

Frequently Asked Questions

Group 02450 Award 23146 Fresh Bread (Statewide)

1. **Question:** How do I know what products the contractor offers?

Answer: Prices by Region are on the Contractor Information pages of this Award on the OGS website. Prices shall be net, including transportation, customs, tariff, delivery and other charges fully prepaid by the Contractor to the destination indicated on the Purchase Order.

2. **Question:** How often is the Pricelist updated and how is the update processed?

Answer: Contractor may update their pricelist on a three month basis, or at any time at the discretion of OGS Procurement Services, as follows:

Beginning August 1, 2019, Contractor may update their pricing every three months, in accordance with the Producer Price Index (PPI) based on the PPI for "Bread & bakery product mfg.", Not Seasonally Adjusted (Series ID: PCU31181), as published by the US Department of Labor, Bureau of Labor Statistics (BLS), Washington D. C. 20212. New product additions may be approved based on proof of reasonableness of price as outlined in Price List Format below. However, new product additions are not to subject to PPI adjustment until the next price update time period.

The first price update is to be calculated by taking the PPI value for the month of April 2019, dividing that value by the PPI value for September 2017 (September 2017 shall be the base month and year to be used for the first calculation). Resultant figure for the quotient shall be rounded to the third decimal place, then multiplied by original awarded bid prices. The resultant new pricing shall be rounded to the second decimal place.

After the first price update, subsequent price updates are to be calculated as follows: The price update will be based upon the pricing that was in effect three months prior to the new price update time period. Quotient multiplier shall be found by dividing PPI value from four months prior to the first month of the applicable price update time period, by the PPI value seven months prior to the applicable price update time period, and rounded to the third decimal place, then multiplied by the pricing that was effective three months prior to the new price update time period. The resultant new pricing shall be rounded to the second decimal place.

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Below is a table illustrating pricing updates for the first year of the five (5) year contract term:

Applicable Quarterly (3 months) Price Update Time Period	Effective date for Adjustment	Base/reference PPI month	Comparing/Adjustment PPI Month	Base Prices
5/1/2019 - 7/31/2019	No Adjustment	N/A	N/A	N/A
8/1/2019 - 10/31/2019	8/1/2019	9/2017	4/2019	Original bid prices
11/1/2019 - 1/31/2020	11/1/2019	4/2019	7/2019	8/1/2019
2/1/2020 - 4/30/2020	2/1/2020	7/2019	10/2019	11/1/2019
5/1/2020 - 7/31/2020	5/1/2020	10/2019	1/2020	2/1/2020

An example of a price update calculation for a requested pricing update effective February 1, 2020 follows. **(All figures used are for illustrative purposes only.)**

Base Price per Loaf (Effective November 2019):	\$0.75
PPI (PCU31181) October 2019:	208.3
PPI (PCU31181) July 2019:	199.7
October 2019 divided by July 2019:	$208.3 / 199.7 = 1.043$
Quotient multiplied times Current Price:	$\$0.75 \text{ times } 1.043 = \$0.782 = \$0.78$
New price effective February 1, 2020:	\$0.78

All current contract prices in this example would be multiplied by the 1.043 quotient, with the results rounded to the nearest two decimal places.

PPI indices are available through the internet at the BLS website at www.bls.gov. If at any time, a series ID is discontinued or not available, the State reserves the right to implement another applicable index.

Contractors may reduce their pricing any time during the contract term.

OGS reserves the right to revise the frequency or process for pricelist updates at its sole discretion with thirty (30) days' notice to the Contractor.

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Pricelist Format

Contractor is required to submit Contract pricelist updates electronically in an unprotected Microsoft Excel (2016 or lower version) spreadsheet either on CD or thumb drive or via e-mail to the OGS Procurement Services contract administrator. The pricelist must be dated, and the format shall be consistent with the format of the Contractor's approved Contract pricelist. The pricelist shall separately include and identify (e.g., by use of separate worksheets or by using highlighting, italics, bold and/or color fonts):

- Price increases;
- Price decreases;
- Products being added; and
- Products being deleted.

NYS Unit Price must be reasonable. Contractor must provide documentation of reasonableness of price for each product being added in a pricelist update. Acceptable documentation of reasonableness of price includes comparable government contract price lists and/or paid invoices issued to federal, state, or local government entities. Such invoices shall be dated no earlier than twenty-four (24) months prior to the first month of the new price update time period, for which Contractor is requesting products being added.

OGS reserves the right to conduct additional research and request additional information to verify the information provided and/or assess the reasonableness of pricing. If verification shows that pricing is not equal to or better than pricing offered to other government entities, a product may not be offered on contract.

Contractor's Submission of Contract Updates

In connection with any Contract pricelist update, OGS reserves the right to:

- Request additional information;
- Reject Contract updates;
- Remove Products from Contracts;
- Remove Products from Contract updates; and
- Request additional discounts for new or existing Products.

3. Question: Can an Authorized User attempt to negotiate lower pricing than what is listed in the Contractor's Price List?

Answer: Yes, Authorized Users are encouraged to negotiate lower pricing on all orders, especially when there are large volumes being purchased. The Price List maintained and distributed by the Contractor should be viewed as "not to exceed" pricing.

4. Question: Is pricing effective on day of order or day of delivery?

Answer: Pricing is effective on day of order.

5. Question: How are orders accepted by the Contractor?

Answer: Authorized Users may submit orders over the phone, and, if available, may submit orders electronically via web-based ordering, e-mail, or facsimile at any time. All orders shall reference Contract # and PO # (if applicable). Contractor's contact information is listed on Page 2 of the Contract Award Notification.

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6. Question: Is there a minimum order for delivery?

Answer: Minimum order is \$50 for delivery to a single location. The \$50 minimum is for aggregate total of all products delivered; products may be on more than one purchase order; products may be on more than one invoice. Contractor may elect to honor orders for less than the minimum order, however, no additional fees may be added.

7. Question: What is the delivery lead time?

Answer: Delivery is required within seven calendar days unless otherwise arranged with Authorized User.

8. Question: Do I need to provide a completed credit application or provide credit references in order to place an order with the Contractor?

Answer: Contractor may ask State Agencies and other Authorized Users to provide information in order to facilitate the opening of a customer account, including documentation of eligibility to use New York State Contracts, agency code, name, address, and contact person. State Agencies shall not be required to provide credit references.

9. Question: Is there a way to report problems to the Office of General Services with the service being provided by the Contractor?

Answer: Yes, please complete the Contract Performance Report on the last page of the Contract Award Notification and return it to OGS Customer Services at customer.services@ogs.ny.gov or you may contact the OGS Contract Manager listed on the front page of the Contract Award Notification.

10. Question: Is the Authorized User required to verify pricing on products ordered?

Answer: Yes, as with any centralized contract, Authorized Users should verify the price charged for products when ordering by comparing against the current Price List. When the invoice is received, Authorized Users should then verify that the invoice reflects the prices as listed in the Price List in use at time of order. Any discrepancies must be brought to Contractor's attention within five business days.

11. Question: What information MUST be included on the Contractor's Invoice?

Answer: The Contractor is required to provide the Authorized User with one invoice for each Purchase Order at the time of delivery. The invoice must include detailed line item information to allow Authorized Users to verify that pricing at point of receipt matches the Contract price on the original date of order. At a minimum, the following fields must be included on each invoice:

- Contractor Name
- Contractor Billing Address
- Contractor Federal ID Number
- NYS Vendor ID Number
- Account Number
- NYS Contract Number
- Name of Authorized User indicated on the Purchase Order
- NYS Agency Unit ID (if applicable)
- Authorized User's Purchase Order Number
- Order Date
- Invoice Date
- Invoice Number

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- Invoice Amount
- Product Descriptions
- Unit Price
- Quantity
- Unit of Measure
- Dates of Service (if applicable)

Cost centers or branch offices within an Authorized User may require separate invoicing as specified by each Authorized User. The Contractor's billing system shall be flexible enough to meet the needs of varying ordering systems in use by different Authorized Users. Visit the following link for further guidance for vendors on invoicing: <https://bsc.ogs.ny.gov/content/vendor-information> .

12. Question: Are authorized users required to provide a Purchase Order when ordering from the contract, even if the order is a “standing” order?

Answer: Authorized Users must submit a Purchase Order directly to the Contractor to acquire Fresh Bread from this contract. A Purchase Order may be in the form of a written purchase order, procurement card, electronic purchase order or other authorized instrument. Products are not to be delivered by a Contractor until transmittal of an official Purchase Order is received.