



Jeanne B. Mullgrav
Commissioner

**New York City Negotiated Acquisition:
Group Purchasing Organization for
Goods and Services for Client and Community Based Service Providers
Notice of Intent to Negotiate
PIN: 2601100GPONA
Release Date: Wednesday, September 1, 2010**

SECTION I – General Information

The New York City Department of Youth and Community Development (“The City”) is seeking one or more appropriately-qualified group purchasing organizations (“GPO”) to provide goods and services to Client and Community Based Service Providers that do business with the City of New York. This solicitation is a component of Mayor Michael R. Bloomberg’s Nonprofit Assistance Initiatives, recognizing the City’s strong partnership with the nonprofit sector which supports the efficient delivery of quality services to New Yorkers.

Each year, the City contracts with over 1,300 Client and Community Based Service Providers. These contracts support services to clients and communities, as well as the acquisition of equipment and facilities and the provision of construction services valued in total at between \$2.5 billion and \$4 billion. The City also enters into grant agreements with approximately 800 arts and cultural organizations for programming, equipment, facilities acquisition and construction services. These vendors and grantees provide essential services to New Yorkers, ranging from child care, after-school and senior citizen services, to crime victims’ assistance, to neighborhood economic development programs, to music education programs. Many of these services are mandated and/or supported in full or in part by state and federal law. All of these providers must purchase goods and services in connection with their contracts. The purpose of this negotiated acquisition solicitation is to identify one or more GPOs that can provide services to this provider group. Applications from joint ventures seeking to act as a GPO will be accepted, as will applications from GPOs that intend to subcontract some or all of the required work.

The City is seeking to enter into a contract with one or more GPOs to serve the many Client and Community Based Service Providers and arts and cultural organizations with which the City holds contracts and grant agreements (hereinafter “service partners”). By engaging with a GPO, the City hopes to achieve significant cost savings for its service partners by providing a resource to enable them to obtain discounted, high quality goods and services. All goods and services offered by the GPO(s) are to be made available to all of the City’s service partners regardless of each organization’s size or programmatic scope. The vast majority of these eligible organizations are nonprofits, although a small proportion, particularly in the areas of home health care and workforce development, may be for-profit entities.

The City seeks one or more GPOs to provide, on a volume discount basis, office supplies and equipment; facilities management (including heating fuel); food products; computers and technology (along with related consulting services); telecommunications (telephone and Internet systems, including wireless connectivity); human resources functions; data and reporting for the purpose of allowing service partners to better understand their purchasing habits; and ongoing program support. The City encourages GPOs to propose creative ways to make their benefits available to all of the above-described City service partners, with maximum customer satisfaction and savings, as well as minimal administrative burden for such organizations. To be eligible for a contract from this solicitation, a GPO need not be able to provide all of the designated goods and services.

The City will give favorable consideration to GPOs offering the widest selection of goods and services. The City anticipates making multiple awards and reserves the discretion to award contracts to GPOs offering goods or services from a single sector. In addition to these goods and services, the City requires that the GPO report aggregate data on the use of the GPO's services and sector purchasing habits back to the City in order to calculate an approximate value of the GPO's services to all of the City's service partners.

The contract(s) with the City that will result from this solicitation will not generate payments or purchases directly from the City. Instead, purchases will be made directly by the service partners and usage of these contracts will be encouraged by the City through the provisions in its contracts and grant agreements that are intended to support the service partners' administrative costs, thus allowing each GPO vendor to expand its customer base and recoup any costs associated with this increased customer base through user fees, commissions and similar forms of compensation. The payment structures through which the City reimburses the administrative costs and overhead for its service partners will create appropriate systems and incentives for such organizations to utilize the goods and services offered by the contracted GPO(s). Favorable consideration will be given to proposers that will allow the City's service partners to make all purchases through the GPO(s), including purchases funded by private donations, fundraising, or revenue from program services and fees. The City would have no objection to the GPO that proposes to market its services to nonprofit organizations that do not have a contractual relationship with the City.

The City is seeking applications from GPOs that can begin providing goods and services on January 1, 2011. It is anticipated that the contract(s) resulting from this solicitation will be three and a half years in duration. Contracts will include an option to renew for up to an additional two (2) years.

SECTION II – Scope of Services

Goods and Services

The GPO would provide some or all of the following categories of discounted goods and services to all service partners that do business with the City of New York. In each applicable category, goods and services that comply with "green" or environmentally preferred purchasing standards would be offered:

- Office supplies and equipment: This includes any items an organization might need to fulfill program and administrative duties, including, but not limited to, paper supplies, office furniture, and copy machines.
- Facilities management: This includes items that are necessary for building upkeep, including, but not limited to, cleaning products, air filters, energy efficiency tools, pest control tools, water treatment systems, fire and safety systems, HVAC, heating fuel, plumbing products, elevator products, and construction management.
- Food products: This includes, but is not limited to, individual meals and pre-plated food products.
- Computers and technology: This includes, but is not limited to, computer hardware, software, and other computer-related items and accessories, as well as the ability to offer computer consulting services and product information to assist human service providers with creating fully compatible systems that meet their computing needs.
- Telecommunications: This includes, but is not limited to, telephones (including landline phones, cellular phones, and "smart" phones), fax machines, internal and external networks, and internet-supported systems, as well as telecommunications consulting services to assist human service providers with creating fully-compatible systems that meet their telecommunications needs.
- Human resource functions: This includes, but is not limited to, conducting credit checks and background checks on prospective employees, providing temporary office workers as needed, benefits

administration, and all other human resources needs that human service providers would normally outsource, maintaining a high standard of confidentiality.

- Individual customer data and reporting: This includes all data collected by the GPO that will be helpful in building a customer's understanding of its purchasing habits.
- Ongoing program support: This includes ongoing support on the part of the GPO for all goods and services it provides to the City's Client and Community Based Service Providers.

Applicants may also propose additional categories of goods and services. The City will consider applicants that do not provide all of the above-listed goods and services, however, favorable consideration will be given to applicants that are able to provide the widest possible range of goods and services to the largest number of service partners. The selection of GPO(s) will reflect awards that best further the goals of the solicitation.

Capability

The GPO would:

- Be capable of providing high quality goods and services to City service partners as of January 1, 2011.
- Have the organizational capability to provide the goods and services indicated in the GPO's proposal to the City's service partners on an as-needed basis.
- Be able to demonstrate excellent customer service in the ordering and delivery of goods and services, including the ability to engage online and live systems to ensure fast and user-friendly interactions, punctual delivery, appropriate quality control and accessible records for all vendors. Such customer service must include substantial technical assistance services aimed at enabling smaller service partners (e.g., those with annual revenues and budgets below \$3 million) to benefit fully and effectively from the discounted goods and services available through the GPO.

Experience

The GPO would:

- Have experience operating in either the New York City area or in a similar urban environment of like scale.
- Have experience providing high-quality goods and services in bulk to outside vendors, including small businesses and small nonprofit organizations.
- Have experience in setting delivery schedules and adhering to such schedules.

Favorable consideration will be given to applicants that have substantial experience providing goods and services to nonprofit organizations, particularly those with annual revenues and budgets below \$3 million.

Approach

The GPO would:

- Propose an appropriate infrastructure to provide the goods and services indicated above to the City's service partners, the vast majority of which are located throughout the five boroughs.
- Provide a model of data collection and reporting, including the types of goods frequently purchased and total volume of sales by the City's service partners. The GPO will report to the City on a regular schedule and will track usage and spending habits over time.
- Provide a comprehensive model for handling customer service issues with the City's service partners, including those operating at a small scale.

- Provide a pricing sheet, which includes a complete list of brands, items and pricing that will be made available through the GPO to the City's service partners.
- Provide an appropriate billing system model, including payment timing options, payment method options, and a list of fees that the GPO would charge for additional services.
- Provide an internet access model for the GPO, in which service partners will have direct access to the goods and services ordering and delivery tracking system used by the GPO, along with all needed technical assistance services.

SECTION III – Format and Content of Application

Applicants should provide all the information requested below. Applications should be typed on both sides of 8 ½" X 11" paper. The City of New York requests that all applications be submitted on paper with no less than 30% postconsumer material content, i.e., the minimum recovered fiber content level for reprographic papers recommended by the United States Environmental Protection Agency (for any changes to that standard, please consult: <http://www.epa.gov/cpg/products/printing.htm>). The application should not exceed 20 pages (not including attachments). Pages should be paginated. The application will be evaluated on the basis of its content, not its length. Failure to comply with any of these instructions, with the exception of the applicant's compliance with Local Law 34 of 2007 (see below), will *not* make the application non-responsive.

Applicants should identify the portions of their proposals that they deem to be confidential information, proprietary information, or trade secrets, and provide justification for why such materials should not be disclosed by the City. Such information must be easily severed from the non-confidential sections of the application. Applicants should note that the City might be required to disclose non-confidential portions of their applications in the future.

The application should contain the following:

- A. Application Cover Letter (Attachment A). This should be completed, signed, and dated by an authorized representative of the applicant and should clearly indicate the applicant's contact person. The names, addresses, and contact information for all subcontractors related to this project should also be included.
- B. Title page and table of contents.
- C. Executive Summary. Provide a concise corporate overview for the prime contractor, any potential subcontractors, and parent organizations. (If the responding vendor is a proposed joint venture, then the responding vendor must include corporate overviews for each of the entities that comprise the proposed joint venture.) The overview must include a description of the company; its year of incorporation; the names of its three highest-level executives; the number of full-time employees; and the company's product/services specializations.
- D. Technical proposal:
Address, in the order listed below, each of the following:
 - Fully describe the GPO's organizational capacity.
 - Explain the GPO's organizational capacity for providing group purchasing services, i.e., how long it has been providing such services, how many clients it provides such services for, and the current volume of its group purchasing services.
 - Provide a resume and/or a description of the qualifications for each key staff member that will handle the group purchasing services.

- Demonstrate that the GPO has the capacity to accommodate both large and small service partners.
- Demonstrate that the GPO will be fully prepared to begin providing goods and services to the City's service partners on January 1, 2011.
- Provide copies of the applicant's financial audit reports for the past three years or a certified financial statement, or a statement as to why no report or statement is available.
- Fully describe the GPO's relevant experience in providing each of the goods and services listed in Section II above (office supplies and equipment, facilities management, food products, computers and technology, telecommunications, human resources functions, individual customer data and reporting, and ongoing program support), as well as any additional goods or services proposed to be included.
 - Demonstrate experience providing high-quality goods and services to businesses and organizations similar to the City's service partners.
 - Demonstrate experience operating in New York City or in a similar urban environment.
 - Demonstrate experience in setting delivery schedules and adhering to such schedules.
- Fully describe the GPO's approach for collecting aggregate data on the City's service partners' purchasing habits and usage of the GPO's goods and services. Describe the GPO's ability to report on this data and approximate the value of its services to the City's service partners.
- Fully describe the GPO's approach for providing the goods and services required in this solicitation, as described in Section II above. For each good or service, explain how the GPO will ensure that the City's service partners receive high-quality goods and/or services at the lowest-possible prices.
 - Provide a complete list of brands, items, and pricing available through the organization. If prices fluctuate based on the volume ordered by vendors, provide the wholesale prices and the potential range of price mark-ups. Describe how often the GPO's available brands and items change, how it will ensure a consistent availability of goods and services at competitive prices, and how it will communicate changes in stock and pricing to its customers.
 - Provide a sample project plan for a typical group purchasing implementation process and explain how the implementation will vary according to the size of each service partner.
 - The GPO must provide sector-wide raw data and reports to City according to a set of mutually agreed upon specifications and schedules. Describe the types of group purchasing data that the GPO collects and how it will be available to the City. Additionally state whether and how the City's service partners will access their own purchasing data.
 - Fully describe the GPO's outreach to new customers and ongoing customer service models. Examples of adequate approaches may include, but are not limited to, train-the-trainer sessions, a hotline, web accessible live chat, newsletter updates, a Frequently Asked Questions website, or online "webinars." Describe how the GPO plans to accommodate accounts similar in size to those described in this solicitation. Describe the proposed customer support staff that will be used and how the CPO moderates transactions between its clients and vendors.

- Fully describe the GPO’s model of ongoing technical assistance. List the means through which a client may access technical assistance, such as by website or telephone hotline, and the average problem resolution times at each level of escalation.
 - Provide a detailed explanation of the GPO’s account management and billing services. Describe the GPO’s billing options, payment timing options, and payment method options. In addition, please list any fees that the GPO charges for additional services. Fully describe the GPO’s pricing model and explain how it will benefit the City and the City’s service partners.
 - Fully describe the GPO’s refund policy. Include how service partners dissatisfied with a good or service would contact the GPO to remedy the situation.
- E. List of 3 professional references for the applicant and for each subcontractor, if any, for recent projects similar in scope and complexity to the project described in this solicitation. For each reference, provide the name and address of the reference entity, the nature of the applicant’s relationship with the reference entity, a brief description of the project the applicant completed for the reference entity, and the name, title, phone number, and e-mail address of a contact person at the reference entity. The City may contact all references.

Compliance with Local Law 34 of 2007

Pursuant to Local Law 34 of 2007, which amended the City’s Campaign Finance Law, the city is required to establish a computerized database containing the names of any “person” that has “business dealings with the city,” as such terms are defined in the Local Law. In order for the City to obtain the necessary information to establish the required database, ***vendors responding to this solicitation are required to complete the attached Doing Business Data Form (Attachment B) and return it with this submission in a separate sealed envelope labeled with the contents.*** (If the responding vendor is a proposed joint venture, the entities that comprise the proposed joint venture must each complete a Data Form.) If the City determines that a vendor has failed to submit a Data Form or has submitted a Data Form that is not complete, the vendor will be notified by the City and will be given four (4) calendar days from receipt of notification to cure the specified deficiencies and return a complete Data Form to the City. Failure to do so ***will*** result in a determination that the submission is non-responsive. Receipt of notification is defined as the day notice is e-mailed or faxed (if the vendor has provided an e-mail address or fax number), or no later than five (5) days from the date of mailing, or upon delivery, if delivered.

SECTION IV – Application Evaluation and Contract Award Procedures

Applications received in the manner set forth above will be reviewed to determine if they are responsive to the solicitation’s requirements. Applications determined to be non-responsive will not be further considered. Applications determined to be responsive will be evaluated in accordance with the following factors, listed in descending order of importance:

- Demonstrated approach to:
 - Providing customers with high-quality goods and services at the lowest-possible prices;
 - Customer service and technical assistance
 - Serving the needs of both smaller and larger customers
 - Account management and billing services
 - Delivery model and reliability

- Delivery capability in New York City
- Data collection and reporting in order to understand the purchasing habits of the City's service partners and the value of the GPO's service to those partners
- Organizational capability; and
- Ability to provide goods and services beginning January 1, 2011.

The City reserves the right to conduct site visits and/or interviews and/or to request that applicants make presentations and/or demonstrations, as the City deems applicable and appropriate. Although discussions may be conducted with applicants submitting acceptable applications, the City reserves the right to award contracts on the basis of the initial proposals received, without discussions; therefore, the applicant's initial application should contain its best programmatic and price terms. The City will enter into negotiations with the GPO determined to be qualified at the time of evaluation, based on consideration of the above-cited factors. A contract will be awarded to the responsible vendor whose offer is determined to be the most advantageous to the City and to the City's service partners, taking into consideration the factors set forth in this solicitation.

Contract award is subject to each of the following applicable conditions and any others that may apply: submission by the applicant of the requisite New York City Division of Labor Services Employment Report and certification by that office; submission by the applicant of the requisite VENDEX (Vendor Information and Exchange System) Questionnaires/Affidavits of No Change and review of the information contained therein by the New York City Department of Investigation; and submission by the applicant of a requisite certificate of insurance.

If your organization is interested in being considered for award, please hand deliver your application addressed to Michael Owh, DYCD Agency Chief Contracting Officer, at 156 William Street, Second Floor, New York, New York 10038 **no later than 2:00 p.m., Friday, October 8, 2010.** Potential applicants may submit questions or request a conference with representatives of the City at any time until September 24, 2010, although neither of these is required. Any inquiries regarding this solicitation should be directed to acco@dycd.nyc.gov. Thank you for your interest in serving the City's Client and Community Based Service Providers.

Sincerely,

Jeanne B. Mullgrav

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EVALUATION POINT SYSTEM

Group Purchasing Evaluation Criteria

65 Points: Experience and approach to providing goods and services

20 Points: Variety and quality of goods and services (including quality control) and competitive pricing

20 Points: Customer service, technical assistance and training

10 Points: Billing services (vendor management where applicable)

10 Points: Ability to serve nonprofit organizations with large and small operating budgets

5 Points: Data collection and reporting

20 Points: Ability to deliver goods and services in NYC

10 Points: Delivery model (frequency, speed, accuracy) and customer service (loading, unloading, returns)

10 Points: Experience in NYC or similar urban area

15 Points: Organizational ability

5 Points: key staff members, mission, bylaws, minutes, etc.

5 Points: Financial statement

5 Points: Readiness by January 1, 2011