

EV00000408 -ATTACHMENT D – SCOPE OF WORK

A. INTRODUCTION

- A.1.1.** The State of Oklahoma expects to purchase an estimated \$15 to \$20 million on MRO supplies annually. The categories of MRO Supplies are:
1. Electrical
 2. General Maintenance
 3. HVAC
 4. Janitorial
 5. Lighting
 6. Paint
 7. Plumbing
 8. Tools
- A.1.2.** A separate RFP and has been created to address most categories to supplement our participation with the NASPO ValuePoint MRO contract award. The intention is to allow Bidders which specialize in a certain category to respond competitively in their area of expertise.
- A.1.3.** Certain items generally considered MRO which are currently covered by other mandatory statewide contracts will be considered out of scope of this procurement effort.
- A.1.4.** The State expects substantial savings opportunities from leveraged purchasing, simplification of use by State agencies, and greater ease of administration of the contract. The State intends to establish one or more MRO contracts to satisfy the requirements of each of the products listed above.
- A.1.5.** Bidders are strongly encouraged to submit pricing/proposals on as many products and subcategories as possible.
- A.1.6.** The Contract(s) resulting from this solicitation is intended to be an instrument that can be used by all Authorized Users for the majority of their MRO supply needs. Both resellers/distributors and manufacturers are invited to respond to this RFP.

A.2. Products and Services

- A.2.1.** This RFP will focus on HVAC Supplies. This will include, but not be limited to:
1. Air Conditioning Repair Parts
 2. Heating Equipment Repair Parts
 3. Motors
 4. Refrigerant

A.3. ACCOUNT MANAGEMENT

- A.3.1.** The Bidder must include the name and contact information of the individual who will be the Account Manager for the term of the Contract. The Account Manager will be responsible for operation and administration of the Contract by the Bidder. The Account Manager must respond in a timely manner and in writing unless instructed otherwise, to all information requests from the Contracting Officer.
- A.3.2.** The Account Manager shall, upon request attend meetings at Central Purchasing or at other sites. The Account Manager will be responsible for reports required by the contract and to serve as liaison between the Bidder and Central Purchasing and any other eligible participant.

A.4. Purchasing Process and Pricing

- A.4.1.** Authorized Users will place their own orders with the Bidder. After Contract award, Bidder will interact with Authorized Users on a day-to-day basis for specific issues relating to delivery timeliness, product quality, returns, and similar concerns. The Contracting Officer listed will be responsible for managing price changes, market basket modifications, and overall contract management, including addendums and Contract performance.

- A.4.2.** Each subcategory listed in Attachment F; Cost is divided into two tiers in this RFP:
 - A.4.2.1.** Tier 1: Market Basket (fixed price portion)-Attachment F, Cost
 - A.4.2.2.** Tier 2: Discounts from manufacturer list or publicly available price lists for selected category. -Attachment F-1, Cost Discounts
- A.4.3.** Bidders should provide fixed pricing (Contract Pricing) including standard delivery costs for products listed in Tier 1. The State reserves the right to update the Tier 1 list of items at any time during the contract.
- A.4.4.** For Tier 2, Bidders are requested to provide a discount off of the list price for the subcategories listed. This discount will be applied to the list price to come up with the Contract Pricing (inclusive of Standard delivery) for Tier 2 products. Additionally, Bidders can add manufacturers or related categories to the list and offer discounts off of those percentage discounts.
- A.4.5.** Bidders are requested to quote an up-charge for Rush delivery as a percentage mark-up on the Contract Price. Similarly, Bidders are also asked to quote a discount for In-Store Pick Up as a percentage mark-down on the Contract Price. This mark-up and mark-down will be applicable on all items. Bidders are not required to operate brick-and-mortar stores and offer in-store purchases, but in keeping with the State's search for a best-value solution, they are highly encouraged to do so.
- A.4.6. Tier 1 details:** Bidders are urged to submit proposals for at least 50% of the market basket products in any subcategory; otherwise, the State may, at its discretion, disqualify the Bidder from that subcategory. Pricing for all items on the market baskets will be fixed pricing (discount-off-list or cost-plus will not be accepted).
- A.4.7. Tier 2 details:** The discounts offered off of the list price for Tier 2 items will be held constant over the course of the contract. When requested, Bidder/Bidder will provide list price for any Tier 2 manufacturer or product group.
- A.4.8.** Authorized Users will be permitted to purchase items from Tiers 1 and 2. The State reserves the right to update the Tier 1 list of items at any time during the contract. The State and Bidder will negotiate in good faith a fixed price for any new Tier 1 items that will be added, and item shall have better pricing than current Tier 2 pricing. The State also reserves the right to update the Tier 2 list of categories during the contract.
- A.4.9.** The Bidder should be able to provide a broad catalog or product offering within each sub-category that it is proposing. New price lists that are released by the Bidder, subsequent to the initial price list, may include new products, but new products will be subject to the same Tier 2 discounts for the appropriate manufacturer, product type, and subcategory.

A.5. Service Level Requirements and Expectations

Section A.5.1 lists the State's Mandatory Service Level Requirements. Bidders must indicate whether they are able to meet these service level requirements in Attachment E: Business and Technical Proposal Response Template (Mandatory Service Level Requirements). Bidders that are unable to meet any of these service level requirements shall be eliminated from consideration for an award.

Section A.5.2 lists the State's Desired Service Level Expectations. These expectations are desired by the State and the State will evaluate these responses as part of the technical/qualitative evaluation. Bidders must indicate whether they are able to meet these service level expectations in Attachment E: Business and Technical Proposal Response Template (Desired Service Level Expectations).

Mandatory Service Level Requirements and Desired Service Level Expectations shall be met at no additional cost to the State.

A.5.1. Mandatory Service Level Requirements

This section of the document contains Mandatory Service Level Requirements that the successful Bidder is required to meet at NO extra charge. Bidders who cannot meet Requirements A.5.1.1 through A.5.1.6 shall be qualified on the grounds of non-responsiveness.

- A.5.1.1.** For all products sold, Bidder must be an original manufacturer, authorized distributor, or dealer authorized by manufacturer. If requested, Bidder must be able to identify an account number with manufacturers represented.

- A.5.1.2.** Each product sold will have a minimum of manufacturer's standard warranty.
- A.5.1.3.** If any prices fluctuate between the time of order and delivery, Bidder shall charge the prices in effect as of the order date.
- A.5.1.4.** The Bidder will not invoice service fees or additional costs to the Authorized Users during the term of the contract. For instance, there will be no small order, minimum order, special order, shipping (except Rush delivery as specified in the Cost Proposal), hazardous materials, pallet, or fuel charges or surcharges.
- A.5.1.5.** Delivery to End Users: Authorized Users are located throughout the State, both within and outside of major metropolitan areas. All deliveries must be made on days and times acceptable to Authorized Users.

Standard orders must be delivered to end users within 15 business days after receipt of order. Special order items shall have an estimated delivery date at time of order. Rush orders to end users must be delivered next day after receipt of order.

Acceptable hours for deliveries vary by location, and some facilities do not accept palletized deliveries. It is Bidder's responsibility to determine the acceptable delivery times and packing requirements for each customer at the time the first orders are placed.

The following three requirements (sections A.5.1.7, A.5.1.8, and A.5.1.9) apply to secure facilities only (primarily within the Department of Correction):

- A.5.1.6.** Bidders' employees must comply with the security requirements at each facility. Authorized Users are responsible for alerting Bidder to these requirements before or while placing their first order. Bidder must comply with all security and identification procedures at each location, at no cost to Authorized Users.

Common security restrictions include:

Identification: All of Bidder's employees, while working on State property, must carry or display acceptable identification. Requirements vary by Authorized User. For instance, some facilities require a visible photo ID badge, while some correctional facilities may require a valid driver's license instead.

Vehicle Security: In many locations, drivers must turn off vehicle motors and lock cab doors whenever their truck is unattended.

Patient/Offender Contact: Delivery personnel must minimize interaction with offenders or patients and must report any verbal contact to the Authorized User before leaving the site.

- A.5.1.7.** Drivers who enter secure facilities must have prior approval to enter from security staff, generally involving a background check to ensure that they are not convicted felons. At some facilities, trucks will be searched prior to entry and exit, causing up to a 30-minute delay each way.
- A.5.1.8.** At most secure facilities, drivers cannot have any weapons (including jack knives or box cutters), cell phones, pagers, drugs, tobacco products or any item deemed to be potential contraband. Correctional officers can hold these items for drivers at the delivery sally-port and return them as the driver exits the grounds. Any illegal items will not be returned.

A.5.2. Desirable Service Level Expectations

This section of the document contains Desirable Service Level Expectations that the Bidder is expected to perform at NO extra charge. All Mandatory Requirements listed in Section A.5.1 supersede the Desirable Service Level Expectations listed below. Bidders are required to indicate any inability to provide the Desirable Service Level Expectations by indicating as such in Attachment E, Business and Technical Proposal Response Template (Desired Service Level Expectations). In addition, Bidders are required to propose alternatives to Desirable Service Level Expectations that cannot be met.

- A.5.2.1.** Response Time: The Bidder should respond to all communications no later than one business day. Bidder's failure to respond within one business day may result in a documented performance complaint
- A.5.2.2.** Fill Rate: The Bidder should maintain a Fill Rate of 98%.

- A.5.2.3. Invoice Accuracy:** The Bidder should strive to achieve invoice accuracy of 100% as measured by SKUs ordered.
- A.5.2.4. Delivery Standards:** Bidder should make deliveries on dates and times acceptable to Authorized Users. If a regular delivery day falls on a State holiday, Authorized Users and Bidder may determine an alternate date.
- The Bidder should ensure Delivery Date standards are met 97% of the time.
- Most facilities require inside delivery. Bidder should unload products and deliver to specified interior locations at no additional charge if Authorized User requires inside delivery. To expedite delivery, Bidder's delivery trucks should be equipped for varying dock heights.
- Deliveries should be complete by the delivery date noted on the order, unless otherwise modified by mutual consent of the Authorized User and Bidder.
- Bidder is responsible for rescheduling delivery to a time acceptable to Authorized User at no charge. If there is no mutually acceptable date and time to reschedule, or if a late delivery means Authorized User should procure products elsewhere, Authorized User may cancel all or a portion of the late delivery at no charge.
- A.5.2.5. Palletized Delivery Requirements:** Some facilities do not accept palletized deliveries. Others have size restrictions or maximum height requirements. Authorized Users will alert Bidder to special requirements while or before placing their first order. Bidder should not use any State equipment, including pallet jacks, to unload deliveries.
- If product(s) is on a pallet, all package labels should be visible on the outside of the pallet. Bidder should load products onto pallets putting like items together on the same pallet, heavier items on the bottom of the pallet. Fragile items should not be put on the bottom of a pallet.
- Pallets of same quality may be exchanged at time of delivery. That is, pallets from previous deliveries may be returned to delivery driver. However, pallets used for current delivery may not be returned if product is not unloaded immediately, at the Authorized User's discretion.
- A.5.2.6. Non-Delivery:** After notification of impending short or out-of-stock items, Authorized User may cancel balance of incomplete deliveries without penalty. Authorized User may purchase shorted items that cannot be supplied by the Bidder by date required elsewhere.
- A.5.2.7. Overall Customer Satisfaction:** Bidder should develop a plan to conduct a survey of end-users to determine the level of customer service satisfaction experienced by Authorized Users and should conduct such a survey upon request from the Contracting Officer. Both the raw and analyzed survey results should be provided to the Contracting Officer. The following includes some of the areas to be measured on the survey: Responsiveness, Communication, Courtesy, Competence, Effectiveness, and Overall Satisfaction.
- A.5.2.8. Ordering Methods:** Each Authorized User will be responsible for placing its own orders, which may be accomplished by written purchase order, telephone, fax, computer on-line systems.
- A.5.2.9. Payment Options:** Authorized Users will pay the Bidder by check, electronic funds transfer, or with the State's authorized P-card (credit card). The State currently uses a Visa branded P-card.
- A.5.2.10. Freight Policy:** All shipments should be F.O.B. Destination to the specified location, with inside delivery if requested. Bidder is responsible for filing and expediting all freight claims with the carrier. The Bidder should pay title and risk of loss or damage charges.
- A.5.2.11. Rush Delivery:** Bidders should be able to provide Rush Delivery to Authorized Users within a 24-hour window. Explain your rush delivery capabilities in your response.
- Emergency/rush delivery requiring special shipping and handling will be at Authorized Users' expense (with prior approval from the Authorized User). Rush delivery that occurs as a result of the Bidder's error will be free of charge.
- A.5.2.12. Shipping:**
- All hazardous materials should be shipped per Federal and State regulations.

All products should be shipped in a manner which will enable the receiving person(s) to easily check the shipment with the invoice.

- A.5.2.13. Return of Product:** Any materials delivered in poor condition, in excess of the amount authorized by the requisition form or not included on the requisition form or purchase order may, at the discretion of the Authorized Users, be returned to the Bidder at the Bidder's expense within 30 days. Credit for returned goods shall be made immediately once the Bidder receives the returned goods.

If any product is returned to a Bidder for failure of performance, the Bidder will, at the State's discretion, refund all amounts paid to the Bidder for such product or replace the product, and the following shall apply:

The Bidder should bear all shipping and insurance costs.

Bidder should be liable for damages to the product, unless caused by fault or negligence of the Authorized User that occur during the return process.

Please describe your return policy in detail.

- A.5.2.14. Returns Due to User Error:** Bidder should provide for return of unopened items ordered in error for up to 30 calendar days from delivery. For all returns of unopened items or returns due to user error, returns should be provided free-of-charge, as long as they occur at a regularly scheduled delivery time. Otherwise, Authorized Users should be responsible for all costs associated with the preparation of the product for shipping, and all shipping costs to the Bidder's nearest service location for such returns; no additional charges are allowed, including restocking fees.

Bidder should issue a credit to Authorized User's account as soon as items have been received by the Bidder.

- A.5.2.15. Post-Order Customer Service:** The Bidder should provide to all Authorized Users a single point of contact to handle questions and resolve problems that arise, and should have access to information to provide immediate response to inquiries concerning the status of orders (shipped or pending), delivery information, back-order information, statewide contract pricing, contracted product offerings/exclusions, contract compliance requirements, and general product information

- A.5.2.16. Price Verification:** The Bidder should be able to provide manufacturer price lists and its own list price lists at the State's request in order for the State to verify Tier 2 pricing. The Bidder should have its own auditing system to verify that correct pricing is being offered to the State. In addition, the State reserves the right to audit Bidder records in order to identify discrepancies. If discrepancies are found, at a minimum, the Bidder will refund the State the difference and may be subject to other legal remedies.

- A.5.2.17. Rebates and Special Offers:** Bidders should offer all rebates and special offers (including commercial and consumer offers) made available by the manufacturer, in addition to contracted pricing.

- A.5.2.18. Quality Assurance and Warranty Guarantee:** The Bidder should guarantee its products to be free from defects in materials and workmanship, given normal use and care, over a minimum of the manufacturer's warranty period. The Bidder should agree to repair and/or immediately replace without charge (including freight both ways) to Authorized Users any product or part thereof that proves to be defective or fails within the warranty period as specified.

- A.5.2.19. Product Availability:** The State should not allow any cancellation of Tier 1 products without an equal and acceptable replacement approved by the Contracting Officer. Bidders should communicate manufacturer's discontinuation of any products to the Contracting Officer in writing. In such instances, Bidders should work with the Contracting Officer to identify and implement alternative options that will maintain or reduce costs associated with the replacements. Bidders should be prepared to offer detailed quarterly reports if requested by the State, displaying removed SKUs off of Market Basket and suggested replacements.

- A.5.2.20. Notification of Back Orders:** Please describe in detail your back order notification procedures.

A.5.2.21. Emergency Product Substitutions and Out-of-Stock Items: If necessary to complete a shipment on time, Bidder may request a product substitution. The product substituted should be of equal or larger quantity, equal or better quality and/or grade, at no additional cost, and the Authorized User should accept the substitution in writing (email is acceptable) prior to delivery. Invoices shall denote all items and quantities as ordered. Any shorted items shall be noted as "out-of-stock."

A.5.2.22. Receiving Procedures and Order Inspection: State personnel may inspect and verify deliveries. Products may be matched against the packing slip and order specifications. Authorized Users may identify and reconcile delivery discrepancies of quantity or quality after delivery. Product delivered will also be inspected at time of use and is subject to refusal/return for issues of quality.

Any cases damaged during loading or delivery will be rejected. Bidder should replace with like or acceptable product at no charge within two business days of notice.

When receiving deliveries, Authorized Users may:

- Inspect each item at the time of receipt
- Note any count discrepancies and visible damage on the Bidder's packing slip. Discrepancies or damages noted should be initialed by the Bidder's delivery agent
- If, upon inspection at the time of receipt, products are found to be in unacceptable condition, Authorized User may refuse delivery and note reason on delivery receipt. Bidder's delivery agent shall initial any such notes
- When satisfied that the shipment is in proper order and/or all discrepancies have been properly noted and initialed, the receiving person shall sign the Bidder's packing slip and retain a copy for their records
- Authorized Users reserve the right to reject all or part of a delivery

Bidder should allow ample time for these procedures at each delivery location.

A.5.2.23. Invoice Requirements: All invoices should reflect the prices and discounts established for the items on this contract for all orders placed by Authorized Users.

Before payment is made, the State will verify that all invoiced charges are correct as per the Contract(s). Only properly submitted invoices will be officially processed for payment. Prompt payment requires that your invoices be accurate, and clear

Bidder should provide original invoice and requested number of copies to the designated accounts payable representative(s) or addresses for each Authorized User.

Each invoice should contain only those products covered by the purchase order or other purchase method designated on that invoice. Invoices that have pricing other than approved contract pricing will not be considered valid invoices.

A.5.2.24. Complaint Resolution Procedure: The Bidder should have a robust complaint resolution procedure. Please describe in detail.

A.5.2.25. Disaster Recovery: The State expects the Bidder to have robust disaster recovery capabilities and procedures, to continue service in all aspects of its operations. Bidder shall provide a copy of such a plan in the response

A.5.2.26. Catalogs: Bidder should have web-based catalog(s), or electronic media copies of the most current catalog to each Authorized User upon request.

A.5.2.27. MSDS Database: Bidder should provide electronic access to MSDS information.

A.5.2.28. Marketing: Bidder should assist the Contracting Officer in preparing marketing tools to promote the contract relationship but be aware that inappropriate marketing communications sent directly to Authorized Users will not be permitted. All marketing materials should be approved in advance by the Contracting Officer. Please describe in detail your marketing approach.

A.5.2.29. Training: Bidder should provide any necessary training for Authorized Users on, at a minimum, the following topics: catalog access and order placement. All training shall be

coordinated through the Contracting Officer or Authorized Users. Please describe in detail your approach.

A.5.2.30. Disasters and Emergencies: In the event of a disaster or other emergency at an Authorized User location (such as severe damage or destruction of a storage facility or other building), Bidder should provide delivery as soon as possible, or within 24 hours after receipt of order to the affected facilities, including weekends, except where the Bidder's ability to perform is impaired by the same disaster or emergency, in which case delivery schedule will be mutually agreed upon.

A.5.2.31. In-Store Purchases: If the Bidder operates or has special arrangements with brick-and-mortar stores in the State of Oklahoma, the Bidder should extend contract pricing for in-store purchases. The Bidder will be expected to formulate a method to identify an Authorized User as such so that contract pricing will be made available for in-store purchases during check out. Please describe this in detail.

A.6. Geographic Coverage

A.6.1. The State expects the Bidder to provide services in as many parts of the State of Oklahoma as possible. In the response, the Bidder should indicate the parts of the State that they can serve:

- Southwest Oklahoma (defined as areas south of I-40 and west of I-35)
- Southeast Oklahoma (defined as areas south of I-40 and east of I-35)
- Northwest Oklahoma (defined as areas north of I-40 and west of I-35)
- Northeast Oklahoma (defined as areas north of I-40 and east of I-35)