the right to request additional information to make the determination whether a product is an acceptable substitute. The State reserves the right to make the final decision as to whether a product is an acceptable substitute product.

Non-Food Products:

For non-food products, the substitute product offered must at least meet the minimum functional specifications as described in Attachment 1 – Price Pages under "Description". The minimum functional specifications are identified in the set forth parenthetical (). Where a brand name is listed under "Manufacturer Name", it serves as a reference for an acceptable standard. Bidders may offer other than the brand listed.

If a size is listed in the product "Description", i.e., 12" Aluminum Foil, 9" foam plate, 8 oz. Cup, 1 Gallon Freezer Bag, etc., then a Bidder MUST bid items that are equal to that size in order for their substitute to be considered acceptable.

The "Pack" and "Size" listed are based on historic spend and Bidder is encouraged to bid as closely as possible to what is listed, although it is NOT required. Evaluation for items not matching the "Pack" and/or "Size" shown will be prorated on a per unit basis. (See also 4.3 Market Baskets.)

If a substitute product is found to be unacceptable, the State will replace the Bidder's cost (Supplier Cost for Lots 1 and 2 and Finished Product Cost for Lot 3) on that item in accordance with the formula set forth in Section 4B or 4C.

4.4.1 FDA NUTRITION FACTS LABEL/SPECIFICATION SHEET

Bidder shall submit both the Nutrition Facts label, as required by the FDA, and the specification sheet for each Substitute Product offered at time of Bid Opening or within five calendar days after requested by OGS. Failure to submit these documents may result in bid being considered non-responsive and may result in bid being REJECTED. A Bidder is strongly encouraged to submit the Nutrition Fact label and specification sheet for FOOD items for each Substitute Product with its bid. For NON-FOOD items, a Bidder is strongly encouraged to submit the specification sheet for each Substitute Product with its bid.

The specification sheet shall include, but not be limited to, the following information: clear identification of the substitute product, and all of the product characteristics listed in Section 4.4 Market Basket Substitution.

4.5 **NO AWARD**

The State reserves the right to make "NO AWARD" for any individual Bid Section for reasons including, but not limited to:

- unbalanced or excessive Bidder costs;
- change in Authorized User requirements and/or product(s); or
- an error in the bid solicitation (i.e., use of incorrect reference, pack size, description, etc.).

In such case, evaluation and ranking of bids may be made on remaining Bid Sections.

4.6 **CONTRACT CANCELLATION**

If a contract is canceled within one year of bid opening, the State reserves the right to pursue an award to the next low compliant Bidder.

SECTION 5 PRODUCT REQUIREMENTS**5.1 GENERAL PRODUCT REQUIREMENTS**

Product shall be as described herein in Market Baskets, and shall be the same as furnished to the general trade; meet or exceed USDA, USDC, State, and industry standards and requirements; have a freshness parameter for Authorized Users to have sufficient time from the date of delivery to consume these foods before quality deteriorates; and conform to State, Federal and industry standards with respect to safety. Conformance to standards and requirements shall include, but not be limited to:

- weights;
- measures;
- fill of containers;
- drained weights;
- contamination; or
- condition on delivery.

The Bidder guarantees any product delivered complies in all respects with standards and regulations established by Federal or New York State laws, including the Federal Food, Drug and Cosmetic Act, decisions of the U.S. Department of Agriculture, and decisions of the U.S. Department of Commerce. The Bidder also guarantees any product delivered is not adulterated or misbranded within the meaning of standards and regulations established by Federal or New York State laws. The Bidder and subsequent Contractor may be required to submit a letter of guarantee from the supplier stating their compliance with Federal and/or New York State laws and regulations.

All requirements apply to any product in Attachment 1 – Price Pages, as well as to any product that may be purchased from contract.

5.1.1 PATHOGENS

No Escherichia coli 0157:H7, or any other pathogens, are permitted in any product.

5.1.2 FROZEN PRODUCT

The maximum time products may be held in a frozen state prior to delivery shall be as follows:

FRESH FROZEN MEAT (except Ground and Diced Meat) - 90 days
GROUND & DICED MEATS - 45 days
CURED & PROCESSED MEAT - 45 days

5.1.3 KOSHER AND PASSOVER CERTIFICATION

Any product designated as "Kosher" shall comply and be labeled with a common accepted Kosher symbol as identified by the Chicago Rabbinical Council and listed on their website: http://www.crcweb.org/agency_list.php and shall meet all the requirements of that certification.

Any product designated as "Passover" shall comply with all requirements for Passover and be labeled with the correct certification.

5.1.4 GRADES & SPECIFICATIONS

All products offered for the bid shall be grade B or better. Brand names are used solely to indicate a level of quality and are not meant to be restrictive. OGS and/or Authorized Users have the right on demand, to request verification that the specifications and grades for the food ordered are being provided by the Contractor.

5.1.5 **SAMPLES AND TESTING**

The State has the right to request samples at no charge and test any product available under the resulting contract in order to determine whether the item is acceptable and meets specifications and grades.

5.1.6 **NEW YORK STATE FOOD PRODUCTS**

The Commissioner of the Office of General Services recognizes the importance of utilizing food products that are grown, produced, harvested or processed in New York State. In order to advance this objective, OGS encourages vendors to fulfill the requirements of any contract awarded pursuant to this solicitation with products that are grown, produced, harvested or processed, in whole or in part, in New York State.

If any laws are passed with regard to usage of NYS food products, Agencies are required to follow those laws and the Contractor is required to designate all NYS products within their Price Guide.

5.2 ***ALL LOTS - DETAILED PRODUCT SPECIFICATIONS***

5.2.1 **MOLD, BACTERIA, ETC.**

Products shall adhere to industry and government standards for levels of mold, bacteria, etc.

5.2.2 **FRESHNESS CODES**

Packaging shall contain an easily understood freshness code that contains the last date of use or sale, expressed in terms similar to “fresh thru”, “use by”, “for sale by” or some other logo easily read or understood by the general public.

5.2.3 **TRANS FATS**

Any food item containing partially hydrogenated vegetable oil, shortening or margarine must contain less than .05 grams of trans fat per serving. Upon request of an Authorized User, and when available from a specification sheet, the actual amount of trans fat per 100 grams of product (0.1 gram increments) shall be provided to the requesting agency.

5.3 ***LOT 1 COMMERCIAL - DETAILED PRODUCT SPECIFICATIONS***

All frozen vegetables should be individually quick frozen (IQF), spec bulk pack. See Attachment 1 - Price Pages, tab entitled “Lot 1 – Commercial” for additional detailed specifications. The specific products listed serve as the baseline for specification.

5.4 ***LOT 2 RETAIL - DETAILED PRODUCT SPECIFICATIONS***

See Attachment 1 - Price Pages, tab entitled “Lot 2 – Retail” for specific manufacturer and product names which serve as the detailed specifications. The specific products listed serve as the baseline for specification.

5.5 LOT 3 BAKED GOODS - DETAILED PRODUCT SPECIFICATIONS

Bread and rolls are to be fresh, not frozen. Products shall be of standard production as normally provided to commercial or retail trade. Loaves, hamburger rolls, frankfurter rolls, etc., shall come pre-sliced. Dinner rolls shall not be sliced. Dinner rolls shall be “soft”, and may be either “cluster”/pull apart or individual type. The specific products listed serve as the baseline for specification.

5.5.1 KOSHER

All products delivered shall be Kosher and “PARVE” (prepared without meat, milk, or their derivatives). All Baked Goods products are to be free of pork and pork by-products. Only vegetable oils shall be used in the making of products.

5.5.2 SHELF LIFE

All bread products are to be fresh and have a shelf life upon delivery of no less than 7 days. Bread products with a shelf life of less than 7 days, stale product, distressed product, damaged product, product removed from retail accounts, etc., are NOT acceptable.

5.5.3 FDA NUTRITION FACTS LABEL

Products delivered shall be in packages standard for retail trade and printed with the following information:

- FDA Nutritional Facts Label;
- Product Name;
- Weight of Product (please see below; Section 5.5.4 Dimensions and Weights);
- Freshness Codes (please see above; Section 5.2.2 Freshness Codes);
- An acceptable kosher designation, and the “PARVE” designation.

The quantity of an individual product packed in a bag or box shall not exceed the following:

<u>Product</u>	<u>Maximum Number</u>
Sliced Loaf Bread	1 Loaf/Bag
Rolls	48/Bag

The size used for pro-rating for different types of baked goods is as follows:

<u>Product</u>	<u>Basis for Pro-rating</u>
Bread, Loaf White	26 usable slices (Note: Usable slices do not include heels.)
Bread, Loaf 100% Wheat	22 usable slices
Individually Wrapped Slices	100 slices
Rolls	16 count
Raisin Bread	18 ounces

5.5.4 DIMENSIONS AND WEIGHTS

Each serving slice of loaf bread and each serving unit of rolls shall be uniform in appearance and size.

Weight of the product offered shall be equal to or greater than the minimum weights given below. Weights shall be evaluated by using the Nutrition Facts product information provided for the products bid.

Product	Minimum Weight
Bread, slice (Not 100% Whole Wheat)	22 grams per slice
Bread, slice (100% Whole Wheat)	26 grams per slice
Frankfurter and Hamburger Rolls	38 grams each roll
Dinner Roll	30 grams each roll

The State intends to use the information stated on the “FDA Nutrition Facts” label provided by the Bidder’s bakery on the bread products as required by the FDA. The weight for a slice of bread may be determined by dividing the total net weight by the number of servings and then by the number of slices for a serving, rounded to nearest tenth for the final result. For example, the slice weight for a loaf of bread with 794 grams total net weight, 28 servings per loaf and 1 slice per serving, would be calculated as follows:

$$\begin{aligned}
 \text{Slice weight} &= 794/28 \\
 &= 28.357/1 \\
 &= 28.357 \\
 &= 28.4 \text{ grams}
 \end{aligned}$$

If it becomes apparent that information in the “FDA Nutrition Facts” label furnished by a Bidder is incorrect, the State may reject the bid or the State may use information from other sources or by other means to determine slice weight, unit weight, ingredients, etc., for products offered.

SLICED BREAD, whether in loaf or individually wrapped, shall be a minimum of 3.75” high x 3.75” wide; and a minimum of 7/16” (.4375”) thick. Usable slices do not include heels. MAXIMUM WEIGHT of a loaf of bread shall not exceed 1,133 grams.

5.5.5 FLOUR

Enriched flour shall be used for all breads and rolls except for whole wheat products or unless otherwise specified. (Please see more on Whole Wheat bread products in next paragraph below.)

Whole Wheat bread products shall contain whole wheat flour; enriched wheat flour may be used in combination with whole wheat flour provided the **whole wheat flour is the first ingredient on the FDA Nutrition Fact label**. Whole Wheat bread products may contain wheat gluten and bran, as well as smaller amounts of other types of grain flours used in the baking industry, such as soy. Whole wheat bread products shall contain:

- Minimum of 2 grams of dietary fiber per slice
- 10-18 grams of total carbohydrates per slice
- Maximum of 2 grams of sugar per slice

SECTION 6 GENERAL TERMS AND CONDITIONS**6.1 CONTRACT PERIOD AND RENEWALS**

It is the intention of the State to enter into a contract for a term of five years as stated on the Invitation for Bids.

The contract dates may be adjusted forward beyond two months only with the approval of the successful Bidder. If, however, the Bidder is not willing to accept an adjustment of the contract dates beyond the two month period, the State reserves the right to proceed with an award to another Bidder.

If mutually agreed between OGS and the Contractor, the contract may be renewed under the same terms and conditions for an additional one year period as described in Appendix B §71 – Contract Term - Renewal.

Price decreases and percentage mark-up decreases are permitted at any time. Authorized Users are encouraged to negotiate additional discounts, where possible.

6.2 SHORT TERM EXTENSION

In the event the replacement contract has not been issued, any contract let and awarded hereunder by the State, may be extended unilaterally by the State for an additional period of up to one month upon notice to the Contractor with the same terms and conditions as the original contract including, but not limited to, quantities (prorated for such one month extension), prices, and delivery requirements. With the concurrence of the Contractor, the extension may be for a period of up to three months in lieu of one month. However, this extension terminates should the replacement contract be issued in the interim. See also Appendix B §71, Contract Term – Renewal.

6.3 APPENDIX A AND APPENDIX B

This IFB and the resultant contracts are governed by Appendix A and Appendix B. Appendix A, Standard Clauses For New York State Contracts, dated December 2011, attached hereto, is hereby expressly made a part of this Bid Document as fully as if set forth at length herein. Appendix B, OGS General Specifications, dated June 2006, attached hereto, is hereby expressly made a part of this Bid Document as fully as if set forth at length herein and shall govern any situations not covered by this Bid Document or Appendix A. Both appendices shall be incorporated into the resulting Contracts.

Note: On March 30, 2012, Chapter 55 of the Laws of 2012 was signed into law by Governor Cuomo, amending State Finance Law section 112 to create an exception for contracts established as a centralized contract through OGS, and purchase orders or other procurement transactions issued under such centralized contracts, from the Office of the State Comptroller pre-approval and filing requirements. This amendment is not currently reflected in Appendix A. The statutory provisions govern over the contractual language.

6.4 **INSURANCE**

A Bidder must commit to obtaining and submitting all necessary proof of insurance as listed in the Bidder Agreement tab in Attachment 2 – General Questions. (See Attachment 5 – Insurance Requirements, section C.)

Upon tentative award, Bidder shall be required to procure all required contract-specific insurance (Attachment 5 – Insurance Requirements, Section B) within 20 business days of notification of tentative award.

6.4.1 **WORKERS' COMPENSATION INSURANCE AND DISABILITY BENEFITS REQUIREMENTS**

Workers' Compensation Law (WCL) §57 & §220 requires the heads of all municipal and state entities to ensure that businesses applying for permits, licenses or contracts document it has appropriate workers' compensation and disability benefits insurance coverage. These requirements apply to both original contracts and renewals, whether the governmental agency is having the work done or is simply issuing the permit, license or contract. Failure to provide proof of such coverage or a legal exemption will result in a rejection of your bid. Proof of compliance with Workers' Compensation and Disability Benefits Coverage requirements must comply with the requirements set out in Attachment 5 – Insurance Requirements. A Contractor seeking to enter into a contract with the State of New York shall provide proof of compliance with Workers' Compensation and Disability Benefits Coverage to OGS at the time of bid submission or shortly thereafter.

6.5 **JOINT VENTURE OR PARTNERSHIP BIDS**

Should the Contractor elect to undertake contract performance with a joint venture partner, the Contractor acknowledges that all other members of the joint venture would likely be deemed to be subcontractors and the Contractor may be liable for claims made against an uninsured Joint Venture partner. Contractor shall require all such Joint venture partners, prior to commencement of an agreement between Contractor and the Joint venture partner, to secure and keep in force during the term of this contract the insurance requirements of this document on the Joint venture partner, as applicable.

In the sole discretion of the Commissioner, any bid may be rejected on the basis that such bid may unfairly affect competition or may not be able to fulfill the requirements of the contract. Also see Attachment 4 - MacBride and Non-Collusive Bidding Certifications.

6.6 **NON-COLLUSIVE BIDDING CERTIFICATION**

(Reference: State Finance Law §139-d and Appendix A, Clause 7. **Form for signature set forth in Attachment 4 – MacBride and Non-Collusive Bidding Certifications**)

By submission of this Bid, each Bidder and each person signing on behalf of any Bidder certifies, and in the case of a joint bid each party thereto certifies as to its own organization, under penalty of perjury, that to the best of its knowledge and belief:

1. The prices in this bid have been arrived at independently without collusion, consultation, communication, or agreement, for the purpose of restricting competition, as to any matter relating to such prices with any other Bidder or with any competitor;
2. Unless otherwise required by law, the prices which have been quoted in this bid have not been knowingly disclosed by the Bidder and will not knowingly be disclosed by the Bidder prior to opening, directly or indirectly, to any other Bidder or to any competitor; and
3. No attempt has been made or will be made by the Bidder to induce any other person, partnership or corporation to submit or not submit a bid for the purpose of restricting competition.

In the event that the Bidder is unable to certify as stated above, the Bidder shall provide a signed statement which sets forth in detail the reasons why the Bidder is unable to furnish the certificate as required in accordance with State Finance law §139-d(1)(b).

6.7 **SUMMARY OF POLICY AND PROHIBITIONS ON PROCUREMENT LOBBYING**

Pursuant to State Finance Law §139-j and 139-k, this solicitation includes and imposes certain restrictions on communications between OGS and an Offerer/Bidder during the procurement process. An Offerer/Bidder is restricted from making contacts from the earliest notice of intent to solicit offers/bids through final award and approval of the Procurement Contract by OGS and, if applicable, the Office of the State Comptroller (“restricted period”) to other than designated staff unless it is a contact that is included among certain statutory exceptions set forth in State Finance Law §139-j (3) (a). Designated staff, as of the date hereof, is identified in Section 1.5 Inquiries/Issuing Office/Designated Contacts of this solicitation. OGS employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Offerer/Bidder pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for contract award and in the event of two findings within a four-year period, the Offerer/Bidder is debarred from obtaining governmental Procurement Contracts. Further information about these requirements can be found on the OGS website:

http://www.ogs.ny.gov/aboutOgs/regulations/defaultSFL_139j-k.asp

6.8 **NEW YORK STATE VENDOR FILE REGISTRATION**

Prior to being awarded a Contract pursuant to this Solicitation, the Bidder(s) and any designated authorized reseller(s) who accept payment directly from the State must be registered in the New York State Vendor File (Vendor File) administered by the OSC. This is a central registry for all vendors who do business with New York State Agencies and the registration must be initiated by a State Agency. Following the initial registration, a unique New York State ten-digit vendor identification number (Vendor ID) will be assigned to your company and Vendor IDs will be assigned to each of your authorized resellers (if any) for usage on all future transactions with New York State. Additionally, the Vendor File enables vendors to use the Vendor Self-Service application to manage certain vendor information in one central location for all transactions related to the State of New York.

If the Bidder is already registered in the Vendor File, the vendor must enter the vendor’s ten-digit Vendor ID on the first page of this bid document. An authorized reseller already registered in the Vendor File must enter its ten-digit Vendor ID along with the authorized reseller’s information on the first page of this bid document.

If the Bidder is not currently registered in the Vendor File, the Bidder must request assignment of a Vendor ID number from OGS. Complete the OSC Substitute W-9 Form (http://www.osc.state.ny.us/vendors/forms/ac3237_fe.pdf) and submit the form to OGS **in advance** of your bid. Please send this document to the Designated Contact in the solicitation. In addition, if an authorized reseller(s) is to be used that does not have a Vendor ID, an OSC Substitute W-9 form (http://www.osc.state.ny.us/vendors/forms/ac3237_fe.pdf) should be completed by each designated authorized reseller and submitted to OGS. **The OGS will initiate the vendor registration process** for all Bidders and their authorized resellers. Once the process is initiated, registrants will receive an e-mail identifying their unique ten-digit Vendor ID and instructions on how to enroll in the online Vendor Self-Service application. For more information on the Vendor File please visit the following website: http://www.osc.state.ny.us/vendor_management/.

6.9 NEW YORK STATE VENDOR RESPONSIBILITY QUESTIONNAIRE FOR-PROFIT BUSINESS ENTITY (hereinafter the “Questionnaire”)

OGS conducts a review of Bidders to provide reasonable assurances that the Bidder is responsive and responsible. A New York State Vendor Responsibility Questionnaire For-Profit Business Entity (hereinafter the “Questionnaire”) is used for non-construction Contracts and is designed to provide information to assess a Bidder’s responsibility to conduct business in New York based upon financial and organizational capacity, legal authority, business integrity, and past performance history. By submitting a bid, the Bidder agrees to fully and accurately complete the Questionnaire. The Bidder acknowledges that the State’s execution of the Contract will be contingent upon the State’s determination that the Bidder is responsible, and that the State will be relying upon the Bidder’s responses to the Questionnaire when making its responsibility determination.

OGS recommends each Bidder file the required Questionnaire online via the New York State VendRep System. To enroll in and use the VendRep System, please refer to the VendRep System Instructions and User Support for Vendors available at OSC’s website, http://www.osc.state.ny.us/vendrep/vendor_index.htm or to enroll, go directly to the VendRep System online at <https://portal.osc.state.ny.us>.

Please note that a Vendor ID is required to enroll in the VendRep System. Please see the above section for information on how to obtain a Vendor ID. Note: Allow up to four (4) business days to accommodate the verification process associated with assigning a Vendor ID and updating the OSC Online Services portal to allow a vendor to enroll to use the VendRep System.

OSC provides direct support for the VendRep System through user assistance, documents, online help, and a help desk. The OSC Help Desk contact information is located at <http://www.osc.state.ny.us/portal/contactbuss.htm>. Bidders opting to complete the paper questionnaire can access this form and associated definitions via the OSC website at: http://www.osc.state.ny.us/vendrep/forms_vendor.htm.

In order to assist the State in determining the responsibility of the Bidder, the Bidder must complete and certify (or recertify) the Questionnaire no more than six (6) months prior to the bid opening date. A Bidder’s Questionnaire cannot be viewed by OGS until the Bidder has certified the Questionnaire. It is recommended that all Bidders become familiar with all of the requirements of the Questionnaire in advance of the bid opening to provide sufficient time to complete the Questionnaire.

The Bidder agrees that if it is found by the State that the Bidder’s responses to the Questionnaire were intentionally false or intentionally incomplete, on such finding, OGS may terminate the Contract. In no case shall such termination of the Contract by the State be deemed a breach thereof, nor shall the State be liable for any damages for lost profits or otherwise, which may be sustained by the Contractor as a result of such termination.

6.10 TAX LAW §5-A AMENDED APRIL 26, 2006

A Bidder is required to file the completed and notarized Form ST-220-CA with OGS certifying that the Bidder filed the ST-220-TD with NYS Department of Taxation and Finance (DTF).

Note: NYS Department of Taxation and Finance receives the completed Form ST-220-TD, not OGS. OGS ONLY receives the Form ST-220-CA.

Form ST-220-CA must be filed with the bid or shortly thereafter and submitted to the procuring covered Agency certifying that the Contractor filed the ST-220-TD with DTF. Proposed Contractors should complete and return the certification forms within five (5) business days of request (if the forms are not completed and returned with bid submission). Failure to make either of these filings may render a Bidder non-responsive. A Bidder shall take the necessary steps to provide properly certified forms within a timely manner to ensure compliance with the law.

Website links to the Contractor certification forms and instructions are provided below. Form No. ST-220-TD must be filed with and returned directly to DTF and can be found at http://www.tax.ny.gov/pdf/current_forms/st/st220td_fill_in.pdf. Unless the information upon which the ST-220-TD is based changes, this form only needs to be filed once with DTF. If the information changes for the Contractor, its affiliate(s), or its subcontractor(s), a new Form No. ST-220-TD must be filed with DTF.

Form ST-220-CA must be submitted to OGS. This form provides the required certification that the Contractor filed the ST-220-TD with DTF. This form can be found at http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf.

Form ST-220-CA should be filed with the Bid and submitted to the OGS. If the form is not submitted with the Bid, the Bidder must submit the completed form to OGS within five (5) business days of receiving a written request to do so from OGS.

Section 5-a of the Tax Law, as amended, effective April 26, 2006, requires certain Contractors awarded state Contracts for commodities, services and technology valued at more than \$100,000 to certify to the Department of Taxation and Finance (DTF) that they are registered to collect New York State and local sales and compensating use taxes. The law applies to Contracts where the total amount of such Contractors' sales delivered into New York State are in excess of \$300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made, and with respect to any affiliates and subcontractors whose sales delivered into New York State exceeded \$300,000 for the four quarterly periods immediately preceding the quarterly period in which the certification is made.

This law imposes upon certain Contractors the obligation to certify whether or not the Contractor, its affiliates, and its subcontractors are required to register to collect state sales and compensating use tax and Contractors must certify to DTF that each affiliate and subcontractor exceeding such sales threshold is registered with DTF to collect New York State and local sales and compensating use taxes. The law prohibits the State Comptroller, or other approving Agency, from approving a Contract awarded to a Contractor meeting the registration requirements but who is not so registered in accordance with the law.

Vendors may call DTF at 518-485-2889 for any and all questions relating to Section 5-a of the Tax Law and relating to a company's registration status with the DTF. For additional information and frequently asked questions, please refer to the DTF web site: <http://www.tax.ny.gov/>.

6.11 **EXTENSION OF USE**

Any contract resulting from this bid solicitation may be extended to additional States or governmental jurisdictions upon mutual written agreement between New York State (the lead contracting State) and the contractor. Political subdivisions and other authorized entities within each participating State or governmental jurisdiction may also participate in any resultant contract if such State normally allows participation by such entities. New York State reserves the right to negotiate additional discounts based on any increased volume generated by such extensions.

6.12 **CONTRACT AMENDMENT PROCESS**

During the term of the Contract, the Contract may be amended as changes occur within the industry. OGS reserves the right to consider amendments which are not specifically covered by the terms of the Contract but are judged to be in the best interest of the State. Contract amendments shall take effect upon written notification by OGS.

6.13 USE OF RECYCLED OR REMANUFACTURED MATERIALS

New York State, as a member of the Council of Great Lakes Governors, supports and encourages vendors to use recycled, remanufactured or recovered materials in the manufacture of products and packaging to the maximum extent practicable without jeopardizing the performance or intended end use of the product or packaging unless such use is precluded due to health or safety requirements or product specifications contained herein. Refurbished or remanufactured components or products are required to be restored to original performance and regulatory standards and functions and are required to meet all other requirements of this bid solicitation. Warranties on refurbished or remanufactured components or products must be identical to the manufacturer's new equipment warranty or industry's normal warranty when remanufacturer does not offer new equipment. See "Remanufactured, Recycled, Recyclable or Recovered Materials" in Appendix B, OGS General Specifications.

6.14 DIESEL EMISSION REDUCTION ACT OF 2006 (NEW REQUIREMENT OF LAW)

On February 12, 2007 the Diesel Emissions Reduction Act took effect as law (the "Law"). Pursuant to new §19-0323 of the N.Y. Environmental Conservation Law ("NYECL") it is now a requirement that heavy duty diesel vehicles in excess of 8,500 pounds use the best available retrofit technology ("BART") and ultra low sulfur diesel fuel ("ULSD"). The requirement of the Law applies to all vehicles owned, operated by or on behalf of, or leased by State agencies and State or regional public authorities. They need to be operated exclusively on ULSD by February 12, 2007. It also requires that such vehicles owned, operated by or on behalf of, or leased by State agencies and State or regional public authorities with more than half of its governing body appointed by the Governor utilize BART.

As a contract vendor the Law may be applicable to vehicles used by contract vendors "on behalf of" State agencies and public authorities. All heavy duty diesel vehicles must have BART by December 31, 2012. The Law also provides a list of exempted vehicles. Regulations currently being drafted will provide further guidance as to the effects of the Law on contract vendors using heavy duty diesel vehicles on behalf of the State. The Law also permits waivers of ULSD and BART under limited circumstances at the discretion of the Commissioner of Environmental Conservation. The Law will also require reporting from State agencies and from contract vendors in affected contracts.

Therefore, the Bidder hereby certifies and warrants that all heavy duty vehicles, as defined in NYECL §19-0323, to be used under this contract, will comply with the specifications and provisions of NYECL §19-0323, and any regulations promulgated pursuant thereto, which requires the use of BART and ULSD, unless specifically waived by NYSDEC. Qualification and application for a waiver under this Law will be the responsibility of the Bidder.

6.15 ENVIRONMENTAL ATTRIBUTES AND NYS EXECUTIVE ORDER 4

New York State is committed to environmental sustainability and endeavors to procure products with reduced environmental impact. One example of this commitment may be found in Executive Order No. 4 (Establishing a State Green Procurement and Agency Sustainability Program), which imposes certain requirements on state agencies, authorities, and public benefit corporations when procuring commodities, services, and technology. More information on Executive Order No. 4, including specifications for offerings covered by this Contract, may be found at <http://ogs.ny.gov/EO/4/Default.asp>. The Executive Order No. 4 specification for single use food containers and single use food service utensils adopted in May 2010, for example, requires all single use food containers, coatings, and single use food service utensils, to the maximum extent practicable, be compostable as defined under the ASTM Standard Specification for Compostable Plastics (D6400-04) and ASTM Standard Specification for Compostable Plastics Used as Coatings on Paper and Other Compostable Substrates (D6868-03) or, if such standard is not applicable, be biodegradable and where possible certified by the Biodegradable Products Institute (BPI). State entities subject to Executive Order No. 4 are advised to become familiar with the specifications that have been developed in accordance with the Order, and to incorporate them, as applicable, when making purchases under this Contract.

6.16 APPENDIX B AMENDMENTS

Section 62, Contract Billings and Payments, is deleted and replaced as follows:

CONTRACT BILLINGS AND PAYMENTS

- a. Billings. Contractor and the dealers/distributors/resellers designated by the Contractor, if any, shall provide complete and accurate billing invoices to each Authorized User in order to receive payment. Billing invoices submitted to an Authorized User must contain all information required by the Contract and the State Comptroller or other appropriate fiscal officer. Submission of an invoice and payment thereof shall not preclude the Commissioner from requesting reimbursement or demanding a price adjustment in any case where the Product delivered is found to deviate from the terms and conditions of the Contract or where the billing was inaccurate.

Contractor shall provide, upon request of the Commissioner, any and all information necessary to verify the accuracy of the billings. Such information shall be provided in the format requested by the Commissioner and in a media commercially available from the Contractor. The Commissioner may direct the Contractor to provide the information to the State Comptroller or to any Authorized User of the Contract.

- b. Payment of Contract purchases made by an Authorized User when the State Comptroller is responsible for issuing such payment. The Authorized User and Contractor agree that payments for invoices submitted by the Contractor shall only be rendered electronically unless payment by paper check is expressly authorized by the Commissioner, in the Commissioner's sole discretion, due to extenuating circumstances. Such electronic payments shall be made in accordance with ordinary State procedures and practices. The Contractor shall comply with the State Comptroller's procedures to authorize electronic payments. Authorization forms are available at the State Comptroller website at www.osc.state.ny.us, by e-mail at epunit@osc.state.ny.us, or by telephone at 518-486-1255. Contractor acknowledges that it will not receive payment on any invoices submitted under this Contract that are payable by the State Comptroller if it does not comply with the State Comptroller's electronic payment procedures, except where the Commissioner has expressly authorized payment by paper check as set forth above.
- c. Payment of Contract purchases made by an Authorized User when the State Comptroller is not responsible for issuing such payment. The Authorized User and Contractor agree that payments for such Contract purchases shall be billed directly by Contractor on invoices/vouchers, together with complete and accurate supporting documentation as required by the Authorized User. Such payments shall be as mandated by the appropriate governing law from the receipt of a proper invoice. Such Authorized User and Contractor are strongly encouraged to establish electronic payments.

6.17 PERFORMANCE AND BID BONDS

There are no BONDS for this contract. In accordance with Appendix B, Clause 58 "Performance/Bid Bond," the Commissioner of OGS has determined that no performance, payment or Bid bond, or negotiable irrevocable letter of credit or other form of security for the faithful performance of the Contract shall be required at any time during the Initial Term, or any renewal term, for this Contract.

6.18 NEW YORK STATE PROCUREMENT RIGHTS

A Bidder is hereby notified that New York State reserves the right to:

- Reject any or all bids received in response to the IFB.
- Withdraw the IFB at any time, at the sole discretion of OGS.
- Make an award under the IFB in whole or in part.
- Disqualify any Bidder whose conduct and/or bid fails to conform to the requirements of the IFB.
- Seek clarifications and revisions of bids.
- Prior to the bid opening, amend the IFB specifications to correct errors or oversights, or to supply additional information, as it becomes available.
- Prior to the bid opening, direct Bidders to submit bid modifications addressing subsequent IFB amendments.
- Change any of the schedule dates with notification through the Bidder Notification System.
- Eliminate any mandatory, non-material specifications that cannot be complied with by all of the Bidders.
- Waive any requirements that are not material.
- Utilize any and all ideas submitted in the bids received.
- Adopt all or any part of a Bidder's bid in selecting the optimum configuration.
- Negotiate with the Bidder responding to this IFB within the IFB requirements to serve the best interests of the State. This includes requesting clarifications of any or all Bidders' bids.
- Require clarification at any time during the procurement process and/or require correction of arithmetic or other apparent errors for the purpose of assuring a full and complete understanding of a Bidder's bid and/or to determine a Bidder's compliance with the requirements of the solicitation.
- Should the State of New York be unsuccessful in negotiating a Contract with the selected Contractor within 45 business days of tentative award, the State may begin Contract negotiations with the next lowest responsive and responsible Bidder in order to serve the best interests of the State of New York.
- Select and award the Contract to other than the selected Bidder in the event of unsuccessful negotiations or, optionally, in other specified circumstances as detailed in the IFB requirements.
- Request current Bidder financial statements documenting past sales history that demonstrates ability to service a contract with dollar sales volume similar to the scope of this bid; documents must be provided within five business days of request.
- Request additional documentation from the Bidder and to request reports on financial stability from independent financial rating services.
- Reject any Bidder who does not demonstrate financial stability sufficient for the scope of this bid.

6.19 CONTRACTOR REQUIREMENTS AND PROCEDURES FOR BUSINESS PARTICIPATION OPPORTUNITIES FOR NEW YORK STATE CERTIFIED MINORITY AND WOMEN-OWNED BUSINESS ENTERPRISES AND EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITY GROUP MEMBERS AND WOMEN**NEW YORK STATE LAW**

Pursuant to New York State Executive Law Article 15-A, OGS recognizes its obligation under the law to promote opportunities for maximum feasible participation of certified minority and women-owned business enterprises and the employment of minority group members and women in the performance of OGS contracts.

In 2006, the State of New York commissioned a disparity study to evaluate whether minority and women-owned business enterprises had a full and fair opportunity to participate in state contracting. The findings of the study were published on April 29, 2010, under the title "The State of Minority and Women-Owned Business Enterprises: Evidence from New York" ("Disparity Study"). The report found evidence of statistically significant disparities between the level of participation of minority and women-owned business enterprises in state procurement contracting versus the number of minority and women-owned business enterprises that were ready, willing and able to participate in state procurements. As a result of these findings, the Disparity Study made recommendations concerning the implementation and operation of the statewide certified minority and women-owned business enterprises program. The recommendations from the Disparity Study culminated in the enactment and the implementation of New York State Executive Law Article 15-A, which requires, among other things, that OGS establishes goals for maximum feasible participation of New York State Certified minority and women-owned business enterprises ("MWBE") and the employment of minority groups members and women in the performance of New York State contracts.

Equal Employment Opportunity Requirements

By submission of a bid or proposal in response to this solicitation, the Bidder/Contractor agrees with all of the terms and conditions of Appendix A including Clause 12 - Equal Employment Opportunities for Minorities and Women. The Contractor is required to ensure that it and any subcontractors awarded a subcontract over \$25,000 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor, shall undertake or continue programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, equal opportunity shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, and rates of pay or other forms of compensation. This requirement does not apply to: (i) work, goods, or services unrelated to the Contract; or (ii) employment outside New York State.

Bidder further agrees to submit with the bid a staffing plan on Form EEO 100 identifying the anticipated work force to be utilized on the Contract and if awarded a Contract, will, upon request, submit to OGS, a workforce utilization report identifying the workforce actually utilized on the Contract if known. Form EEO 100 is set forth in Appendix C.

Further, pursuant to Article 15 of the Executive Law (the "Human Rights Law"), all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor and sub-contractors will not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

Business Participation Opportunities for MWBEs

For purposes of this procurement, OGS has conducted a comprehensive search and has determined that the contract does not offer sufficient opportunities to set goals for participation by MWBEs as subcontractors, service providers and suppliers to the awarded contractors. Contractors are however encouraged to make every good faith effort to promote and assist the participation of New York State Certified Minority and Women-owned Business Enterprises (MWBE) on this contract for the provision of services and materials. To locate New York State Certified MWBEs, the directory of Certified Businesses can be viewed at: <http://www.empire.state.ny.us/MWBE/directorySearch.html>

Please Note: Failure to comply with the foregoing requirements may result in a finding of non-responsiveness, non-responsibility and/or a breach of the Contract, leading to the withholding of funds, suspension or termination of the Contract or such other actions or enforcement proceedings as allowed by the Contract.

6.20 IRAN DIVESTMENT ACT

As a result of the Iran Divestment Act of 2012 (Act), Chapter 1 of the 2012 Laws of New York, a new provision has been added to the State Finance Law (SFL), § 165-a, effective April 12, 2012. Under the Act, the Commissioner of the Office of General Services (OGS) will be developing a list (prohibited entities list) of “persons” who are engaged in “investment activities in Iran” (both are defined terms in the law). Pursuant to SFL § 165-a(3)(b), the initial list is expected to be issued no later than 120 days after the Act’s effective date, at which time it will be posted on the OGS website.

By submitting a bid in response to this solicitation or by assuming the responsibility of a Contract awarded hereunder, Bidder/Contractor (or any assignee) certifies that once the prohibited entities list is posted on the OGS website, it will not utilize on such Contract any subcontractor that is identified on the prohibited entities list.

Additionally, Bidder/Contractor is advised that once the list is posted on the OGS website, any Contractor seeking to renew or extend a Contract or assume the responsibility of a Contract awarded in response to the solicitation, must certify at the time the Contract is renewed, extended or assigned that it is not included on the prohibited entities list.

During the term of the Contract, should OGS receive information that a person is in violation of the above-referenced certification, OGS will offer the person an opportunity to respond. If the person fails to demonstrate that it has ceased its engagement in the investment which is in violation of the Act within 90 days after the determination of such violation, then OGS shall take such action as may be appropriate including, but not limited to, imposing sanctions, seeking compliance, recovering damages, or declaring the Contractor in default.

OGS reserves the right to reject any bid or request for assignment for an entity that appears on the prohibited entities list prior to the award of a contract, and to pursue a responsibility review with respect to any entity that is awarded a contract and appears on the prohibited entities list after contract award.

SECTION 7 USE OF CONTRACT BY STATE AGENCIES, POLITICAL SUBDIVISIONS AND OTHER AUTHORIZED USERS**7.1 NON-STATE AGENCIES PARTICIPATION IN CENTRALIZED CONTRACTS**

New York State political subdivisions and others authorized by New York State law may participate in contracts. These include, but are not limited to local governments, public authorities, public school and fire districts, public and nonprofit libraries, and certain other nonpublic/nonprofit organizations. See "Participation in Centralized Contracts" in Appendix B, OGS General Specifications. For purchase orders issued by the Port Authority of New York and New Jersey (or any other authorized entity that may have delivery locations adjacent to New York State), the terms of the "Price" clause shall be modified to include delivery to locations adjacent to New York State.

Upon request, all eligible non-State agencies must furnish contractors with the proper tax exemption certificates and documentation certifying eligibility to use State contracts. A list of categories of eligible entities is available on the OGS web site (<http://www.ogs.state.ny.us/purchase/snt/othersuse.asp>). Questions regarding an organization's eligibility to purchase from New York State Contracts may also be directed to OGS Procurement Services Group's Customer Services at (518)474-6717.

7.2 OVERLAPPING CONTRACT ITEMS

Products/services available in the resulting contract may also be available from other New York State contracts. Authorized Users will be advised to select the most cost effective procurement alternative that meets their program requirements and to maintain a procurement record documenting the basis for this selection.

7.3 PREFERRED SOURCE NOTE

Bidders should note that State Finance Law §162 requires that many governmental entities, including Executive Agencies, afford first priority to the products/services of Preferred Source suppliers such as Correctional Industries (Corcraft), Industries for the Blind of NYS (IBNYS) and NYS Industries for the Disabled (NYSID), when such products/services meet the form, function and, utility of the agency. Some products/services in the resultant contract(s) may be available from one or more Preferred Sources. In the Contract, agencies will be reminded to comply with the statutory requirements and resulting guidelines with respect to affording first priority to the Preferred Sources.

Resultant contractor will be required to prominently display the following language on all price guides and contract updates to agencies relative to the award:

Agencies Note: Some products/services in this contract may be available from one or more Preferred Sources. Agencies are reminded to comply with the statutory requirements under §162 of the State Finance Law and the guidelines issued by the State Procurement Council to afford first priority to products/services available from Preferred Sources which meet your form, function and utility.

7.4 "OGS OR LESS" GUIDELINES APPLY TO THIS CONTRACT

Purchases of the products included in the IFB and resultant Contracts are subject to the "OGS or Less" provisions of New York State Finance Law §163(3)(a)(v). This means that State agencies can purchase products from sources other than the Contractor provided that such products are substantially similar in form, function or utility to the products herein and are:

1. lower in price
-and/or-
2. available under terms which are more economically efficient to the State agency (e.g. delivery terms, warranty terms, etc.).

Agencies are reminded that they must provide the State contractor an opportunity to match the non-contract savings at least two business days prior to purchase. In addition, purchases made under "OGS or Less" flexibility must meet all requirements of law including, but not limited to, advertising in the New York State Contract Reporter, prior approval of the Comptroller's Office and competitive bidding of requirements exceeding the discretionary bid limit. State agencies should refer to Procurement Council Bulletin "OGS or Less Purchases" for complete procedural and reporting requirements.

SECTION 8 ADMINISTRATIVE**8.1 IMPORTANT NOTICE TO POTENTIAL BIDDERS**

Receipt of these bid documents does not indicate that OGS has pre-determined your company's qualifications to receive a contract award. Such determination will be made after the bid opening and will be based on our evaluation of your bid submission compared to the specific requirements and qualifications contained in these bid documents.

8.2 ELECTRONIC BID OPENING RESULTS

The Procurement Services Group (PSG) posts bid prices on the OGS/PSG web page. The web page makes available bid tabulations (i.e., photocopies of price pages or spreadsheets) received by PSG for scheduled bid openings. Such information is anticipated to be available online within two business days after the bid opening.

The Bid Opening Results Page is available at: <http://www.ogs.ny.gov/purchase/bidresults/bidresults.asp>

8.3 DISPUTE RESOLUTION POLICY

It is the policy of the OGS' Procurement Services Group (PSG) to provide vendors with an opportunity to administratively resolve disputes, complaints or inquiries related to PSG bid solicitations or contract awards. PSG encourages vendors to seek resolution of disputes through consultation with PSG staff. All such matters will be accorded impartial and timely consideration. Interested parties may also file formal written disputes. A copy of PSG's Dispute Resolution Procedures for Vendors may be obtained by contacting the person shown on the front of this Invitation for Bids or through the OGS website (www.ogs.ny.gov).

8.4 BIDDER DEBRIEFING

Unsuccessful Bidders shall be notified upon Notification of Award to the winning Contractor(s). A Bidder shall be accorded fair and equal treatment with respect to its opportunity for debriefing. Requests for debriefings may be made both prior to and after Contracts are awarded. For debriefings prior to Contract award, OGS shall, upon request, provide a debriefing which would be limited to review of that Bidder's proposal or bid. After Contract award, OGS shall, upon request, provide a debriefing to any unsuccessful Bidder that responded to the solicitation, regarding the reason that the proposal or bid submitted by such Bidder was not selected for a Contract award. Requests for debriefings by unsuccessful Bidders must be addressed to OGS in writing. The post-award debriefing should be requested in writing within 30 days of posting of the Contract award on the OGS website.

8.5 BID DEVIATIONS

If your bid differs from the specifications explain such deviation(s) or qualification(s); and if necessary, attach a separate sheet. See § 13 "Extraneous Terms" in Appendix B, OGS General Specifications.

8.6 RESPONSIVENESS

To be considered responsive, a Bidder must submit a complete bid that satisfies and addresses all requirements stated in this IFB. A BID THAT FAILS TO CONFORM TO ALL REQUIREMENTS MAY BE CONSIDERED NON-RESPONSIVE AND MAY BE REJECTED.

8.7 **DOCUMENTATION UPON REQUEST**

The Office of General Services, Procurement Services Group (PSG) may require additional documentation to determine that a Bidder's offer meets specification. As the additional documentation is requested, the Bidder will be given a date by which the requested documents must be provided or your bid may be considered non-responsive. If Bidder is unable to meet the deadline set forth by the designated contact requesting the additional documentation, the Bidder must request an extension in writing prior to the given deadline. Upon review, the Designated Contact will either provide a new deadline or consider Bidder's offer non-responsive while proceeding with the evaluation process.

8.8 **INCORPORATION**

Portions of the successful Bidder's bid and of this IFB shall be incorporated into a final Contract, with a separate document executed by Contractor and OGS. Therefore, the first page of the Bid must be signed by a partner, corporate officer, or other person authorized to commit its firm to all provisions of the IFB and its bid as submitted.

After Contracts resulting from this IFB are established and awardees notified, Contractor's prices may be posted on the OGS website.

8.9 **BID FORMAT**

Bidders must meet the following requirements at or before the time of Bid Opening:

Bidders shall submit a total of two separately bound ORIGINAL hard copies of the IFB signature page and acknowledgement form (pages 1 and 2) and printed copies of the same documents that are requested electronically in Section 8.9.1 Submission of Electronic Media. If Bidder includes the FDA Nutrition Fact Labels and substitute product specification sheets with Bid, then such documents shall be set forth as paper copies. In addition, three electronic copies of the attachments are to be submitted as described in Section 8.9.1 Submission of Electronic Media. The official name of the Bidder's organization(s) as well as name and number of the IFB must appear on the outside front cover of each ORIGINAL of the Bidder's Bid. If the Bids are submitted in loose-leaf binders, this information must also appear on the spine of the binders. Each original hard copy shall be marked "ORIGINAL" on the cover page, contain the original signature(s) of an official(s) authorized to bind the Bidder to its Bid, and be numbered sequentially, i.e. Original #1 and Original #2.

In the event that there are any inconsistencies between the electronic submissions versus ORIGINAL hard copy submissions, or between multiple hard copy submissions, the hard copy marked "Original #1" will be deemed controlling by OGS when reviewing the IFB.

Bid Amendments: A Bidder may submit amendments to their Bid(s) prior to the Bid Submission Deadline as described in Section 1.3. Any amended pages submitted by a Bidder to be incorporated into the Bid shall show the date of the revision and indicate the portion of the page being changed.

8.9.1 SUBMISSION OF ELECTRONIC MEDIA

Bidder shall submit THREE separate electronic copies of the Bid. Each copy shall include ONE set of the Attachments listed below. Electronic media shall be a CD or PC flash drive with files in the following format:

- Attachment 1 - Price Pages – Microsoft Excel (2003 version or newer)
- Attachment 2 - General Questions – Microsoft Excel (2003 version or newer)
- Attachment 4 - MacBride and Non-Collusive Bidding Certifications on- PDF (printed, signed and scanned)
- Appendix C - EEO100

Each CD or PC flash drive should be labeled with:

- Name of Bidder,
- IFB # 22407

Attachments 3, 5, 6 and 7 do not need to be returned.

8.10 BID DELIVERY INSTRUCTIONS

Only those Bidders who furnish all required information shall be considered for evaluation. The following procedures shall be used for bid submission:

Complete bids in response to this IFB are to be packaged, sealed and submitted to OGS, Strategic Sourcing Team. Responses must be addressed to:

NYS Office of General Services
Corning Tower, 38th Floor
Reception Desk
Empire State Plaza
Albany, NY 12242-0064

All bids must have a label on the outside of the box or package itemizing the following information:

1. BID ENCLOSED (preferably bold, large print, all capital letters)
2. Bid number (IFB 22407)
3. Bid Opening Date and Time as listed in Section 1.3 Key Events/Dates
4. The number of boxes or packages (i.e., 1 of 2; 2 of 2)

8.11 BID LIABILITY

The State of New York will not be held liable for any cost incurred by the Contractor for work performed in the preparation and production of a bid or for any work performed prior to the formal execution of a Contract. Bids must be received in the above office on or before the time and date listed in Section 1.3 Key Events/Dates. Bidder assumes all risks for timely, properly submitted deliveries. A Bidder is strongly encouraged to arrange for delivery of bids to OGS prior to the date/time of the bid opening. LATE BIDS shall be rejected. E-mail or faxed bid submissions are not acceptable and shall not be considered. The received time of bids will be determined by OGS by the clock at the above noted location.

NO CONSIDERATION WILL BE GIVEN TO BIDS RECEIVED AFTER THE STATED DATE AND TIME.

8.12 IMPORTANT BUILDING ACCESS PROCEDURES

To access the Corning Tower, all visitors must check in by presenting photo identification at the Information Desk.

A Bidder who elects to deliver its bid is encouraged to pre-register for building access by contacting the Procurement Services Group's (PSG) receptionist at (518)474-6262 at least 24 hours prior to the bid submission date.

Visitors who are registered can check in directly with the Information Desk. Visitors who are not pre-registered will be directed to a designated phone to call the PSG Receptionist. The Receptionist will register the visitor at that time, but delays may occur. Bidders who intend to deliver bids or conduct PSG business should allow extra time to comply with these procedures. Building Access procedures may change or be modified at any time.

Note: Bids not received within the Procurement Services Group, or the OGS Mailroom, by the time and date shown on the front page of the bid document will be considered late.

8.13 BID VALIDITY

Bids must remain open and valid for at least 120 days from the due date, unless the time for awarding the Contract is extended by mutual consent of OGS and the Bidder. A bid shall continue to remain an effective offer, firm and irrevocable, subsequent to such 120 day period until either tentative award of the Contract by OGS is made or withdrawal of the bid in writing by Bidder. Tentative award of the Contract shall consist of written notice to that effect by OGS to a successful Bidder, who shall thereupon be obligated to execute a formal Contract.

8.14 BIDDERS TAKE SPECIAL NOTE OF THE FOLLOWING:

- Any bid pricing not submitted in Excel format on electronic media shall be rejected.
- Any bid pricing or portion(s) thereof submitted on electronic media that cannot be opened/accessed shall be rejected.
- OGS reserves the right to reject any bid submission or portion(s) thereof determined to have been altered/modified from the original format by the Bidder. Such alterations/modifications include but are not limited to any change(s) to document header(s), footer(s) and/or cell(s); unprotecting worksheet(s)/workbook(s); hiding/unhiding cell(s)/column(s)/row(s)/worksheet(s); and locking/unlocking cell(s).
- Only those cells provided for entering bid pricing and Bidder information are to be accessed by the Bidder.

APPENDIX A

STANDARD CLAUSES FOR NEW YORK STATE CONTRACTS

PLEASE RETAIN THIS DOCUMENT
FOR FUTURE REFERENCE.

TABLE OF CONTENTS

	Paragraph
Executory Clause	1
Non-Assignment Clause	2
Comptroller's Approval	3
Workers' Compensation Benefits	4
Non-Discrimination Requirements	5
Wage and Hours Provisions	6
Non-Collusive Bidding Certification	7
International Boycott Prohibition	8
Set-Off Rights	9
Records	10
Identifying Information and Privacy Notification	11
Equal Employment Opportunities For Minorities and Women	12
Conflicting Terms	13
Governing Law	14
Late Payment	15
No Arbitration	16
Service of Process	17
Prohibition on Purchase of Tropical Hardwoods	18
MacBride Fair Employment Principles	19
Omnibus Procurement Act of 1992	20
Reciprocity and Sanctions Provisions	21
Compliance with New York State Information Security Breach and Notification Act	22
Compliance with Consultant Disclosure Law	23
Procurement Lobbying	24
Certification of Registration to Collect Sales and Compensating Use Tax by Certain State Contractors, Affiliates and Subcontractors	25

STANDARD CLAUSES FOR NYS CONTRACTS

The parties to the attached contract, license, lease, amendment or other agreement of any kind (hereinafter, "the contract" or "this contract") agree to be bound by the following clauses which are hereby made a part of the contract (the word "Contractor" herein refers to any party other than the State, whether a contractor, licensor, licensee, lessor, lessee or any other party):

1. EXECUTORY CLAUSE. In accordance with Section 41 of the State Finance Law, the State shall have no liability under this contract to the Contractor or to anyone else beyond funds appropriated and available for this contract.

2. NON-ASSIGNMENT CLAUSE. In accordance with Section 138 of the State Finance Law, this contract may not be assigned by the Contractor or its right, title or interest therein assigned, transferred, conveyed, sublet or otherwise disposed of without the State's previous written consent, and attempts to do so are null and void. Notwithstanding the foregoing, such prior written consent of an assignment of a contract let pursuant to Article XI of the State Finance Law may be waived at the discretion of the contracting agency and with the concurrence of the State Comptroller where the original contract was subject to the State Comptroller's approval, where the assignment is due to a reorganization, merger or consolidation of the Contractor's business entity or enterprise. The State retains its right to approve an assignment and to require that any Contractor demonstrate its responsibility to do business with the State. The Contractor may, however, assign its right to receive payments without the State's prior written consent unless this contract concerns Certificates of Participation pursuant to Article 5-A of the State Finance Law.

3. COMPTROLLER'S APPROVAL. In accordance with Section 112 of the State Finance Law (or, if this contract is with the State University or City University of New York, Section 355 or Section 6218 of the Education Law), if this contract exceeds \$50,000 (or the minimum thresholds agreed to by the Office of the State Comptroller for certain S.U.N.Y. and C.U.N.Y. contracts), or if this is an amendment for any amount to a contract which, as so amended, exceeds said statutory amount, or if, by this contract, the State agrees to give something other than money when the value or reasonably estimated value of such consideration exceeds \$10,000, it shall not be valid, effective or binding upon the State until it has been approved by the State Comptroller and filed in his office. Comptroller's approval of contracts let by the Office of General Services is required when such contracts exceed \$85,000 (State Finance Law Section 163.6.a).

4. WORKERS' COMPENSATION BENEFITS. In accordance with Section 142 of the State Finance Law, this contract shall be void and of no force and effect unless the Contractor shall provide and maintain coverage during the life of this contract for the benefit of such employees as are required to be covered by the provisions of the Workers' Compensation Law.

5. NON-DISCRIMINATION REQUIREMENTS. To the extent required by Article 15 of the Executive Law (also known as the Human Rights Law) and all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor will not discriminate against any employee or applicant for employment because of race, creed, color, sex, national origin, sexual orientation, age, disability, genetic predisposition or carrier status, or marital status. Furthermore, in accordance with Section 220-e of the Labor Law, if this is a contract for the construction, alteration or repair of any public building or public work or for the manufacture, sale or distribution of materials, equipment or supplies, and to the extent that this contract shall be performed within the State of New York, Contractor agrees that neither it nor its subcontractors shall, by reason of race, creed, color, disability, sex, or national origin: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. If this is a building service contract as defined in Section 230 of the Labor Law, then, in accordance with Section 239 thereof, Contractor agrees that neither it nor its subcontractors shall by reason of race, creed, color, national origin, age, sex or disability: (a) discriminate in hiring against any New York State citizen who is qualified and available to perform the work; or (b) discriminate against or intimidate any employee hired for the performance of work under this contract. Contractor is subject to fines of \$50.00 per person per day for any violation of Section 220-e or Section 239 as well as possible termination of this contract and forfeiture of all moneys due hereunder for a second or subsequent violation.

6. WAGE AND HOURS PROVISIONS. If this is a public work contract covered by Article 8 of the Labor Law or a building service contract covered by Article 9 thereof, neither Contractor's employees nor the employees of its subcontractors may be required or permitted to work more than the number of hours or days stated in said statutes, except as otherwise provided in the Labor Law and as set forth in prevailing wage and supplement schedules issued by the State Labor Department. Furthermore, Contractor and its subcontractors must pay at least the prevailing wage rate and pay or provide the prevailing supplements, including the premium rates for overtime pay, as determined by the State Labor

Department in accordance with the Labor Law. Additionally, effective April 28, 2008, if this is a public work contract covered by Article 8 of the Labor Law, the Contractor understands and agrees that the filing of payrolls in a manner consistent with Subdivision 3-a of Section 220 of the Labor Law shall be a condition precedent to payment by the State of any State approved sums due and owing for work done upon the project.

7. NON-COLLUSIVE BIDDING CERTIFICATION. In accordance with Section 139-d of the State Finance Law, if this contract was awarded based upon the submission of bids, Contractor affirms, under penalty of perjury, that its bid was arrived at independently and without collusion aimed at restricting competition. Contractor further affirms that, at the time Contractor submitted its bid, an authorized and responsible person executed and delivered to the State a non-collusive bidding certification on Contractor's behalf.

8. INTERNATIONAL BOYCOTT PROHIBITION. In accordance with Section 220-f of the Labor Law and Section 139-h of the State Finance Law, if this contract exceeds \$5,000, the Contractor agrees, as a material condition of the contract, that neither the Contractor nor any substantially owned or affiliated person, firm, partnership or corporation has participated, is participating, or shall participate in an international boycott in violation of the federal Export Administration Act of 1979 (50 USC App. Sections 2401 et seq.) or regulations thereunder. If such Contractor, or any of the aforesaid affiliates of Contractor, is convicted or is otherwise found to have violated said laws or regulations upon the final determination of the United States Commerce Department or any other appropriate agency of the United States subsequent to the contract's execution, such contract, amendment or modification thereto shall be rendered forfeit and void. The Contractor shall so notify the State Comptroller within five (5) business days of such conviction, determination or disposition of appeal (2NYCRR 105.4).

9. SET-OFF RIGHTS. The State shall have all of its common law, equitable and statutory rights of set-off. These rights shall include, but not be limited to, the State's option to withhold for the purposes of set-off any moneys due to the Contractor under this contract up to any amounts due and owing to the State with regard to this contract, any other contract with any State department or agency, including any contract for a term commencing prior to the term of this contract, plus any amounts due and owing to the State for any other reason including, without limitation, tax delinquencies, fee delinquencies or monetary penalties relative thereto. The State shall exercise its set-off rights in accordance with normal State practices including, in cases of set-off pursuant to an audit, the finalization of such audit by the

State agency, its representatives, or the State Comptroller.

10. RECORDS. The Contractor shall establish and maintain complete and accurate books, records, documents, accounts and other evidence directly pertinent to performance under this contract (hereinafter, collectively, "the Records"). The Records must be kept for the balance of the calendar year in which they were made and for six (6) additional years thereafter. The State Comptroller, the Attorney General and any other person or entity authorized to conduct an examination, as well as the agency or agencies involved in this contract, shall have access to the Records during normal business hours at an office of the Contractor within the State of New York or, if no such office is available, at a mutually agreeable and reasonable venue within the State, for the term specified above for the purposes of inspection, auditing and copying. The State shall take reasonable steps to protect from public disclosure any of the Records which are exempt from disclosure under Section 87 of the Public Officers Law (the "Statute") provided that: (i) the Contractor shall timely inform an appropriate State official, in writing, that said records should not be disclosed; and (ii) said records shall be sufficiently identified; and (iii) designation of said records as exempt under the Statute is reasonable. Nothing contained herein shall diminish, or in any way adversely affect, the State's right to discovery in any pending or future litigation.

11. IDENTIFYING INFORMATION AND PRIVACY NOTIFICATION. (a) Identification Number(s). Every invoice or New York State Claim for Payment submitted to a New York State agency by a payee, for payment for the sale of goods or services or for transactions (e.g., leases, easements, licenses, etc.) related to real or personal property must include the payee's identification number. The number is any or all of the following: (i) the payee's Federal employer identification number, (ii) the payee's Federal social security number, and/or (iii) the payee's Vendor Identification Number assigned by the Statewide Financial System. Failure to include such number or numbers may delay payment. Where the payee does not have such number or numbers, the payee, on its invoice or Claim for Payment, must give the reason or reasons why the payee does not have such number or numbers.

(b) Privacy Notification. (1) The authority to request the above personal information from a seller of goods or services or a lessor of real or personal property, and the authority to maintain such information, is found in Section 5 of the State Tax Law. Disclosure of this information by the seller or lessor to the State is mandatory. The principal purpose for which the information is collected is to enable the State to identify individuals, businesses and others who have been

delinquent in filing tax returns or may have understated their tax liabilities and to generally identify persons affected by the taxes administered by the Commissioner of Taxation and Finance. The information will be used for tax administration purposes and for any other purpose authorized by law. (2) The personal information is requested by the purchasing unit of the agency contracting to purchase the goods or services or lease the real or personal property covered by this contract or lease. The information is maintained in the Statewide Financial System by the Vendor Management Unit within the Bureau of State Expenditures, Office of the State Comptroller, 110 State Street, Albany, New York 12236.

12. EQUAL EMPLOYMENT OPPORTUNITIES FOR MINORITIES AND WOMEN.

In accordance with Section 312 of the Executive Law and 5 NYCRR 143, if this contract is: (i) a written agreement or purchase order instrument, providing for a total expenditure in excess of \$25,000.00, whereby a contracting agency is committed to expend or does expend funds in return for labor, services, supplies, equipment, materials or any combination of the foregoing, to be performed for, or rendered or furnished to the contracting agency; or (ii) a written agreement in excess of \$100,000.00 whereby a contracting agency is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon; or (iii) a written agreement in excess of \$100,000.00 whereby the owner of a State assisted housing project is committed to expend or does expend funds for the acquisition, construction, demolition, replacement, major repair or renovation of real property and improvements thereon for such project, then the following shall apply and by signing this agreement the Contractor certifies and affirms that it is Contractor's equal employment opportunity policy that:

(a) The Contractor will not discriminate against employees or applicants for employment because of race, creed, color, national origin, sex, age, disability or marital status, shall make and document its conscientious and active efforts to employ and utilize minority group members and women in its work force on State contracts and will undertake or continue existing programs of affirmative action to ensure that minority group members and women are afforded equal employment opportunities without discrimination. Affirmative action shall mean recruitment, employment, job assignment, promotion, upgradings, demotion, transfer, layoff, or termination and rates of pay or other forms of compensation;

(b) at the request of the contracting agency, the Contractor shall request each employment agency, labor union, or authorized representative of workers with which it has a collective bargaining or other agreement

or understanding, to furnish a written statement that such employment agency, labor union or representative will not discriminate on the basis of race, creed, color, national origin, sex, age, disability or marital status and that such union or representative will affirmatively cooperate in the implementation of the Contractor's obligations herein; and

(c) the Contractor shall state, in all solicitations or advertisements for employees, that, in the performance of the State contract, all qualified applicants will be afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status.

Contractor will include the provisions of "a", "b", and "c" above, in every subcontract over \$25,000.00 for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work") except where the Work is for the beneficial use of the Contractor. Section 312 does not apply to: (i) work, goods or services unrelated to this contract; or (ii) employment outside New York State. The State shall consider compliance by a contractor or subcontractor with the requirements of any federal law concerning equal employment opportunity which effectuates the purpose of this section. The contracting agency shall determine whether the imposition of the requirements of the provisions hereof duplicate or conflict with any such federal law and if such duplication or conflict exists, the contracting agency shall waive the applicability of Section 312 to the extent of such duplication or conflict. Contractor will comply with all duly promulgated and lawful rules and regulations of the Department of Economic Development's Division of Minority and Women's Business Development pertaining hereto.

13. CONFLICTING TERMS. In the event of a conflict between the terms of the contract (including any and all attachments thereto and amendments thereof) and the terms of this Appendix A, the terms of this Appendix A shall control.

14. GOVERNING LAW. This contract shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise.

15. LATE PAYMENT. Timeliness of payment and any interest to be paid to Contractor for late payment shall be governed by Article 11-A of the State Finance Law to the extent required by law.

16. NO ARBITRATION. Disputes involving this contract, including the breach or alleged breach thereof, may not be submitted to binding arbitration (except where statutorily authorized), but must, instead, be heard in a court of competent jurisdiction of the State of New York.

17. SERVICE OF PROCESS. In addition to the methods of service allowed by the State Civil Practice Law & Rules ("CPLR"), Contractor hereby consents to service of process upon it by registered or certified mail, return receipt requested. Service hereunder shall be complete upon Contractor's actual receipt of process or upon the State's receipt of the return thereof by the United States Postal Service as refused or undeliverable. Contractor must promptly notify the State, in writing, of each and every change of address to which service of process can be made. Service by the State to the last known address shall be sufficient. Contractor will have thirty (30) calendar days after service hereunder is complete in which to respond.

18. PROHIBITION ON PURCHASE OF TROPICAL HARDWOODS. The Contractor certifies and warrants that all wood products to be used under this contract award will be in accordance with, but not limited to, the specifications and provisions of Section 165 of the State Finance Law, (Use of Tropical Hardwoods) which prohibits purchase and use of tropical hardwoods, unless specifically exempted, by the State or any governmental agency or political subdivision or public benefit corporation. Qualification for an exemption under this law will be the responsibility of the contractor to establish to meet with the approval of the State.

In addition, when any portion of this contract involving the use of woods, whether supply or installation, is to be performed by any subcontractor, the prime Contractor will indicate and certify in the submitted bid proposal that the subcontractor has been informed and is in compliance with specifications and provisions regarding use of tropical hardwoods as detailed in §165 State Finance Law. Any such use must meet with the approval of the State; otherwise, the bid may not be considered responsive. Under bidder certifications, proof of qualification for exemption will be the responsibility of the Contractor to meet with the approval of the State.

19. MACBRIDE FAIR EMPLOYMENT PRINCIPLES. In accordance with the MacBride Fair Employment Principles (Chapter 807 of the Laws of 1992), the Contractor hereby stipulates that the Contractor either (a) has no business operations in Northern Ireland, or (b) shall take lawful steps in good faith to conduct any business operations in Northern Ireland in accordance with the MacBride Fair Employment Principles (as described in Section 165 of the New York State Finance Law), and shall permit independent monitoring of compliance with such principles.

20. OMNIBUS PROCUREMENT ACT OF 1992. It is the policy of New York State to maximize opportunities for the participation of New York State business enterprises, including minority and women-owned business

enterprises as bidders, subcontractors and suppliers on its procurement contracts.

Information on the availability of New York State subcontractors and suppliers is available from:

NYS Department of Economic Development
Division for Small Business
30 South Pearl St -- 7th Floor
Albany, New York 12245
Telephone: 518-292-5220
Fax: 518-292-5884
<http://www.empire.state.ny.us>

A directory of certified minority and women-owned business enterprises is available from:

NYS Department of Economic Development
Division of Minority and Women's Business
Development
30 South Pearl St -- 2nd Floor
Albany, New York 12245
Telephone: 518-292-5250
Fax: 518-292-5803
<http://www.empire.state.ny.us>

The Omnibus Procurement Act of 1992 requires that by signing this bid proposal or contract, as applicable, Contractors certify that whenever the total bid amount is greater than \$1 million:

(a) The Contractor has made reasonable efforts to encourage the participation of New York State Business Enterprises as suppliers and subcontractors, including certified minority and women-owned business enterprises, on this project, and has retained the documentation of these efforts to be provided upon request to the State;

(b) The Contractor has complied with the Federal Equal Opportunity Act of 1972 (P.L. 92-261), as amended;

(c) The Contractor agrees to make reasonable efforts to provide notification to New York State residents of employment opportunities on this project through listing any such positions with the Job Service Division of the New York State Department of Labor, or providing such notification in such manner as is consistent with existing collective bargaining contracts or agreements. The Contractor agrees to document these efforts and to provide said documentation to the State upon request; and

(d) The Contractor acknowledges notice that the State may seek to obtain offset credits from foreign countries as a result of this contract and agrees to cooperate with the State in these efforts.

21. RECIPROCITY AND SANCTIONS PROVISIONS.

Bidders are hereby notified that if their principal place of business is located in a country, nation, province, state or political subdivision that penalizes New York State vendors, and if the goods or services they offer will be substantially produced or performed outside New York State, the Omnibus Procurement Act 1994 and 2000 amendments (Chapter 684 and Chapter 383, respectively) require that they be denied contracts which they would otherwise obtain. NOTE: As of May 15, 2002, the list of discriminatory jurisdictions subject to this provision includes the states of South Carolina, Alaska, West Virginia, Wyoming, Louisiana and Hawaii. Contact NYS Department of Economic Development for a current list of jurisdictions subject to this provision.

22. COMPLIANCE WITH NEW YORK STATE INFORMATION SECURITY BREACH AND NOTIFICATION ACT.

Contractor shall comply with the provisions of the New York State Information Security Breach and Notification Act (General Business Law Section 899-aa; State Technology Law Section 208).

23. COMPLIANCE WITH CONSULTANT DISCLOSURE LAW.

If this is a contract for consulting services, defined for purposes of this requirement to include analysis, evaluation, research, training, data processing, computer programming, engineering, environmental, health, and mental health services, accounting, auditing, paralegal, legal or similar services, then, in accordance with Section 163 (4-g) of the State Finance Law (as amended by Chapter 10 of the Laws of 2006), the Contractor shall timely, accurately and properly comply with the requirement to submit an annual employment report for the contract to the agency that awarded the contract, the Department of Civil Service and the State Comptroller.

24. PROCUREMENT LOBBYING. To the extent this agreement is a "procurement contract" as defined by State Finance Law Sections 139-j and 139-k, by signing this agreement the contractor certifies and affirms that all disclosures made in accordance with State Finance Law Sections 139-j and 139-k are complete, true and accurate. In the event such certification is found to be intentionally false or intentionally incomplete, the State may terminate the agreement by providing written notification to the Contractor in accordance with the terms of the agreement.

25. CERTIFICATION OF REGISTRATION TO COLLECT SALES AND COMPENSATING USE TAX BY CERTAIN STATE CONTRACTORS, AFFILIATES AND SUBCONTRACTORS.

To the extent this agreement is a contract as defined by Tax Law Section 5-a, if the contractor fails to make the certification required by Tax Law Section 5-a or if during the term of the contract, the Department of Taxation and
December, 2011

Finance or the covered agency, as defined by Tax Law 5-a, discovers that the certification, made under penalty of perjury, is false, then such failure to file or false certification shall be a material breach of this contract and this contract may be terminated, by providing written notification to the Contractor in accordance with the terms of the agreement, if the covered agency determines that such action is in the best interest of the State.

APPENDIX B
GENERAL SPECIFICATIONS

GENERAL

1. **APPLICABILITY** The terms and conditions set forth in this Appendix B are expressly incorporated in and applicable to the resulting procurement contracts let by the Office of General Services Procurement Services Group, or let by any other Authorized User where incorporated by reference in its Bid Documents. Captions are intended as descriptive and are not intended to limit or otherwise restrict the terms and conditions set forth herein.

2. **GOVERNING LAW** This procurement, the resulting contract and any purchase orders issued hereunder shall be governed by the laws of the State of New York except where the Federal supremacy clause requires otherwise, and actions or proceedings arising from the contract shall be heard in a court of competent jurisdiction in the State of New York.

3. **ETHICS COMPLIANCE** All Bidders/Contractors and their employees must comply with the requirements of Sections 73 and 74 of the Public Officers Law, other State codes, rules, regulations and executive orders establishing ethical standards for the conduct of business with New York State. In signing the Bid, Bidder certifies full compliance with those provisions for any present or future dealings, transactions, sales, contracts, services, offers, relationships, etc., involving New York State and/or its employees. Failure to comply with those provisions may result in disqualification from the Bidding process, termination of contract, and/or other civil or criminal proceedings as required by law.

4. **CONFLICT OF TERMS** Unless otherwise set forth in the procurement or contract documents, conflicts among documents shall be resolved in the following order of precedence:

a. **Appendix A** (Standard Clauses for NYS Contracts)

b. **Mini-Bid Project Definition** if applicable and in accordance with the terms and conditions of the Back-Drop Contract.

c. **Contract and other writing(s)** setting forth the final agreements, clarifications and terms between the Bid Documents and Contractor's Bid. In the latter circumstance, clarifications must specifically note in writing what was offered by the Contractor and what was accepted by the State. If not, such clarifications shall be considered last in the order of precedence under this paragraph.

d. **Bid Documents** (Other than Appendix A).

i. Bid Specifications prepared by the Authorized User.

ii. Appendix B (General Specifications).

iii. Incorporated Contract Appendices, if any, following the order of precedence as stated for Contract above.

e. **Contractor's Bid or Mini-Bid Proposal**.

f. **Unincorporated Appendices** (if any).

5. **DEFINITIONS** Terms used in this Appendix B shall have the following meanings:

AFFILIATE Any individual or other legal entity, (including but not limited to sole proprietor, partnership, limited liability company, firm or corporation) that effectively controls another company in which (a) the Bidder owns more than 50% of the ownership; or (b) any individual or other legal entity which owns more than 50% of the ownership of the Bidder. In addition, if a Bidder owns less than 50% of the ownership of another legal entity, but directs or has the right to direct such entity's daily operations, that entity will be an Affiliate.

AGENCY OR AGENCIES The State of New York, acting by or through one or more departments, boards, commissions, offices or institutions of the State of New York.

ATTORNEY GENERAL Attorney General of the State of New York.

AUTHORIZED USER(S) Agencies, or any other entity authorized by the laws of the State of New York to participate in NYS centralized contracts (including but not limited to political subdivisions, public authorities, public benefit corporations and certain other entities set forth in law), or the State of New York acting on behalf of one or more such Agencies or other entities, provided that each such Agency or other entity shall be held solely responsible for liabilities or payments due as a result of its participation.

BID OR BID PROPOSAL An offer or proposal submitted by a Bidder to furnish a described product or a solution, perform services or means of achieving a practical end, at a stated price for the stated Contract term. As required by the Bid Documents, the Bid or proposal may be subject to modification through the solicitation by the Agency of best and final offers during the evaluation process prior to recommendation for award of the Contract.

BIDDER/OFFERER Any individual or other legal entity (including but not limited to sole proprietor, partnership, limited liability company, firm or corporation) which submits a Bid in response to a Bid Solicitation. The term Bidder shall also include the term "offeror." In the case of negotiated Contracts, "Bidder" shall refer to the "Contractor."

BID DOCUMENTS Writings by the State setting forth the scope, terms, conditions and technical specifications for a procurement of Product. Such writings typically include, but are not limited to: Invitation for Bids (IFB), Request for Quotation (RFQ), Request for Proposals (RFP), addenda or amendments thereto, and terms and

conditions which are incorporated by reference, including but not limited to, Appendix A (Standard Clauses for NYS Contracts), Appendix B, (General Specifications). Where these General Specifications are incorporated in negotiated Contracts that have not been competitively Bid, the term "Bid Documents" shall be deemed to refer to the terms and conditions set forth in the negotiated Contract and associated documentation.

BID SPECIFICATION A written description drafted by the Authorized User setting forth the specific terms of the intended procurement, which may include: physical or functional characteristics, the nature of a commodity or construction item, any description of the work to be performed, Products to be provided, the necessary qualifications of the Bidder, the capacity and capability of the Bidder to successfully carry out the proposed Contract, or the process for achieving specific results and/or anticipated outcomes or any other requirement necessary to perform work. Where these General Specifications are incorporated in negotiated Contracts that have not been competitively Bid, the term "Bid Specifications" shall be deemed to refer to the terms and conditions set forth in the negotiated Contract and associated documentation.

COMMISSIONER Commissioner of OGS, or in the case of Bid Specifications issued by an Authorized User, the head of such Authorized User or their authorized representative.

COMPTROLLER Comptroller of the State of New York.

CONTRACT The writing(s) which contain the agreement of the Commissioner and the Bidder/Contractor setting forth the total legal obligation between the parties as determined by applicable rules of law, and which most typically include the following classifications of public procurements:

a. Agency Specific Contracts Contracts where the specifications for a Product or a particular scope of work are described and defined to meet the needs of one or more Authorized User(s).

b. Centralized Contracts Single or multiple award Contracts where the specifications for a Product or general scope of work are described and defined by the Office of General Services to meet the needs of Authorized Users. Centralized Contracts may be awarded through multiple awards or through adoption of another jurisdiction's contract or on a sole source, single source, emergency or competitive basis. Once established, procurements may be made from the selected Contractor(s) without further competition or Mini-Bid unless otherwise required by the Bid Specifications or Contract Award Notification.

c. Back-Drop Contracts Multiple award Centralized Contracts where the Office of General Services defines the specifications for a Product or general scope of work to meet the needs of Authorized Users. Bids may be submitted either at a date and time certain or may be accepted on a continuous or periodic recruitment basis, as set forth in the Bid Specifications. Selection of a Contractor(s) from among Back-Drop contract holders for an actual Product, project or particular scope of work may subsequently be made on a single or sole source basis, or on the basis of a Mini-Bid among qualified Back-Drop contract holders, or such other method as set forth in the Bid Document.

d. Piggyback Contract A Contract let by any department, agency or instrumentality of the United States government, or any department, agency, office, political subdivision or instrumentality of any state or state(s) which is adopted and extended for use by the OGS Commissioner in accordance with the requirements of the State Finance Law.

e. Contract Letter A letter to the successful Bidder(s) indicating acceptance of its Bid in response to a solicitation. Unless otherwise specified, the issuance of a Letter of Acceptance forms a Contract but is not an order for Product, and Contractor should not take any action with respect to actual Contract deliveries except on the basis of Purchase Orders sent from Authorized User(s).

CONTRACT AWARD NOTIFICATION An announcement to Authorized Users that a Contract has been established.

CONTRACTOR Any successful Bidder(s) to whom a Contract has been awarded by the Commissioner.

DOCUMENTATION The complete set of manuals (e.g., user, installation, instruction or diagnostic manuals) in either hard or electronic copy, which are necessary to enable an Authorized User to properly test, install, operate and enjoy full use of the Product.

EMERGENCY An urgent and unexpected requirement where health and public safety or the conservation of public resources is at risk.

ENTERPRISE The total business operations in the United States of Authorized User (s) without regard to geographic location where such operations are performed or the entity actually performing such operations on behalf of Authorized User.

ENTERPRISE LICENSE A license grant of unlimited rights to deploy, access, use and execute Product anywhere within the Enterprise up to the maximum capacity stated on the Purchase Order or in the Contract.

ERROR CORRECTIONS Machine executable software code furnished by Contractor which corrects the Product so as to conform to the applicable warranties, performance standards and/or obligations of the Contractor.

GROUP A classification of Product, services or technology which is designated by OGS.

INVITATION FOR BIDS (IFB) A type of Bid Document which is most typically used where requirements can be stated and award will be made based on lowest price to the responsive and responsible Bidder(s).

LICENSED SOFTWARE Software transferred upon the terms and conditions set forth in the Contract. "Licensed Software" includes error corrections, upgrades, enhancements or new releases, and any deliverables due under a maintenance or service contract (e.g., patches, fixes, PTFs, programs, code or data conversion, or custom programming).

LICENSEE One or more Authorized Users who acquire Product from Contractor by issuing a Purchase Order in accordance with the terms and conditions of the Contract; provided that, for purposes of compliance with an individual license, the term "Licensee" shall be deemed to refer separately to the individual Authorized User(s) who took receipt of and who is executing the Product, and who shall be solely responsible for performance and liabilities incurred. In the case of acquisitions by State Agencies, the Licensee shall be the State of New York.

LICENSE EFFECTIVE DATE The date Product is delivered to an Authorized User. Where a License involves Licensee's right to copy a previously licensed and delivered Master Copy of a Program, the license effective date for additional copies shall be deemed to be the date on which the Purchase Order is executed.

LICENSOR A Contractor who transfers rights in proprietary Product to Authorized Users in accordance with the rights and obligations specified in the Contract.

MINI-BID PROJECT DEFINITION A Bid Document containing project specific Bid Specifications developed by or for an Authorized User which solicits Bids from Contractors previously qualified under a Back-Drop Contract.

MULTIPLE AWARD A determination and award of a Contract in the discretion of the Commissioner to more than one responsive and responsible Bidder who meets the requirements of a specification, where the multiple award is made on the grounds set forth in the Bid Document in order to satisfy multiple factors and needs of Authorized Users (e.g., complexity of items, various manufacturers, differences in performance required to accomplish or produce required end results, production

and distribution facilities, price, compliance with delivery requirements, geographic location or other pertinent factors).

NEW PRODUCT RELEASES (Product Revisions) Any commercially released revisions to the licensed version of a Product as may be generally offered and available to Authorized Users. New releases involve a substantial revision of functionality from a previously released version of the Product.

OGS The New York State Office of General Services.

PROCUREMENT RECORD Documentation by the Authorized User of the decisions made and approach taken during the procurement process and during the contract term.

PRODUCT A deliverable under any Bid or Contract which may include commodities, services and/or technology. The term "Product" includes Licensed Software.

PROPRIETARY Protected by secrecy, patent, copyright or trademark against commercial competition.

PURCHASE ORDER The Authorized User's fiscal form or format that is used when making a purchase (e.g., formal written Purchase Order, Procurement Card, electronic Purchase Order, or other authorized instrument).

REQUEST FOR PROPOSALS (RFP) A type of Bid Document that is used for procurements where factors in addition to cost are considered and weighted in awarding the contract and where the method of award is "best value," as defined by the State Finance Law.

REQUEST FOR QUOTATION (RFQ) A type of Bid Document that can be used when a formal Bid opening is not required (e.g., discretionary, sole source, single source or emergency purchases).

RESPONSIBLE BIDDER A Bidder that is determined to have financial and organizational capacity, legal authority, satisfactory previous performance, skill, judgment and integrity, and that is found to be competent, reliable and experienced, as determined by the Commissioner. For purposes of being deemed responsible, a Bidder must also be determined to be in compliance with Sections 139-j and 139-k of the State Finance Law relative to restrictions on contacts during the procurement process and disclosure of contacts and prior findings of non-responsibility under these statutes.

RESPONSIVE BIDDER A Bidder meeting the specifications or requirements prescribed in the Bid Document or solicitation, as determined by the OGS Commissioner.

SINGLE SOURCE A procurement where two or more Bidders can supply the required Product, and the Commissioner may award the contract to one Bidder over the other.

SITE The location (street address) where Product will be executed or services delivered.

SOLE SOURCE A procurement where only one Bidder is capable of supplying the required Product.

SOURCE CODE The programming statements or instructions written and expressed in any language understandable by a human being skilled in the art which are translated by a language compiler to produce executable machine Object Code.

STATE State of New York.

SUBCONTRACTOR Any individual or other legal entity, (including but not limited to sole proprietor, partnership, limited liability company, firm or corporation) who has entered into a contract, express or implied, for the performance of a portion of a Contract with a Contractor.

TERMS OF LICENSE The terms and conditions set forth in the Contract that are in effect and applicable to a Purchase Order at the time of order placement.

VIRUS Any computer code, whether or not written or conceived by Contractor, that disrupts, disables, harms, or otherwise impedes in any manner the operation of the Product, or any other associated software, firmware, hardware, or computer system (such as local area or wide-area networks), including aesthetic disruptions or distortions, but does not include security keys or other such devices installed by Product manufacturer.

BID SUBMISSION

6. INTERNATIONAL BIDDING All offers (tenders), and all information and Product required by the solicitation or provided as explanation thereof, shall be submitted in English. All prices shall be expressed, and all payments shall be made, in United States Dollars (\$US). Any offers (tenders) submitted which do not meet the above criteria will be rejected.

7. BID OPENING Bids may, as applicable, be opened publicly. The Commissioner reserves the right at any time to postpone or cancel a scheduled Bid opening.

8. BID SUBMISSION All Bids are to be packaged, sealed and submitted to the location stated in the Bid Specifications. Bidders are solely responsible for timely delivery of their Bids to the location set forth in the Bid Specifications prior to the stated Bid opening date/time.

A Bid return envelope, if provided with the Bid Specifications, should be used with the Bid sealed inside. If the Bid response does not fit into the envelope, the Bid envelope should be attached to the outside of the sealed box or package with the Bid inside. If using a commercial delivery company that requires use of their shipping package or envelope, Bidder's sealed Bid, labeled as detailed below, should be placed within the shipper's sealed envelope to ensure that the Bid is not prematurely opened.

All Bids must have a label on the outside of the package or shipping container outlining the following information:

"BID ENCLOSED (bold print, all capitals)

- Group Number
- IFB or RFP Number
- Bid Submission date and time"

In the event that a Bidder fails to provide such information on the return Bid envelope or shipping material, the receiving entity reserves the right to open the shipping package or envelope to determine the proper Bid number or Product group, and the date and time of Bid opening. Bidder shall have no claim against the receiving entity arising from such opening and such opening shall not affect the validity of the Bid or the procurement.

Notwithstanding the receiving agency's right to open a Bid to ascertain the foregoing information, Bidder assumes all risk of late delivery associated with the Bid not being identified, packaged or labeled in accordance with the foregoing requirements.

All Bids must be signed by a person authorized to commit the Bidder to the terms of the Bid Documents and the content of the Bid (offer).

9. FACSIMILE SUBMISSIONS Unless specifically prohibited by the terms of the Bid Specifications, facsimile Bids may be SUBMITTED AT THE SOLE OPTION AND RISK OF THE BIDDER. Only the FAX number(s) indicated in the Bid Specifications may be used. Access to the facsimile machine(s) is on a "first come, first serve" basis, and the Commissioner bears no liability or responsibility and makes no guarantee whatsoever with respect to the Bidder's access to such equipment at any specific time. Bidders are solely responsible for submission and receipt of the entire facsimile Bid by the Authorized User prior to Bid opening and must include on the first page of the transmission the total number of pages transmitted in the facsimile, including the cover page. Incomplete, ambiguous or unreadable transmissions in whole or in part may be rejected at the sole discretion of the Commissioner. Facsimile Bids are fully governed by all conditions outlined in the Bid Documents and must be submitted on forms or in the

format required in the Bid Specifications, including the executed signature page and acknowledgment.

10. AUTHENTICATION OF FACSIMILE BIDS The act of submitting a Bid by facsimile transmission, including an executed signature page or as otherwise specified in the Bid Documents, shall be deemed a confirming act by Bidder which authenticates the signing of the Bid.

11. LATE BIDS For purposes of Bid openings held and conducted by OGS, a Bid must be received in such place as may be designated in the Bid Documents or if no place is specified in the OGS Mailroom located in the Empire State Plaza, Albany, New York 12242, at or before the date and time established in the Bid Specifications for the Bid opening. For purposes of Bid openings held and conducted by Authorized Users other than OGS, the term late Bid is defined as a Bid not received in the location established in the Bid Specifications at or before the date and time specified for the Bid opening.

Any Bid received at the specified location after the time specified will be considered a late Bid. A late Bid shall not be considered for award unless: (i) no timely Bids meeting the requirements of the Bid Documents are received or, (ii) in the case of a multiple award, an insufficient number of timely Bids were received to satisfy the multiple award; and acceptance of the late Bid is in the best interests of the Authorized Users. Bids submitted for continuous or periodic recruitment contract awards must meet the submission requirements associated with their specifications. Delays in United States mail deliveries or any other means of transmittal, including couriers or agents of the Authorized User shall not excuse late Bid submissions. Similar types of delays, including but not limited to, bad weather, or security procedures for parking and building admittance shall not excuse late Bid submissions. Determinations relative to Bid timeliness shall be at the sole discretion of the Commissioner.

12. BID CONTENTS Bids must be complete and legible. All Bids must be signed. All information required by the Bid Specifications must be supplied by the Bidder on the forms or in the format specified. No alteration, erasure or addition is to be made to the Bid Documents. Changes may be ignored by the Commissioner or may be grounds for rejection of the Bid. Changes, corrections and/or use of white-out in the Bid or Bidder's response portion of the Bid Document must be initialed by an authorized representative of the Bidder. Bidders are cautioned to verify their Bids before submission, as amendments to Bids or requests for withdrawal of Bids received by the Commissioner after the time specified for the Bid opening, may not be considered.

13. EXTRANEOUS TERMS Bids must conform to the terms set forth in the Bid Documents, as extraneous terms or material deviations (including additional,

inconsistent, conflicting or alternative terms) may render the Bid non-responsive and may result in rejection of the Bid.

Extraneous term(s) submitted on standard, pre-printed forms (including but not limited to: product literature, order forms, license agreements, contracts or other documents) that are attached or referenced with submissions shall not be considered part of the Bid or resulting Contract, but shall be deemed included for informational or promotional purposes only.

Only those extraneous terms that meet all the following requirements may be considered as having been submitted as part of the Bid:

- a. Each proposed extraneous term (addition, deletion, counter-offer, deviation, or modification) must be specifically enumerated in a writing which is not part of a pre-printed form; and
- b. The writing must identify the particular specification requirement (if any) that Bidder rejects or proposes to modify by inclusion of the extraneous term; and
- c. The Bidder shall enumerate the proposed addition, counter offer, modification or deviation from the Bid Document, and the reasons therefore.

No extraneous term(s), whether or not deemed "material," shall be incorporated into a Contract or Purchase Order unless submitted in accordance with the above and the Commissioner or Authorized User expressly accepts each such term(s) in writing. Acceptance and/or processing of the Bid shall not constitute such written acceptance of Extraneous Term(s).

14. CONFIDENTIAL/TRADE SECRET MATERIALS

a. Contractor Confidential, trade secret or proprietary materials as defined by the laws of the State of New York must be clearly marked and identified as such upon submission by the Bidder. Marking the Bid as "confidential" or "proprietary" on its face or in the document header or footer shall not be considered by the Commissioner or Authorized User to be sufficient without specific justification as to why disclosure of particular information in the Bid would cause substantial injury to the competitive position of the Bidder. Bidders/Contractors intending to seek an exemption from disclosure of these materials under the Freedom of Information Law must request the exemption in writing, setting forth the reasons for the claimed exemption. Acceptance of the claimed materials does not constitute a determination on the exemption request, which determination will be made in accordance with statutory procedures. Properly identified information that has been designated confidential, trade secret, or proprietary by the Bidder will not be disclosed except as may be required by

the Freedom of Information Law or other applicable State and federal laws.

b. Commissioner or Authorized User Contractor further warrants, covenants and represents that any confidential information obtained by Contractor, its agents, Subcontractors, officers, distributors, resellers or employees in the course of performing its obligations, including without limitation, security procedures, business operations information, or commercial proprietary information in the possession of the State or any Authorized User hereunder or received from another third party, will not be divulged to any third parties. Contractor shall not be required to keep confidential any such material that is publicly available through no fault of Contractor, independently developed by Contractor without reliance on confidential information of the Authorized User, or otherwise obtained under the Freedom of Information Act or other applicable New York State laws and regulations. This warranty shall survive termination of this Contract. Contractor further agrees to take appropriate steps as to its agents, Subcontractors, officers, distributors, resellers or employees regarding the obligations arising under this clause to insure such confidentiality.

15. RELEASE OF BID EVALUATION MATERIALS

Requests concerning the evaluation of Bids may be submitted under the Freedom of Information Law. Information, other than statistical or factual tabulations or data such as the Bid Tabulation, shall only be released as required by law after Contract award. Bid Tabulations are not maintained for all procurements. Names of Bidders may be disclosed after Bid opening upon request. Written requests should be directed to the Commissioner.

16. FREEDOM OF INFORMATION LAW

During the evaluation process, the content of each Bid will be held in confidence and details of any Bid will not be revealed (except as may be required under the Freedom of Information Law or other State law). The Freedom of Information Law provides for an exemption from disclosure for trade secrets or information the disclosure of which would cause injury to the competitive position of commercial enterprises. This exception would be effective both during and after the evaluation process. If the Bid contains any such trade secret or other confidential or proprietary information, it must be accompanied in the Bid with a written request to the Commissioner to not disclose such information. Such request must state with particularity the reasons why the information should not be available for disclosure and must be provided at the time of submission of the Bid. Notations in the header, footer or watermark of the Bid Document will not be considered sufficient to constitute a request for non-disclosure of trade secret or other confidential or proprietary information. Where a Freedom of Information request is made for trademark or other confidential or proprietary information, the Commissioner

reserves the right to determine upon written notice to the Bidder whether such information qualifies for the exemption for disclosure under the law. Notwithstanding the above, where a Bid tabulation is prepared and Bids publicly opened, such Bid tabulation shall be available upon request.

17. PREVAILING WAGE RATES - PUBLIC WORKS AND BUILDING SERVICES CONTRACTS If any portion of work being Bid is subject to the prevailing wage rate provisions of the Labor Law, the following shall apply:

a. “Public Works” and “Building Services” - Definitions

i. Public Works Labor Law Article 8 applies to contracts for public improvement in which laborers, workers or mechanics are employed on a “public works” project (distinguished from public “procurement” or “service” contracts). The State, a public benefit corporation, a municipal corporation (including a school district), or a commission appointed by law must be a party to the Contract. The wage and hours provision applies to any work performed by Contractor or Subcontractors.

ii. Building Services Labor Law Article 9 applies to Contracts for building service work over \$1,500 with a public agency, that: (i) involve the care or maintenance of an existing building, or (ii) involve the transportation of office furniture or equipment to or from such building, or (iii) involve the transportation and delivery of fossil fuel to such building, and (iv) the principal purpose of which is to furnish services through use of building service employees.

b. Prevailing Wage Rate Applicable to Bid Submissions

A copy of the applicable prevailing wage rates to be paid or provided are annexed to the Bid Documents. Bidders must submit Bids which are based upon the prevailing hourly wages, and supplements in cash or equivalent benefits (i.e., fringe benefits and any cash or non-cash compensation which are not wages, as defined by law) that equal or exceed the applicable prevailing wage rate(s) for the location where the work is to be performed. Bidders may not submit Bids based upon hourly wage rates and supplements below the applicable prevailing wage rates as established by the New York State Department of Labor. Bids that fail to comply with this requirement will be disqualified.

c. Wage Rate Payments / Changes During Contract Term

The wages to be paid under any resulting Contract shall not be less than the prevailing rate of wages and supplements as set forth by law. It is required that the Contractor keep informed of all changes in the Prevailing Wage Rates during the Contract term that apply to the classes of individuals supplied by the Contractor on any projects resulting from this Contract, subject to the provisions of the Labor Law. Contractor is solely liable for

and must pay such required prevailing wage adjustments during the Contract term as required by law.

d. Public Posting & Certified Payroll Records In compliance with Article 8, Section 220 of the New York State Labor Law:

i. Posting The Contractor must publicly post on the work site, in a prominent and accessible place, a legible schedule of the prevailing wage rates and supplements.

ii. Payroll Records Contractors and Subcontractors must keep original payrolls or transcripts subscribed and affirmed as true under the penalties of perjury as required by law. For public works contracts over \$25,000 where the Contractor maintains no regular place of business in New York State, such records must be kept at the work site. For building services contracts, such records must be kept at the work site while work is being performed.

iii. Submission of Certified Payroll Transcripts for Public Works Contracts Only Contractors and Subcontractors on public works projects must submit monthly payroll transcripts to the Authorized User that has prepared or directs the preparation of the plans and specifications for a public works project, as set forth in the Bid Specifications. For Mini-Bid solicitations, the payroll records must be submitted to the entity preparing the agency Mini-Bid project specification. For "agency specific" Bids, the payroll records should be submitted to the entity issuing the purchase order. For all other OGS Centralized Contracts, such records should be submitted to the individual agency issuing the purchase order(s) for the work. Upon mutual agreement of the Contractor and the Authorized User, the form of submission may be submitted in a specified disk format acceptable to the Department of Labor provided: 1) the Contractor/Subcontractor retains the original records; and, (2) an original signed letter by a duly authorized individual of the Contractor or Subcontractor attesting to the truth and accuracy of the records accompanies the disk. This provision does not apply to Article 9 of the Labor Law building services contracts.

iv. Records Retention Contractors and Subcontractors must preserve such certified transcripts for a period of three years from the date of completion of work on the awarded contract.

Day's Labor Eight hours shall constitute a legal day's work for all classes of employees in this state except those engaged in farm and domestic service unless otherwise provided by law.

No laborers, workmen or mechanics in the employ of the Contractor, Subcontractor or other person doing or contracting to do all or part of the work contemplated by the Contract shall be permitted or required to work more than eight hours in any one calendar day or more than

five calendar days in any one week except in cases of extraordinary emergency including fire, flood or danger to life or property. "Extraordinary emergency" shall be deemed to include situations in which sufficient laborers, workers and mechanics cannot be employed to carry on public work expeditiously as a result of such restrictions upon the number of hours and days of labor and the immediate commencement or prosecution or completion without undue delay of the public work is necessary in the judgment of the NYS Commissioner of Labor for the preservation of the Contract site or for the protection of the life and limb of the persons using the Contract site.

18. TAXES

a. Unless otherwise specified in the Bid Specifications or Contract, the quoted Bid price includes all taxes applicable to the transaction.

b. Purchases made by the State of New York and certain non-State Authorized Users are exempt from New York State and local sales taxes and, with certain exceptions, federal excise taxes. To satisfy the requirements of the New York State Sales tax exemption, either the Purchase Order issued by a State Agency or the invoice forwarded to authorize payment for such purchases will be sufficient evidence that the sale by the Contractor was made to the State, an exempt organization under Section 1116 (a) (1) of the Tax Law. Non-State Authorized Users must offer their own proof of exemption upon request. No person, firm or corporation is, however, exempt from paying the State Truck Mileage and Unemployment Insurance or Federal Social Security taxes, which remain the sole responsibility of the Bidder/Contractor.

c. Pursuant to Revised Tax Law 5-a, Contractor will be required to furnish sales tax certification on its behalf and for its affiliates, and subcontractors for Contracts with a value greater than \$100,000 in accordance with provisions of the law.

d. Purchases by Authorized Users other than the State of New York may be subject to certain taxes which were not included in the Bid price, and in those instances the tax should be computed based on the Contract price and added to the invoice submitted to such entity for payment.

19. EXPENSES PRIOR TO CONTRACT EXECUTION

The Commissioner and any Authorized User(s) are not liable for any costs incurred by a Vendor, Bidder or Contractor in the preparation and production of a Bid, Mini-Bid or best and final offers or for any work performed prior to Contract execution.

20. ADVERTISING RESULTS The prior written approval of the Commissioner is required in order for results of the Bid to be used by the Contractor as part of any commercial advertising. The Contractor shall also obtain

the prior written approval of the Commissioner relative to the Bid or Contract for press or other media releases.

21. PRODUCT REFERENCES

a. "Or Equal" In all Bid Specifications the words "or equal" are understood to apply where a copyrighted, brand name, trade name, catalog reference, or patented Product is referenced. References to such specific Product are intended as descriptive, not restrictive, unless otherwise stated. Comparable Product will be considered if proof of compatibility is provided, including appropriate catalog excerpts, descriptive literature, specifications and test data, etc. The Commissioner's decision as to acceptance of the Product as equal shall be final.

b. Discrepancies in References In the event of a discrepancy between the model number referenced in the Bid Specifications and the written description of the Products which cannot be reconciled, with respect to such discrepancy, then the written description shall prevail.

22. REMANUFACTURED, RECYCLED, RECYCLABLE OR RECOVERED MATERIALS

Upon the conditions specified in the Bid Specifications and in accordance with the laws of the State of New York, Contractors are encouraged to use recycled, recyclable or recovered materials in the manufacture of Products and packaging to the maximum extent practicable without jeopardizing the performance or intended end use of the Product or packaging unless such use is precluded due to health, welfare, safety requirements or in the Bid Specifications. Contractors are further encouraged to offer remanufactured Products to the maximum extent practicable without jeopardizing the performance or intended end use of the Product and unless such use is precluded due to health, welfare, safety requirements or by the Bid Specifications. Where such use is not practical, suitable, or permitted by the Bid Specifications, Contractor shall deliver new materials in accordance with the "Warranties" set forth below.

Items with recycled, recyclable, recovered, refurbished or remanufactured content must be identified in the Bid or Bidder will be deemed to be offering new Product.

23. PRODUCTS MANUFACTURED IN PUBLIC INSTITUTIONS

Bids offering Products that are manufactured or produced in public institutions will be rejected.

24. PRICING

a. Unit Pricing If required by the Bid Specifications, the Bidder should insert the price per unit specified and the price extensions in decimals, not to exceed four places for each item unless otherwise specified, in the Bid. In the event of a discrepancy between the unit price and the extension, the unit price shall govern unless, in the sole

judgment of the Commissioner, such unit pricing is obviously erroneous.

b. Net Pricing Unless otherwise required by the Bid Specifications, prices shall be net, including transportation, customs, tariff, delivery and other charges fully prepaid by the Contractor to the destination(s) indicated in the Bid Specifications, subject to the cash discount.

c. "No Charge" Bid When Bids are requested on a number of Products as a Group or Lot, a Bidder desiring to Bid "no charge" on a Product in the Group or Lot must clearly indicate such. Otherwise, such Bid may be considered incomplete and be rejected, in whole or in part, at the discretion of the Commissioner.

d. Educational Pricing All Products to be supplied for educational purposes that are subject to educational discounts shall be identified in the Bid and such discounts shall be made available to qualifying institutions.

e. Third Party Financing If Product acquisitions are financed through any third party financing, Contractor may be required as a condition of Contract Award to agree to the terms and conditions of a "Consent & Acknowledgment Agreement" in a form acceptable to the Commissioner.

f. Best Pricing Offer During the Contract term, if substantially the same or a smaller quantity of a Product is sold by the Contractor outside of this Contract upon the same or similar terms and conditions as that of this Contract at a lower price to a federal, state or local governmental entity, the price under this Contract, at the discretion of the Commissioner, shall be immediately reduced to the lower price.

Price decreases shall take effect automatically during the Contract term and apply to Purchase Orders submitted on or after:

(i) GSA Changes: Where NYS Net Prices are based on an approved GSA Schedule, the date the approved GSA Schedule pricing decreases during the Contract term; or

(ii) Commercial Price List Reductions: Where NYS Net Prices are based on a discount from Contractor's list prices, the date Contractor lowers its pricing to its customers generally or to similarly situated government customers during the Contract term; or

(iii) Special Offers/Promotions Generally: Where Contractor generally offers more advantageous special price promotions or special discount pricing to other customers during the Contract term for a similar quantity, and the maximum price or discount associated with such offer or promotion is better than the discount or Net Price otherwise available under this Contract, such better price or discount shall apply for similar quantity transactions under this Contract for the life of such general offer or promotion; and

(iv) Special Offers/Promotions to Authorized Users: Contractor may offer Authorized Users, under either this Contract or any other Contracting vehicle, competitive pricing which is lower than the NYS Net Price set forth herein at any time during the Contract term and such lower pricing shall not be applied as a global price reduction under the Contract pursuant to the foregoing paragraph (iii).

Unless otherwise specified in the Bid Specifications, Contractor may offer lower prices or better terms (see Modification of Contract Terms) on any specific Purchase Order(s) from any Authorized User without being in conflict with, or obligation to comply on a global basis, with the terms of this clause.

g. Best and Final Prices As specified in the Bid Documents and Contract, a Contractor may be solicited at the time of issuance of a Purchase Order or Mini-Bid award for best and final pricing for the Product or service to be delivered to the Authorized User. Contractors are encouraged to reduce their pricing upon receipt of such request.

25. DRAWINGS

a. Drawings Submitted With Bid When the Bid Specifications require the Bidder to furnish drawings and/or plans, such drawings and/or plans shall conform to the mandates of the Bid Documents and shall, when approved by the Commissioner, be considered a part of the Bid and of any resulting Contract. All symbols and other representations appearing on the drawings shall be considered a part of the drawing.

b. Drawings Submitted During the Contract Term

Where required to develop, maintain and deliver diagrams or other technical schematics regarding the scope of work, Contractor shall do so on an ongoing basis at no additional charge, and must, as a condition of payment, update drawings and plans during the Contract term to reflect additions, alterations, and deletions. Such drawings and diagrams shall be delivered to the Authorized User's representative.

c. Accuracy of Drawings Submitted

All drawings shall be neat and professional in manner and shall be clearly labeled as to locations and type of product, connections and components. Drawings and diagrams are to be in compliance with accepted drafting standards. Acceptance or approval of such plans shall not relieve the Contractor from responsibility for design or other errors of any sort in the drawings or plans, or from its responsibility for performing as required, furnishing product, services or installation, or carrying out any other requirements of the intended scope of work.

26. SITE INSPECTION Where a site inspection is required by the Bid Specifications or Project Definition, Bidder shall be required to inspect the site, including

environmental or other conditions for pre-existing deficiencies that may affect the installed Product, equipment, or environment or services to be provided and, which may affect Bidder's ability to properly deliver, install or otherwise provide the required Product. All inquiries regarding such conditions shall be made in writing. Bidder shall be deemed to have knowledge of any deficiencies or conditions which such inspection or inquiry might have disclosed. Bidder must provide a detailed explanation with its Bid if additional work is required under this clause in order to properly complete the delivery and installation of the required Product or provide the requested service.

27. PROCUREMENT CARD The State has entered into an agreement for purchasing card services. The Purchasing Card enables Authorized Users to make authorized purchases directly from a Contractor without processing a Purchase Orders or Purchase Authorizations. Purchasing Cards are issued to selected employees authorized to purchase for the Authorized User and having direct contact with Contractors. Cardholders can make purchases directly from any Contractor that accepts the Purchasing Card.

The Contractor shall not process a transaction for payment through the credit card clearinghouse until the purchased products have been shipped or services performed. Unless the cardholder requests correction or replacement of a defective or faulty Product in accordance with other Contract requirements, the Contractor shall immediately credit a cardholder's account for products returned as defective or faulty.

28. SAMPLES

a. Standard Samples Bid Specifications may indicate that the Product to be purchased must be equal to a standard sample on display in a place designated by the Commissioner and such sample will be made available to the Bidder for examination prior to the opening date. Failure by the Bidder to examine such sample shall not entitle the Bidder to any relief from the conditions imposed by the Bid Specifications.

b. Bidder Supplied Samples The Commissioner reserves the right to request from the Bidder/Contractor a representative sample(s) of the Product offered at any time prior to or after award of a contract. Unless otherwise instructed, samples shall be furnished within the time specified in the request. Untimely submission of a sample may constitute grounds for rejection of Bid or cancellation of the Contract. Samples must be submitted free of charge and be accompanied by the Bidder's name and address, any descriptive literature relating to the Product and a statement indicating how and where the sample is to be returned. Where applicable, samples must be properly labeled with the appropriate Bid or Contract reference.

A sample may be held by the Commissioner during the entire term of the Contract and for a reasonable period thereafter for comparison with deliveries. At the conclusion of the holding period the sample, where feasible, will be returned as instructed by the Bidder, at the Bidder's expense and risk. Where the Bidder has failed to fully instruct the Commissioner as to the return of the sample (i.e., mode and place of return, etc.) or refuses to bear the cost of its return, the sample shall become the sole property of the receiving entity at the conclusion of the holding period.

c. Enhanced Samples When an approved sample exceeds the minimum specifications, all Product delivered must be of the same enhanced quality and identity as the sample. Thereafter, in the event of a Contractor's default, the Commissioner may procure a Product substantially equal to the enhanced sample from other sources, charging the Contractor for any additional costs incurred.

d. Conformance with Sample(s) Submission of a sample (whether or not such sample is tested by, or for, the Commissioner) and approval thereof shall not relieve the Contractor from full compliance with all terms and conditions, performance related and otherwise, specified in the Bid Specifications. If in the judgment of the Commissioner the sample or product submitted is not in accordance with the specifications or testing requirements prescribed in the Bid Specifications, the Commissioner may reject the Bid. If an award has been made, the Commissioner may cancel the Contract at the expense of the Contractor.

e. Testing All samples are subject to tests in the manner and place designated by the Commissioner, either prior to or after Contract award. Unless otherwise stated in the Bid Specifications, Bidder samples consumed or rendered useless by testing will not be returned to the Bidder. Testing costs for samples that fails to meet Contract requirements may be at the expense of the Contractor.

f. Requests For Samples By Authorized Users Requests for samples by Authorized Users require the consent of the Contractor. Where Contractor refuses to furnish a sample, Authorized User may, in its sole discretion, make a determination on the performance capability of the Product or on the issue in question.

BID EVALUATION

29. BID EVALUATION The Commissioner reserves the right to accept or reject any and all Bids, or separable portions of offers, and waive technicalities, irregularities, and omissions if the Commissioner determines the best interests of the State will be served. The Commissioner, in his/her sole discretion, may accept or reject illegible, incomplete or vague Bids and his/her decision shall be final. A conditional or revocable Bid which clearly

communicates the terms or limitations of acceptance may be considered, and Contract award may be made in compliance with the Bidder's conditional or revocable terms in the offer.

30. CONDITIONAL BID Unless the Bid Specifications provides otherwise, a Bid is not rendered non-responsive if the Bidder specifies that the award will be accepted only on all or a specified group of items or Product included in the specification. It is understood that nothing herein shall be deemed to change or alter the method of award contained in the Bid Documents.

31. CLARIFICATIONS / REVISIONS Prior to award, the Commissioner reserves the right to seek clarifications, request Bid revisions, or to request any information deemed necessary for proper evaluation of Bids from all Bidders deemed to be eligible for Contract award. Failure to provide requested information may result in rejection of the Bid.

32. PROMPT PAYMENT DISCOUNTS While prompt payment discounts will not be considered in determining the low Bid, the Commissioner may consider any prompt payment discount in resolving Bids which are otherwise tied. However, any notation indicating that the price is net, (e.g., net 30 days), shall be understood to mean only that no prompt payment discount is offered by the Bidder. The imposition of service, interest, or other charges, except pursuant to the provisions of Article 11-A of the State Finance Law, which are applicable in any case, may render the Bid non-responsive and may be cause for its rejection.

33. EQUIVALENT OR IDENTICAL BIDS In the event two offers are found to be substantially equivalent, price shall be the basis for determining the award recipient. If two or more Bidders submit substantially equivalent Bids as to pricing or other factors, the decision of the Commissioner to award a Contract to one or more of such Bidders shall be final.

34. PERFORMANCE AND RESPONSIBILITY QUALIFICATIONS The Commissioner reserves the right to investigate or inspect at any time whether or not the Product, services, qualifications or facilities offered by the Bidder/Contractor meet the requirements set forth in the Bid Specifications/Contract or as set forth during Contract negotiations. Contractor shall at all times during the Contract term remain responsible and responsive. A Bidder/Contractor must be prepared, if requested by the Commissioner, to present evidence of legal authority to do business in New York State, integrity, experience, ability, prior performance, organizational and financial capacity as well as where applicable, a statement as to supply, plant, machinery and capacity of the manufacturer or source for the production, distribution and servicing of the Product offered/Bid. If the Commissioner determines that the conditions and terms of the Bid Documents, Bid

Specifications or Contract are not complied with, or that items, services or Product proposed to be furnished do not meet the specified requirements, or that the legal authority, integrity experience, ability, prior performance, organization and financial capacity or facilities are not satisfactory, the Commissioner may reject such Bid or terminate the Contract.

35. DISQUALIFICATION FOR PAST PERFORMANCE AND FINDINGS OF NON-RESPONSIBILITY Bidder may be disqualified from receiving awards if Bidder, or anyone in Bidder's employment, has previously failed to perform satisfactorily in connection with public Bidding or contracts or is deemed non-responsible.

36. QUANTITY CHANGES PRIOR TO AWARD The Commissioner reserves the right, at any time prior to the award of a specific quantity Contract, to alter in good faith the quantities listed in the Bid Specifications. In the event such right is exercised, the lowest responsible Bidder meeting Bid Specifications will be advised of the revised quantities and afforded an opportunity to extend or reduce its Bid price in relation to the changed quantities. Refusal by the low Bidder to so extend or reduce its Bid price may result in the rejection of its Bid and the award of such Contract to the lowest responsible Bidder who accepts the revised qualifications.

37. TIMEFRAME FOR OFFERS The Commissioner reserves the right to make awards within sixty (60) days after the date of the Bid opening or such other period of time as set forth in the Bid Documents, during which period, Bids must remain firm and cannot be withdrawn. Pursuant to Section 163(9)(e) of the State Finance Law and Section 2-205 of the Uniform Commercial Code when applicable, where an award is not made within the sixty (60) day period or other time specified as set forth in the Bid Documents, the Bids shall remain firm until such later time as either a Contract is awarded or the Bidder delivers to the Commissioner written notice of the withdrawal of its Bid. Any Bid which expressly states therein that acceptance must be made within a shorter specified time, may at the sole discretion of the Commissioner, be accepted or rejected.

TERMS & CONDITIONS

38. CONTRACT CREATION / EXECUTION Except for contracts governed by Article 11-B of the State Finance Law, subject to and upon receipt of all required approvals as set forth in the Bid Specifications a Contract shall be deemed executed and created with the successful Bidder(s), upon the Commissioner's mailing or electronic communication to the address on the Bid/Contract of: (i) the final Contract Award Notice; (ii) a fully executed Contract; or (iii) a Purchase Order authorized by the Commissioner.

39. PARTICIPATION IN CENTRALIZED CONTRACTS

The following shall not limit or inhibit the OGS Commissioner's authority under State Finance Law, Section 163 (10) (e) (Piggybacking):

a. Agencies All State Agencies may utilize and purchase under any state Centralized Contract let by the Commissioner, unless the Bid Documents limit purchases to specific State Agencies.

b. Non-State Agency Authorized Users Authorized Users other than State Agencies are permitted to make purchases through state Centralized Contracts where permitted by law, the Contract or the Commissioner.

c. Voluntary Extension Purchase Orders issued against a State Centralized Contract by any Authorized User not provided for in the Bid Specifications shall be honored by the Contractor at its discretion and only with the approval of the OGS Commissioner and any other approvals required by law. Contractors are encouraged to voluntarily extend service Contracts to those additional entities authorized to utilize commodity Contracts under Section 163 (3) (iv) of the State Finance Law.

d. Responsibility for Performance Participation in state Centralized Contracts by Authorized Users is permitted upon the following conditions: (i) the responsibility with regard to performance of any contractual obligation, covenant, condition or term thereunder by any Authorized User other than State Agencies shall be borne and is expressly assumed by such Authorized User and not by the State; (ii) a breach of the Contract by any particular Authorized User shall neither constitute nor be deemed a breach of the Contract as a whole which shall remain in full force and effect, and shall not affect the validity of the Contract nor the obligations of the Contractor thereunder respecting non-breaching Authorized Users, whether State or otherwise; (iii) for a breach by an Authorized User other than a State Agency, the State specifically and expressly disclaims any and all liability for such breach; and (iv) each non-state agency Authorized User and Contractor guarantees to save the State, its officers, agents and employees harmless from any liability that may be or is imposed by their failure to perform in accordance with its obligations under the Contract.

e. Contract Migration Authorized Users holding individual Contracts with a Contractor at the time that Contractor is awarded a Centralized Contract for the same Products or services shall be permitted to migrate to that Centralized Contract effective with its commencement date. Such migration shall not operate to diminish, alter or eliminate any right that the Authorized User otherwise had under the terms and conditions of their individual Contract.

40. MODIFICATION OF CONTRACT TERMS The terms and conditions set forth in the Contract shall govern all transactions by Authorized User(s) under this Contract. The Contract may only be modified or amended upon mutual written agreement of the Commissioner and Contractor.

The Contractor may, however, offer Authorized User(s) more advantageous pricing, payment, or other terms and conditions than those set forth in the Contract. In such event, a copy of such terms shall be furnished to the Authorized User(s) and Commissioner by the Contractor at the time of such offer.

Other than where such terms are more advantageous for the Authorized User(s) than those set forth in the Contract, no alteration or modification of the terms of the Contract, including substitution of Product, shall be valid or binding against Authorized User(s) unless authorized by the Commissioner or specified in the Contract Award Notification. No such alteration or modification shall be made by unilaterally affixing such terms to Product upon delivery (including, but not limited to, attachment or inclusion of standard pre-printed order forms, product literature, "shrink wrap" terms accompanying software upon delivery, or other documents) or by incorporating such terms onto order forms, purchase orders or other documents forwarded by the Contractor for payment, notwithstanding Authorized User's subsequent acceptance of Product, or that Authorized User has subsequently processed such document for approval or payment.

41. SCOPE CHANGES The Commissioner reserves the right, unilaterally, to require, by written order, changes by altering, adding to or deducting from the Bid Specifications, such changes to be within the general scope of the Contract. The Commissioner may make an equitable adjustment in the Contract price or delivery date if the change affects the cost or time of performance. Such equitable adjustments require the consent of the Contractor, which consent shall not be unreasonably withheld.

42. ESTIMATED / SPECIFIC QUANTITY CONTRACTS Estimated quantity contracts are expressly agreed and understood to be made for only the quantities, if any, actually ordered during the Contract term. No guarantee of any quantity(s) is implied or given. Purchases by Authorized Users from Contracts for services and technology are voluntary.

With respect to any specific quantity stated in the contract, the Commissioner reserves the right after award to order up to 20% more or less (rounded to the next highest whole number) than the specific quantities called for in the Contract. Notwithstanding the foregoing, the Commissioner may purchase greater or lesser percentages of Contract quantities should the

Commissioner and Contractor so agree. Such agreement may include an equitable price adjustment.

43. EMERGENCY CONTRACTS In the event that a disaster emergency is declared by Executive Order under Section 28 of Article 2-B of the Executive Law, or the Commissioner determines pursuant to his/her authority under Section 163 (10) (b) of the State Finance Law that an emergency exists requiring the prompt and immediate delivery of Product, the Commissioner reserves the right to obtain such Product from any source, including but not limited to this Contract(s), as the Commissioner in his/her sole discretion determines will meet the needs of such emergency. Contractor shall not be entitled to any claim or lost profits for Product procured from other sources pursuant to this paragraph. The reasons underlying the finding that an emergency exists shall be included in the procurement record.

44. PURCHASE ORDERS Unless otherwise authorized in writing by the Commissioner, no Product is to be delivered or furnished by Contractor until transmittal of an official Purchase Order from the Authorized User. Unless terminated or cancelled pursuant to the authority vested in the Commissioner, Purchase Orders shall be effective and binding upon the Contractor when placed in the mail or electronically transmitted prior to the termination of the contract period, addressed to the Contractor at the address for receipt of orders set forth in the Contract or in the Contract Award Notification.

All Purchase Orders issued pursuant to Contracts let by the Commissioner must bear the appropriate Contract number and, if necessary, required State approvals. As deemed necessary, the Authorized User may confirm pricing and other Product information with the Contractor prior to placement of the Purchase Order. The State reserves the right to require any other information from the Contractor which the State deems necessary in order to complete any Purchase Order placed under the Contract. Unless otherwise specified, all Purchase Orders against Centralized Contracts will be placed by Authorized Users directly with the Contractor and any discrepancy between the terms stated on the vendor's order form, confirmation or acknowledgment, and the Contract terms shall be resolved in favor of the terms most favorable to the Authorized User. Should an Authorized User add written terms and conditions to the Purchase Order that conflict with the terms and conditions of the Contract, the Contractor has the option of rejecting the Purchase Order within five business days of its receipt but shall first attempt to negotiate the additional written terms and conditions in good faith with the Authorized User, or fulfill the Purchase Order. Notwithstanding the above, the Authorized User reserves the right to dispute any discrepancies arising from the presentation of additional terms and conditions with the Contractor.

If, with respect to an Agency Specific Contract let by the OGS Commissioner, a Purchase Order is not received by the Contractor within two weeks after the issuance of a Contract Award Notification, it is the responsibility of the Contractor to request in writing that the appropriate Authorized User forward a Purchase Order. If, thereafter, a Purchase Order is not received within a reasonable period of time, the Contractor shall promptly notify in writing the appropriate purchasing officer in OGS. Failure to timely notify such officer may, in the discretion of the OGS Commissioner and without cost to the State, result in the cancellation of such requirement by the OGS Commissioner with a corresponding reduction in the Contract quantity and price.

45. PRODUCT DELIVERY Delivery must be made as ordered to the address specified on the Purchase Order and in accordance with the terms of the Contract or Contract Award Notice. Unless otherwise specified in the Bid Documents, delivery shall be made within thirty calendar days after receipt of a Purchase Order by the Contractor. The decision of the Commissioner as to compliance with delivery terms shall be final. The burden of proof for delay in receipt of Purchase Order shall rest with the Contractor. In all instances of a potential or actual delay in delivery, the Contractor shall immediately notify the Commissioner and the Authorized User, and confirm in writing the explanation of the delay, and take appropriate action to avoid any subsequent late deliveries. Any extension of time for delivery must be requested in writing by the Contractor and approved in writing by the Authorized User. Failure to meet such delivery time schedule may be grounds for cancellation of the order or, in the Commissioner's discretion, the Contract.

46. WEEKEND AND HOLIDAY DELIVERIES Unless otherwise specified in the Bid Specifications or by an Authorized User, deliveries will be scheduled for ordinary business hours, Monday through Friday (excluding legal holidays observed by the State of New York). Deliveries may be scheduled by mutual agreement for Saturdays, Sundays or legal holidays observed by the State of New York where the Product is for daily consumption, an emergency exists, the delivery is a replacement, delivery is late, or other reasonable circumstance in which event the convenience of the Authorized User shall govern.

47. SHIPPING/RECEIPT OF PRODUCT

a. Packaging Tangible Product shall be securely and properly packed for shipment, storage and stocking in appropriate, clearly labeled shipping containers and according to accepted commercial practice, without any extra charges for packing materials, cases or other types of containers. The container shall become and remain the property of the Authorized User unless otherwise specified in the Contract documents.

b. Shipping Charges Unless otherwise stated in the Bid Specifications, all deliveries shall be deemed to be freight on board (F.O.B.) destination tailgate delivery at the dock of the Authorized User. Unless otherwise agreed, items purchased at a price F.O.B. Shipping point plus transportation charges shall not relieve the Contractor from responsibility for safe and proper delivery notwithstanding the Authorized User's payment of transportation charges. Contractor shall be responsible for ensuring that the Bill of Lading states "charges prepaid" for all shipments.

c. Receipt of Product The Contractor shall be solely responsible for assuring that deliveries are made to personnel authorized to accept delivery on behalf of the Authorized User. Any losses resulting from the Contractor's failure to deliver Product to authorized personnel shall be borne exclusively by the Contractor.

48. TITLE AND RISK OF LOSS Notwithstanding the form of shipment, title or other property interest, risk of loss shall not pass from the Contractor to the Authorized User until the Products have been received, inspected and accepted by the receiving entity. Acceptance shall occur within a reasonable time or in accordance with such other defined acceptance period as may be specified in the Bid Specifications or Purchase Order. Mere acknowledgment by Authorized User personnel of the delivery or receipt of goods (e.g., signed bill of lading) shall not be deemed or construed as acceptance of the Products received. Any delivery of Product that is substandard or does not comply with the Bid Specifications or Contract terms and conditions, may be rejected or accepted on an adjusted price basis, as determined by the Commissioner.

49. RE-WEIGHING PRODUCT Deliveries are subject to re-weighing at the point of destination by the Authorized User. If shrinkage occurs which exceeds that normally allowable in the trade, the Authorized User shall have the option to require delivery of the difference in quantity or to reduce the payment accordingly. Such option shall be exercised in writing by the Authorized User.

50. PRODUCT SUBSTITUTION In the event a specified manufacturer's Product listed in the Contract becomes unavailable or cannot be supplied by the Contractor for any reason (except as provided for in the Savings/Force Majeure Clause) a Product deemed in writing by the Commissioner to be equal to or better than the specified Product must be substituted by the Contractor at no additional cost or expense to the Authorized User. Unless otherwise specified, any substitution of Product prior to the Commissioner's written approval may be cause for cancellation of Contract.

51. REJECTED PRODUCT When Product is rejected, it must be removed by the Contractor from the premises of the Authorized User within ten calendar days of

notification of rejection by the Authorized User. Upon notification of rejection, risk of loss of rejected or non-conforming Product shall remain with Contractor. Rejected items not removed by the Contractor within ten calendar days of notification shall be regarded as abandoned by the Contractor, and the Authorized User shall have the right to dispose of Product as its own property. The Contractor shall promptly reimburse the Authorized User for any and all costs and expenses incurred in storage or effecting removal or disposition after the ten-calendar day period.

52. INSTALLATION Where installation is required, Contractor shall be responsible for placing and installing the Product in the required locations. All materials used in the installation shall be of good quality and shall be free from any and all defects that would mar the appearance of the Product or render it structurally unsound. Installation includes the furnishing of any equipment, rigging and materials required to install or place the Product in the proper location. The Contractor shall protect the site from damage for all its work and shall repair damages or injury of any kind caused by the Contractor, its employees, officers or agents. If any alteration, dismantling or excavation, etc. is required to effect installation, the Contractor shall thereafter promptly restore the structure or site. Work shall be performed to cause the least inconvenience to the Authorized User(s) and with proper consideration for the rights of other Contractors or workers. The Contractor shall promptly perform its work and shall coordinate its activities with those of other Contractors. The Contractor shall clean up and remove all debris and rubbish from its work as required or directed. Upon completion of the work, the building and surrounding area of work shall be left clean and in a neat, unobstructed condition, and everything in satisfactory repair and order.

53. REPAIRED OR REPLACED PARTS / COMPONENTS Where the Contractor is required to repair, replace or substitute Product or parts or components of the Product under the Contract, the repaired, replaced or substituted Products shall be subject to all terms and conditions for new parts and components set forth in the Contract including Warranties, as set forth in the Additional Warranties Clause herein. Replaced or repaired Product or parts and components of such Product shall be new and shall, if available, be replaced by the original manufacturer's component or part. Remanufactured parts or components meeting new Product standards may be permitted by the Commissioner or Authorized User. Before installation, all proposed substitutes for the original manufacturer's installed parts or components must be approved by the Authorized User. The part or component shall be equal to or of better quality than the original part or component being replaced.

54. ON-SITE STORAGE With the written approval of the Authorized User, materials, equipment or supplies may be stored at the Authorized User's site at the Contractor's sole risk.

55. EMPLOYEES, SUBCONTRACTORS & AGENTS All employees, Subcontractors or agents performing work under the Contract must be trained staff or technicians who meet or exceed the professional, technical and training qualifications set forth in the Bid Specifications or the Bid Documents, whichever is more restrictive, and must comply with all security and administrative requirements of the Authorized User. The Commissioner reserves the right to conduct a security background check or otherwise approve any employee, Subcontractor or agent furnished by Contractor and to refuse access to or require replacement of any personnel for cause based on, including but not limited to, professional, technical or training qualifications, quality of work or change in security status or non-compliance with Authorized User's security or other requirements. Such approval shall not relieve the Contractor of the obligation to perform all work in compliance with the Contract terms. The Commissioner reserves the right to reject and/or bar from the facility for cause any employee, Subcontractor, or agents of the Contractor.

56. ASSIGNMENT The Contractor shall not assign, transfer, convey, sublet, or otherwise dispose of the contract or its right, title or interest therein, or its power to execute such contract to any other person, company, firm or corporation in performance of the contract without the prior written consent of the Commissioner or Authorized User (as applicable). Failure to obtain consent to assignment from the Authorized User shall revoke and annul such Contract. Notwithstanding the foregoing, the State shall not hinder, prevent or affect assignment of money by a Contractor for the benefit of its creditors. Prior to a consent to assignment of monies becoming effective, the Contractor shall file a written notice of such monies assignment(s) with the Comptroller. Prior to a consent to assignment of a Contract, or portion thereof, becoming effective, the Contractor shall submit the request to assignment to the Commissioner and seek written agreement from the Commissioner which will be filed with the Comptroller. The Commissioner reserves the right to reject any proposed assignee in his/her discretion.

Upon notice to the Contractor, the Contract may be assigned without the consent of the Contractor to another State Agency or subdivision of the State pursuant to a governmental reorganization or assignment of functions under which the functions are transferred to a successor Agency or to another Agency that assumes OGS responsibilities for the Contract.

57. SUBCONTRACTORS AND SUPPLIERS The Commissioner reserves the right to reject any proposed

Subcontractor or supplier for bona fide business reasons, which may include, but are not limited to: they are on the Department of Labor's list of companies with which New York State cannot do business; the Commissioner determines that the company is not qualified; the Commissioner determines that the company is not responsible; the company has previously provided unsatisfactory work or services; the company failed to solicit minority and women's business enterprises (M/WBE) Bidders as required by prior Contracts.

58. PERFORMANCE / BID BOND The Commissioner reserves the right to require a Bidder or Contractor to furnish without additional cost, a performance, payment or Bid bond or negotiable irrevocable letter of credit or other form of security for the faithful performance of the Contract. Where required, such bond or other security shall be in the form prescribed by the Commissioner.

59. SUSPENSION OF WORK The Commissioner, in his/her sole discretion, reserves the right to suspend any or all activities under this Contract, at any time, in the best interests of the Authorized User. In the event of such suspension, the Contractor will be given a formal written notice outlining the particulars of such suspension. Examples of the reason for such suspension include, but are not limited to, a budget freeze or reduction on State spending, declaration of emergency, contract compliance issues or other such circumstances. Upon issuance of such notice, the Contractor is not to accept any Purchase Orders, and shall comply with the suspension order. Activity may resume at such time as the Commissioner issues a formal written notice authorizing a resumption of performance under the Contract.

An Authorized User may issue a formal written notice for the suspension of work for which it has engaged the Contractor for reasons specified in the above paragraph. The written notice shall set forth the reason for such suspension and a copy of the written notice shall be provided to the Commissioner.

60. TERMINATION

a. For Cause: For a material breach that remains uncured for more than thirty (30) days or other specified period after written notice to the Contractor, the Contract or Purchase Order may be terminated by the Commissioner or Authorized User at the Contractor's expense where Contractor becomes unable or incapable of performing, or meeting any requirements or qualifications set forth in the Contract, or for non-performance, or upon a determination that Contractor is non-responsible. Such termination shall be upon written notice to the Contractor. In such event, the Commissioner or Authorized User may complete the contractual requirements in any manner it may deem advisable and pursue available legal or equitable remedies for breach.

b. For Convenience: By written notice, this Contract may be terminated at any time by the State for convenience upon sixty (60) days written notice or other specified period without penalty or other early termination charges due. Such termination of the Contract shall not affect any project or Purchase Order that has been issued under the Contract prior to the date of such termination. If the Contract is terminated pursuant to this subdivision, the Authorized User shall remain liable for all accrued but unpaid charges incurred through the date of the termination. Contractor shall use due diligence and provide any outstanding deliverables.

c. For Violation of the Sections 139-j and 139-k of the State Finance Law: The Commissioner reserves the right to terminate the Contract in the event it is found that the certification filed by the Bidder in accordance with Section 139-k of the State Finance Law was intentionally false or intentionally incomplete. Upon such finding, the Commissioner may exercise its termination right by providing written notification to the Contractor in accordance with the written notification terms of the Contract.

d. For Violation of Revised Tax Law 5a: The Commissioner reserves the right to terminate the contract in the event it is found that the certification filed by the Contractor in accordance with §5-a of the Tax Law is not timely filed during the term of the Contract or the certification furnished was intentionally false or intentionally incomplete. Upon such finding, the Commissioner may exercise its termination right by providing written notification to the Contractor.

61. SAVINGS/FORCE MAJEURE A force majeure occurrence is an event or effect that cannot be reasonably anticipated or controlled. Force majeure includes, but is not limited to, acts of God, acts of war, acts of public enemies, strikes, fires, explosions, actions of the elements, floods, or other similar causes beyond the control of the Contractor or the Commissioner in the performance of the Contract which non-performance, by exercise of reasonable diligence, cannot be prevented. Contractor shall provide the Commissioner with written notice of any force majeure occurrence as soon as the delay is known.

Neither the Contractor nor the Commissioner shall be liable to the other for any delay in or failure of performance under the Contract due to a force majeure occurrence. Any such delay in or failure of performance shall not constitute default or give rise to any liability for damages. The existence of such causes of such delay or failure shall extend the period for performance to such extent as determined by the Contractor and the Commissioner to be necessary to enable complete performance by the Contractor if reasonable diligence is exercised after the cause of delay or failure has been removed.

Notwithstanding the above, at the discretion of the Commissioner where the delay or failure will significantly impair the value of the Contract to the State or to Authorized Users, the Commissioner may:

- a. Accept allocated performance or deliveries from the Contractor. The Contractor, however, hereby agrees to grant preferential treatment to Authorized Users with respect to Product subjected to allocation; and/or
- b. Purchase from other sources (without recourse to and by the Contractor for the costs and expenses thereof) to replace all or part of the Products which are the subject of the delay, which purchases may be deducted from the Contract quantities without penalty or liability to the State; or
- c. Terminate the Contract or the portion thereof which is subject to delays, and thereby discharge any unexecuted portion of the Contract or the relative part thereof.

In addition, the Commissioner reserves the right, in his/her sole discretion, to make an equitable adjustment in the Contract terms and/or pricing should extreme and unforeseen volatility in the marketplace affect pricing or the availability of supply. "Extreme and unforeseen volatility in the marketplace" is defined as market circumstances which meet the following criteria: (i) the volatility is due to causes outside the control of Contractor; (ii) the volatility affects the marketplace or industry, not just the particular Contract source of supply; (iii) the effect on pricing or availability of supply is substantial; and (iv) the volatility so affects Contractor's performance that continued performance of the Contract would result in a substantial loss.

62. CONTRACT BILLINGS Contractor and the distributors/resellers designated by the Contractor, if any, shall provide complete and accurate billing invoices to each Authorized User in order to receive payment. Billings for Authorized Users must contain all information required by the Contract and the State Comptroller. The State Comptroller shall render payment for Authorized User purchases, and such payment shall be made in accordance with ordinary State procedures and practices. Payment of Contract purchases made by Authorized Users, other than Agencies, shall be billed directly by Contractor on invoices/vouchers, together with complete and accurate supporting documentation as required by the Authorized User.

Submission of an invoice and payment thereof shall not preclude the Commissioner from reimbursement or demanding a price adjustment in any case where the Product delivered is found to deviate from the terms and conditions of the Contract or where the billing was inaccurate.

Contractor shall provide, upon request of the Commissioner, any and all information necessary to verify the accuracy of the billings. Such information shall be provided in the format requested by the Commissioner and in a media commercially available from the Contractor. The Commissioner may direct the Contractor to provide the information to the State Comptroller or to any Authorized User of the Contract.

63. DEFAULT – AUTHORIZED USER

a. Breach of Authorized User Not Breach of Centralized Contract. An Authorized User's breach shall not be deemed a breach of the Centralized Contract, rather it shall be deemed a breach of the Authorized User's performance under the terms and conditions of the Centralized Contract.

b. Failure to Make Payment. In the event a participating Authorized User fails to make payment to the Contractor for Products delivered, accepted and properly invoiced, within 60 days of such delivery and acceptance, the Contractor may, upon 10 days advance written notice to both the Commissioner and the Authorized User's purchasing official, suspend additional shipments of Product or provision of services to such entity until such time as reasonable arrangements have been made and assurances given by such entity for current and future Contract payments.

c. Notice of Breach. Notwithstanding the foregoing, the Contractor shall, at least 10 days prior to declaring a breach of Contract by any Authorized User, by certified or registered mail, notify both the Commissioner and the purchasing official of the breaching Authorized User of the specific facts, circumstances and grounds upon which a breach will be declared.

d. It is understood, however, that if the Contractor's basis for declaring a breach is insufficient, the Contractor's declaration of breach and failure to service an Authorized User shall constitute a breach of its Contract and the Authorized User may thereafter seek any remedy available at law or equity.

64. INTEREST ON LATE PAYMENTS

a. **State Agencies** The payment of interest on certain payments due and owed by Agency may be made in accordance with Article 11-A of the State Finance Law (SFL §179-d et. Seq.) and Title 2 of the New York Code of Rules and Regulations, Part 18 (Implementation of Prompt Payment Legislation -2 NYCRR §18.1 et seq.).

b. **By Non-State Agencies** The terms of Article 11-A apply only to procurements by and the consequent payment obligations of Agencies. Neither expressly nor by any implication is the statute applicable to Non-State Authorized Users. Neither OGS nor the State Comptroller is responsible for payments on any

purchases made by a Non-State Agency Authorized User.

c. By Contractor Should the Contractor be liable for any payments to the State hereunder, interest, late payment charges and collection fee charges will be determined and assessed pursuant to Section 18 of the State Finance Law.

65. REMEDIES FOR BREACH It is understood and agreed that all rights and remedies afforded below shall be in addition to all remedies or actions otherwise authorized or permitted by law:

a. Cover/Substitute Performance In the event of Contractor's material breach, the Commissioner may, with or without formally Bidding: (i) Purchase from other sources; or (ii) If the Commissioner is unsuccessful after making reasonable attempts, under the circumstances then existing, to timely obtain acceptable service or acquire replacement Product of equal or comparable quality, the Commissioner may acquire acceptable replacement Product of lesser or greater quality.

Such purchases may, in the discretion of the Commissioner, be deducted from the Contract quantity and payments due Contractor.

b. Withhold Payment In any case where a question of non-performance by Contractor arises, payment may be withheld in whole or in part at the discretion of the Commissioner. Should the amount withheld be finally paid, a cash discount originally offered may be taken as if no delay in payment had occurred.

c. Bankruptcy In the event that the Contractor files a petition under the U.S. Bankruptcy Code during the term of this Centralized Contract, Authorized Users may, at their discretion, make application to exercise its right to set-off against monies due the Debtor or, under the Doctrine of Recoupment, credit the Authorized User the amounts owed by the Contractor arising out of the same transactions.

d. Reimbursement of Costs Incurred The Contractor agrees to reimburse the Authorized User promptly for any and all additional costs and expenses incurred for acquiring acceptable services, and/or replacement Product. Should the cost of cover be less than the Contract price, the Contractor shall have no claim to the difference. The Contractor covenants and agrees that in the event suit is successfully prosecuted for any default on the part of the Contractor, all costs and expenses expended or incurred by the Authorized User in connection therewith, including reasonable attorney's fees, shall be paid by the Contractor.

Where the Contractor fails to timely deliver pursuant to the guaranteed delivery terms of the Contract, the

ordering Authorized User may rent substitute equipment temporarily. Any sums expended for such rental shall, upon demand, be reimbursed to the Authorized User promptly by the Contractor or deducted by the Authorized User from payments due or to become due the Contractor on the same or another transaction.

e. Deduction/Credit Sums due as a result of these remedies may be deducted or offset by the Authorized User from payments due, or to become due, the Contractor on the same or another transaction. If no deduction or only a partial deduction is made in such fashion the Contractor shall pay to the Authorized User the amount of such claim or portion of the claim still outstanding, on demand. The Commissioner reserves the right to determine the disposition of any rebates, settlements, restitution, liquidated damages, etc., which arise from the administration of the Contract.

66. ASSIGNMENT OF CLAIM Contractor hereby assigns to the State any and all its claims for overcharges associated with this Contract which may arise under the antitrust laws of the United States, 15 USC Section 1, et. seq. and the antitrust laws of the State of New York, General Business Law Section 340, et. seq.

67. TOXIC SUBSTANCES Each Contractor furnishing a toxic substance as defined by Section 875 of the Labor Law, shall provide such Authorized User with not less than two copies of a material safety data sheet, which sheet shall include for each such substance the information outlined in Section 876 of the Labor Law.

Before any chemical product is used or applied on or in any building, a copy of the product label and Material Safety Data Sheet must be provided to and approved by the Authorized User agency representative.

68. INDEPENDENT CONTRACTOR It is understood and agreed that the legal status of the Contractor, its agents, officers and employees under this Contract is that of an independent Contractor, and in no manner shall they be deemed employees of the Authorized User, and therefore are not entitled to any of the benefits associated with such employment. The Contractor agrees, during the term of this Contract, to maintain at Contractor's expense those benefits to which its employees would otherwise be entitled by law, including health benefits, and all necessary insurance for its employees, including worker's compensation, disability and unemployment insurance, and to provide the Authorized User with certification of such insurance upon request. The Contractor remains responsible for all applicable federal, state and local taxes, and all FICA contributions.

69. SECURITY Contractor warrants, covenants and represents that it will comply fully with all security procedures of the Authorized User(s) in performance of the Contract including but not limited to physical, facility,

documentary and cyber security rules, procedures and protocols.

70. COOPERATION WITH THIRD PARTIES The Contractor shall be responsible for fully cooperating with any third party, including but not limited to other Contractors or Subcontractors of the Authorized User, as necessary to ensure delivery of Product or coordination of performance of services.

71. CONTRACT TERM - RENEWAL In addition to any stated renewal periods in the Contract, any Contract or unit portion thereof let by the Commissioner may be extended by the Commissioner for an additional period(s) of up to one year with the written concurrence of the Contractor and Comptroller. Such extension may be exercised on a month to month basis or in other stated periods of time during the one year extension.

72. ADDITIONAL WARRANTIES Where Contractor, product manufacturer or service provider generally offers additional or more advantageous warranties than set forth below, Contractor shall offer or pass through any such warranties to Authorized Users. Contractor hereby warrants and represents:

a. Product Performance Contractor warrants and represents that Products delivered pursuant to this Contract conform to the manufacturer's specifications, performance standards and documentation, and the documentation fully describes the proper procedure for using the Products.

b. Title and Ownership Warranty Contractor warrants, represents and conveys (i) full ownership, clear title free of all liens, or (ii) the right to transfer or deliver perpetual license rights to any Products transferred to Authorized User under this Contract. Contractor shall be solely liable for any costs of acquisition associated therewith. Contractor fully indemnifies the Authorized User for any loss, damages or actions arising from a breach of said warranty without limitation.

c. Contractor Compliance Contractor represents and warrants to pay, at its sole expense, for all applicable permits, licenses, tariffs, tolls and fees to give all notices and comply with all laws, ordinances, rules and regulations of any governmental entity in conjunction with the performance of obligations under the Contract. Prior to award and during the Contract term and any renewals thereof, Contractor must establish to the satisfaction of the Commissioner that it meets or exceeds all requirements of the Bid/Contract and any applicable laws, including but not limited to, permits, insurance coverage, licensing, proof of coverage for worker's compensation, and shall provide such proof as required by the Commissioner. Failure to do so may constitute grounds for the Commissioner to cancel or suspend this Contract,

in whole or in part, or to take any other action deemed necessary by the Commissioner.

d. Product Warranty Unless recycled or recovered materials are available in accordance with the "Recycled or Recovered Materials" clause, Product offered shall be standard new equipment, current model or most recent release of regular stock product with all parts regularly used with the type of equipment offered; and no attachment or part has been substituted or applied contrary to the manufacturer's recommendations and standard practice.

Contractor further warrants and represents that components or deliverables specified and furnished by or through Contractor shall individually, and where specified and furnished as a system, be substantially uninterrupted or error-free in operation and guaranteed against faulty material and workmanship for the warranty period, or for a minimum of one (1) year from the date of acceptance, whichever is longer ("Project warranty period"). During the Project warranty period, defects in the materials or workmanship of components or deliverables specified and furnished by or through Contractor shall be repaired or replaced by Contractor at no cost or expense to the Authorized User. Contractor shall extend the Project warranty period for individual component(s), or for the System as a whole, as applicable, by the cumulative period(s) of time, after notification, during which an individual component or the System requires servicing or replacement (down time) or is in the possession of the Contractor, its agents, officers, Subcontractors, distributors, resellers or employees ("extended warranty").

Where Contractor, the Independent Software Vendor "ISV," or other third party manufacturer markets any Project Deliverable delivered by or through Contractor with a standard commercial warranty, such standard warranty shall be in addition to, and not relieve the Contractor from, Contractor's warranty obligations during the project warranty and extended warranty period(s). Where such standard commercial warranty covers all or some of the Project warranty or extended warranty period(s), Contractor shall be responsible for the coordination during the Project warranty or extended warranty period(s) with ISV or other third party manufacturer(s) for warranty repair or replacement of ISV or other third party manufacturer's Product.

Where Contractor, ISV or other third party manufacturer markets any Project Deliverable with a standard commercial warranty which goes beyond the Project warranty or extended warranty period(s), Contractor shall notify the Authorized User and pass through the manufacturer's standard commercial warranty to Authorized User at no additional charge; provided, however, that Contractor shall not be responsible for coordinating services under the third party extended

warranty after expiration of the Project warranty and extended warranty period(s).

e. Replacement Parts Warranty If during the regular or extended warranty period's faults develop, the Contractor shall promptly repair or, upon demand, replace the defective unit or component part affected. All costs for labor and material and transportation incurred to repair or replace defective Product during the warranty period shall be borne solely by the Contractor, and the State or Authorized User shall in no event be liable or responsible therefor.

Any part of component replaced by the Contractor under the Contract warranty shall be replaced at no cost to the Authorized User and guaranteed for the greater of: a) the warranty period under paragraph (d) above; or b) if a separate warranty for that part or component is generally offered by the manufacturer, the standard commercial warranty period offered by the manufacturer for the individual part or component.

f. Virus Warranty The Contractor represents and warrants that Licensed Software contains no known viruses. Contractor is not responsible for viruses introduced at Licensee's site.

g. Date/Time Warranty Contractor warrants that Product(s) furnished pursuant to this Contract shall, when used in accordance with the Product documentation, be able to accurately process date/time data (including, but not limited to, calculating, comparing, and sequencing) transitions, including leap year calculations. Where a Contractor proposes or an acquisition requires that specific Products must perform as a package or system, this warranty shall apply to the Products as a system.

Where Contractor is providing ongoing services, including but not limited to: i) consulting, integration, code or data conversion, ii) maintenance or support services, iii) data entry or processing, or iv) contract administration services (e.g., billing, invoicing, claim processing), Contractor warrants that services shall be provided in an accurate and timely manner without interruption, failure or error due to the inaccuracy of Contractor's business operations in processing date/time data (including, but not limited to, calculating, comparing, and sequencing) various date/time transitions, including leap year calculations. Contractor shall be responsible for damages resulting from any delays, errors or untimely performance resulting therefrom, including but not limited to the failure or untimely performance of such services.

This Date/Time Warranty shall survive beyond termination or expiration of this contract through: a) ninety (90) days or b) the Contractor's or Product manufacturer/developer's stated date/time warranty term, whichever is longer. Nothing in this warranty statement shall be construed to

limit any rights or remedies otherwise available under this Contract for breach of warranty.

h. Workmanship Warranty Contract warrants that all components or deliverables specified and furnished by or through Contractor under the Project Definition/Work Order meet the completion criteria set forth in the Project Definition/Work Order and any subsequent statement(s) of work, and that services will be provided in a workmanlike manner in accordance with industry standards.

i. Survival of Warranties All warranties contained in this Contract shall survive the termination of this Contract.

73. LEGAL COMPLIANCE Contractor represents and warrants that it shall secure all notices and comply with all laws, ordinances, rules and regulations of any governmental entity in conjunction with the performance of obligations under the Contract. Prior to award and during the Contract term and any renewals thereof, Contractor must establish to the satisfaction of the Commissioner that it meets or exceeds all requirements of the Bid and Contract and any applicable laws, including but not limited to, permits, licensing, and shall provide such proof as required by the Commissioner. Failure to comply or failure to provide proof may constitute grounds for the Commissioner to cancel or suspend the Contract, in whole or in part, or to take any other action deemed necessary by the Commissioner. Contractor also agrees to disclose information and provide affirmations and certifications to comply with Sections 139-j and 139-k of the State Finance Law.

74. INDEMNIFICATION Contractor shall be fully liable for the actions of its agents, employees, partners or Subcontractors and shall fully indemnify and save harmless the Authorized Users from suits, actions, damages and costs of every name and description relating to personal injury and damage to real or personal tangible property caused by any intentional act or negligence of Contractor, its agents, employees, partners or Subcontractors, without limitation; provided, however, that the Contractor shall not indemnify for that portion of any claim, loss or damage arising hereunder due to the negligent act or failure to act of the Authorized Users.

75. INDEMNIFICATION RELATING TO THIRD PARTY RIGHTS The Contractor will also indemnify and hold the Authorized Users harmless from and against any and all damages, expenses (including reasonable attorneys' fees), claims, judgments, liabilities and costs that may be finally assessed against the Authorized Users in any action for infringement of a United States Letter Patent, or of any copyright, trademark, trade secret or other third party proprietary right except to the extent such claims arise from the Authorized Users gross negligence or willful misconduct, provided that the State shall give Contractor: (i) prompt written notice of any action, claim

or threat of infringement suit, or other suit, (ii) the opportunity to take over, settle or defend such action, claim or suit at Contractor's sole expense, and (iii) assistance in the defense of any such action at the expense of Contractor.

If usage shall be enjoined for any reason or if Contractor believes that it may be enjoined, Contractor shall have the right, at its own expense and sole discretion to take action in the following order of precedence: (i) to procure for the Authorized User the right to continue Usage (ii) to modify the service or Product so that Usage becomes non-infringing, and is of at least equal quality and performance; or (iii) to replace said service or Product or part(s) thereof, as applicable, with non-infringing service or Product of at least equal quality and performance. If the above remedies are not available, the parties shall terminate the Contract, in whole or in part as necessary and applicable, provided the Authorized User is given a refund for any amounts paid for the period during which Usage was not feasible.

The foregoing provisions as to protection from third party rights shall not apply to any infringement occasioned by modification by the Authorized User of any Product without Contractor's approval.

In the event that an action at law or in equity is commenced against the Authorized User arising out of a claim that the Authorized User's use of the service or Product under the Contract infringes any patent, copyright or proprietary right, and Contractor is of the opinion that the allegations in such action in whole or in part are not covered by the indemnification and defense provisions set forth in the Contract, Contractor shall immediately notify the Authorized User and the Office of the Attorney General in writing and shall specify to what extent Contractor believes it is obligated to defend and indemnify under the terms and conditions of the Contract. Contractor shall in such event protect the interests of the Authorized User and secure a continuance to permit the Authorized User to appear and defend its interests in cooperation with Contractor, as is appropriate, including any jurisdictional defenses the Authorized User may have. This constitutes the Authorized User's sole and exclusive remedy for patent infringement, or for infringement of any other third party proprietary right.

76. LIMITATION OF LIABILITY Except as otherwise set forth in the Indemnification Paragraphs above, the limit of liability shall be as follows:

a. Contractor's liability for any claim, loss or liability arising out of, or connected with the Products and services provided, and whether based upon default, or other liability such as breach of contract, warranty, negligence, misrepresentation or otherwise, shall in no case exceed direct damages in: (i) an amount equal to two (2) times the charges specified in the Purchase Order

for the Products and services, or parts thereof forming the basis of the Authorized User's claim, (said amount not to exceed a total of twelve (12) months charges payable under the applicable Purchase Order) or (ii) one million dollars (\$1,000,000), whichever is greater.

b. The Authorized User may retain such monies from any amount due Contractor as may be necessary to satisfy any claim for damages, costs and the like asserted against the Authorized User unless Contractor at the time of the presentation of claim shall demonstrate to the Authorized User's satisfaction that sufficient monies are set aside by the Contractor in the form of a bond or through insurance coverage to cover associated damages and other costs.

c. Notwithstanding the above, neither the Contractor nor the Authorized User shall be liable for any consequential, indirect or special damages of any kind which may result directly or indirectly from such performance, including, without limitation, damages resulting from loss of use or loss of profit by the Authorized User, the Contractor, or by others.

77. INSURANCE Contractor shall secure and maintain insurance coverage as specified in the Bid Documents and shall promptly provide documentation of specified coverages to the Authorized User. If specified, the Contractor may be required to add the Authorized User as an additional insured.

THE FOLLOWING CLAUSES PERTAIN TO TECHNOLOGY & NEGOTIATED CONTRACTS

78. SOFTWARE LICENSE GRANT Where Product is acquired on a licensed basis the following shall constitute the license grant:

a. License Scope Licensee is granted a non-exclusive, perpetual license to use, execute, reproduce, display, perform, or merge the Product within its business enterprise in the United States up to the maximum licensed capacity stated on the Purchase Order. Product may be accessed, used, executed, reproduced, displayed or performed up to the capacity measured by the applicable licensing unit stated on the Purchase Order (i.e., payroll size, number of employees, CPU, MIPS, MSU, concurrent user, workstation). Licensee shall have the right to use and distribute modifications or customizations of the Product to and for use by any Authorized Users otherwise licensed to use the Product, provided that any modifications, however extensive, shall not diminish Licensor's proprietary title or interest. No license, right or interest in any trademark, trade name, or service mark is granted hereunder.

b. License Term The license term shall commence upon the License Effective Date, provided, however, that where an acceptance or trial period applies to the

Product, the License Term shall be extended by the time period for testing, acceptance or trial.

c. Licensed Documentation If commercially available, Licensee shall have the option to require the Contractor to deliver, at Contractor's expense: (i) one (1) hard copy and one (1) master electronic copy of the Documentation in a mutually agreeable format; (ii) based on hard copy instructions for access by downloading from the Internet (iii) hard copies of the Product Documentation by type of license in the following amounts, unless otherwise mutually agreed:

- Individual/Named User License - one (1) copy per License
- Concurrent Users - 10 copies per site
- Processing Capacity - 10 copies per site

Software media must be in a format specified by the Authorized User, without requiring any type of conversion.

Contractor hereby grants to Licensee a perpetual license right to make, reproduce (including downloading electronic copies of the Product) and distribute, either electronically or otherwise, copies of Product Documentation as necessary to enjoy full use of the Product in accordance with the terms of license.

d. Product Technical Support & Maintenance

Licensee shall have the option of electing the Product technical support and maintenance ("maintenance") set forth in the Contract by giving written notice to Contractor any time during the Centralized Contract term. Maintenance term(s) and any renewal(s) thereof are independent of the expiration of the Centralized Contract term and will not automatically renew.

Maintenance shall include, at a minimum, (i) the provision of error corrections, updates, revisions, fixes, upgrade and new releases to Licensee, and (ii) Help Desk assistance with locally accessible "800" or toll free, local telephone service, or alternatively on-line Help Desk accessibility. Contractor shall maintain the Products so as to provide Licensee with the ability to utilize the Products in accordance with the Product documentation without significant functional downtime to its ongoing business operations during the maintenance term.

Authorized User shall not be required to purchase maintenance for use of Product, and may discontinue maintenance at the end of any current maintenance term upon notice to Contractor. In the event that Authorized User does not initially acquire or discontinues maintenance of licensed Product, it may, at any time thereafter, reinstate maintenance for Product without any additional penalties or other charges, by paying Contractor the amount which would have been due under the Contract for the period of time that such maintenance had lapsed, at then current NYS net maintenance rates.

e. Permitted License Transfers As Licensee's business operations may be altered, expanded or diminished, licenses granted hereunder may be transferred or combined for use at an alternative or consolidated site not originally specified in the license, including transfers between Agencies ("permitted license transfers"). Licensee(s) do not have to obtain the approval of Contractor for permitted license transfers, but must give thirty (30) days prior written notice to Contractor of such move(s) and certify in writing that the Product is not in use at the prior site. There shall be no additional license or other transfer fees due Contractor, provided that: i) the maximum capacity of the consolidated machine is equal to the combined individual license capacity of all licenses running at the consolidated or transferred site (e.g., named users, seats, or MIPS); or ii) if the maximum capacity of the consolidated machine is greater than the individual license capacity being transferred, a logical or physical partition or other means of restricting access will be maintained within the computer system so as to restrict use and access to the Product to that unit of licensed capacity solely dedicated to beneficial use for Licensee. In the event that the maximum capacity of the consolidated machine is greater than the combined individual license capacity of all licenses running at the consolidated or transferred site, and a logical or physical partition or other means of restricting use is not available, the fees due Contractor shall not exceed the fees otherwise payable for a single license for the upgrade capacity.

f. Restricted Use By Outsourcers / Facilities Management, Service Bureaus / or Other Third Parties

Outsourcers, facilities management or service bureaus retained by Licensee shall have the right to use the Product to maintain Licensee's business operations, including data processing, for the time period that they are engaged in such activities, provided that: 1) Licensee gives notice to Contractor of such party, site of intended use of the Product, and means of access; and 2) such party has executed, or agrees to execute, the Product manufacturer's standard nondisclosure or restricted use agreement which executed agreement shall be accepted by the Contractor ("Non-Disclosure Agreement"); and 3) if such party is engaged in the business of facility management, outsourcing, service bureau or other services, such third party will maintain a logical or physical partition within its computer system so as to restrict use and access to the program to that portion solely dedicated to beneficial use for Licensee. In no event shall Licensee assume any liability for third party's compliance with the terms of the Non-Disclosure Agreement, nor shall the Non-Disclosure Agreement create or impose any liabilities on the State or Licensee.

Any third party with whom a Licensee has a relationship for a state function or business operation, shall have the temporary right to use Product (e.g., JAVA Applets),

provided that such use shall be limited to the time period during which the third party is using the Product for the function or business activity.

g. Archival Back-Up and Disaster Recovery

Licensee may use and copy the Product and related Documentation in connection with: i) reproducing a reasonable number of copies of the Product for archival backup and disaster recovery procedures in the event of destruction or corruption of the Product or disasters or emergencies which require Licensee to restore backup(s) or to initiate disaster recovery procedures for its platform or operating systems; ii) reproducing a reasonable number of copies of the Product and related Documentation for cold site storage. "Cold Site" storage shall be defined as a restorable back-up copy of the Product not to be installed until and after the declaration by the Licensee of a disaster; iii) reproducing a back-up copy of the Product to run for a reasonable period of time in conjunction with a documented consolidation or transfer otherwise allowed herein. "Disaster Recovery" shall be defined as the installation and storage of Product in ready-to-execute, back-up computer systems prior to disaster or breakdown which is not used for active production or development.

h. Confidentiality Restrictions The Product is a trade secret, copyrighted and proprietary product. Licensee and its employees will keep the Product strictly confidential, and Licensee will not disclose or otherwise distribute or reproduce any Product to anyone other than as authorized under the terms of Contract. Licensee will not remove or destroy any proprietary markings of Contractor.

i. Restricted Use by Licensee Except as expressly authorized by the terms of license, Licensee shall not:

- (i) Copy the Product;
- (ii) Cause or permit reverse compilation or reverse assembly of all or any portion of the Product;
- (iii) Export the Licensed Software in violation of any U.S. Department of Commerce export administration regulations.

79. PRODUCT ACCEPTANCE Unless otherwise provided by mutual agreement of the Authorized User and the Contractor, Authorized User(s) shall have thirty (30) days from the date of delivery to accept hardware products and sixty (60) days from the date of delivery to accept all other Product. Where the Contractor is responsible for installation, acceptance shall be from completion of installation. Failure to provide notice of acceptance or rejection or a deficiency statement to the Contractor by the end of the period provided for under this clause constitutes acceptance by the Authorized User(s) as of the expiration of that period. The License Term shall be extended by the time periods allowed for trial use, testing and acceptance unless the

Commissioner or Authorized User agrees to accept the Product at completion of trial use.

Unless otherwise provided by mutual agreement of the Authorized User and the Contractor, Authorized User shall have the option to run testing on the Product prior to acceptance, such tests and data sets to be specified by User. Where using its own data or tests, Authorized User must have the tests or representative set of data available upon delivery. This demonstration will take the form of a documented installation test, capable of observation by the Authorized User, and shall be made part of the Contractor's standard documentation. The test data shall remain accessible to the Authorized User after completion of the test.

In the event that the documented installation test cannot be completed successfully within the specified acceptance period, and the Contractor or Product is responsible for the delay, Authorized User shall have the option to cancel the order in whole or in part, or to extend the testing period for an additional thirty (30) day increment. Authorized User shall notify Contractor of acceptance upon successful completion of the documented installation test. Such cancellation shall not give rise to any cause of action against the Authorized User for damages, loss of profits, expenses, or other remuneration of any kind.

If the Authorized User elects to provide a deficiency statement specifying how the Product fails to meet the specifications within the testing period, Contractor shall have thirty (30) days to correct the deficiency, and the Authorized User shall have an additional sixty (60) days to evaluate the Product as provided herein. If the Product does not meet the specifications at the end of the extended testing period, Authorized User, upon prior written notice to Contractor, may then reject the Product and return all defective Product to Contractor, and Contractor shall refund any monies paid by the Authorized User to Contractor therefor. Costs and liabilities associated with a failure of the Product to perform in accordance with the functionality tests or product specifications during the acceptance period shall be borne fully by Contractor to the extent that said costs or liabilities shall not have been caused by negligent or willful acts or omissions of the Authorized User's agents or employees. Said costs shall be limited to the amounts set forth in the Limitation of Liability Clause for any liability for costs incurred at the direction or recommendation of Contractor.

80. AUDIT OF LICENSED PRODUCT USAGE

Contractor shall have the right to periodically audit, no more than annually, at Contractor's expense, use of licensed Product at any site where a copy of the Product resides provided that: (i) Contractor gives Licensee(s) at least thirty (30) days advance written notice, (ii) such audit is conducted during such party's normal business

hours, (iii) the audit is conducted by an independent auditor chosen on mutual agreement of the parties. Contractor shall recommend a minimum of three (3) auditing/accounting firms from which the Licensee will select one (1). In no case shall the Business Software Alliance (BSA), Software Publishers Association (SPA), Software and Industry Information Association (SIIA) or Federation Against Software Theft (FAST) be used directly or indirectly to conduct audits, or be recommended by Contractor; (iv) Contractor and Licensee are each entitled to designate a representative who shall be entitled to participate, and who shall mutually agree on audit format, and simultaneously review all information obtained by the audit. Such representatives also shall be entitled to copies of all reports, data or information obtained from the audit; and (v) if the audit shows that such party is not in compliance, Licensee shall be required to purchase additional licenses or capacities necessary to bring it into compliance and shall pay for the unlicensed capacity at the NYS Net Price in effect at time of audit, or if none, then at the Contractor's U.S. Commercial list price. Once such additional licenses or capacities are purchased, Licensee shall be deemed to have been in compliance retroactively, and Licensee shall have no further liability of any kind for the unauthorized use of the software.

81. OWNERSHIP/TITLE TO PROJECT DELIVERABLES

a. Definitions

(i) For purposes of this paragraph, "Products." A deliverable furnished under this Contract by or through Contractor, including existing and custom Products, including, but not limited to: a) components of the hardware environment, b) printed materials (including but not limited to training manuals, system and user documentation, reports, drawings), whether printed in hard copy or maintained on diskette, CD, DVD or other electronic media c) third party software, d) modifications, customizations, custom programs, program listings, programming tools, data, modules, components, and e) any properties embodied therein, whether in tangible or intangible form (including but not limited to utilities, interfaces, templates, subroutines, algorithms, formulas, source code, object code).

(ii) For purposes of this paragraph, "Existing Products." Tangible Products and intangible licensed Products that exist prior to the commencement of work under the Contract. Contractor bears the burden of proving that a particular product was in existence prior to the commencement of the Project.

(iii) For purposes of this paragraph, "Custom Products." Products, preliminary, final or otherwise, which are created or developed by Contractor, its Subcontractors, partners, employees or agents for Authorized User under the Contract.

b. Title to Project Deliverables Contractor acknowledges that it is commissioned by the Authorized User to perform the services detailed in the Purchase Order. Unless otherwise specified in writing in the Bid or Purchase Order, the Authorized User shall have ownership and license rights as follows:

(i) Existing Products:

1. Hardware - Title and ownership of Existing Hardware Product shall pass to Authorized User upon Acceptance.

2. Software - Title and ownership to Existing Software Product(s) delivered by Contractor under the Contract that is normally commercially distributed on a license basis by the Contractor or other independent software vendor proprietary owner ("Existing Licensed Product"), whether or not embedded in, delivered or operating in conjunction with hardware or Custom Products, shall remain with Contractor or the proprietary owner of other independent software vendor(s) (ISV). Effective upon acceptance, such Product shall be licensed to Authorized User in accordance with the Contractor or ISV owner's standard license agreement, provided, however, that such standard license, must, at a minimum: (a) grant Authorized User a non-exclusive, perpetual license to use, execute, reproduce, display, perform, adapt (unless Contractor advises Authorized User as part of Contractor's proposal that adaptation will violate existing agreements or statutes and Contractor demonstrates such to the Authorized User's satisfaction) and distribute Existing Licensed Product to the Authorized User up to the license capacity stated in the Purchase Order or work order with all license rights necessary to fully effect the general business purpose(s) stated in the Bid or Authorized User's Purchase Order or work order, including the financing assignment rights set forth in paragraph (c) below; and (b) recognize the State of New York as the licensee where the Authorized User is a state agency, department, board, commission, office or institution. Where these rights are not otherwise covered by the ISV's owner's standard license agreement, the Contractor shall be responsible for obtaining these rights at its sole cost and expense. The Authorized User shall reproduce all copyright notices and any other legend of ownership on any copies authorized under this paragraph.

(ii.) Custom Products: Effective upon creation of Custom Products, Contractor hereby conveys, assigns and transfers to Authorized User the sole and exclusive rights, title and interest in Custom Product(s), whether preliminary, final or otherwise, including all trademark and copyrights. Contractor hereby agrees to take all necessary and appropriate steps to ensure that the Custom Products are protected against unauthorized copying, reproduction and marketing by or through Contractor, its agents, employees, or Subcontractors. Nothing herein shall preclude the Contractor from otherwise using the related or underlying general knowledge, skills, ideas, concepts, techniques and

experience developed under a Purchase Order, project definition or work order in the course of Contractor's business. Authorized User may, by providing written notice thereof to the Contractor, elect in the alternative to take a non-exclusive perpetual license to Custom Products in lieu of Authorized User taking exclusive ownership and title to such Products. In such case, Licensee on behalf of all Authorized Users shall be granted a non-exclusive perpetual license to use, execute, reproduce, display, perform, adapt and distribute Custom Product as necessary to fully effect the general business purpose(s) as stated in paragraph (b)(i)(2), above.

c. Transfers or Assignments to a Third Party Financing Agent

It is understood and agreed by the parties that a condition precedent to the consummation of the purchase (s) under the Contract may be the obtaining of acceptable third party financing by the Authorized User. The Authorized User shall make the sole determination of the acceptability of any financing proposal. The Authorized User will make all reasonable efforts to obtain such financing, but makes no representation that such financing has been obtained as of the date of Bid receipt. Where financing is used, Authorized User may assign or transfer its rights in Licensed Products (existing or custom) to a third party financing entity or trustee ("Trustee") as collateral where required by the terms of the financing agreement. Trustee's sole rights with respect to transferability or use of Licensed Products shall be to exclusively sublicense to Authorized User all of its Licensee's rights under the terms and conditions of the License Agreement; provided, further, however, in the event of any termination or expiration of such sublicense by reason of payment in full, all of Trustee's rights in such Licensed Product shall terminate immediately and Authorized User's prior rights to such Existing Licensed Product shall be revived.

d. Sale or License of Custom Products Involving Tax-Exempt Financing (i.e., Certificates of Participation - COPS)

The Authorized User's sale or other transfer of Custom Products which were acquired by the Authorized User using third party, tax-exempt financing may not occur until such Custom Products are, or become, useable. In the event that the Contractor wishes to obtain ownership rights to Custom Product(s), the sale or other transfer shall be at fair market value determined at the time of such sale or other transfer, and must be pursuant to a separate written agreement in a form acceptable to the Authorized User which complies with the terms of this paragraph.

e. Contractor's Obligation with Regard to ISV (Third Party) Product

Where Contractor furnishes Existing Licensed Product(s) as a Project Deliverable, and sufficient rights necessary to effect the purposes of this section are not otherwise provided in the Contractor or ISV's standard license agreement, Contractor shall be responsible for obtaining from the ISV third party proprietary

owner/developer the rights set forth herein to the benefit of the Authorized User at Contractor's sole cost and expense.

82. PROOF OF LICENSE The Contractor must provide to each Licensee who places a Purchase Order either: (i) the Product developer's certified License Confirmation Certificates in the name of such Licensee; or (ii) a written confirmation from the Proprietary owner accepting Product invoice as proof of license. Contractor shall submit a sample certificate, or alternatively such written confirmation from the proprietary developer. Such certificates must be in a form acceptable to the Licensee.

83. PRODUCT VERSION Purchase Orders shall be deemed to reference Manufacturer's most recently released model or version of the Product at time of order, unless an earlier model or version is specifically requested in writing by Authorized User and Contractor is willing to provide such version.

84. CHANGES TO PRODUCT OR SERVICE OFFERINGS

a. Product or Service Discontinuance Where Contractor is the Product Manufacturer/Developer, and Contractor publicly announces to all U.S. customers ("date of notice") that a Product is being withdrawn from the U.S. market or that maintenance service or technical support provided by Contractor ("withdrawn support") is no longer going to be offered, Contractor shall be required to: (i) notify the Commissioner, each Licensee and each Authorized User then under contract for maintenance or technical support in writing of the intended discontinuance; and (ii) continue to offer Product or withdrawn support upon the Contract terms previously offered for the greater of: a) the best terms offered by Contractor to any other customer, or b) not less than twelve (12) months from the date of notice; and (iii) at Authorized User's option, provided that the Authorized User is under contract for maintenance on the date of notice, either: provide the Authorized User with a Product replacement or migration path with at least equivalent functionality at no additional charge to enable Authorized User to continue use and maintenance of the Product.

In the event that the Contractor is not the Product Manufacturer, Contractor shall be required to: (i) provide the notice required under the paragraph above, to the entities described within five (5) business days of Contractor receiving notice from the Product Manufacturer, and (ii) include in such notice the period of time from the date of notice that the Product Manufacturer will continue to provide Product or withdraw support.

The provisions of this subdivision (a) shall not apply or eliminate Contractor's obligations where withdrawn support is being provided by an independent Subcontractor. In the event that such Subcontractor ceases to provide service, Contractor shall be responsible

for subcontracting such service, subject to state approval, to an alternate Subcontractor.

b. Product or Service Re-Bundling In the event that Contractor is the Product manufacturer and publicly announces to all U.S. customers ("date of notice") that a Product or maintenance or technical support offering is being re-bundled in a different manner from the structure or licensing model of the prior U.S. commercial offering, Contractor shall be required to: (i) notify the State and each Authorized User in writing of the intended change; (ii) continue to provide Product or withdrawn support upon the same terms and conditions as previously offered on the then-current NYS Contract for the greater of: a) the best terms offered by Contractor to any other customer, or b) not less than twelve (12) months from the date of notice; and (iii) shall submit the proposed rebundling change to the Commissioner for approval prior to its becoming effective for the remainder of the Contract term. The provisions of this section do not apply if the Contractor is not the Product manufacturer.

85. NO HARDSTOP/PASSIVE LICENSE MONITORING

Unless an Authorized User is otherwise specifically advised to the contrary in writing at the time of order and prior to purchase, Contractor hereby warrants and represents that the Product and all Upgrades do not and will not contain any computer code that would disable the Product or Upgrades or impair in any way its operation based on the elapsing of a period of time, exceeding an authorized number of copies, advancement to a particular date or other numeral, or other similar self-destruct mechanisms (sometimes referred to as "time bombs," "time locks," or "drop dead" devices) or that would permit Contractor to access the Product to cause such disablement or impairment (sometimes referred to as a "trap door" device). Contractor agrees that in the event of a breach or alleged breach of this provision that Authorized User shall not have an adequate remedy at law, including monetary damages, and that Authorized User shall consequently be entitled to seek a temporary restraining order, injunction, or other form of equitable relief against the continuance of such breach, in addition to any and all remedies to which Authorized User shall be entitled.

86. SOURCE CODE ESCROW FOR LICENSED PRODUCT

If Source Code or Source Code escrow is offered by either Contractor or Product manufacturer or developer to any other commercial customers, Contractor shall either: (i) provide Licensee with the Source Code for the Product; or (ii) place the Source Code in a third party escrow arrangement with a designated escrow agent who shall be named and identified to the State, and who shall be directed to release the deposited Source Code in accordance with a standard escrow agreement acceptable to the State; or (iii) will certify to the State that the Product manufacturer/developer has named the State, acting by and through the Authorized User, and the

Licensee, as a named beneficiary of an established escrow arrangement with its designated escrow agent who shall be named and identified to the State and Licensee, and who shall be directed to release the deposited Source Code in accordance with the terms of escrow. Source Code, as well as any corrections or enhancements to such source code, shall be updated for each new release of the Product in the same manner as provided above and such updating of escrow shall be certified to the State in writing. Contractor shall identify the escrow agent upon commencement of the Contract term and shall certify annually that the escrow remains in effect in compliance with the terms of this paragraph.

The State may release the Source Code to Licensees under this Contract who have licensed Product or obtained services, who may use such copy of the Source Code to maintain the Product.

FOR NEGOTIATED CONTRACTS THE FOLLOWING CLAUSES ARE RESERVED BECAUSE BIDDING DOES NOT APPLY:

Clauses: 7, 8, 9, 10, 11, 12, 13, 16, 15, 21, 25, 26, 28, 29, 30, 31, 32, 33, 36, 49, 50, 52, 54 and 37

I N D E X

	<u>Paragraph</u>		<u>Paragraph</u>
	<u>No.</u>		<u>No.</u>
<u>A</u>			
Additional Warranties	72		
Advertising Results	20		
Applicability	1		
Assignment	56		
Assignment of Claim	66		
Audit of Licensed Product Usage	80		
Authentication of Facsimile Bids	10		
<u>B</u>			
Bid Contents	12		
Bid Evaluation	29		
Bid Opening	7		
Bid Submission	8		
<u>C</u>			
Changes to Product or Service Offerings	84		
Clarification/Revisions	31		
Confidential/Trade Secret Materials	14		
Conflict of Terms	4		
Conditional Bid	30		
Contract Billings	62		
Contract Creation/Execution	38		
Contract Term - Renewal	71		
Cooperation with Third Parties	70		
<u>D</u>			
Default - Authorized User	63		
Definitions	5		
Disqualification for Past Performance	35		
Drawings	25		
<u>E</u>			
Emergency Contracts	43		
Employees/Subcontractors/Agents	55		
Equivalent or Identical Bids	33		
Estimated/Specific Quantity Contracts	42		
Ethics Compliance	3		
Expenses Prior to Contract Execution	19		
Extraneous Terms	13		
<u>F</u>			
Facsimile Submissions	9		
Freedom of Information Law	16		
<u>G</u>			
Governing Law	2		
<u>I</u>			
Indemnification	74		
Indemnification Relating to Third Party Rights	75		
Independent Contractor	68		
Installation	52		
Insurance	77		
<u>M</u>			
Modification of Contract Terms			40
<u>N</u>			
No Hardstop/Passive License Monitoring			85
<u>O</u>			
On-Site Storage			54
Ownership/Title to Project Deliverables			81
<u>P</u>			
Participation in Centralized Contracts			39
Performance and Responsibility Qualifications			34
Performance/Bid Bond			58
Prevailing Wage Rates Public Works & Building Services Contracts			17
Pricing			24
Procurement Card			27
Product Acceptance			79
Product Delivery			45
Product References			21
Product Substitution			50
Product Version			83
Products Manufactured in Public Institutions			23
Prompt Payment Discounts			32
Proof of License			82
Purchase Orders			44
<u>Q</u>			
Quantity Changes Prior to Award			36
<u>R</u>			
Rejected Product			51
Release of Bid Evaluation Materials			15
Re-Weighing Product			49
Remanufactured, Recycled, Recyclable or Recovered Materials			22
Remedies for Breach			65
Repaired or Replaced Product/Components			53
<u>S</u>			
Samples			28
Savings/Force Majeure			61
Scope Changes			41
Security			69
Site Inspection			26
Shipping/Receipt of Product			47
Software License Grant			78
Source Code Escrow for Licensed Product			86
Subcontractors and Suppliers			57
Suspension of Work			59
<u>T</u>			
Taxes			18

Interest on Late Payments	64	Termination	60
International Bidding	6	Timeframe for Offers	37
<u>L</u>		Title and Risk of Loss	48
Late Bids	11	Toxic Substances	67
Legal Compliance	73	<u>W</u>	
Limitation of Liability	76	Weekend and Holiday Deliveries	46

APPENDIX C

EQUAL EMPLOYMENT OPPORTUNITY STAFFING PLAN

SUBMIT WITH BID OR PROPOSAL or within a reasonable time thereafter as requested by OGS, but prior to Contract Award.

Solicitation No.:	Vendor ID Number:	Report includes Contractor's <input type="checkbox"/> Contractor's work force to be utilized on this contract <input type="checkbox"/> Contractor's total work force	Contractor's FEIN:
Contractor Name:			
Contractor Address:			

Enter the total number of employees for each classification.

EEO Job Category	Total Work Force	Work force by Gender		Work force by Race/Ethnic Identification												
		Total Male (M)	Total Female (F)	White (M) (F)		Black (M) (F)		Hispanic (M) (F)		Asian (M) (F)		American Indian or Alaskan Native (M) (F)		Veteran (M) (F)		
Executive/Senior level Officials & Managers																
First/Mid level officials & Managers																
Professionals																
Technicians																
Sales Workers																
Administrative Support																
Craft Workers																
Operatives																
Laborers and Helpers																
Service Workers																
Totals																
PREPARED BY (Signature):																
NAME AND TITLE OF PREPARER (Print or Type):																

EEO100Staffing Plan (4/12)

GENERAL SPECIFICATIONS

General instructions: Contact the Designated Contact(s) for the solicitation if you have any questions. Where the work force to be utilized in the performance of the State contract can be separated out from the contractor's total work force, the Offeror shall complete this form only for the anticipated work force to be utilized on the State contract. Where the work force to be utilized in the performance of the State contract cannot be separated out from the contractor's total work force, the Offeror shall complete this form for the contractor's total work force.

Instructions for completing:

1. Enter the Solicitation Number that this report applies to along with the name and address of the Offeror.
2. Check off the appropriate box to indicate if the work force being reported is just for the contract or the Offerors' total work force.
3. Enter the total work force by EEO job category.
4. Break down the total work force by gender and enter under the heading "Work force by Gender."
5. Break down the total work force by race/ethnic background and enter under the heading "Work force by Race/Ethnic Identification." Enter the name, title, phone number and email address for the person completing the form. Sign and date the form in the designated boxes.

RACE/ETHNIC IDENTIFICATION

Race/ethnic designations as used by the Equal Employment Opportunity Commission do not denote scientific definitions of anthropological origins. For the purposes of this report, an employee may be included in the group to which he or she appears to belong, identifies with, or is regarded in the community as belonging. However, no person should be counted in more than one race/ethnic group. The race/ethnic categories for this survey are:

WHITE - (Not of Hispanic origin) All persons having origins in any of the original peoples of Europe, North Africa, or the Middle East.

BLACK - A person, not of Hispanic origin, who has origins in any of the black racial groups of the original peoples of Africa.

HISPANIC - A person of Mexican, Puerto Rican, Cuban, Central or South American or other Spanish culture or origin, regardless of race.

ASIAN & PACIFIC ISLANDER - A person having origins in any of the original peoples of the Far East, Southeast Asia, the Indian subcontinent or the Pacific Islands.

AMERICAN INDIAN OR ALASKAN NATIVE (Not of Hispanic Origin) - A person having origins in any of the original peoples of North America, and who maintains cultural identification through tribal affiliation or community recognition.