

New York State Office Of General Services  
Procurement Services Group  
Corning Tower Building  
Empire State Plaza  
Albany, New York 12242  
<http://www.ogs.state.ny.us>

## PURCHASING MEMORANDUM

### GENERAL INFORMATION BULLETIN

**NUMBER:** CL-712

**DATE:** March 27, 2009

**GROUP:** 77018  
Comprehensive Telecommunications  
Equipment and Solutions (CTES)

**PLEASE ADDRESS INQUIRIES TO:**

**STATE AGENCIES**

Karen Rogers  
Purchasing Officer I  
(518) 486-9298  
[karen.rogers@ogs.state.ny.us](mailto:karen.rogers@ogs.state.ny.us)

Hal Bartley  
Purchasing Officer 2  
518-474-6705  
[hal.bartley@ogs.state.ny.us](mailto:hal.bartley@ogs.state.ny.us)

**OTHER AUTHORIZED USERS**

Customer Services  
(518) 474-6717  
[customer.services@ogs.state.ny.us](mailto:customer.services@ogs.state.ny.us)

**SUBJECT:** REPLACEMENT OF CONTRACTS BY GROUP 77018 Comprehensive Telecommunications  
Equipment and Solutions (CTES)

**TO ALL STATE AGENCIES AND OTHERS AUTHORIZED TO USE STATE CONTRACTS:**

The following Groups have been replaced by awards issued or to be issued pursuant to RFP 21350, Comprehensive Telecommunications Equipment and Solutions (CTES), Group 77018, Award 21350

<b>GROUP</b>	<b>CONTRACT TYPE</b>
77007	Cable & Fiber Optics and Cable Associated Hardware
77100	IVR Equipment
77002	Digital Centrex Equipment
77150	Video Conferencing Equipment
77004	Electronic Key Systems
77009	PBX
77507	3Com
77551	ADVA AG Optical Networking
77517	Alcatel USA Marketing
77519	Allied Telesis
77548	Allot Communications
77526	Amer.com
77529	Aprisma Management Technologies

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<b>GROUP</b>	<b>CONTRACT TYPE</b>
77531	Avaya Communications
77543	Avential
77550	Avocent Corp.
77503	Cisco
77537	CoSine Communications
77513	D-Link Systems
77501	Enterasys Networks
77523	Ericsson Inc.
77505	Extreme Networks
77554	F5 Networks Inc.
77539	Fluke Networks
77553	Fortinet, Inc.
77534	Foundry Networks
77542	Juniper Networks
77509	McAfee
77549	MRV Communications
77552	Network General Corp.
77506	Nortel Networks
77515	SMC
77502	Symbol Technologies
77527	Waters Networking Systems
77100	Interactive Voice Response
77150	Video Conferencing
77500	Networking Hardware & Software

**OGS will only process contract update requests for contracts issued as a result of RFP 21350, Comprehensive Telecommunications Equipment and Solutions, Group 77018, Award 21350.**

**OGS will no longer process Contract Updates for contracts previously awarded in the Groups indicated above as they will be terminated as new contracts are approved.**

**The Contract Update procedures are attached for your convenience.**

**IF YOU REQUIRE ANY ADDITIONAL INFORMATION OR CLARIFICATION CONTACT THE CONTRACT ADMINISTRATOR(S) INDICATED ABOVE.**

OGS Procedures for Updating the Contract  
03-26-09

The following guidelines are subject to change at the discretion of OGS.

A. COVER LETTERS:

Contract update must be accompanied by three (3) signed originals. Contractor must briefly describe the nature and purpose of the update (e.g., update requested in order to reflect a recently approved GSA schedule, and/or for new Products or services which fall into a new group or category that did not exist at the time of approval of the Contract by the State Comptroller, etc.). The cover letters must contain original signatures of an individual authorized to sign on behalf of Contractor, and an original corporate acknowledgment.

B. TYPES OF CONTRACT UPDATES:

In order to expedite processing of a change request, where proposed changes involve more than one category below (*Auto Add / Regular Add*), they should be submitted to OGS as separate requests.

1) AUTO ADDS / DELETIONS:

“Auto Adds/Deletions” are Contract changes and updates made in accordance with the previously approved Contract pricing formula; e.g., a “discount from list” or pricing based on an **approved GSA-based or MSRP based price schedule**. Auto Adds include the bundling of Products / Services not previously bundled. Auto Adds cannot be submitted for price increases not based on GSA or MSRP based price schedules. Price increases not fitting the above categories, must be submitted as a Regular Add.

Auto Adds/Deletions include:

- i) Adding new Products / Services within the established, previously approved pricing structure, (discounts cannot be reduced).
- ii) Lowering pricing for Products / Services previously incorporated under the Contract,
- iii) Deleting Products / Services previously incorporated under the Contract and
- iv) Modifying Value Added Reseller (VAR) lists.

**MODIFICATIONS IN VAR LIST:**

If the Contractor allows value added resellers to participate in the Contract in accordance with the Use of Alternate Channel Participation (Resellers/Distributors) clause of this Contract, requests to add or delete VARs or to modify VAR information must be submitted for prior approval of OGS and OSC. Contractor may request modification to the designated VAR List by submission of a completed, revised Appendix F.

Notice: For categories (i), (ii) and (iv) Auto Adds: OGS will review the request and notify the Contractor if any of the Adds/Deletions are beyond the scope of the Contract.

Contractor should note that all Auto Adds/Deletions must be approved by OGS and are subject to a post audit by OSC.

2) **REGULAR ADD:**

“Regular Adds” are requests for:

- i) Price increases for Products / Services which are already incorporated under the Contract, and retain the previously approved contract pricing formula (discount remains the same) but are not based on GSA or MSRP based price schedules,
- ii) Addition of new Products / Services to the Contract which do not fall under the previously established price structure or discounts for Products / Services types previously approved under the Contract.

Regular Adds must be submitted to OGS for prior approval and must be accompanied by a justification of reasonableness of price. Regular Adds are subject to pre-audit by the Comptroller. If approved, OGS staff will notify Contractor in writing. Price increases or new Product / Service offerings that do not conform to the established price structure may not be electronically posted by Contractor until after receipt of OGS approval of the “Regular Add”.

When the Contract pricing is based on GSA prices, the revised prices or prices of new Products / Services must reflect current GSA prices adjusted as necessary for any additional discounts, including an additional 0.75% (as applicable) discount representing the Industrial Funding Fee.

C. **PRICE JUSTIFICATION FORMAT:**

Contractor is required to submit the Products / Services and price information for the update in a spreadsheet format in hard copy and on an electronic media or via e-mail to the OGS Purchasing Officer. The list must be dated and the format should be consistent with the format of the price list(s) included in the NYS Net Price List of this Contract. The price list should separately include and identify (e.g., by use of separate worksheets or by using italics, bold and/or color fonts):

- Price increases
- Products / Services being added

OGS or OSC reserves the right to require a revised NYS Net Price List at any time during the Contract period, and it will be requested if there have been numerous updates since the last complete update. Each updated price list must include the date the price list was prepared.

D. SUPPORTING DOCUMENTATION:

Each update request must include the current U.S. commercial price list relevant to the Products / Services included in the update. If the NYS Net Prices are based on a GSA Schedule, the current GSA Schedule must also be included with the update request.

E. CONTRACTOR'S SUBMISSION OF CONTRACT UPDATES:

In connection with any Contract update, OGS reserves the right to:

- request additional information
- reject Contract updates
- remove Products / Services from Contracts
- remove Products / Services from Contract updates
- request additional discounts for new or existing Products / Services

**Special Notes:**

**Excel Pricing Files**

Two Excel Pricing files need to be provided in electronic format (either as an attachment to an e-mail or on a Compact Disk submitted with the Update Form). For an Auto Add One pricing file needs to provide proof that the new pricing follows the same structure as the initial pricing bid. This spreadsheet should include MANUFACTURES PART NUMBER, PRODUCT DESCRIPTION, MSRP, PERCENT OF DISCOUNT (OFF MSRP), NET EQUIPMENT COST TO THE STATE, LIST PRICE FOR INSTALLATION, PERCENT OF DISCOUNT (OFF INSTALLATION LIST PRICE), NYS INSTALLATION PRICE, NYS MAINTENANCE PRICE (Per Month). This spreadsheet should show **new products in green** and **deleted products in red**. The other spread sheet is for Web posting that does not include color coding (all items and prices in black). This spreadsheet should either include all products on contract and will be posted to the OGS website **in place of** the pricing that is there or, for a new product line, just include items for that product line in black and this spreadsheet will be posted to the OGS Website **in addition to** the pricing that is there (see attached samples).

**Cover Letter**

The Cover Letter described under item A of the Instructions on the **CONTRACT UPDATE FORM** should explain the reason for the update and provide instructions regarding the Web version pricing file. For example if you are adding a new product line that does not presently appear on the OGS Website the instructions would be "please post the attached Web version pricing to the OGS Website in addition to the pricing that is there. If you are adding line items to products that presently exist on the OGS Website an entire new file should be created for all pricing of that type and the line items should be inserted in a logical location that will be user friendly for contract customers to locate that item pricing. The instructions in the latter case would be "please post pricing to the OGS Website in place of the pricing that is there for that specific product line."

## **Documentation**

Documentation must be provided for all updates. For Example if you are increasing your contract rates because the manufacturer has increased the MSRP you must submit a copy of a letter from the manufacturer stating that they have increased their MSRP. If you are increasing your contract rates because the manufacturer has lowered the discount they provide to your company you must submit a copy of a letter from the manufacturer stating that they have decreased their discount to your company. In both situations a new manufacturers price list should be submitted if possible. If the product you are requesting to be added to the contract is a new product that is not presently on the contract you need to supply manufacturers brochures that explain what the product does.

## **Reasonableness of Price**

If a Regular Add is being processed the contractor must establish Reasonableness of price by providing a comparison to pricing offered to other entities or showing how their pricing is lower than their Competition for the product or service being offered. If you have a GSA contract and the New York State contract Pricing is the same as GSA you must provide a statement to that effect and the pricing must including an additional 0.75% (as applicable) discount representing the Industrial Funding Fee.

## **Web Posting Responsibility**

**Some contracts require that the contractor post pricing to their website.** When this is required the Contractor warrants and represents that contract and related information will be accurately and completely posted, maintained and displayed in an objective and timely manner which renders it clearly distinguishable from other, non-contract offerings at Contractor's web site. Contractor may only post Product or Service offerings, including Product SKU's and part numbers, at the OGS centralized contract web page which have been approved for sale under the Contract. Contractor shall indemnify the Authorized Users for damages resulting from errors or inaccuracies in such information, or from any failure to maintain or timely post contract information in accordance with this paragraph. **For more details regarding the contractor's responsibilities when they are required to post pricing to their website please refer to the specific Contract Award Notification.**

**Other contracts require the contractor to provide a web ready spreadsheet with the Update Request.** This spreadsheet will be posted, **un-edited**, to the OGS Website by Procurement Services personnel.

It is the contractor's responsibility to provide accurate pricing and information under either or both methods. If an item or items are incorrectly priced lower than the correct price the contractor is required to provide the lower price to contract users until a contract update, indicating the correct price, is provided to, and approved by, the OGS Procurement Services Group and is posted to the OGS or Contractor's Website. If an item or items are incorrectly priced higher than the correct price the contractor is required to provide the correct (lower) price to contract users and provide a contract update, indicating the correct price, to OGS Procurement Services Group. The correct price should then be posted either by Procurement Services personnel to the OGS Website or by the contractors personnel to the contractor's website, as the case may be. An example of an item incorrectly priced lower than the correct price is: If the pricing structure for a product line is 25% discount off MSRP and the MSRP price of an item is \$100 and that item is offered at a contract price of \$70 instead of the correct contract price of \$75. Thus the contractor must charge \$70 for that item until a contract update, indicating the correct price, is provided to, and approved by, the OGS Procurement Services Group and is posted to the OGS or Contractor's Website.

