October 18, 2010

Review of Performance Metrics and Related Remedies

of Verizon Pennsylvania, Inc.

Pennsylvania Public Utility Commission

RFP-2010-2

**Addenda to RFP**

Overview: The Bureau of Minority and Women’s Opportunities (BMWBO) has issued revisions to the disadvantaged business sections of the RFP. The BMWBO revised language replaces the language in the RFP.

Section I-13 and I-14 of the RFP are replaced in their entirety by Section I of the BMWBO revised language.

Section II-7 of the RFP is replaced in its entirety by Section II of the BMWBO revised language.

Section III-4 (c) and (d) of the RFP is replaced in its entirety by Section III of the BMWBO revised language.

Section IV-8 of the RFP is replaced in its entirety by Section IV of the BMWBO revised language.

PLEASE NOTE: In the BMWBO revised language below, language in gray highlight reflects the changes from the previous BMWBO language, however ALL the language provided here supersedes the ALL the language in the identified sections of the RFP (that is, these are the complete sections; work just from this addenda for the identified sections of the RFP).

**BMWBO REVISED LANGUAGE**

**SPECIAL PROVISIONS CONCERNING DISADVANTAGED BUSINESSES AND ENTERPRISE ZONE BUSINESSES FOR REQUESTS FOR PROPOSALS**

*[NOTE: If the contract involves the use of Federal highway, transit or aviation funds originating from the Federal Highway Administration (FHWA), the Federal Transit Administration (FTA), the Federal Aviation Administration (FAA) or the National Highway Transportation Safety Administration (NHTSA), then the requirements of the Federal Disadvantaged Business Enterprise (DBE) Program set forth in Title 49 Code of Federal Regulations Part 26 must be adhered to in lieu of the standard requirements of this Section. Otherwise, use the text provided in this Section in its entirety.]*

1. General Information (must be inserted in Part I of every RFP)

Disadvantaged Business Information:

The Issuing Office encourages participation by small disadvantaged businesses as prime contractors, joint ventures, and subcontractors/suppliers and by socially disadvantaged businesses as prime contractors.

Small Disadvantaged Businesses are small businesses that are owned or controlled by a majority of persons, not limited to members of minority groups, who have been deprived of the opportunity to develop and maintain a competitive position in the economy because of social disadvantages. The term includes:

1. Department of General Services Bureau of Minority and Women Business Opportunities (BMWBO)-certified minority business enterprises (MBEs) and women business enterprises (WBEs) that qualify as small businesses; and
2. United States Small Business Administration certified 8(a) small disadvantaged business concerns.
3. Businesses that BMWBO determines meet the Small Business Administration criteria for designation as a small disadvantaged business.

Small businesses are businesses in the United States which are independently owned, are not dominant in their field of operation, employ no more than 100 full-time or full-time equivalent employees, and earn less than $20 million in gross annual revenues ($25 million in gross annual revenues for those businesses in the information technology sales or service business).

Socially disadvantaged businesses are businesses in the United States that BMWBO determines are owned or controlled by a majority of persons, not limited to members of minority groups, who are subject to racial or ethnic prejudice or cultural bias, but which do not qualify as small businesses. In order for a business to qualify as “socially disadvantaged,” the offeror must include in its proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the business person’s color, ethnic origin or gender.

Questions regarding this Program can be directed to:

Department of General Services

Bureau of Minority & Women Business Opportunities

Room 611, North Office Building

Harrisburg, PA 17125

Phone: (717) 783-3119

FAX: (717) 787-7052

Email: [gs-bmwbo@state.pa.us](mailto:gs-bmwbo@state.pa.us)

Website: [www.portal.state.pa.us/portal/server.pt?open=512&objID=1360&mode=2](http://www.portal.state.pa.us/portal/server.pt?open=512&objID=1360&mode=2)

A database of BMWBO-certified minority- and women-owned businesses can be accessed at [www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx](http://www.dgsweb.state.pa.us/mbewbe/VendorSearch.aspx). The federal vendor database can be accessed at [www.ccr.gov](http://www.ccr.gov) by clicking on *Dynamic Small Business Search* (certified companies are so indicated).

Information Concerning Small Businesses in Enterprise Zones:

The Issuing Office encourages participation by small businesses, whose primary or headquarters facility is physically located in areas the Commonwealth has identified as Designated Enterprise Zones, as prime contractors, joint ventures, and subcontractors/suppliers.

The definition of headquarters includes but is not limited to an office or location that is the administrative center of a business or enterprise where most of the important functions of the business are conducted or concentrated and location where employees are conducting the business of the company on a regular and routine basis so as to contribute to the economic development of the geographical area in which the office or business is geographically located.

Small businesses are businesses in the United States that are independently owned, are not dominant in their field of operation, employ no more than 100 full-time or full-time equivalent persons and earn less than $20 million in gross annual revenues ($25 million in gross annual revenues for those businesses in the information technology sales or service business).

There is no database or directory of small business located in Designated Enterprise Zones. Information on the location of Designated Enterprise Zones can be obtained by contacting:

Aldona M. Kartorie

Center for Community Building

PA Department of Community and Economic Development

4th Floor Keystone Building

400 North Street

Harrisburg, PA 17120-0225

Phone: (717) 720-7409

Fax: (717) 787-4088

Email: [akartorie@state.pa.us](mailto:akartorie@state.pa.us)

[www.newpa.com/programDetail.aspx?id=76](http://www.newpa.com/programDetail.aspx?id=76)

II. Disadvantaged Businesses Submittal (must be inserted in Part II of every RFP)

1. **Disadvantaged Business Information:**
2. To receive credit for being a Small Disadvantaged Business or a Socially Disadvantaged Business or for entering into a joint venture agreement with a Small Disadvantaged Business or for subcontracting with a Small Disadvantaged Business (including purchasing supplies and/or services through a purchase agreement), an Offeror must include proof of Disadvantaged Business qualification in the Disadvantaged Business Submittal of the proposal, as indicated below:
3. A Small Disadvantaged Business certified by BMWBO as an MBE/WBE must provide a photocopy of their BMWBO certificate.
4. Businesses certified by the U.S. Small Business Administration pursuant to Section 8(a) of the *Small Business Act* (15 U.S.C. § 636(a)) as an 8(a) small disadvantaged business must submit proof of U.S. Small Business Administration certification. The owners of such businesses must also submit proof of United States citizenship.
5. Businesses, which assert that they meet the U.S. Small Business Administration criteria for designation as a small disadvantaged business, must submit: a) self-certification that the business meets the Small Business Administration criteria, and b) documentary proof to support the self-certification. The owners of such businesses must also submit proof of United States citizenship, and provide any relevant disadvantaged business certifications by other certifying entities.
6. All businesses claiming Small Disadvantaged Business status, whether as a result of BMWBO certification, or U.S. Small Business Administration certification as an 8(a) or self-certification as a U.S. Small Business Administration small disadvantaged business, must attest to the fact that the business has no more than 100 full-time or full-time equivalent.
7. All businesses claiming Small Disadvantaged Business status, whether as a result of BMWBO certification, or U.S. Small Business Administration certification as an 8(a) or self-certification as a U.S. Small Business Administration small disadvantaged business, must submit proof that their gross annual revenues are less than $20,000,000 ($25,000,000 for those businesses in the information technology sales or service business). This can be accomplished by including a recent tax return or audited financial statement.
8. All companies claiming status as a Socially Disadvantaged Business must include in the Disadvantaged Business submittal of the proposal clear and convincing evidence to establish that the business has personally suffered racial or ethnic prejudice or cultural bias stemming from the business person’s color, ethnic origin, or gender. The submitted evidence of prejudice or bias must:
9. Be rooted in treatment which the business person has experienced in American society, not in other countries.
10. Show prejudice or bias that is chronic and substantial, not fleeting or insignificant.
11. Indicate that the business person’s experience with the racial or ethnic prejudice or cultural bias has negatively impacted on his or her entry into and/or advancement in the business world.

BMWBO shall determine whether the contractor has established that a business is socially disadvantaged by clear and convincing evidence.

1. In addition to the above verifications, the Offeror must include in the Disadvantaged Business Submittal of the proposal the following information:
   1. Those Small Disadvantaged Businesses submitting a proposal as the Offeror, must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Offeror and not by subcontractors and suppliers.
   2. Those Small Disadvantaged Businesses submitting a proposal as a part of a joint venture partnership, must include a numerical percentage which represents the total percentage of the work (as a percentage of the total cost in the Cost Submittal) to be performed by the Small Disadvantaged Business joint venture partner and not by subcontractors and suppliers or by joint venture partners who are not Small Disadvantaged Businesses. Offeror must also provide:
2. The amount of capital, if any, each Small Disadvantaged Business joint venture partner will be expected to provide.
3. A copy of the joint venture agreement signed by all parties.
4. The business name, address, name and telephone number of the primary contact person for the Small Disadvantaged Business joint venture partner.
   1. **All** Offerors must include a numerical percentage which represents the total percentage of the total cost in the Cost Submittal that the Offeror commits to paying to Small Disadvantaged Businesses as subcontractors. To support its total percentage DB subcontractor commitment, Offeror must also include:
5. The dollar amount of each subcontract commitment to a Small Disadvantaged Business;
6. The name of each Small Disadvantaged Business. The Offeror will not receive credit for stating that after the contract is awarded it will find a Small Disadvantaged Business.
7. The services or supplies each Small Disadvantaged Business will provide, including the timeframe for providing the services or supplies.
8. The location where each Small Disadvantaged Business will perform services.
9. The timeframe for each Small Disadvantaged Business to provide or deliver the goods or services.
10. A signed subcontract or letter of intent for each Small Disadvantaged Business. The subcontract or letter of intent must identify the specific work, goods or services the Small Disadvantaged Business will perform and how the work, goods or services relates to the project.
11. The name, address and telephone number of the primary contact person for each Small Disadvantaged Business.
    1. The total percentages and each subcontractor commitment will become contractual obligations once the contract is fully executed.
    2. The name and telephone number of the Offeror’s project (contact) person for the Small Disadvantaged Business information.
12. The Offeror is required to submit **two** copies of its Disadvantaged Business Submittal. The submittal shall be clearly identified as Disadvantaged Business information and sealed in its own envelope, separate from the remainder of the proposal.
13. A Small Disadvantaged Business can be included as a subcontractor with as many prime contractors as it chooses in separate proposals.
14. An Offeror that qualifies as a Small Disadvantaged Business and submits a proposal as a prime contractor is not prohibited from being included as a subcontractor in separate proposals submitted by other Offerors.
15. **Enterprise Zone Small Business Participation.**

To receive credit for being an enterprise zone small business or entering into a joint venture agreement with an enterprise zone small business or subcontracting with an enterprise zone small business, an Offeror must include the following information in the Disadvantaged Business Submittal of the proposal:

* 1. Proof of the location of the business’ headquarters (such as a lease or deed or Department of State corporate registration), including a description of those activities that occur at the site to support the other businesses in the enterprise zone.
  2. Confirmation of the enterprise zone in which it is located (obtained from the local enterprise zone office).
  3. Proof of United States citizenship of the owners of the business.
  4. Certification that the business employs no more than 100 full-time or full-time equivalent employees.
  5. Proof that the business’ gross annual revenues are less than $20,000,000 ($25,000,000 for those businesses in the information technology sales or service business). This can be accomplished by including a recent tax return or audited financial statement.
  6. Documentation of business organization, if applicable, such as articles of incorporation, partnership agreement or other documents of organization.

In addition to the above verifications, the Offeror must include in the Disadvantaged Business Submittal of the proposal the following information:

* 1. The name and telephone number of the Offeror’s project (contact) person for the Enterprise Zone Small Business.
  2. The business name, address, name and telephone number of the primary contact person for each Enterprise Zone Small Business included in the proposal. The Offeror must specify each Enterprise Zone Small Business to which it is making commitments. The Offeror will not receive credit for stating that it will find an Enterprise Zone Small Business after the contract is awarded or for listing several businesses and stating that one will be selected later.
  3. The specific work, goods or services each Enterprise Zone Small Business will perform or provide.
  4. The total cost amount submitted in the Offeror’s cost proposal and the estimated dollar value of the contract to each Enterprise Zone Small Business.
  5. Of the estimated dollar value of the contract to each Enterprise Zone Small Business, the percent of the total value of services or products purchased or subcontracted that each Enterprise Zone Small Business will provide.
  6. The location where each Enterprise Zone Small Business will perform these services.
  7. The timeframe for each Enterprise Zone Small Business to provide or deliver the goods or services.
  8. The amount of capital, if any, each Enterprise Zone Small Business will be expected to provide.
  9. The form and amount of compensation each Enterprise Zone Small Business will receive.
  10. For a joint venture agreement, a copy of the agreement, signed by all parties.
  11. For a subcontract, a signed subcontract or letter of intent.

The dollar value of the commitment to each Enterprise Zone Small Business must be included in the same sealed envelope with the Disadvantaged Business Submittal of the proposal. The following will become a contractual obligation once the contract is fully executed:

1. The amount of the selected Offeror’s Enterprise Zone Small Business commitment;
2. The name of each Enterprise Zone Small Business; and
3. The services each Enterprise Zone Small Business will provide, including the timeframe for performing the services.

III. Criteria for Selection (must be inserted in Part III of every RFP)

**Disadvantaged Business Participation:**

BMWBO has established the weight for the Disadvantaged Business Participation criterion for this RFP as **20** % of the total points. Evaluation will be based upon the following in order of priority:

**Priority Rank 1** Proposals submitted by Small Disadvantaged Businesses.

**Priority Rank 2** Proposals submitted from a joint venture with a Small Disadvantaged Business as a joint venture partner.

**Priority Rank 3** Proposals submitted with subcontracting commitments to Small Disadvantaged Businesses.

**Priority Rank 4** Proposals submitted by Socially Disadvantaged Businesses.

Each proposal will be rated for its approach to enhancing the utilization of Small Disadvantaged Businesses and/or Socially Disadvantaged Businesses. Each approach will be evaluated, with Priority Rank 1 receiving the highest score and the succeeding options receiving scores in accordance with the above-listed priority ranking

To the extent that an Offeror qualifies as a Small Disadvantaged Business or a Socially Disadvantaged Business, the Small Disadvantaged Business or Socially Disadvantaged Business cannot enter into subcontract arrangements for more than 40% of the total estimated dollar amount of the contract. If a Small Disadvantaged Business or a Socially Disadvantaged Business subcontracts more than 40% of the total estimated dollar amount of the contract to other contractors, the Disadvantaged Business Participation scoring shall be proportionally lower for that proposal.

Enterprise Zone Small Business Participation:

In accordance with the priority ranks listed below, bonus points in addition to the total points for this RFP, will be given for the Enterprise Zone Small Business Participation criterion. The maximum bonus points for this criterion is 3% of the total points for this RFP. The following options will be considered as part of the final criteria for selection:

**Priority Rank 1** Proposals submitted by an Enterprise Zone Small Business will receive the highest score.

**Priority Rank 2** Proposals submitted by a joint venture with an Enterprise Zone Small Business as a joint venture partner will receive the next highest score for this criterion.

**Priority Rank 3** Proposals submitted with a subcontracting commitment to an Enterprise Zone Small Business will receive the lowest score for this criterion.

**Priority Rank 4** Proposals with no Enterprise Zone Small Business Utilization shall receive no points under this criterion.

To the extent that an Offeror is an Enterprise Zone Small Business, the Offeror cannot enter into contract or subcontract arrangements for more than 40% of the total estimated dollar amount of the contract in order to qualify as an Enterprise Zone Small Business for purposes of this RFP.

IV. Work Statement (must be inserted in Part IV of every RFP)

Contract Requirements—Disadvantaged Business Participation and Enterprise Zone Small Business Participation:

All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must also include a provision requiring the selected contractor to meet and maintain those commitments made to Disadvantaged Businesses and/or Enterprise Zone Small Businesses at the time of proposal submittal or contract negotiation, unless a change in the commitment is approved by the BMWBO. All contracts containing Disadvantaged Business participation and/or Enterprise Zone Small Business participation must include a provision requiring Small Disadvantaged Business subcontractors, Enterprise Zone Small Business subcontractors and Small Disadvantaged Businesses or Enterprise Zone Small Businesses in a joint venture to perform at least **50%** of the subcontract or Small Disadvantaged Business/Enterprise Zone Small Business participation portion of the joint venture.

The selected contractor’s commitments to Disadvantaged Businesses and/or Enterprise Zone Small Businesses made at the time of proposal submittal or contract negotiation shall be maintained throughout the term of the contract. Any proposed change must be submitted to BMWBO, which will make a recommendation to the Contracting Officer regarding a course of action.

If a contract is assigned to another contractor, the new contractor must maintain the Disadvantaged Business participation and/or Enterprise Zone Small Business participation of the original contract.

The selected contractor shall complete the Prime Contractor’s Quarterly Utilization Report (or similar type document containing the same information) and submit it to the contracting officer of the Issuing Office and BMWBO within **10** workdays at the end of each quarter the contract is in force. This information will be used to determine the actual dollar amount paid to Small Disadvantaged Business and/or Enterprise Zone Small Business subcontractors and suppliers, and Small Disadvantaged Business and/or Enterprise Zone Small Business participants involved in joint ventures. Also, this information will serve as a record of fulfillment of the commitment the selected contractor made and for which it received Disadvantaged Business and Enterprise Zone Small Business points. If there was no activity during the quarter then the form must be completed by stating “No activity in this quarter.”

NOTE: EQUAL EMPLOYMENT OPPORTUNITY AND CONTRACT COMPLIANCE STATEMENTS REFERRING TO COMPANY EQUAL EMPLOYMENT OPPORTUNITY POLICIES OR PAST CONTRACT COMPLIANCE PRACTICES DO NOT CONSTITUTE PROOF OF DISADVANTAGED BUSINESSES STATUS OR ENTITLE AN OFFEROR TO RECEIVE CREDIT FOR DISADVANTAGED BUSINESSES UTILIZATION.