



## Solicitation Addendum

**Solicitation Number:** ITS-400203

**Solicitation Description:** Microcomputers, Peripherals, and Related Services

**Solicitation Opening Date and Time:** May 2, 2017 at 2:00 PM Eastern Time

**Addendum Number:** 1

**Addendum Date:** April 19, 2017

**Purchasing Agent:** Debbie Patterson, Procurement Officer  
[debbie.patterson@nc.gov](mailto:debbie.patterson@nc.gov)  
919-754-6619

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1. Return one properly executed copy of this addendum with bid response or prior to the Bid Opening Date/Time listed above.
  2. The solicitation is hereby modified as follows:

***M1. Page 3, Section A, Subsection 1 is amended as follows:***

1. The purpose of this IFB is to solicit offers and select multiple Vendors to provide original or refurbished microcomputers, associated peripherals, and value added services for purchase ~~or lease~~, with options for support, to Agencies within the State of North Carolina.

***M2. Page 13, Section C, Subsection 15 b. is amended as follows:***

b. Order Accuracy

For the purposes of this IFB and resulting contract, order accuracy shall measure the degree that Vendor delivers items to the Agency that match what is on the Purchase Order and that an accurate packing slip is included in the shipment. If a single item received does not match the item that was listed on the Purchase Order, or an accurate packing slip is not included in the shipment, then the delivery is considered to be inaccurate for purposes of measuring this Service Level Agreement.

**Agency shall notify Vendor in writing (e.g., email) of any order accuracy issues.**

***M3. Page 15, Section C, Subsection 23 is amended as follows:***

Vendor shall provide the NCDIT Contract Administrator with the following reports, using Attachment H Contract Reporting Template, to support contract administration activities:

- a. Purchase ~~/Lease~~ Activity Report: Vendor agrees to provide to the NCDIT Contract Administrator reports of sales achieved under the contract. These reports shall be provided quarterly, within thirty (30) calendar days from the last day of the reporting quarter. Report shall include the following data elements at a minimum:
  - Purchasing Agency
  - Purchasing Agency Segment (e.g., State Agency, K-12, Community College)
  - Purchase Order Number

- Invoice Date
- Manufacturer Name
- Manufacturer Model Number
- Manufacturer Part Number
- Microcomputer Device Segment (e.g., Desktop, Portable, 2-in-1, Tablet, Peripheral)
- Item Description
- Serial Number (if applicable)
- Quantity Delivered
- Unit of Measure
- Unit MSRP
- Unit Final Price of Item
- Upgraded / Extended Warranty Sold Flag (Yes / No)
- Description of Upgraded / Extended Warranty
- Upgraded / Extended Warranty Part Number
- Upgraded / Extended Warranty MSRP
- Upgraded / Extended Warranty Final Price
- ~~Purchase or Lease Indicator~~
- ~~Start Date of Lease Term~~
- ~~Length of Lease Term~~
- ~~Monthly Lease Payment~~

**M4. Page 20, Section D, Subsection 7 is amended as follows:**

7. Vendor may provide Agencies with Refurbished Microcomputer devices in any and all of the Microcomputer Device Segments or Sub-Segments. Refurbished Microcomputer devices may only be purchased by Agencies, ~~and cannot be leased~~. Vendor is not required to submit a price for Refurbished Microcomputer device for every Microcomputer Device Segment or Sub-Segment, and the State reserves the right to award Refurbished Microcomputer devices by Segment or Sub-Segment.

**M5. Pages 39 through 42, Section H is removed in its entirety.**

**M6. Page 48, Attachment B, TS33 is removed in its entirety.**

**M7. Page 48, Attachment B, TS34 is removed in its entirety.**

**M8. Page 56, Attachment E, Instructions worksheet Step 2 is amended as follows:**

Applicable Worksheet	Step	Directions
Pricing Sheet	2	In Table E.1 on the worksheet labeled Pricing Sheet, Vendor shall fill in the gray-shaded cells in column C with its proposed Minimum Percentage Discount Off MSRP <u>for new / original equipment</u> for each Personal Computer Device Sub-Segment in column B that it intends to include in its offer. Percentage calculations should be to the nearest whole number. If the discount percentage submitted includes a number after the decimal, it will be rounded to the nearest whole number. <del>If Vendor intends to provide leasing to Agencies, Vendor shall enter Lease Factors in columns D through F in Table E.1 for 24-month, 36-month, and 48-month lease durations assuming a Fair Market Value lease and in columns G through I in Table E.1 for 24-month, 36-month, and 48-month lease durations assuming a \$1 Buy Out lease. Vendor does not have to enter Lease Factors for all of these lease durations.</del>

**M9. Page 57, Attachment E, Pricing Sheet, Table E.1 is replaced in its entirety as follows:**

**Table E.1: Minimum Percentage Discounts for New Equipment**

Personal Computer Device Segment	Sub-Segment	Minimum Percentage Discount Off MSRP
Desktop Units	Desktops	
	Fixed Workstations	
	All-In-Ones	
	Thin Clients	
Portable Units	Laptops	
	Notebooks	
	Chromebooks	
	Mobile Workstations	
	Ultra-Portables	
2-in-1 Units	2-in-1s	
Tablet Units	Tablets	
Peripherals	Monitors	
	Docking Stations	
	Input Devices	
	Memory	
	Hard Drives	
	Carrying Cases	
	Cables	
	All Other Peripherals	
Extended / Upgraded Warranties	Desktop Units	
	Portable Units	
	2-in-1 Units	
	Tablets	
	Monitors	
Maintenance / Support Services	Desktop Units	
	Portable Units	
	2-in-1 Units	
	Tablets	
	Monitors	

**NOTE: Vendor shall obtain the updated, editable Excel version of Attachment E from the Procurement Officer listed on page 1 of the IFB.**



**204A Statewide Term Contract HUB Report**

Vendor Name:	Enter Vendor Name
Reporting Period:	Enter Quarter and Year (e.g., Q1 2017)

Purchasing Agency Name	Purchasing Agency Segment (select from drop down menu)	Total Contract Sales for Reporting Period	Percentage of Contract Sales for Reporting Period that are Attributed to HUBs	HUB Related Contract Sales
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
				\$ -
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3. Following are questions received about the solicitation and the State’s answers to the questions.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
1	Page 1	Execution	“Offer valid for 180 days from date of opening.” Note that for lease pricing, interest rates are currently increasing and are expected to continue rising in the future. Will the State allow vendors to index the lease rates based on a mutually acceptable interest rate baseline? Note that, if not, all interest rates will need to include a cost premium to hedge against anticipated interest rate increases.	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
2	Section A	2	With the work we do with various agencies in the state we have found that many don’t need the devices we sell to be installed. Would we be able to provide an option on the bid for the customer to opt-out of the basic installation for a discount on the product?	Per Table E.3 in Attachment E, Vendor is directed to enter a per unit price for Basic Installation as a value added service. Vendor should <u>not</u> include any costs for Basic Installation in the pricing entered in Table E.1 in Attachment E for New Equipment or Table E.2 in Attachment E for Refurbished Equipment.
3	Section B	1. IFB Schedule	This IFB requires special arrangements to be compliant with the SLA requirements, leasing requirements, and the detailed reporting requirements. In consideration of the time consumption the Vendors need to arrange for these requirements, will the State please extend the deadline to submit offers by an additional 3 weeks?	No, the deadline to submit bid responses remains May 2, 2017 by 2:00 PM ET.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
4	Section B	1. IFB Schedule	This IFB requires special arrangements to be compliant with the SLA requirements, leasing requirements, and the detailed reporting requirements. In consideration of the special arrangements that would be planned for, new questions arise and further clarifications are needed. Will the State please extend the deadline to submit questions until one week before the offer is due?	No, the deadline to submit questions has already passed.
5	Section B	15. E-Procurement Solicitation	Instead of paying 1.75% e-procurement fee on orders that go through the e-procurement system, will the State consider payment of 1.75% contract administrative fee for all orders placed on the contract by the Vendor and it's Resellers?	No, per Section B, Subsection 15 and Section G, Subsection 48: <i>"The 1.75% transaction fee only applies to purchase orders issued through the Statewide E-Procurement Service for goods. Purchases of goods conducted outside the Statewide E-Procurement Service and all purchases of services including leasing, are exempt from the 1.75% transaction fee"</i> . No other administrative fee will be collected for orders under this contract.
6	Section C	7	If OEMs are allowed to authorize up to 5 resellers, what information needs to be included in the authorization letter from that manufacturer?	Section C, Subsection 7 applies to when an Original Equipment Manufacturer elects to have a single Authorized Reseller submit an offer for this IFB on behalf of the Original Equipment Manufacturer. If an Original Equipment Manufacturer submits an offer for this IFB and is <u>awarded</u> a contract, the Original Equipment Manufacturer may designate up to five (5) Authorized Resellers that it has selected to be on the contract in accordance with Section C, Subsection 22.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
7	Section C	7	<p>Our company is a Microsoft Registered Refurbisher. We refurbish devices from all the major brands and have some of the highest quality refurbishes in the market. Would you consider a bid from a Microsoft Registered Refurbisher that is not necessarily a Certified Refurbisher by any other OEM? Our bid would include multiple devices from various OEMs.</p>	<p>No. If a Vendor is a Registered Computer Equipment Refurbisher, it must submit a certification letter from the Original Equipment Manufacturer that meets the requirements in Section C, Subsection 7b for each manufacturer brand(s) that it is offering its bid response.</p>
8	Section C	22	<p>Section C.22.c states that OEMs can name up to 5 authorized resellers. Is this correct?</p>	<p>Yes. If <u>awarded</u> the contract, an Original Equipment Manufacturer may designate up to five (5) authorized Resellers on this statewide term contract (in addition to the Original Equipment Manufacturer being on the contract).</p>
9	Section C	27	<p>Would you consider a bid from a vendor who sells over 90,000 devices (such as are on this bid) per year but does not have sales in excess of \$100,000,000?</p>	<p>No. The Minimum Sales Volume remains unchanged.</p>
10	Section C	31	<p>We understand that the state is requesting a discount from MSRP for manufacturer direct responses. Resellers typically set their own Verifiable public Index, (VPI) which is benchmarked and typically will be less than an MSRP. MSRP typically remains static during an IT lifecycle, and may not be published or updated to reflect true market conditions. Allowing us to propose a discount from this index will ensure agencies achieve true cost savings from a publically available dynamic pricelist. Will the state allow us to propose this pricing method?</p>	<p>The State requires the Vendor responding to this IFB to provide pricing in the format prescribed in Section D using Attachment E, which is based on a Minimum Percentage Discount Off Manufacturer's Suggested Retail Price. No other pricing models are permitted for purposes of responding to this IFB. Vendor responding to this IFB must either be an Original Equipment Manufacturer, or the single Authorized Reseller selected by the Original Equipment Manufacturer per Section C, Subsection 7. Any Resellers selected by an awarded Original Equipment Manufacturer to be on the contract per Section C, Subsection 22 shall provide pricing equal to or better for the State than the pricing included in the Original Equipment Manufacturer's accepted offer.</p>

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
11	Section C	8. Customer References	The required references may contain customers' confidential, proprietary, and/or trade secret information. Understanding that, are vendors permitted to identify the required references as confidential and trade secret (as necessary), not for public disclosure?	The State does not agree that requested reference information is confidential
12	Section C	9. Financial Statements	Please confirm a link to vendors Annual Report as requested in Attachment G row 40 will satisfy the requirement of vendors providing copies of Financial Statements with its offer.	No. Vendor must still provide copies of their Financial Statements as required in Section C, Subsection 9. Vendor may provide a hard copy of the financial reports or an electronic copy (on CD/ DVD or USB flash drive) with its offer.
13	Section C	12. Security and Background Checks	<b>(a)</b> Security background check information and the results are considered personal and confidential information of vendor and its employees. Understanding that the use of that information and the security background check results shall be limited to the business purposes set out in this section and the IFB, can vendors required Agencies to sign a Personal Data Protection Agreement (protecting such information and results) prior to any vendor employee submitting information to complete the Agencies' security background check process? <b>(b)</b> Alternatively, may vendors perform the security background checks (and provide Agencies with pass/fail results), thereby avoiding the need for a Personal Data Protection Agreement?	The State will not waive this provision. Where background checks are required pursuant to the State's security laws and policies, vendors will receive notice of the requirement together with procedures for ensuring compliance. Compliance may be achieved through vendor supplied background checks if such are satisfactory to the State.
14	Section C	15a. Device Delivery Time	If the Vendor delivers by a date agreed both parties beyond 22 calendar days, would the 1% credit for performance on Delivery Time be not applicable?	If the Vendor and customer mutually agree on a delivery date beyond 21 calendar days, then the 1% credit for non-performance on Delivery Time would not be applicable.
15	Section C	15b. Order Accuracy	If the Vendor delivers items that match what is on the Purchase Order in separate shipments, is this acceptable?	Yes, Vendors may deliver items that match a customer's Purchase Order in separate shipments as long as each shipment includes an accurate packing list/slip. Vendors are encouraged to avoid separate shipments wherever possible in order to reduce Agency receiving and processing efforts.



Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
16	Section C	15b. Order Accuracy	If the Agency accepts separate orders delivered and the Vendor's orders are accurate according to the Agency's Purchase Order, is this acceptable and exempt from performance accuracy credit?	Yes.
17	Section C	15b. Order Accuracy	Vendor understands that all orders are delivered accurately unless an Agency notifies differently. Can this clause be modified to state upon written notification from the Agency that the order was not delivered accurately?	Yes. Per Addendum 1, Modification M2, the State has modified Section C, Subsection 15b to include this clause.
18	Section C	15c. Correct Invoices	If the Vendor invoices items match what is on the Purchase Order in separate invoices, is this acceptable?	Yes. Vendors are encouraged to avoid separate shipments and invoices where possible to reduce Agency receiving and processing efforts.
19	Section C	15c. Correct Invoices	If the Agency agrees to be invoiced by component, as provided by Vendor's quote, is it acceptable to invoice by component?	Yes, if an Agency specifically agrees or requests to be invoiced by individual component and individual component price, then that is acceptable.
20	Section C	16. Performance Assurance	For delivery SLA of 22 days, will the State work with vendors to allow for longer SLA if additional services such as tagging or imaging are required especially on large orders?	Yes, the State acknowledges that orders requesting Value Added Services such as Custom Imaging or Asset Tagging may exceed the twenty-one (21) consecutive calendar day delivery requirement. Such orders must ship within a reasonable timeframe as agreed upon between the Vendor and requesting Agency. At a minimum, Delivery shall be completed within twenty-one (21) consecutive calendar days after a successfully tested image or Asset Tags are provided to the Vendor.
21	Section C	16. Performance Assurance	Will the State accept a credit cap of \$1000 per invoice?	No.
22	Section C	16. Performance Assurance	Understanding that vendors shall vendors apply a 1% invoice credit for each instance that does not meet the minimum threshold performance for the identified SLAs, will the State consider a vendor's proposal of financial "earnback" credits when vendor's performance exceeds the minimum? We understand the parties would need to agree to definable and verifiable superior performance events that would trigger such earnbacks (and the amount of the earnbacks).	No.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
23	Section C	22a. Order Placement	Vendor would like to pay the 1.75% transaction fees for its Resellers under the resultant contract. Can the e-Procurement group arrange for all transaction fees for Vendor's Resellers orders to be billed to the Vendor?	No. The State is not able to invoice a Vendor for the E-Procurement fees resulting from purchase orders issued to their resellers. The Vendor may work directly with their designated Resellers to establish a process to pay the Transaction Fee bill on behalf of the Reseller within the time period allowed for payment.
24	Section C	23c. Service Level Report	Will the State consider limiting the Service Level Reporting to be supplied for only those Service Level Agreements upon which the Vendor did not perform on?	Yes. Per Section C, Subsection 16: "Vendor shall provide the NCDIT Contract Administrator a <u>summary of all invoice credits issued</u> to Agencies each contract quarter by Agency, by Service Level Agreement".
25	Section C	28. Pricelist	Will the State allow for resellers to submit their pricelist in lieu of OEM pricelist?	No. See Response to Question 10.
26	Section C	34. Delivery	SLA section 16 identifies delivery at 22 calendar days, however section 34 (Delivery) identifies 21 calendar days. Is the delivery service level agreement 21 or 22 calendar days?	Section C, Subsection 16 identifies the Device Delivery Time to be <u>less than</u> twenty-two (22) calendar days. The Device Delivery Time requirement is twenty-one (21) calendar days or less.
27	Section D	5.	Please advise the specific penalties that would apply for failure to conform to the awarded price structure at any point during the contract term.	Failure to conform to the awarded price structure may result in penalties including, but not limited to: Vendor having to issue credits to Agency for overcharges to Vendor's temporary or permanent removal from the contract per Section G, Subsections 26 (Default) and 28b (Termination for Cause).
28	Section F	14.b.10	If vendors are providing a link to their Annual Report in Attachment G, what other type of financial information supporting documentation should vendors place in this section?	In addition to providing a link to their Annual Report in Attachment G, Vendor must still provide copies of their Financial Statements as required in Section C, Subsection 9. Vendor may provide a hard copy of the financial reports or an electronic copy (on DVD or flash drive) with its offer.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
29	Attachment B	TS19	This is a website requirement – However section TS 23 asks for a catalog to be sent out. Can you please provide clarification on what is needed to fulfill this contract?	Vendor is expected to develop and maintain an Internet web site designated solely for the State of North Carolina per TS19. TS23 requests Vendor to describe how it will, upon request, provide end users with catalogs ( <u>if an online catalog is not available</u> ) within two (2) business days of the request at no charge. If Vendor provides a catalog, descriptive literature, and current prices on its Internet web site designated solely for the State of North Carolina, then there is no need to provide end users with paper catalogs.
30	Attachment B	TS27	Image Size?	The Vendor should describe how it can provide Basic Imaging Services (as outlined in Attachment B, TS27) if requested by any contract user. Vendor shall provide a per unit price for Basic Imaging in Attachment E "Price Proposal", Table E.3.
31	Attachment B	TS27	How many images do you have?	This is not for any specific engagement. See response to Question 30.
32	Attachment B	TS27	Has/will image be tested on system prior to installation?	No. The Agency will provide a pre-certified image to Vendor to be tested on ordered equipment prior to shipment.
33	Attachment B	TS27	Location of image load: Onsite at customer location, customer warehouse or vendor warehouse? (any preference or our best practice/best option?)	For the purposes of the requested Basic Imaging described in Attachment B, TS27, Agency will provide pre-certified image to Vendor to be imaged at vendor warehouse.
34	Attachment B	TS28	Will you be providing Asset Tags or do you want the vendor to print and apply the tags (following your guidance on tag specs and placement)?	For the purposes of the requested Asset Tagging described in Attachment B, TS28, the Agency will provide the Vendor with appropriate Identification or Asset Tags to affix to procured units. Vendor shall provide a per unit price for described Asset Tagging in Attachment E "Price Proposal", Table E.3

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
35	Attachment B	TS28	Any special requirements, computer naming convention, special BIOS setting etc.?	This is not for any specific engagement. Agency will make any specific requirements known to Vendor at time of order.
36	Attachment B	TS29	Please provide site list with physical address/number of systems per site?	The Vendor should describe how it can provide Basic Installation Services (as outlined in Attachment B, TS29) if requested by any contract user. Agency locations could be anywhere across the State of North Carolina. Vendor shall provide a per unit price for Basic Installation in Attachment E "Price Proposal", Table E.3
37	Attachment B	TS29	Total deployment quantity? (can be an estimate)	This is not for any specific engagement. See response to Question 36.
38	Attachment B	TS29	What is the timeline for the engagement?	This is not for any specific engagement. See response to Question 36.
39	Attachment B	TS29	Does the customer require the vendor to help develop the schedule?	An Agency may potentially seek Vendor's assistance in developing schedule for basic installation services
40	Attachment B	TS29	Type of environment for deployment? (Office space, hospitals, etc.)	This is not for any specific engagement. Vendor should assume that the environment for deployment could be any government or educational facility within the State of North Carolina. Agency will provide specific details of site environment to Vendor at time of order.
41	Attachment B	TS29	Is free parking available?	Free parking may or may not be available at the Agency's location. Agency will provide specific details of site environment to Vendor at time of order.
42	Attachment B	TS29	Will the technicians require health checks or immunizations?	Agency will make any site-specific requirements known to Vendor at time of order. Requirements for health checks or immunizations would not be considered Basic Installation services.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
43	Attachment B	TS29	Will the technicians require security clearance or training classes to go onsite?	Agency will make any site-specific requirements known to Vendor at time of order. Security clearance to go on-site may be required for certain customer sites. However, special training classes needed to go onsite would not be considered Basic Installation services.
44	Attachment B	TS29	Will installations take place during normal business hours? After business hours or Weekends/Holidays?	Installations will take place during normal business hours (8:00 AM - 5:00 PM Eastern Standard Time, Monday-Friday). Agency will make any specific installation time requirements known to Vendor at time of order. Requirements for installation outside of normal business hours would not be considered Basic Installation services.
45	Attachment B	TS29	Will there be legacy (existing) equipment that will need de-installation services?	No. Under Basic Installation services, Vendor may need to displace existing equipment to make room for new equipment. This does not include removing the existing equipment from the Agency's premise.
46	Attachment B	TS29	Will there be any transportation requirements to move legacy equipment off customer premises or new equipment between customer sites?	No. Under Basic Installation services, Vendor will not remove the existing equipment from the Agency's premise or to another Agency site.
47	Attachment B	TS29	Do you have a current Data Migration process you can share?	No. Vendors should note that Data Migration services are <u>not</u> included under Basic Installation services. Vendors may propose Data Migration services in Table E.4 in Attachment E.
48	Attachment B	TS29	How much Data needs to be migrated on each machine?	Vendors should note that Data Migration services are not included under Basic Installation services. Vendors may propose Data Migration services in Table E.4 in Attachment E.
49	Attachment B	TS29	How many floors per building? If so, are elevators available to technicians?	This is not for any specific engagement. See response to Question 36.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
50	Attachment B	TS29	Are there any safety requirements (hard hats, safety glasses, steel toe shoes, etc.)	This is not for any specific engagement. Agency will make any site-specific requirements known to Vendor at time of order.
51	Attachment B	TS29	Are there carts available for transporting equipment within a building?	This is not for any specific engagement. Agency will make any site-specific requirements known to Vendor at time of order.
52	Attachment B	TS29	Are there union restrictions for moving equipment within a building?	This is not for any specific engagement. Agency will make any site-specific requirements known to Vendor at time of order.
53	Attachment B	TS29	Site contact name and phone numbers available for each site?	This is not for any specific engagement. See response to Question 36.
54	Attachment B	TS29	Do you have loading docks at every site? (Lift gate needed?)	Not all locations will have loading docks. Agency will make any site-specific requirements known to Vendor at time of order.
55	Attachment B	TS29	Are there any applications that need to be installed either companywide or specific to end-users?	This is not for any specific engagement. Agency will make any specific requirements known to Vendor at time of order.
56	Attachment B	TS29	Are there any special reporting requirements you can share?	This is not for any specific engagement. Agency will make any specific requirements known to Vendor at time of order.
57	Attachment B	TS33	Various products will carry separate residual values based on product type, term of lease, etc. In what format would the State like to see the buyout options? Is there a form available for providing this information?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
58	Attachment B		Would the State consider providing the Response Template in WORD format without the editing restrictions?	No. Vendor may contact the Procurement Officer listed on Page 1 of the IFB and request an editable version of all applicable attachments. These editable versions will allow Vendor to enter responses in defined spaces, but will not be completely unlocked to allow for unrestricted editing.
59	Attachment B		For information that a Vendor wishes to include, that is not identified in Attachment B, should this information be added as an Exhibit? Or, does the State prefer another method?	Per Section F, Subsection 14, Vendor may include additional materials as an Appendix to its offer.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
60	Attachment D	All	For all the processor requirements "What do you mean by "must support virtualization?" What is your definition of that request?	A device with a processor that supports either Intel or AMD Virtualization Technology
61	Attachment D	All	Under the OS technical requirement for Windows 10 with Windows 7 downgrade – What is their timing and plans for Windows 10 migration? Do they have a Microsoft EA or VLA?	This information is not available at this time. The Technical Specifications in Attachment D represents the State's current minimum specifications for the IT Volume Purchasing Program. The State reserves the right to modify these minimum specifications at any time during the contract period.
62	Attachment D	All	It is the vendor's expectation that many agencies will want Win 10 Pro as their preload, will the state be requiring Intel's Kabby Lake processor chip set on Win 10 models?	This information is not available at this time. The Technical Specifications in Attachment D represents the State's current minimum specifications for the IT Volume Purchasing Program. The State reserves the right to modify these minimum specifications at any time during the contract period.
63	Attachment D	All	Will WLAN specification 802.11 AC only, be acceptable?	Vendor may provide 802.11 AC WLAN card as long as the WLAN card includes support for and is compatible with 802.11 a/b/g/n
64	Attachment D	2 in 1 & Tablet	Will The State be adding any weight requirements on these mobile solutions as well?	The State reserves the right to add weight requirements to the IT Volume Purchasing Program specifications at any time during the contract period.
65	Attachment D	Chromebook	On the Chromebook, the spec sheet calls out for a 10" screen. Will the state accept an 11.6" screen?	Yes. The 10-inch specification is a <u>minimum</u> size requirement.
66	Attachment D	Mobile Workstation	On the Mobile Workstation the spec sheet calls out for a 15" laptop. Will you accept a larger screen size (ex. 15.6")?	Yes. The 15-inch specification is a <u>minimum</u> size requirement.
67	Attachment E		Does the State require that Warranties or Services be leased separately from the corresponding assets? Or can a vendor assume that the costs of leasing these services be added to the cost of leasing the hardware asset?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
68	General	General	Are respondents allowed to provide exceptions to terms and conditions as part of our response?	Per Section B, Subsection 10 "Notice to Vendors": <i>"The State objects to and will not be required to evaluate or consider any additional terms and conditions not previously agreed to by the State and submitted with a Vendor's offer. This applies to any language appearing in or attached to the document as part of the Vendor's offer. By execution and delivery of this Invitation for Bids and response(s), the Vendor agrees that any additional terms and conditions, whether submitted purposely or inadvertently, shall have no force or effect"</i> .
69	Section H	1)	"Leases shall only be executed under this Agreement if the Vendor is the Lessor." Most hardware vendors are not also leasing companies or their leasing entity is a separate subsidiary. Will the State allow Vendors to assign the lease transactions to their affiliated leasing entity?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
70	Section H	1) b)	Why is the State requiring that upgrade/extended warranty cost be shown separately from the leased asset price?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
71	Section H	10) a) iii) - Default and Remedies	We understand this subsection would not apply to a Vendor's unintentional mistake/clerical error (failing to apply any payment required to be paid under this contract towards the Agency's obligation hereunder). Would you please confirm?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
72	Section H	10) a) iv) & b) ii)	These clauses suggest that the leasing organization is responsible for many aspects of the equipment requirements in addition to the typical role of funding a transaction and collecting payments from the Lessee. Is the State requiring that the Lessor be responsible for hardware maintenance and a lease can be terminated for not complying with maintenance provisions?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.



Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
73	Section H	14)	If title is to remain with the Vendor, then \$1 Buy Out Leases will also be subject to the costs of Personal Property Tax. Does the State require that this tax be billed separately for \$1 Buy Out Leases as well?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
74	Section H	15)	Is that State asking that the cost of Insurance for Risk of Loss be added to the lease payments?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
75	Section H	15) Risk of Loss and Damage	Would the State consider adding language that in the event a device is damaged or lost, the State Agency is responsible to repair or replace the device, or pay the sum of remaining payments on that device?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
76	Section H	18)	A leasing company is not typically required to maintain equipment. Is the State requiring that the leasing organization maintain the equipment?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
77	Section H	22) Insurance	Please explain how the State's program of self-insurance would apply if a device (in the care, custody and control of the State Agency) is damaged or lost, whether or not it is due to the negligent acts of the State Agency.	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
78	Section H	4) b) - Termination of Lease	If a lease is terminated if a State Agency's using the equipment is discontinued or disestablished, does the State consider this a termination for non-appropriations, as there is no longer funding available for the State Agency?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
79	Section H	4) c)	When an organization leases or finances an asset, the payments are typically set and remain fixed and payable for the lease term. This provision whereby a lease can be canceled at any time with no additional payments due will require that each Vendor price all lease and finance options as though the equipment is being rented, i.e. at a significant premium above a normal lease price due to the risk that the leasing organization must take to insure that the purchase price of the asset is recovered. Is the State willing to take on this increased cost of leasing based on this cancellation provision?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
80	Section H	5)	For all Fair Market Value lease options, the Vendor retains title to the equipment and must pay Personal Property Taxes on the asset. With the taxes required to be billed separately, would the State prefer a monthly or annual tax billing cycle?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
81	Section H	6)	Please explain what is meant by the statement: <i>When a machine or model changes, or feature is installed for a part of a calendar month, the Lease Charges will be prorated on the basis of a 30-day month.</i>	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
82	Section H	6)	Based on the question above, are you suggesting that if an agency wants to change models during the term of the lease, that they can do so? What will happen to the old equipment? Please clarify.	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
83	Section H	9) Assignments	<p>Under this paragraph, the Vendor is only permitted to assign the lease payments to a third party, though not the lease. This means that the Vendor remains both the manufacturer and the Lessor.</p> <p>For a Vendor to provide financing as described in Section H., Lease Terms and Conditions, such a lease may not meet certain requirements under the UCC Article 2A (codified at N.C.G.S § 25-2A-101, et seq.) This is due to the fact that the Vendor/Lessor is not “passive” since it would provide the equipment, warranty, services, etc., and operate as the Lessor. As a result, the lease described in the IFB would fail to meet the definition of a “finance lease,” as set forth in N.C.G.S § 25-2A-103 (g), in which the lessor is not the fundamental supplier of the goods leased, but leases goods to lessees as a means of financing their acquisition from the Supplier (Vendor/OEM). Hence the Vendor/Lessor may not be able to fully enforce the “hell or high water” provisions to make lease payments absolute.</p> <p>In order to comply with N.C.G.S § 25-2A-101, et seq., would the State revise this section to allow for the assignment of the lease and its payments to a third party financing company?</p>	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
84	Section H	All	<p>Vendor is not a financial services company, nor does it have a financial services subsidiary. As a result, vendor's standard business model for leasing includes an independent, third party financial services company, which utilizes the financial services company's industry standard lease agreement. Based upon this model, the "performance" contract would be between the State and vendor, and the lease agreements would be between the procuring Agencies and the financial services company. Vendor would still be responsible for fulfillment of all contract obligations including, without limitation, all product and services requirements, warranties, SLAs, reporting, penalties, fees, etc.</p> <p>Would the State consider vendor's proposal of this alternate business model?</p>	<p>Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.</p>
85	Section H	All	<p>Understanding that leasing is new to the 204A contract that will result from this IFB, is the State able to estimate what portion of the \$100M annual contract value will be leasing transactions?</p>	<p>Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.</p>

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
86	Section H	All	<p>If the State does not agree to modify the leasing requirements as described above (or does not agree to the applicability of N.C.G.S § 25-2A-101, et seq. to this IFB), are Vendors permitted to 'no-bid' the leasing portion of the IFB only, which will not result in a vendor's disqualification?</p> <p>We would appreciate the State's consideration of the following implications if the response to the above question is 'no':</p> <ul style="list-style-type: none"> <li>• Eliminates doing business directly with the OEM.</li> <li>• For direct purchases from the OEM, over 90% of orders have a "reseller of record," which means the OEM pays at least 3% in fees to those resellers. These fees provide tremendous cash flow for OEM Resellers on the 204A contract, without which it may be difficult for the resellers to stay in business. This goes beyond just the named Resellers, as any OEM Reseller may receive the 3% OEM-provided fee, so the elimination of this affects numerous businesses in North Carolina, resulting in possible business closing and job losses.</li> <li>• If the OEM's Reseller is awarded the IFB, that Reseller will not have the ability to name other Resellers (see Section C. Specifications; paragraph 22 (Use of Resellers/Distributors)). This would eliminate up to five (5) purchasing entities for the State, some of which would be HUB vendors.</li> <li>• Additionally, by removing the use of up to five (5) Resellers/Distributors, such Resellers no longer have a contract under which they can sell the OEM's products, and as a result, it would eliminate the revenue they rely upon to maintain viable North Carolina businesses.</li> <li>• Further, certain current resellers sell the OEM products and services, exclusively, to numerous North Carolina school districts, utilizing the 204A contract. Loss of this purchasing vehicle will result in the loss of jobs for these partners and could severely impact their ability to remain solvent.</li> <li>• Future business: All the current OEM Resellers will be forced to partner with other OEM's in order to remain viable. This will materially and negatively impact the OEM if a single Reseller holds the 204A contract for its products/services.</li> </ul>	<p>Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.</p>

Question #	IFB Section	IFB Subsection	Vendor Question	DIT Response
87	Section H		How will a specific lease transaction be added to the resulting contract to this IFB?	Per Addendum 1, the State is removing the leasing component from the scope of this IFB.
88	Section H		Are there additional documents that the State will provide that specify the asset type, asset cost, lease term, lease type, date of commencement and payment details? If so, please provide a copy of this document.	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
89	Section H		A standard lease agreement separates the responsibilities of the equipment vendor and the leasing or financing organization, which typically pays the Vendor on behalf of the State and then bills/collects the lease payments. Will the State be willing to review a leasing company's industry standard lease terms and conditions in lieu of what has been provided in the IFB?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.
90	Section H		If we are unable to propose a lease/finance solution due to the lease requirements/terms and conditions, will that disqualify us from responding to the RFP?	Per Addendum 1, Modifications M1 and M3-M9, the State has removed the leasing requirement and associated terms and conditions from IFB ITS-400203.

**Failure to acknowledge receipt of this addendum may result in rejection of the response.**

Check ONE of the following options:

- Bid has not been mailed. Any changes resulting from this addendum are included in our bid response.
- Bid has been mailed. No changes resulted from this addendum.
- Bid has been mailed. Changes resulting from this addendum are as follows:

**Execute Addendum:**

**Offeror:** \_\_\_\_\_

**Authorized Signature:** \_\_\_\_\_

**Name and Titled (Typed):** \_\_\_\_\_

**Date:** \_\_\_\_\_