

New York State Office of General Services
Office of General Services Procurement Services Group
New York State Strategic Sourcing
Corning Tower Building
Empire State Plaza
Albany, New York 12242
<http://www.ogs.ny.gov>

PURCHASING MEMORANDUM

BID SOLICITATION UPDATE #3

RFP NUMBER: 22439

DATE: January 10, 2012

GROUP: 73012 – Hourly-Based IT Services (HBITS) RFP

**PLEASE ADDRESS INQUIRIES TO
DESIGNATED CONTACTS:**

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BID OPENING: January 24, 2012– 11:00 a.m. EST

SUBJECT: HBITS RFP Amendment #2 and Release of Answers to Clarifying Questions

TO PROSPECTIVE BIDDERS:

The above referenced RFP has been amended to include the changes outlined below. Amendments are reflected in both the main RFP document and attachments. The amended RFP can be found at the following link:

<http://ogs.ny.gov/purchase/biddocument/22439BID.ASP>

Additionally, the New York State Strategic Sourcing Team has given careful consideration to the clarifying questions received in regards to the Hourly-Based IT Services (HBITS) Request for Proposal (#22439) during the clarifying question period that ended on December 30, 2011 at 5:00 PM EST.

Responses to all inquiries can be found on the OGS Bid calendar at the link below.

<http://ogs.ny.gov/purchase/biddocument/22439BID.ASP>

Notice to New Vendors:

Due to testing for the new Statewide Financial System (SFS), the Office of the State Comptroller (OSC) will be unable to assign new Vendor Identification Numbers for requests received between January 12 – 17, 2012. If a business entity needs a Vendor ID, please issue the request to OGS by January 11, 2012. Vendors requesting a Vendor ID between January 12-17, 2012, will not be able to enroll in the VendRep System until January 19, 2012, at the earliest.

During this period, access to the New York State VendRep System will continue for any vendor enrolling with a previously assigned Vendor ID and any vendor already enrolled in VendRep. Additionally, this will have no impact on State agency staff's access to review questionnaires already certified in the New York State VendRep System.

Please contact the OSC Help Desk with any concerns at 866-370-4672 or ciohelpdesk@osc.state.ny.us. We apologize for the inconvenience but this is a necessary step in successfully implementing the new system. Information about SFS is found at: www.sfs.ny.gov.

REMINDER: If a Vendor ID number is not received, it is the responsibility of the Bidder to submit a paper version of the New York State Vendor Responsibility Questionnaire For-Profit Business Entity for non-construction Contracts as part of their Administrative Proposal. A paper version of the Questionnaire can be found at the following link: http://www.osc.state.ny.us/vendrep/forms_vendor.htm.

RFP Amendments:

The following summary of amendments is provided as a convenience. A bidder is required to read the modified documents:

1. The following has been added to Section 1.6 of the RFP, "Definitions":

"Slight Deviation" shall mean a deviation of no greater than 5% below the Hourly Wage Rate and any percentage above the Hourly Wage Rate, provided that that Hourly Bill Rate remains unchanged. This term shall only apply to the Hourly Wage Rate.

2. Section 3.2.1, 3rd paragraph of the RFP is amended to read as follows:

The Authorized User may request a minimum of one (1) and a maximum of (2) resumes per position from each Active Contractor. Once resumes have been collected, the HBITS MSP team will consider bill rates and technical qualifications to select resumes to be forwarded to agencies for consideration. The HBITS MSP team will review resumes to determine that proposed Candidates meet the qualifications specified in the Requisition Form. Resumes that do not meet minimum position requirements will be rejected. The MSP may perform additional screening of resumes. Upon completion of this screening, suitable resumes (up to 40) shall be passed on to the Authorized User by 5:00PM EST on the second business day after receipt from Contractors (exclusive of receipt date) day. The MSP shall use the following methodology to determine the total number of suitable resumes to be passed on to the Authorized User for each position sought:

- a. If 10 – 40 qualified candidates: 50% of the resume forms with the lowest Hourly Bill Rates are forwarded to the AU.
- b. If 6 – 10 qualified candidates: resume forms with 5 lowest Hourly Bill Rates are forwarded to the AU.
- c. If 5 or fewer qualified candidates: MSP will investigate and determine whether to restart process or forward all resume forms.

The Authorized User will then be recommended to evaluate the Candidate resumes within five (5) business days and alert the Contractors via the MSP of Candidates selected for interview.

3. Section 3.2.2.1, entitled "Hourly Wage Rate Deviation," has been added to the RFP.

Section 3.2.2.1 Hourly Wage Rate Deviation

To allow the selected Contractors to better manage both their cost and the quality of candidates they can provide to the State, OGS will permit a Slight Deviation to the Hourly Wage Rates proposed in Attachment 6 when presenting candidates to Authorized Users, **provided that the Contracted Hourly Bill Rate remains unchanged** (see Section 1.6 for definitions). The Hourly Wage Rate refers to the actual hourly rate paid to the employee (direct or sub-contractor). Please see the example below for clarification of the Slight Deviation:

Rate Card in Bidder's Financial Proposal (Attachment 6):

An Authorized User has selected from Job Title X, Skill Level Y, and Skill Demand Z in Service Group #1 for a Requisition. For this Requisition, Active Contractor ABC Company's Attachment 6 has an Hourly
22439p03.doc

Wage Rate of \$45.00 and a Markup of 40.00% that equates to an Hourly Bill Rate of \$63.00.

The following are examples of allowable Hourly Wage Rate deviation scenarios for a Requisition for Job Title X/Skill Level Y/Skill Demand Z:

| Allowable Scenario | Hourly Wage Rate To Be Paid | Implied Markup | Hourly Bill Rate | Rationale |
|--------------------|-----------------------------|----------------|------------------|--|
| #1 | \$44.00 | 43.18% | \$63.00 | The Hourly Wage Rate to be paid is within the 5% Slight Deviation. |
| #2 | \$48.00 | 31.25% | \$63.00 | |

The following are examples of **non**-allowable Hourly Wage Rate deviation scenarios for a Requisition for Job Title X/Skill Level Y/Skill Demand Z:

| Non-Allowable Scenario | Hourly Wage Rate To Be Paid | Implied Markup | Hourly Bill Rate | Rationale |
|------------------------|-----------------------------|----------------|------------------|---|
| #1 | \$35.00 | 80.00% | \$63.00 | The Hourly Wage Rate to be paid falls outside the allowable “Slight Deviation”. |
| #2 | \$41.00 | 53.66% | \$63.00 | |

4. The following sentence is hereby added to the end of Section 3.2.5 of the RFP:

OGS recommends that non-MSP users use the same requisition process as MSP users set forth in Section 3.2.1, with the exception of utilizing the MSP.

5. The opening paragraph of Section 4.1.4 is deleted in its entirety and replaced with the following:

A complete administrative proposal will consist of several items that will be bound together in a single binder. Original copies of the following items must be included:

1. Completed and signed COVER SHEET from Attachment 4A;
 - NOTE: JOINT VENTURE** - If the Bidder is submitting as joint venture, only the Prime Bidder shall complete and sign the COVER SHEET.
 2. Completed Attachment 4A;
 3. Completed and signed Attachment 4B;
 - NOTE: JOINT VENTURE** - Each member entity of a joint venture shall complete and sign a separate Attachment 4B.
 4. Proof of Compliance with Workers’ Compensation Coverage and Disability Benefits Coverage as specified in Section 9.6.3;
 - NOTE: JOINT VENTURE** - Each member entity of a joint venture shall provide Proof of Compliance with Workers’ Compensation Coverage and Disability Benefits Coverage as specified in Section 9.6.3.
 5. Completed and signed Contractor Certification, ST-220-CA (http://www.tax.ny.gov/pdf/current_forms/st/st220ca_fill_in.pdf).
 6. Completed and signed Form # MWBE 100 - Utilization Plan (<http://ogs.ny.gov/MWBE/Forms.asp>).
 7. Completed and signed Form # EEO 100 – Staffing Plan (<http://ogs.ny.gov/MWBE/Forms.asp>).
 8. If applicable, a Bidder must complete the tab, “Joint Ventures” in Attachment 4A, Administrative Proposal. This tab is included to account for Joint Venture proposals.
6. Section 4.2.1.1, 3rd bullet point of the RFP is amended to read as follows:
- As a joint venture member entity with a primary bidder.
7. Section 4.3, 4th paragraph, 1st bullet point of the RFP is amended to read as follows:
- Hourly Wage Rate is defined as the hourly rate that the Consultant will receive, for services provided under each engagement, regardless of potential sub-contracting layers.

8. Section 5.3.1, 2nd bullet point (“Formal Disputes”), 2nd sub-bullet point (“Submission of Disputes”), 4th item of the RFP is amended to read as follows:

4. Disputes concerning a solicitation shall be filed by an Interested Party (see II.A.2) with the Deputy Commissioner no later than ten (10) business days before the date set in the solicitation for receipt of bids. If the date set in the solicitation for receipt of bids is less than ten (10) business days from the date of issue, formal disputes concerning the solicitation document shall be filed with the Deputy Commissioner at least twenty-four (24) hours before the time designated for receipt of bids.

9. Section 8.12 and 8.13, of the RFP are amended to read as follows and two new subsections, 8.12.1 and 8.13.1 are added to read as follows:

8.12 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/.

8.12.1 NEW YORK STATE VENDOR FILE REGISTRATION- JOINT VENTURES

Each member entity of a joint venture must comply with the requirements in Section 8.12.

8.13 NEW YORK STATE VENDOR RESPONSIBILITY QUESTIONNAIRE FOR-PROFIT BUSINESS ENTITY

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 section 8.12 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 one (1) month 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.

8.13.1 NEW YORK STATE VENDOR RESPONSIBILITY QUESTIONNAIRE FOR-PROFIT BUSINESS ENTITY- JOINT VENTURES

Each member entity of a joint venture shall comply with the requirements of Section 8.13.

10. Section 8.16, 2nd paragraph of the RFP is amended to read as follows:

- That the work performed by the subcontractor must be in accordance with the terms and conditions of this Contract including, but not limited to, **APPENDIX A**;
- That the subcontractor must pass through all terms and conditions of the contract, including but not limited to **APPENDIX A** and Hourly Wage Rate requirements, to any lower tier subcontracts;
- That nothing contained in such subcontract shall impair the rights of the Authorized User or the State;
- That nothing contained herein shall create any contractual relationship between any subcontractor and Authorized User or the State;
- That subcontractors shall maintain and protect against any unauthorized disclosure all records with respect to work performed under the subcontract in the same manner as required of the Contractor;
- That the State and/or Authorized User shall have the same authority to audit the records of all subcontractors as it does those of the Contractor; and
- That subcontractor shall cooperate with any investigation, audit, or other inquiry related to the Contract or the resulting Contract or any litigation relating thereto.

11. Section 9.1.2 of the RFP is amended to read as follows:

OGS reserves the right to independently calculate the CPI adjustments using the formula described in Section 9.1.1. In the event of a discrepancy, the Contractor must provide its CPI calculations to OGS for review.

12. Section 9.3.10 of the RFP is amended to read as follows:

1. An Authorized User may at its discretion request additional background checks to be conducted, at the expense of the Authorized User, including, but not limited to, finger-printing and the signing of a confidentiality and/or a non-disclosure agreement.

13. Section 9.4.11 of the RFP is amended to read as follows:

Contractor will pay the Hourly Wage Rate, within the Slight Deviation as defined in Section 1.6, to each of its Consultants as specified in Attachment 6. The MSP will account for instances in which it finds that Consultants are not being compensated at the Hourly Wage Rate within the Slight Deviation.

14. Section 9.5.4.1 of the RFP, first sentence is amended to read as follows:

In the event it becomes necessary to replace a Consultant prior to the completion of one month (160 hours) of work on a particular engagement, the Contractor shall provide the Authorized User with five (5) business days prior written notification describing the circumstances of the need for replacement.

15. Section 9.5.4.2 of the RFP, first sentence is amended to read as follows:

In the event it becomes necessary to replace a Consultant during the term of the engagement after one month (160 hours) of work, due to Consultant termination, sickness, or other similar material change in the employment circumstance of the Consultant, the Contractor shall provide the Authorized User with 20 business days prior written notification describing the circumstances of the need for replacement.

16. Attachment 4A, Affirmative Statements, has been amended to include the following statement:

18. Bidder affirms its understanding that Slight Deviation of the Hourly Wage Rate is defined as no greater than 5% below the Hourly Wage Rate and any percentage above the Hourly Wage Rate, provided that that Hourly Bill Rate remains unchanged.

An amended version of Attachment 4A has been posted and can be found at the link listed above.

17. A new tab, "Joint Ventures", has been added to Attachment 4A, Administrative Proposal. This tab has been created to account for Joint Venture proposals. The updated version of Attachment 4A can be found at the link listed above. Please see above for additional clarification regarding the mandatory submissions for member entities of a joint venture.

18. Attachment 6, entitled "Financial Proposal," has been amended as follows:

The definition of Software Architect #2, a title found in Service Group #2 under "IBM Specialty," is as follows:

A software architect is an individual that works closely with the IBM Software Group to plan, design, implement and integrate IBM software solutions. Possess in-depth skill in multiple IBM software products. Minimum of 36 months of experience.

With the exception of the above, no other changes have been made to Attachment 6.