

STATEMENT OF WORK

1. Purpose

This Statement of Work (SOW) gives an overview of the Telephone Equipment for the Deaf and Disabled under this Master Purchase Agreement (MPA) to be provided to the State of California, California Public Utilities Commission's (CPUC) Deaf and Disabled Telecommunications Program (DDTP), and participating local governments.

2. Period of Performance

The period of performance for this MPA contract shall be for three (3) years with at the State's option, two (2) separate one (1) year extensions.

3. Deaf and Disabled Telecommunications Program (DDTP)

The Deaf and Disabled Telecommunications Program (DDTP) is a California State mandated program, under governance of the California Public Utilities Commission (CPUC). Under the DDTP, the California Telephone Access Program (CTAP) distributes telecommunications equipment and services for individuals certified as having functional limitations of hearing, vision, mobility, speech, and/or interpretation of information.

4. Telecommunication Equipment

The telecommunication equipment that will be purchased using a Purchase Order is listed in the cost worksheets. The telecommunication equipment is grouped by manufacturer. Successful contractors shall provide all telecommunication equipment items listed (1 through 25) within the awarded group(s).

5. Inspection

CPUC/DDTP has the right to inspect and test equipment before acceptance to ensure that telephone equipment is working properly, in accordance with the manufacturer's specifications. CPUC/DDTP shall perform inspections and tests in a manner that will not unduly delay the shipments. CPUC/DDTP assumes no contractual obligation to perform any inspection and test for the benefit of the Supplier. Equipment failure upon delivery to CPUC/DDTP shall not exceed one percent (1%) of each received parcel. Equipment that fails upon inspection shall be replaced at no cost to the CPUC/DDTP. If the equipment failures consistently exceed one percent (1%), the CPUC/DDTP has the right to request replacement and or upgraded models at the same or lesser price of the original unit. Consistent quality failures may result in contract termination if the CPUC/DDTP and the supplier do not find a satisfactory replacement and/or upgrade. See item 17. PRODUCT CHANGES for further requirements on upgrades and replacements.

6. Initial Warranty

All equipment shall have a fifteen (15) month "return to contractor" warranty. The contractor may choose to either replace or repair equipment. The warranty shall include all labor, materials, and any retrofitting or upgrading to current model. Shipping and other expenses required to provide warranty service will be borne by the contractor. The contractor shall not

require the user to submit warranty cards or other documentation in order for the warranty to be effective. The warranty shall be comprehensive and cover all parts of all items except for consumable items. The warranty shall cover failures in material and performance except those caused by:

- Natural disasters and "acts of God", such as lightning and floods.
- Misuse, abuse or neglect
- Unauthorized repair, or tampering

7. Extended Warranty

Supplier shall provide extended warranty services for 12 months after initial warranty expires.

The CPUC and participating agencies will authorize repairs by submitting a purchase order to the contractor.

Extended Warranty shall consist of the following three (3) levels of coverage:

- Basic - No Trouble Found (NTF) units. Clean and repackage units at a fixed price not to exceed 10% of the original purchase price.
- Minor - Replacement of minor/small parts, plus clean and repackage units at a fixed price not to exceed 20% of original purchase price.
- Major - Replacement of major components, complete overhaul, clean and repackage units or new replacements at a fixed price not to exceed 40% of original purchase price.

Supplier shall perform an initial screening of units returned for repair and provide an assessment of the type of repair needed prior to making repairs. Upon receipt of the assessment, the CPUC/DDTP will determine whether or not to proceed with repairs.

For all units that are cleaned, repackaged, and repaired and refurbished (if applicable), the supplier shall:

- Include new packaging, operating instructions and manuals (OEM packaging not required)
- Indicate the serial numbers of repaired/returned equipment on packing slips and invoices (or an attachment thereof)
- Indicate the serial numbers of non-repairable equipment on packing lists and invoices (or an attachment thereof)

NOTE: Contractor shall notify in writing all ordering agencies that an initial or extended warranty is due to expire 60 days before the expiration date.

8. Training for Equipment Set-up

Upon receipt of a written request from CPUC/DDTP, the Contractor shall provide training to the appointed CPUC/DDTP staff and other CPUC/DDTP approved individuals on the proper set-up and usage of the selected equipment. The frequency of requests for training will not

exceed three requests per year for each year of the contract. There shall be up to twelve (12) CPUC/DDTP staff trained for each training request. All training related expenses shall be the sole responsibility of the Contractor. This shall also include eight (8) sets of trainer materials such that CPUC/DDTP can provide this training to new hires on an intermediate basis. Additional and/or updated materials shall be provided if the equipment is modified, upgraded or replaced.

9. Training for Returning Equipment

Upon receipt of a written request from CPUC/DDTP, the Contractor shall provide training to the appointed CPUC/DDTP staff and other CPUC/DDTP approved individuals on the proper process and basic screening of units for returning damaged or under warranty equipment back to supplier. The frequency of requests for training will not exceed two requests per year for each year of the contract. There shall be up to fourteen (14) CPUC/DDTP staff trained for each training request. All training related expenses shall be the sole responsibility of the Contractor. This shall also include training material, fourteen (14) sets of training materials in English and Spanish, electronic copy (PDF), CD, and audio tapes, such that CPUC/DDTP can provide this training to new hires on an intermediate basis. Additional and/or updated materials shall be provided if the equipment is modified, upgraded or replaced.

10. Forecast

CPUC/DDTP will purchase from the selected contractor in accordance with each purchase order. The quantities will be determined based on demand. The purchased quantities will fluctuate based on distribution. The CPUC/DDTP may provide quarterly forecasts. The forecasted estimates are provided for information only, and do not imply, guarantee, or commit that a minimum of any of the items will be procured.

11. Invoices

All invoices shall be sent to the billing address listed on the purchase order.

For all CPUC/DDTP orders, the contractor shall submit one original and three copies of invoices to:

California Public Utilities Commission
505 Van Ness Avenue, Room 3003
San Francisco, CA 94102
Attn: Procurement Office

For all CPUC/DDTP orders, the contractor shall also submit one copy of each invoice to:

Deaf & Disabled Telecommunications Program
Attn: Equipment Program Department
505 14th Street, Suite 400
Oakland, CA 94612

The Agency Order number, line item description, unit price, quantity, extended price, and total cost of each delivery shall be clearly shown on each invoice. Any changes to the above will be supplied to the awarded contractors via a supplemental page.

12. Packaging

Products shall be labeled, packaged and boxed at contractor's expense. Products will be packaged so as to incur no damage in handling and/or in transit. In the absence of a packaging specification from CPUC/DDTP, contractor will provide packaging and bar coding (if applicable) with the degree of skill and care that is required by current, good, and sound professional procedures and practices prevailing at the time of delivery. If applicable, all Electrostatic Discharge (ESD) sensitive Products shall be delivered in ESD shielded bags and placed in ESD shielded boxes supplied by contractor, properly labeled and handled in conformance with generally accepted ESD protection practices prevailing at the time of delivery.

13. Labeling

CPUC/DDTP will provide contractor with non-removal label to be placed on all telephone equipment that is purchased by the CPUC/DDTP (see Exhibit M for labeling details). The label is for CPUC/DDTP's California Telephone Access Program (CTAP) and shall be placed on each unit with a serial number and part number. Note: All other ordering agencies (state and participating local agencies) may have a similar labeling requirement.

14. Required Product Documentation/Instruction Manuals

Equipment user instruction manuals and quick reference guides required in the following languages: English, Spanish, Chinese, Large Print, and Braille and in the following formats: paper, electronic, audio compact disk and/or cassette, digital compact disc. The user manual should be made available in the required format to meet the specific needs of the user population at no additional cost, according to the federal mandates under Section 255 of the Communications Act of 1934 as amended.

15. Delivery

All orders shall be delivered to the "ship to" address listed on the purchase order. All items ordered by CPUC/DDTP are to be shipped to the location below through June 30, 2006. At that time, CPUC/DDTP will either maintain this location or replace with a new location. If a new location is selected during the term of the contract, all contractors will be notified of the new warehouse location.

San Jose Distribution Services
2055 South 7th Street, Suite A
San Jose, CA 95112

Delivery schedules and confirmation of shipment shall be provided to CPUC/DDTP. Equipment shall be marked, packed and boxed at suppliers' expense. Equipment shall be packed so as to incur no damage in handling and/or in transit. Delivery of the equipment must be in good order and condition to the point of delivery.

16. Time Is of the Essence

Time is of the essence and on-time scheduled target delivery date of the equipment is a key objective of this contract. Deliveries will be made in strict accordance with the schedules

shown in CPUC/DDTP's purchase orders and other valid authorizations. CPUC/DDTP reserves the right to refuse shipments shipped more than seven (7) days past the ship due date. Supplier will immediately contact CPUC/DDTP if it believes that it will not be able to fully meet a previously agreed to delivery schedule to discuss possible ways to meet the requirements, including un-reimbursed overtime. Should supplier be unable or unwilling to meet CPUC/DDTP's requirements, other provisions of this Contract related to default may become operative.

17. Product Changes

a. Product Price Adjustments and New Products

Prices for products included in this MPA may be updated on an annual basis. The Contractor may request that a newly published MSRP be incorporated into their contract by submitting the new MSRP to the State up to 30 days prior to the anniversary month that the MPA was issued. New products included on the MSRP list may be included on the contract if they comply with the functional requirements of a Group awarded to the Contractor. The State will apply the government discount (fixed discount listed in Pricing Worksheets) to the MSRP to determine the net product cost. The State will determine whether to issue an amendment to the contract to reflect the new products and/or net product costs no sooner than thirty (30) days after the receipt of such a petition.

b. Product Substitutions

Product substitutions will not be accepted.

c. Product Upgrades/Replacements

The contractor shall notify the CPUC/DDTP Ninety (90) days prior to the introduction of any product/model upgrades and/or replacement models and allow the CPUC/DDTP to test the product to insure that the upgrades meet the need of the specific consumer group prior to acceptance. The CPUC/DDTP reserves the right to accept/reject any product/model upgrades and/or replacement models that do not meet the specific needs of the specific consumer group. Replacement equipment must meet all requirements; form, fit and function of the original equipments and must be at the same or lower price of the original equipment. The CPUC/DDTP shall reserve the right to terminate the contract if the CPUC/DDTP and the supplier do not find a satisfactory replacement and/or upgrade that meets the needs of the specific user group.

18. MPA User Guide

The MPA User Guide (Ordering Instructions) may be modified periodically as determined by the Department of General Services. Contractors must comply with the changes as issued. The MPA User Guide (Ordering Instructions) will be posted on the website and available for download at: www.pd.dgs.ca.gov/masters .

a. User Instructions

The CPUC shall conform to the policies and procedures set forth in Management Memo 03-10 (or its most current revision) and the Purchasing Authority Manual.

User Instructions will be prepared, issued and overseen by a Contract Administrator assigned to this MPA from DGS/Procurement Division. These instructions will include a

list of all awardees by company name and line item price. The CPUC/DDTP and participating governmental agencies will use this information to order the products from the appropriate companies.

b. Orders

A state purchase order will be issued using a Standard 65. Those participating local agencies will utilize a unique local agency purchase order. There shall only be one contractor per purchase order. A copy of all approved purchase orders shall be sent to the Department Official listed in Section I.C

c. Performance

Should occurrences of either outstanding performance or poor performance be encountered the Department Official should be notified. The contractor shall have the option of reviewing any such submitted performance reports and evaluations.

19. Contractor Reporting Requirements

Contractors shall provide a report to the DGS contract administrator that provides details regarding contracts and purchase orders they have received on this MPA. The report shall be submitted to DGS on a quarterly basis received by DGS on April 15, July 15, October 15, and January 15 of each year. The report must contain the following information:

- The MPA number
- Contractor name and contact information
- State or Local agency contact information
- Agency billing code
- Purchase Order number
- Dollar value

20. Small Business/DVBE Subcontracting

a. The Contractor will provide an ordering agency with the following information at the time the order is quoted:

1. The Contractor will state that, as the prime Contractor, it shall be responsible for the overall execution of the fulfillment of the order.
2. The Contractor will indicate to the ordering agency how the order meets the small business or DVBE goal, as follows:
 - List the name of each company that is certified by the Office of Small Business and DVBE Certification with which it intends to subcontract to perform a commercially useful function; and
 - Include the small business or DVBE certification number of each company listed, and attach a copy of each certification; and
 - Indicate the dollar amount of each subcontract with a small business or DVBE that may be claimed by the ordering agency towards the small business or DVBE goal; and
 - Indicate what commercially useful function the small business or DVBE subcontractor will be providing towards fulfillment of the order.

b. The ordering agency's purchase order must be addressed to the prime Contractor, and the purchase order must reference the information provided by the prime Contractor as outlined above.

21. Ordering Agency Responsibilities

- a. All user agencies shall comply with all applicable laws including the Public Contract Code (PCC) and the Government Code (GC). All orders on this contract must be limited to those services that cannot be performed by civil service employees and shall be processed in compliance with and in accordance to GC §19130.
- b. User Instructions will be prepared and overseen by the DGS PD Contract Administrator assigned to this MPA. These instructions will include a list of all awardees by contractor name, maximum bid price, and telephone equipment group. Ordering agencies shall follow the User Instructions.
- c. All agencies using this MPA shall conform to the policies and procedures set forth in Management Memo 03-10 (or its most current revision), the State Contract Manual (SCM) and the Purchasing Authority Manual (PAM).
- d. All agencies shall prepare a purchase order (Std. 65). Copies of all said documents must be sent to the Department of General Services, Procurement Division, Master Agreements Unit.

There shall only be one contractor per purchase order.

- e. Ordering agencies shall report occurrences of either outstanding performance or poor performance to the DGS Procurement Division Contract Administrator. The contractor shall have the option of reviewing any such submitted performance reports and evaluations.
- f. If an ordering agency is found to be in violation of the MPA ordering procedures, PAM, or any other applicable policy or procedure will be subject to revocation of their approval authority.
- g. Ordering agencies (with the exception of local governments) must follow all Department of Finance (DOF) processes and procedures for information technology as defined in the Statewide Information Management Manual (SIMM)
<http://www.dof.ca.gov/HTML/IT/SIMM/SIMM.htm>