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BUDGET & MANAGEMENT

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Q&A's #2 to
Request for Proposals (RFP)
Cable & Wiring Project No. 050R6800016
December 15, 2005

Ladies/Gentlemen:

The numerical sequencing begins at question #42 since questions up to #41 were answered in Q&A #1. Received the following questions by e-mail, which are answered for all Offerors to the referenced RFP, below:

42. Question: PAGE 7- Miscellaneous Section-Thru Page 9 – Multipair phone lighting protection per end. It makes best sense to price these items as “material only” with no labor. Is this how you would like these items priced?

Answer: No, labor should be included. Your approach should consider that making a profit and recovering overhead are dependent upon your prices. Remembering that competition drives prices down and that your need to mitigate risk drives prices up, you have to determine what you want to put into the price sheets.

43. Question: Category 2 – Emergency Response – Functional Area II. Is the total price for the 6 personnel classifications to be excluded from Item 7 & 8?

Answer: Yes. The price sheet will be amended to add “excluding labor” for Items 7 and 8.

44. Question: Does the Aerial Fiber Construction Professional Services include pole attachment surveys as required by most pole owners?

Answer: This answer applies to Functional Area II only. The State requires the ability to obtain “turn-key” solutions for outside plant fiber, including aerial plant construction. The contractor may be required, as part of the TORFP, to provide pole attachment surveys to allow the State to apply for pole attachments. For the purpose of your price proposal for the Master Contract, assume the answer is always yes to represent the worst case scenario for price evaluation purposes and a price ceiling.

45. Question: Since the cost of underwater fiber construction is extremely high, is there a way to estimate a quantity or can a new line item be established under Area 2 Category 3?

Answer: The items under Functional Area 2, Category 3 represent the most common types of fiber construction the State requires. In the case of underwater fiber construction, which is highly specialized and costly, the Contractor will be able to reflect those costs in a competitive response to a TORFP. A new line item will not be added for this type of construction on Attachment F.

~Effective Resource Management~

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46. Question: Are there incumbents? If so, who are they?

Answer: See response to Question 3.

47. Question: Is there a personnel requirement for Area I as in Area II? If yes, please explain.

Answer: Yes. Remember that Functional Area I jobs can be awarded as a small work order or a task order agreement. RFP Secs 2.3 and 2.4.1 describe work requirements that include installation. Installation is obviously done by people. With regard to personnel pricing for Functional Area I, please see RFP Attachment F, Instruction B. Also, at the Pre-Proposal Conference, the State said, "Moving over to the next page, 3.4.7, Personnel, if you've read the RFP and looked at the price sheets you know that Functional Area I has the labor rolled into the material prices. So, personnel are not a [separate pricing] factor in Functional Area I. It just applies to Functional Area II." The State also said, "As I mentioned up front, these material costs should include a factor for your labor, because there is no separate labor tied in on these price sheets." Sec 2.2 will be amended to make this point more clear.

48. Question: In Functional Area II – Category 2 Emergency Response: Are the proposed quantities in this category for 1 or 5 years?

Answer: One year. See RFP Sec 4.3 and Attachment F, Functional Area II price sheet, Cat 2, Items 6 and 8 (says, "Yearly...").

49. Question: In Functional Area II – Category 2 Emergency Response: In sections 7 & 8, does "10 segments" represent 10 incidences or 10 geographic areas?

Answer: In the cited sections, the metrics are: two instances and 10 segments (meaning geographic areas). Also, see the response to Question 21.

50. Question: In Functional Area II – Category 2 Emergency Response Under what situations would sections 7 & 8 be applicable and when would the hourly rates for sections 1, 2, 3, 4, 5, & 6 be used.

Answer: The situations in 7 & 8 represent a requirement, like a retainer, for a company to have materials and staff on hand to respond within the required time to repair a damaged fiber optic cable. There is a price associated with having that standing capability based on the number of instances and segments cited. The labor to perform the two scenarios is modeled using the labor categories and number of hours in the price sheet. A contract resulting from a TORFP for emergency services will be a "Time and Materials" type contract. Accordingly, the model was built for price competition based on two scenarios for materials/standing capabilities and the labor as shown in Sections 1-6.

51. Question: In Functional Area II, Category 3: Do all the construction items (1 thru 9) include engineering costs?

Answer: Yes, your engineering prices, if any, should be included in your financial proposal within the prices proposed on the price sheets. See response to Question 33.

52. Question: Solicitation Paragraph 3.4.9: It asks for Financial Statements, abbreviated P&Ls and Balance Sheets for the last two years. If we form a joint venture/LLC to bid on the work; how would we provide "financials" for the new entity? Would you be looking for "financials" from each of the "team" members?

Answer: If you were to form a joint venture, the State would require a copy of your partnering agreement, state which portion of the work each partner will do and list the resources each

member of the joint venture would “bring to the table.” Because a new entity would have no history, the abbreviated P&Ls and Balance Sheets from each team member should be provided. Please review and comply with RFP Section 1.21 when submitting your proposal.

53. Question: With regards to Attachment F-3, Titled Cable/Wire Price Sheet, Functional Area I – Miscellaneous, column C details a requirement for including a cost for materials. Does your office intend for us to include labor, or are we to assume this is only for material pricing with or without our markup?

Answer: The State is looking for your prices, not your costs. Your markup is up to you. The materials prices should include a factor for your labor as explained in the response to Question 47.

54. Question: Is Attachment "F" asking for labor rates only or labor rates and the cost of the equipment listed?

Answer: Functional Area I is asking for material prices, which include your factor for labor except for the situation where a supplemental labor rate is added for after business hour support. Functional Area II, Category 1 unit prices should include both labor and materials. Functional Area II, Category 2, Items 1-6 unit prices are for labor only and Items 7 and 8 unit prices represent a materials price plus the price to have a standing capability that could be called upon in case of an emergency cable break. Functional Area II, Category 3 unit prices include both labor and materials. Also, please remember your rates should be “fully loaded” per Instructions for Attachment F meaning all labor, materials, travel, other overhead and profit should be considered when making your pricing offer.

55. Question: What was the sales volume of the contract for the last two fiscal years? This data will help us with determine the "Economic Benefits" for our proposal response.

Answer: Individual contract totals over last five years total about \$520,000. We also spent approximately \$100,000 in partnership with various counties through Memoranda of Understanding. For the existing Cable and Wiring contract, the State has spent approximately \$3.3M over the last two fiscal years. Remember to use only percentages on your economic benefits response in your proposal.

56. Question: During the preparation of response to State of Maryland, my RCDD encounter the following IBM products that are extremely old and obsolete. Could please provide direction as why State requires to use such old materials and secondly provide direction as if we can not find these material in the market anymore how we should satisfy this part of requirement? IBM 3270, BNC Coax Balun, IBM Box Jack, IBM Bulkhead Type 1 w/ IBM RJ14C Insert, IBM Bulkhead Type 2 w/ IBM RJ14C Insert, IBM Bulkhead Type 3 w/ IBM RJ14C Insert, IBM Standard Jack, IBM Type 1 Plenum-Rated Cable, IBM Type 1 PVC Cable, IBM Type 2 Plenum-Rated Cable, IBM Type 2 PVC Cable, IBM Type 3 Plenum-Rated Cable, IBM Type 3 PVC Cable, IBM Universal Connector Kit, RJ11C to IBM Type 1 Data Adapter. In what scenario would the state used these products?

Answer: All line items in Attachment F for IBM type cable will be deleted from the price sheet by amendment.

57. Question: Regarding IBM type cabling, all four of our major distributors (Anixter, Accu-Tech, Graybar and CSC) are unable to provide pricing for the IBM cabling materials. The materials are obsolete, and no longer available through traditional distribution channels. Will the State permit a no-bid response for these items?

Answer: See response to Question 56.

58. Question: How will the State assure that projects qualifying as TORFP will not be split into smaller projects to remain under the \$25,000 limit?

Answer: There are no guarantees that best practices will always be followed since all State agencies will be able to order against this contract. However, COMAR prohibits artificially dividing a procurement in order to qualify for the small procurement method and all State agencies are expected to follow the requirements of COMAR in their procurements. Additionally, the Contract Manager and the Procurement Officer will have certain oversight of the procurement processes occurring under this RFP. If the Contract Manager or the Procurement Officer becomes aware that a project is being artificially split, they will take appropriate action.

59. Question: Will the State entertain pricing by regions – i.e. Western Maryland, Eastern Shore?

Answer: No

60. Question: Can the State provide a forecast of work by Agency for 2006?

Answer: Not feasible or practical. See response to Question 47 for overall historical volume.

61. Question: Please provide a clarification of the documentation required for small work order projects and large projects.

Answer: See RFP Section 2.9. Specific requirements for documentation will be set in Small Work Order quote requests or the TORFPs for Task Order Requests.

62. Question: As the vendor will be responsible for permitting and each county has a different fee structure, is the State willing to allow permit fees and costs to be a separate line item for small work orders?

Answer: No. An Offeror should submit a price proposal that the Offeror considers has appropriately taken into account any and all circumstances, contingencies and variables that might affect its proposed prices.

63. Question: Specifically with the copper cabling we are being asked to price the copper and honor the pricing. In speaking with distribution they can only hold pricing for 30 days at a time with the fluctuation of the price of the materials that it takes to make the cable as it is directly associated with petroleum pricing. It seems very difficult to anticipate what the cost of cabling will be 30 , 60, even 1 year from now and to have to honor the pricing being given in the RFP would be almost impossible should the cost of cabling rise. How would the State suggest this be addressed?

Answer: See response to Question 62 above. Additionally, see the price adjustment mechanism in the RFP Section 1.5. Finally, consider that your actual price for a job will be determined through a competitive process (TORFP) or a small work order where you will have the opportunity to give a price for a job at the time the requirement exists—not now. That price can recognize the realities of “copper” at that time; however, you also know that the prices you give in the price sheets for the Master Contract represent a ceiling that you may not exceed

when responding to a Small Work Order or TORFP. You should consider and appropriately take into account any and all circumstances, contingencies and variables that might affect your proposed prices when offering a price for the Master Contract.

64. Question: I would like clarification of what exactly is included in “installed and terminated” under Attachment F cabling (fiber and copper). After reading the Q&A #1, I have my own interpretation. I believe the state is asking for the cost of the cable type and the labor to install and test from point A to point B in a straight line with no obstacles? Also, to include terminations on existing hardware. NOT including: pathway supports, pathway sleeves, penetrations, fire stopping, innerduct, bundling, labeling, all termination hardware and housings, etc. The RFP states installations must be done to ANSI TIA/EIA and BICSI standards. It is my understanding that all materials and labor needed to meet these standards will be proposed “a la carte” on each TO.

Answer: See answer to Question 5 for the response to your first question—basically, yes. Also yes to the second question. With respect to what is not included, you are correct but any job that requires those “not included” pieces will also be a part of the priced job in response to a small work order or TORFP. Remember to include all cabling factors in all cabling related line items on the price sheet including labor, materials, overhead and profit. Finally, with respect to your standards statement, you understand correctly.

Date Issued: December 15, 2005

By _____ <signed> _____.
Mike Yeager
Procurement Officer