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**Request for Proposals (RFP)
LONG DISTANCE CALLING SERVICES # 050R5800079
Addendum #2
October 28, 2004**

Ladies/Gentlemen:

This Addendum is being issued to amend and clarify certain information contained in the above named RFP. All information contained herein is binding on all offerors who respond to this RFP. Specific parts of the RFP have been amended. The following changes/additions are listed below; new language has been double underlined and marked in bold (i.e., **word**) and language deleted has been marked with a strikethrough (i.e., ~~word~~).

1. Revise, Section 1.31 Performance Bond

The successful Offeror must submit a Performance Bond (see Attachment I), or other suitable security in the amount of Six Hundred Thousand Dollars (\$600,000) for the ~~duration of the Contract.~~ **first contract year, \$450,000 for the second, and \$300,000 for the third contract year and for each option year for which an option is exercised.**

Acceptable security shall be as described below, identified within and excerpted from COMAR 21.06.07:

"Acceptable security for bid, performance, and payment bonds is limited to:

- (1) A bond in a form satisfactory to the State underwritten by a surety company authorized to do business in this State;
- (2) A bank certified check, bank cashier's check, bank treasurer's check, cash, or trust account;
- (3) Pledge of securities backed by the full faith and credit of the United States government or bonds issued by the State;
- (4) An irrevocable letter of credit in a form satisfactory to the Attorney General and issued by a financial institution approved by the State Treasurer."

An Offeror may elect to provide an automatically renewable type of security. The initial renewable security shall be effective upon the award of the Contract, and all subsequent security shall automatically renew unless the Department receives written notice of non-renewal from the issuer of the security at least thirty (30) days before the expiration of the then-effective security. In the event the Department receives a notice of non-renewal, as of the date that the existing security expires the Contractor must provide the Department with a substitute security acceptable to the State for the next Contract year. If the substitute security is a performance bond, it must be substantially in the form of RFP Attachment I.

If the Contractor does not provide an acceptable form of security as of the date of expiration of the existing security, The Department will withhold portions of those payments due to the Contractor. The State will withhold 50% of the security amount for the contract year from the first payment due to the Contractor after the expiration of the existing security. The State will withhold the remaining 50% of the security amount for the contract year from the next payment due to the Contractor. These amounts will be held by the State until such time as an acceptable security is provided, or until the expiration of the contract. The following example illustrates how this process will work:

The Contractor provides a one-year performance bond in the amount of \$600,000 for the first year of the contract. This performance bond expires on the anniversary date of the Contract. For purposes of this illustration, assume the anniversary date is January 31, 2006. The Contractor invoices the State on January 15, 2006; payment of that invoice is due within 30 days. The Contractor does not provide replacement security for the second year of the Contract in the amount of \$450,000 as required. From the payment due to the Contractor by February 15, 2006 in payment of the January 15, 2006 invoice, i.e. from the first payment due to the Contractor after January 31, 2006, the State will withhold \$225,000, which is 50% of the required \$450,000 security. The Contractor submits an invoice on February 15, 2006. From the payment due to the Contractor on that February 15, 2006 invoice, the State will withhold \$225,000, the second 50% of the required \$450,000. The total of \$450,000 withheld from the two invoice payments will be held by the State until the Contractor provides security in the amount of \$450,000, or until the expiration of the Contract.

The cost of this bond, or other suitable security, is to be included in the total prices proposed and is not to be proposed and will not be recoverable as a separate cost item. The successful Offeror shall deliver the Performance Bond, or other suitable security, to the State within 5 working days after being notified of the proposed contract award.

2. Revise, Section 2.5 Service Requirements

~~2.5.1.8 Ability to have multiple partitions in the database of the same long distance calling services to be managed by separate governmental entities when required.~~

3. 2.5.1.11 Provide the following dial up data capabilities:

- ~~A. Ability to transmit data at speeds of 56 kbps or slower both on net and off net.~~
- ~~B. Ability to transmit data at speeds of 56 kbps or higher over dedicated DS-1 circuits.~~
- C. Ability to provide ISDN capability, on both basic rate interface (BRI) and primary rate interface (PRI) basi

4. Revise, section 2.7.5 Express Ordering Process for Calling Cards

- A) The TC will call the Contractor and fax the Calling Card Request/Cancellation Form (reference Attachment J). The TC will mail the original form to the Contractor. **A maximum of 10 calling cards per month can be requested using the express ordering process.**
- B) The Contractor shall provide the calling card number over the phone to the TC and express mail the calling card and Acknowledgement Form to the TC or the cardholder (mailing instructions will be identified at the time of the request) within 24 hours of the request.
- C) The Contractor shall email the PIN to the TC or the cardholder (email instructions will be identified at the time of the request) within one (1) hour of the request.

5. Revise, Section 2.15 Invoicing

2.15.2 Invoicing for:

- A. The installation of dedicated access circuits shall be a one time fixed price per installation.
- B. Access to the dedicated access circuits shall be a monthly rate.
- C. Long distance **and** long distance calling card ~~and teleconferencing~~ calls shall be per six (6) second intervals. If the call goes past a six-second interval, the Contractor shall round up and invoice on the nearest six-second interval. **Example: 7 seconds shall be billed as two six-second intervals and 67 seconds shall be billed as twelve (12) six-second intervals.**
- D. **Teleconferencing calls shall be invoiced on a per minute basis. If the call is under a minute, the Contractor shall round up and invoice on the nearest minute interval. Example: a 50-second call shall be invoiced at one (1) minute and a 5-minute 15-second shall be invoiced at six (6) minutes.**

6. Revise, Section 2.16 Liquidated Damages

2.16.2 Liquidated Damages for interruption of service:

Reliability of the long distance calling services is of the essence. Downtime on any part of the contracted long distance calling services will be minimized by prompt response and corrective action within the specified timeframes (reference section 2.10) of the detection of a loss of service by the State CM, Agency Telecommunications Project Manager or the Contractor. If the Contractor fails to return long distance calling services within the specified time, then the Contractor shall be responsible for paying any and all costs the State incurs to obtain replacement services outside of the Contractor's system. **The maximum amount of liquidated damage the Contractor shall be responsible for paying is \$ 3,000 per hour for the number of hours that service is affected.**

2.16.3 The Contractor will not be assessed liquidated damages when the delay arises out of causes beyond the control and without the fault or negligence of the Contractor. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of the State in either its sovereign or contractual capacity, fires, floods, epidemics, quarantine restrictions, strikes, freight embargoes, and unusually severe weather; but in every case the failure to perform shall be beyond the control and without the fault or negligence of the Contractor, provided however that the Contractor notifies the State of such circumstances and the State determines the event was beyond the control and with out fault or negligence of the Contractor. This liquidated damages compensation will be for delay related costs only. The Contractor will remain liable for other non-delay costs actually incurred by the State such as, by way of example only, excess procurement costs in the event the contract is terminated for cause and must be re-competed by the State or awarded to another Contractor.

7. Revise, Section 3.4.11 Plans and Procedures

Offeror shall include the following plans and procedures as part of their proposals:

- A. Emergency Call Procedures as outlined in section 2.10.1
- B. Disaster Recovery Plan as outlined in section ~~2.3.10~~ 2.3.11
- C. Master Contract milestones and deliverables as outlined in section 2.11

8. Revise, MBE Forms Attachment D

Delete any reference to Attachment E within Attachment D.

The State of Maryland is revising the MBE Attachment D forms D-1 through D-4. These will be issued shortly, and when issued they will be sent to all prospective offerors by the Procurement Officer.

IMPORTANT: Offeror should be aware that Attachment D-1, "MBE utilization and Fair Solicitation Affidavit", and Attachment D-3, "MBE Participation Schedule", **must** be submitted with the Offeror's proposal. If these two forms are not delivered with their proposals, the Offeror will be eliminated from further consideration for award.

9. Revise, Attachment F

Offerors are required to record the fully-loaded prices they are proposing for each listed item, and compute the total. The price forms are used to calculate the Offeror's TOTAL PRICE.

- A) All Unit/Extended Prices must be clearly typed or written in ink with dollars and cents, e.g., \$24.15 and all percentages must be typed or written in ink with no more than one decimal place, e.g., 15.5 %.
- B) All Unit Prices must be the actual unit price the State shall pay for the proposed item per this RFP and may not be contingent on any other factor or condition in any manner. **The Offeror will propose net calling rates that do not contain any surcharges or additional fees. The Offeror will separately list in their proposal taxes, surcharges and additional fees paid by the State in the current Contract (specify by name and by rate). Contractor may not mark up any taxes, surcharges, or fees and Contractor may not assess any administrative fees. All surcharges and additional fees must be rolled into the unit prices proposed by each Offeror. Offeror bears the sole risk that such surcharges and additional fees may increase, and/or that new surcharges and additional fees may be levied by appropriate governmental or quasi-governmental authority during the term or any renewal term of the Contract. All percentages must be the actual percentage reduction that shall be applied to the manufacturer's price lists supplied. Since this solicitation is a fixed-price procurement, taxes, surcharges and fees imposed upon the Contractor (now or in the future) may not be passed through to the State. Additionally, the State is not normally subject to taxation. Consequently, taxes, surcharges and fees that are not being paid by the State under the current contract may not be billed to the State in the future without the prior written approval of the CM or the Procurement Officer.**
- C) All calculations that result in a fraction of a cent must be rounded to the nearest **four (4) places after the decimal point, i.e., .02532 would be rounded to .0253 and .02456 would be rounded to .0246** whole cent, i.e., \$1.025 would be rounded to \$1.03 and \$1.024 would be rounded to \$1.02.
- D) All goods or services required or requested by the State and proposed by the vendor at No Cost to the State must be clearly entered in the Unit Price and Extended Price with \$0.00.
- E) All goods or services required or requested by the State and Not Offered by the vendor to the State must be clearly typed in the Unit Price and Extended Price with N/O.
- F) Except as instructed on the forms, nothing shall be entered on the forms that alters or proposes conditions or contingencies on the prices or percentages.
- G) The Offeror must record the specifications of equipment and/or services requested.
- H) Record the price per project line item in the price Column. Record the total of all the line item prices on the appropriate line for Sub-Total and Total Price.
- D) **The Offeror shall propose all of the Price Proposal Forms** comply with the following:

1. ~~Use the forms to price the items associated with this RFP. These prices shall include, except where indicated otherwise on the forms, all costs associated with the installation and operation of the VPN proposed.~~
 2. ~~Propose all of the Price Proposal Forms.~~
- J) It is imperative that the prices included on the Price Proposal Forms have been entered correctly and calculated accurately by the vendor and that the respective total prices agree with the entries on the Price Proposal Forms. Any incorrect entries or inaccurate calculations by the vendor will be treated as provided in COMAR 21.05.03E and 21.05.02.12.

10) Revise, Attachment F (Excel Spreadsheet) Pricing Sheets

- A) In **F-5 Calling Cards (Table I)**, removed in the Dedicated to Switched column.
- B) In **F-5 Calling Cards (Table I)**, added Intrastate and Interstate column.
- C) In **F-6 Teleconferencing (Table K)**, updated Cost per 6-second interval per connection to Cost per 1-minute interval per connection.
- D) In **F-7 Monthly Usage (Table L)**, removed Dedicated to Switched Calling Card Minute Usage row.
- E) In **F-7 Monthly Usage (Table L)**, added estimated number of monthly minutes for International Dedicated and Switched.
- F) In **F-7 Monthly Usage (Table L)**, added rows for calling card minutes used for intrastate and interstate.
- H) In **F-8 Annual Usage Teleconf (Table M)**, removed Number of Intervals column.

Should you require clarification of the information provided in this addendum, please contact me at (410) 260-7662 as soon as possible.

By _____
Edward Bannat
Procurement Officer