

## **GENERAL**

**1. SCOPE:** This contract is for use by all state agencies, departments, institutions, universities, community colleges (except those exempted by statute), and certain non-state agencies. The scope of this contract is limited to the sale and delivery of office supplies. For the purpose of this IFB, office supplies are defined to include industry general office supplies, toner, inkjet and fax cartridges, office equipment (e.g. fax machines) and limited quantity printer/copier paper (order size less than two hundred dollars \$200.00). Users are not required to use this contract for orders less than one hundred dollars (\$100).

This IFB specifically excludes furniture, file cabinets, software, computers, multifunctional print devices, scanners, copiers, break room supplies, janitorial supplies, and extended warranties. Per the Governor's mandate, State Agencies are to purchase remanufactured toner cartridges using the State Term Contract 207A. Note that remanufactured INKJET cartridges are NOT excluded from this contract. The four categories of items covered by this contract are office equipment, paper, printer/fax cartridges, and office supplies, which are defined elsewhere herein.

**2. NON-STATE AGENCIES ELIGIBLE TO PARTICIPATE IN THIS CONTRACT:** In accordance with North Carolina General Statutes 143-49 (6), certain non-state entities described below may participate in this contract on a voluntary basis. Any of the non-state entities identified below that choose to participate in this contract must abide by the terms and conditions that are set forth in this contract .

Nonprofit corporations operating charitable hospitals, local nonprofit community sheltered workshops or centers that meet standards established by the Division of Vocational Rehabilitation of the Department of Health and Human Services, private nonprofit agencies licensed or approved by the Department of Health and Human Services as child placing agencies, residential child-care facilities, private nonprofit rural, community, and migrant health centers designated by the Office of Rural Health and Resource Development, private higher education institutions, counties, public school units, cities, towns, governmental entities, volunteer fire departments, rescue squads, and other subdivisions of the State and public agencies thereof.

**3. DURATION OF CONTRACT:** The duration of the contract is two years. The contract shall commence on December 7, 2008 or the award date, whichever is later. P&C has the option to request from the contractor(s) two (2) additional one-year renewals. Any extensions will be governed by the terms and conditions contained herein. Contractors may be requested to extend the scheduled termination dates of contracts.

**4. CONTRACT VALUE:** The estimated value of this contract is approximately \$20,000,000 annually.

**5. ABNORMAL QUANTITIES:** For purposes of this Invitation for Bids and any resulting contract award, any purchase request by an agency that exceeds \$35,000 shall be forwarded to the Division of Purchase and Contract for processing. The Division, at its sole discretion, may process any such requirement in one of the following ways:

- 1) Purchase may be authorized at the current level of pricing with the current contract vendor(s)
- 2) Additional discounts from the current level of pricing may be negotiated with the current contract vendor(s)
- 3) A separate Invitation for Bids may be issued for the requirement

**6. CONTRACT CHANGES:** Contract changes, if any, over the life of the contract shall be implemented by contract addenda released by the contract administrator to the contractor. If the contractor is accepting orders/and or delivering through other parties, for example a manufacturer accepting orders and delivering through a dealer network or dealers receiving orders through a network of other dealers, then the contractor shall inform and notify parties of all contract terms and conditions and of all contract addenda.

**7. DELIVERY:** The contractor shall deliver ordered items within two (2) business days after receipt of purchase order at a minimum rate of 90%, as defined elsewhere herein. All deliveries against this contract shall be considered inside delivery with no additional charge. All deliveries shall be delivered to either a designated desktop or a single dock delivery based upon the needs of the user. When a user requests an over-the-counter purchase, delivery is not required. Over-the-counter purchases are herein defined as purchases made by the purchaser at outlets such as retail stores and warehouses.

Delivery performance below 90%, as determined by P&C, may result in a finding of default of the contractor and may be cause for termination and removal of the contractor from the contract. In the event of a late delivery, it is the responsibility and obligation of the contractor to make the details known immediately to the users. P&C reserves the right to request an ad hoc report from the contractor to monitor delivery performance. In the event the delivery is not received within two (2) business days, the contractor may be held in default in accordance with Paragraph 1, DEFAULT AND PERFORMANCE BOND, in the North Carolina General Contract Terms and Conditions, and the users may procure the products or services from other sources and hold the contractor responsible for any excess cost occasioned thereby.

**8. TRANSPORTATION CHARGES:** All goods shall be delivered FOB DESTINATION to any point in the State with all transportation charges prepaid and included in prices offered, regardless of the quantity ordered. Over-the-counter purchases are exempt from transportation charges.

**9. USE OF THIS BID DOCUMENT:** Bids must be submitted on the forms provided herein. Bids submitted in any other format may be subject to rejection. If additional sheets are required, the bidder should make the necessary copies and insert them in the bid document, or submit a separate bid document. Do NOT submit bid in ring binder, jacket, or any similar type of protective means.

**10. INSPECTION OF SAMPLES:** Samples, not previously required with the bid, may be required for any line item(s). Such samples, if required, are due at a location to be specified in Raleigh, NC, within (5) working days after request, and are to be properly identified with line item number, bidder's name and model number, and are to be delivered FOB destination. Samples may be retained for any length of time until contract expiration, and will be returned to the respective contractor(s) at his expense if requested pursuant to Instructions to Bidders Section 18, Samples.

## **ADMINISTRATIVE**

**11. BLOCKING AND CATALOG SOLUTION:** The awarded contractor(s) shall provide a punch-out catalog. A punch-out catalog is a feature that allows a buyer the ability to access a contractor's web site from the eprocurement service, browse through their contracted items, and return a buy-list back into their requisition on the eprocurement service. The following requirements shall be met:

- (a) The punch-out catalog shall confirm to cXML 1.0 or 1.1 standards.
- (b) The punch-out catalog shall conform to the technical specifications and implementation requirements provided by the State's supplier manager.
- (c) The contractor shall work with the State's supplier manager to guarantee the successful integration of the punch-out catalog into the eprocurement service.

The contractor shall make only those products awarded under this contract available for purchase from the punch-out catalog. Products not awarded under this contract shall be completely blocked from the punch-out catalog.

Note that groups of dealers CAN bid as a collective group. However, only a SINGLE punch-out catalog for such a bid is permitted.

**12. ORDERING INFORMATION:** Contractor is required, upon request of any user, to provide the user with hard copy catalogs and descriptive literature. This information is to be provided to the ordering agency within five (5) business days of the request. Such information shall be provided at no charge to the user. Contractor is required to provide the using agency with all information pertinent to the placement of and payment for orders. Contractor is required to provide toll free phone numbers and fax numbers for agencies to conduct business with the contractor.

**13. PRODUCT RECALL:** In submitting this bid, bidder expressly assumes full responsibility for prompt notification to the user of any product recall in accordance with the applicable state or federal regulations.

**14. WARRANTY:** The manufacturer's standard warranty shall apply. In addition, contractor guarantees items offered to be free from any and all defects in material, packaging and workmanship and agrees to replace defective items promptly at no charge to the user.

**15. ORDER ACCURACY:** Order accuracy rate shall be maintained at 97% or greater for each order. Order accuracy rate is defined as the number of line items delivered as ordered divided by the total number of line items ordered. P&C reserves the right to request an ad hoc report to monitor order accuracy.

**16. ORDER COMPLETENESS:** Order fill rate shall be maintained at 90% or greater for each order. Order fill rate is defined as the number of line items on an order filled completely as ordered divided by the total number of line items on that order. P&C reserves the right to request an ad hoc report from the contractor to monitor order completeness.

Each order delivered shall have a packing slip enclosed. The packing slip shall clearly show the purchase order number (or order date if PO number not shown on order), user entity name, location of delivery, items ordered, unit of measure, items enclosed, and identify any items on backorder.

Backorders by the contractor shall be filled within five (5) business days of original order. The contractor shall provide the following information about pending backorder(s) if requested by the user: item name, product ID, reason for shortage, and plan of action.

**17. DELIVERY ORDER RATE:** Delivery order rate is defined as the number of orders delivered within two (2) business days (on time) divided by the total number of orders placed within the previous thirty (30) calendar days. This percentage shall be 90% or greater.

**18. RETURN POLICY:** Contractor shall accept merchandise returns from users for a period of forty-five (45) calendar days after delivery. Contractor shall provide full credit or full refund to users, whichever a user requests, within thirty (30) calendar days on all returns of ordered product that are in original packaging and in resellable conditions.

**19. RESTOCKING POLICY:** Contractor shall not impose a restocking fee on users for merchandise that has been returned, unless it is a specialty item and the user has been notified in writing, at the time of placement of order, of the potential restocking fee. If any item is returned due to damage, incorrect product shipped, or contractor order entry error, the contractor shall not impose a restocking fee.

**20. CUSTOMER SUPPORT/USER SUPPORT:** Contractor shall provide dedicated user support. Account management capabilities are vital to the success of this program and contractor shall assist P&C in areas of reporting, compliance management, and continuous improvement. Contractor shall have a single point of contact for each user to provide users with customer support. This individual may support multiple users. Users shall have access to their corresponding customer service representative during normal business hours of every business day (8:00 A.M. (ET) to 5:00 P.M. (ET)). When the primary point of contact is not available, the contractor shall provide sufficient backup to provide customer service to users. User inquiries by phone, email, or fax shall be addressed within one (1) business day. In addition, the contractor shall provide a single point of contact for P&C, which may be the same or different individual from the above contact(s).

Contact for P&C is:           Name: \_\_\_\_\_  
  Phone: \_\_\_\_\_  
  Email: \_\_\_\_\_

**21. NO SUBSTITUTIONS:** Substitutions by contractor are not permitted on any order. Failure of the contractor to comply with this requirement may result in default by the contractor.

**22. QUARTERLY PUNCHOUT SPREADSHEETS, REPORTS, AND ACCOUNT MANAGEMENT:** The usage reports listed below shall be supplied electronically by the contractor to the contract administrator on a quarterly basis, or otherwise as required by P&C. Such reports are due fifteen (15) consecutive calendar days after the last day of the quarter. Quarters end on March 31, June 30, September 30, and December 31. Failure of contractor to have the complete and properly formatted electronic files in our office by the due date may result in IMMEDIATE removal of the punchout site from the on-line contract, and the required cessation of sales under the contract until such time as the complete and properly formatted files are received. Thereafter, if the State determines that there are any inaccuracies in the files, such removal and required cessation of sales may be again implemented by the State.

- (a) One report shall summarize total dollars invoiced by each user, for all users.
- (b) A second report shall provide the following fields for all invoiced orders across all users: product manufacturer name, product manufacturer item number, S.P. Richards SKU, UPC, item description, total quantity shipped

(summed across all users), unit of measure, S.P. Richards published MSRP used to determine contract price, version (quarter and year) of S.P. Richards MSRP list containing said MSRP, and the contract unit price.

- (c) A third report shall be provided only upon request by the Division of Purchase & Contract, and within five (5) business days of such request. This report shall list ALL purchase orders falling within the requested period, and for each order is to show the user, the date, the PO number if available, and ALL line items contained in the purchase order. In turn, for each line item, the S.P. Richards SKU, item description, quantity ordered, unit of measure, correct contract unit price, and invoiced unit price shall be shown.

**23. SPECIAL INSTRUCTIONS TO BIDDERS:**

- (a) The contractor shall provide a sufficient number of employees who are knowledgeable and responsive to customer needs and who can effectively service the contract. This shall include pricing, issues of a technical nature, general problem solving, offering information, and answering questions. At a minimum, all orders shall be accepted by the contractor between the hours of 8:00 a.m. through 5:00 p.m. local time, Monday through Friday, except legal state holidays.
- (b) The contractor shall keep the contract administrator or his/her representative apprised of personnel, phone, fax, email, and other changes that affect this contract, and shall do so within two (2) workdays of any such change(s).
- (c) Products provided by contractors under the terms of the contract awarded as a result of this IFB shall be commercial grade and meet all federal, state, and local standards for quality and safety requirements (example: ASTM, NEMA, ANSI and /or UL-Listed). Products not meeting standards will be deemed unacceptable and will be returned to the contractor with no charge to the State of North Carolina or to the user.
- (d) All orders shall be labeled and packaged adequately to assure safe handling and proper delivery. Where applicable, a Material Safety Data Sheet (MSDS) shall accompany the order.
- (e) The contractor shall resolve all order and invoice discrepancies within five (5) business days from notification.
- (f) Bidders that have established over-the-counter purchase outlets and anticipate the use of such outlets shall complete page **TBD**, providing all requested information. The contractor shall provide a method to ensure the correct contract prices for over-the-counter purchases. The contractor shall confirm that the over-the-counter purchases are authorized under the contract, and shall advise purchaser as to which items presented for purchase are NOT part of the contract.

**24. CONTRACT MONITORING AND RESULT OF CONTRACTOR ERRORS:** On a schedule set by the State, which may be regular or irregular, and by ANY means or method(s) the State deems appropriate, punchout pricing and other factors will be monitored by the contract administrator. Any (a) posted contract pricing, (b) invoiced pricing, (c) SKUs, (d) packaging, and (e) related elements which are found to be incorrect will be documented, and may serve as the basis to prohibit the offending contractor from selling on this contract until such time as the State is satisfied that all of the discrepancies have been corrected, and to likewise remove or deactivate such contractor's punchout catalog for a period to be determined by the State. **Such prohibition and removal, when implemented, will not in any case be less than thirty (30) consecutive days.** However, for all contractors there shall be a grace period of thirty (30) consecutive days after contract initiation to grant time for contractor to correct initial errors, without penalty of temporary removal from the contract. In any and all instances where such errors result in overcharges, whether during the grace period or thereafter, the contractor shall within fourteen (14) consecutive calendar days after notification by either the user(s) or the contract administrator: (a) reimburse by actual funds transfer (NOT by a credit to be applied to future purchases) the full overcharge amount back to the appropriate user(s), (b) send or email to user explanatory documentation of the reimbursement, and (c) send to the contract administrator within five (5) working days after close of calendar quarter documentation listing all such users reimbursed during that quarter, the items they were overcharged for, the respective item quantities, and for each such user the overcharge amount and the contractor reimbursement transaction identification number (for tracing and verification purposes). Note that incorrect posted contract pricing is grounds for removal of contractor's selling means REGARDLESS of whether the result would be an overcharge OR undercharge.

It is important to note that by Execution of Bid, bidder specifically agrees that the above initial 30-day grace period will be FORFEITED by bidder if the State, in its sole judgement, concludes that the punchout site is materially defective. **It is imperative on this contract to have contractors who show from contract initiation the required diligence**

**in maintaining all aspects of correct item pricing and identification. Failure to do so will result in immediate removal of deficient contractor from the contract.**

The contract will be monitored using (a) available computer programs to compare on-line pricing for all contract items TO the known correct contract price for each respective contract item, (b) available computer programs to compare invoiced pricing TO the known correct contract price for each ordered item, or otherwise (c) spot checking to obtain results (a) and (b) above, if there are no suitable computer programs available to the contract administrator.

If a user selection of an item offered on the punchout catalog site results in the display of an item other than the selected item, the punchout site may be immediately removed from the on-line contract by the State in accordance with the process described elsewhere herein.

**25. NO SECONDARY USER ACCOUNTS:** "Secondary" accounts for non-contract items may not be created. There can be no requirement by the contractor for a user to have to split an order which includes both contract and non-contract items from the contractor. Likewise it is not permitted for the contractor to divide the line items on a single purchase order into multiple user accounts, for example when part of the items on an order are covered under the contract and part of them are NOT.

**26. REPORT FORMATS:** For any report required from the contractor, the State may specify the exact format required, which may also include the column headers and the title of file to appear in the first rows of spreadsheet. Bidder shall completely adhere to such State-specified formats. Failure to do so may result in removal of the contractor's punchout site in accordance with the process described elsewhere herein.

**27. DEDICATED PUNCHOUT:** Bidder shall dedicate a punchout catalog site to this contract, in such a manner that pricing not specifically for this contract CANNOT be loaded unintentionally into the punchout. The punchout pricing shall be LOCKED such that it cannot be modified by any party other than the bidder explicitly. Incorrect punchout pricing shall be considered cause for immediate removal of the punchout site by the State in accordance with provisions elsewhere herein. The punchout shall specifically post two pricing levels for each item offered: (a) the correct MSRP, and (b) the correct state contract price, which is computed from the correct MSRP when multiplied by the correct contract discount. Each item offered shall be identified in the punchout by the same SKU and UPC assigned in the S.P. Richards catalog, and carry a brief description including package quantity, with a photograph, or a line drawing if photo not available. Item SKUs and UPCs shall not change during the contract except to specifically reflect changes made by S.P. Richards or the manufacturer of the item.

IMPORTANT: Bidder shall provide to the State within five (5) consecutive work days after date of contract award certified documentation which in the State's sole judgement serves as sufficient and appropriate confirmation that bidder has implemented, or otherwise will implement within thirty (30) consecutive calendar days after date of contract award, a DEDICATED punchout catalog, in full accordance with the above requirements for same. Failure of bidder to provide such documentation will be grounds for holding bidder in default of contract in accordance with paragraph 1, Default and Performance Bond, of the General Contract Terms and Conditions attached hereto.

**28. MONTHLY MEETINGS:** For the first six (6) months of the contract, mandatory monthly meetings are required in the Raleigh office of the NC Division of Purchase & Contract. These meetings will be held on the second Tuesday of the month, starting at 9:00 AM, except when/if otherwise notified by Purchase & Contract. The expectation is that the meetings will end by 11:00 AM. All contractors will attend the same meeting, so that the entire proceedings may be heard by same, regardless of which contractor(s) is/are being addressed. After the first six months, mandatory meetings will be held on a schedule set by the State, which may be on a regular or as-needed basis.

**29. NO SUGGESTIONS FOR ALTERNATE ITEMS:** It is strictly prohibited for contractor to suggest, on the punchout catalog site or on any related Internet site intended for this contract, that any item(s) is an alternate to a user-selected contract item, regardless of whether such alternate is itself a contract item or not. Furthermore, it is strictly prohibited that user selection of an item result in the display of a page(s) of "alternate items," even if contractor does not by explicit words promote such items as alternates.

**30. ITEM ADDITIONS AND DELETIONS:** Product additions to, and product deletions from, the S.P. Richards quarterly MSRP listing are to be reported to contractors by the State by means of an Internet link emailed to contractors by the State on a quarterly basis, within fourteen (14) calendar days after the last day of the expiring quarter. This file will contain the same item information as the original price file, as specified elsewhere herein. Contractor shall make shown in the punchout and have available for sale and delivery in accordance with the contract

all such added items within seven (7) calendar days after the date the above link is emailed to contractor. Deleted items shall likewise be removed from the punchout within seven (7) calendar days after date link is emailed to contractor. However, the contractor may continue to sell such S.P. Richards deleted items until contractor's stock is exhausted, provided items are sold at the contract price in effect immediately prior to item deletion by S.P. Richards, and in such cases punchout may include the items until date contractor's stock is exhausted, after which listing of item must be immediately removed from the punchout. Failure to properly and accurately update in a timely manner the contractor's punchout catalog to reflect both S.P. Richards product additions AND deletions, as listed by the State in the email-linked file, may be grounds for removal of the contractor's punchout catalog and privilege to sell, in accordance with the process described elsewhere herein.

**31. NON S.P. RICHARDS ITEMS:** Items which are not identified (by SKU and/or UPC) by the State as being a part of this contract, even if they may otherwise fall into one of the four product categories defined in this IFB (e.g. the "store brand" or a "generic brand" of an S.P. Richards item), are NOT a part of this contract.

Items which are NOT covered by this contract shall NOT be shown on the contractor's punchout site, even if such non-contract items are identified as such. Other than the items specifically allowed herein, there shall be no other items offered under this contract. This includes the specific DISallowance of bidder's own brand, if any.

**32. NO REPACKAGING:** There shall be no packaged quantities allowed for sale on the contract except as provided in the S.P. Richards MSRP list. Furthermore, repackaging by any party to create a package quantity that is different, whether greater than or less than, from what is offered in the S.P. Richards MSRP list in effect on the contract is specifically prohibited.

## **BIDDING**

**33. PRICE FILE:** Go to (**link TBD**) to view the file for items which must be offered by bidder on this contract. This file is hereinafter referred to as the "Price File," and is comprised of the products (items) in the S.P. Richards **TBD** quarter 2008 MSRP publication which fall, as determined by the State, within one of the product categories covered by this contract. For each item, the following information is provided:

- (a) Brief description
- (b) Unit of Measure
- (c) S.P. Richards SKU
- (d) UPC
- (e) MSPR, per SP Richards **TBD** quarter 2008
- (f) Category of product, as assigned by State

**34. MSRP:** The MSRP used in determining the contract price for all items will be that MSRP provided for the respective item (SKU/UPC) in the S.P. Richards **TBD** quarter 2008 catalog, REGARDLESS of the source from which bidder actually procures the respective item. The S.P. Richards catalog MSRP shall take precedence over a different MSRP from another published source. No other MSRP shall be effective on this contract. Furthermore the MSRP, when multiplied by the contract discount, shall in all cases result in the correct contract price for the respective line item.

**35. PRODUCT CATEGORIES:** By signature of Execution of Bid, bidder understands and agrees that (a) for each product listed in the above S.P. Richards MSRP publication AND which the State shall deem to be a part of this contract, the State shall determine the appropriate category, selected from those identified below, (b) the respective category assignment for each and every such product will be reflected in the above Price File, and similar product category assignments will be reflected by the State in subsequent documents listing products which are ADDED in accordance with provisions elsewhere herein, and (c) bidder shall adhere to such product category assignments in all aspects of the bid and for the duration of the contract, REGARDLESS of how bidder or any of bidder's suppliers may themselves categorize products. The State's four categories are as follows:

**Office equipment:** Small office machines such as non-scientific calculators, adding machines, typewriters, fax machines, and shredders. Generally, this equipment will be non-consumable goods and operate by means of electricity, including via battery power.

**Paper:** Small quantities of cut-sheet multi-purpose paper (less than \$200 for any single order) used for printers, copiers, and certain fax machines. Size is 8-1/2" x 11" and larger. Note that sticky note pads are specifically NOT

paper; they are office supplies (see below).

**Printer/fax cartridges:** Toner, inkjet, and fax cartridges used in printers and fax machines.

**Office supplies:** Pens, pencils, paper clips, ribbons, file folders, sticky note pads, in/out boxes, waste baskets, floor mats, and any other office supplies not identified in the three above categories.

See "SCOPE" provision for a description of items, which are excluded from this contract.

**36. DISCOUNTS:** Bidder shall provide in the spaces in the Bidder's Discount Table herein four separate category discounts. The discount for a given category applies to each and every product assigned to that category by the State in the Price File linked to this IFB. For example the discount bidder offers herein for the PAPER category applies to each and every item of paper (as defined herein) which falls within the PAPER category. There are no price floors nor ceilings, nor shall a category discount be considered in any way to be an average for the products in that category. In addition, bidder may NOT provide a range of discounts for a category; the discount must be a single percentage number. Also, bidder may NOT create a new category, such as "Other," with its own discount.

Bidder should compute his/her category discounts in such manner to result in best discount while still providing bidder a reasonable profit. Since the discount shall apply to ALL items in that category (regardless of source of supply to bidder), it is realized that bidder's profit level may vary depending upon the item being offered. However, bidder must consider such circumstances when setting the respective category discounts.

**37. APPROXIMATELY 19,000 LINE ITEMS:** Bidder shall offer ALL of the approximately 19,000 items listed in the Price File linked to this IFB. This requirement specifically mandates that bidder shall offer these items in the same respective exact makes, models, and packaging as presented in the Price File. Each of the approximately 19,000 items shall be identified in the bidder's punchout catalog by the same SKU and UPC assigned in the Price File. Note that substitutions for these items are specifically disallowed.

**38. ITEM SOURCE:** Bidder may procure the approximately 19,000 items in the S.P. Richards catalog from ANY source or sources bidder desires. There is no expectation nor requirement that bidder will procure any or all of the approximately 19,000 items in the Price File from S.P. Richards.

**39. BID RANKING:** After public opening of the bids, bids shall be price-ranked on the basis of the "Lump Sum" price bidder provides in Bidder's Discount Table herein. In cases of discrepancy between such lump sum and the discounts provided in same table in "Bidder's Discount" column, bidder understands and agrees that the latter (the discounts) shall be used by the State to recompute a corrected lump sum in the table, and such corrected lump sum shall become the basis of the price-ranking.

**40. AWARD OF CONTRACT:** The following language supercedes Section 15 of Instructions to Bidders: "As directed by statute, qualified bids will be evaluated and acceptance shall be made of the lowest and best bid(s) most advantageous to the State as determined upon consideration of such factors as: prices offered; the general reputation and performance capabilities of the bidders; conformity with the conditions set forth in the bid; the related services needed; the date or dates of delivery and performance; and such other factors deemed by the State to be pertinent or peculiar to the purchase in question. **It is the State's intent to award to the four (4) lowest bidders who meet the requirements of this Invitation For Bids. In case of unacceptable performance shown by a contractor(s) at the beginning of the contract, the State may cancel the contract therewith, in accordance with the attached Terms and Conditions, and offer contract award to the next lower bidder(s) who meet all requirements herein.**"

The contract shall not be awarded separately by categories, except that the category for Printer/Fax Cartridges may be awarded separately from the others, at the sole discretion of the State. In that case, bid rankings would be determined based separately on the bid pricing as computed in the "Bidder's Discount Table" for (a) the category for Printer/Fax Cartridges, and (b) the sum for the other three categories. Note also that the State may elect to make NO award the Printer/Fax Cartridges category.

## **PRICING**

**41. PRICE INCREASES:** Prices must be held firm against increase for one full year (this supercedes North Carolina General Contract Terms and Conditions, paragraph 23 (c) 180 day requirement) from the effective date of the

contract. Contractor may request a price increase after one year. The request must be in writing, and include documentation which supports the request. Under no circumstances may a price increase be implemented by means of reducing the contract discount (e.g. a 25% discount being changed to a 22% discount). The state reserves the right to accept or reject the request for increase, or cancel the contract. Any increase accepted shall become effective no later than 30 days after the expiration of the original 15 days reserved to evaluate the request for increase. Awarded contractor shall be limited to one (1) price increase per year for the term of the contract and any extensions. Contractor shall not change any pricing/data on their punch-out catalog until the contract administrator approves the changes in writing. Approved price increases are expected to be implemented by the contractor specifically by changing the correct MSRP to an approved updated value on the punchout catalog.

The State realizes that new catalogs and/or price lists are published by S.P. Richards quarterly. **However, bidder is specifically advised that regardless of the schedule of introduction of such new catalogs and price lists (e.g. quarterly), contract pricing must be held firm in accordance with the requirement above.**

**42. PRICE DECREASES:** Contractor may reduce prices below the contract amount at any time, for any duration, for any user or group or users, and at any point of sale location (this supercedes North Carolina General Contract Terms and Conditions, paragraph 23 (b) Decreases).

Except for promotional discounts, any price which is decreased for all users in a general manner on the punchout site may NOT be subsequently raised except at such time when a general price increase may be granted to the contractor by the State.

**43. CORRECT PRICING:** Bidder shall correctly price each and every item offered under the contract: (a) in the catalog punchout site which is intended to be used in association with this contract, (b) including items which are added to the contract at any time, (c) in all electronic files sent to the State and contract users and/or the contract administrator, and (d) in any hard copy documents dedicated to the contract.

**44. UNDERCHARGES:** There will be no reimbursements from users for vendor undercharges, nor may such undercharges be subtracted from overcharges to diminish the amount of the latter. Furthermore, prices which are additionally discounted attributed to product promotions, whether of a general nature (to all users) or specific nature (to one or several users only), are specifically NOT considered undercharges.

**Example:**

Category	Estimated MSRP	Bidders Discount	Total (Net)
Office Supplies	\$25,000,000	62%	\$9,500,000
Office Equipment	1,600,000	28%	1,152,000
Paper	2,000,000	19%	1,620,000
Printer/Fax Cartridges	11,000,000	35%	7,150,000

Lump Sum: \$19,422,000.

**FURNISH AND DELIVER AS SPECIFIED HEREIN:**

**BIDDER'S DISCOUNT TABLE**

Category	Estimated MSRP	Bidder's Discount	Total (Net)
Office Supplies	\$25,000,000	%	\$
Office Equipment	1,600,000	%	\$
Paper	2,000,000	%	\$
Printer/Fax Cartridges	11,000,000	%	\$

Lump Sum: \$ \_\_\_\_\_