



STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET

January 29, 2014

TO: ALL STATE AGENCIES, SCHOOL DISTRICTS, MUNICIPALITIES, VOLUNTEER
FIRE COMPANIES AND POLITICAL SUBDIVISIONS

FROM: WILLIAM W. PICKRUM, DEPUTY DIRECTOR
GOVERNMENT SUPPORT SERVICES

SUBJECT: **AWARD NOTICE**
CONTRACT NO. GSS14581-CONTRACTREVIEW
Contract Compliance & Cost Recovery Services

TABLE OF CONTENTS
OF
KEY CONTRACT INFORMATION

1. MANDATORY USE CONTRACT.....	2
2. CONTRACT PERIOD	2
3. VENDOR.....	2
4. SERVICES.....	2
5. PAYMENT FOR SERVICES AND EXPENSES.....	3
6. RESPONSIBILITIES OF COST REDUCTION ANALYSTS, INC.....	3
ADDITIONAL TERMS AND CONDITIONS.....	4



KEY CONTRACT INFORMATION

1. MANDATORY USE CONTRACT

[\(Return to Table of Contents\)](#)

- a. **REF: Title 29, Chapter 6911(d) Delaware Code.** Every state department and agency within the Executive Branch and Judicial Branch of the state government shall procure all material, equipment and nonprofessional services through the statewide contracts administered by Government Support Services, Office of Management and Budget. Delaware State University, Delaware Technical and Community College, the operations funded by Public School Districts, Delaware Transit Corporation, the Legislative Branch and the Board of Pension Trustees and their consultants are specifically exempted from the requirements of this subsection.
- b. Under Title 29 §6933, The State of Delaware is authorized to participate in, sponsor, conduct or administer a cooperative purchasing agreement for the procurement of materiel or nonprofessional services with 1 or more public procurement units either within the State or within another state in accordance with an agreement entered into between the participants.

2. CONTRACT PERIOD

[\(Return to Table of Contents\)](#)

Each contractor's contract shall be valid from March 1, 2014 through July 31, 2016.

3. VENDOR

[\(Return to Table of Contents\)](#)

FSF Vendor ID: 0000030451
Cost Reduction Analysts, Inc.
14001 Marian Dr.
Rockville, MD 20850-3445
Contact: Sherri Ledner or Andrew Ledner
Phone: 301-738-9901
Fax: 301-738-9902
Email: sledner@crasaves.com or aledner@crasaves.com
Website: www.crasaves.com

4. SERVICES

[\(Return to Table of Contents\)](#)

- a. Conduct a detailed review of vendor usages reports and/or invoices, both electronic and hardcopy. Usage reports and/or invoices will be from a credit card database, direct billing and from vendor reports.
- b. Identify and document any refunds or credits due for the State from contracts selected by Government Support Services.
- c. Actively pursue a refund or credit of overcharges found from vendors for the State.
- d. Participate in discussions with supply vendor(s) of findings, periodically.
- e. Delaware may, at any time, by written order, make changes in the scope of this Agreement and in the services or work to be performed. No services for which additional compensation may be charged by Cost Reduction Analysts, Inc. shall be furnished without the written authorization of Delaware. When Delaware desires any addition or deletion to the deliverables or a change in the Services to be provided under this Agreement, it shall notify Cost Reduction Analysts, Inc., who shall then submit to Delaware a "Change Order" for approval authorizing said change. The Change Order shall state

whether the change shall cause an alteration in the price or the time required by Cost Reduction Analysts, Inc. for any aspect of its performance under this Agreement. Pricing of changes shall be consistent with those established within this Agreement.

- f. Cost Reduction Analysts, Inc. will not be required to make changes to its scope of work that result in Cost Reduction Analysts, Inc.'s costs exceeding the current unencumbered budgeted appropriations for the services. Any claim of either party for an adjustment under this Agreement shall be asserted in the manner specified in the writing that authorizes the adjustment.

5. PAYMENT FOR SERVICES AND EXPENSES

[\(Return to Table of Contents\)](#)

- a. Delaware's obligation to pay Cost Reduction Analysts, Inc. for the performance of services will not exceed 25% of the funds recovered. Cost Reduction Analysts, Inc. will submit analysis of potential funds recovery and may negotiate on behalf of the State with contract vendor with permission of the Director, Government Support Services. CRA will be paid by the State of Delaware after verification of funds recovered and approval by the Director, Government Support Services of the amount of funds recovered. It is expressly understood that the work must be completed by Cost Reduction Analysts, Inc. and it shall be Cost Reduction Analysts, Inc.'s responsibility to ensure that hours and tasks are properly budgeted so that all services are completed for the agreed upon contingent fee. Delaware's total liability for all charges for services that may become due under this Agreement is limited to the total maximum expenditure(s) authorized in Delaware's purchase order(s) to Cost Reduction Analysts, Inc.
- b. Cost Reduction Analysts, Inc. shall submit monthly invoices to Delaware in sufficient detail to support the services provided during the previous month. Delaware agrees to pay those invoices within thirty (30) days of receipt. In the event Delaware disputes a portion of an invoice, Delaware agrees to pay the undisputed portion of the invoice within thirty (30) days of receipt and to provide Cost Reduction Analysts, Inc. a detailed statement of Delaware's position on the disputed portion of the invoice within thirty (30) days of receipt. Delaware's failure to pay any amount of an invoice that is not the subject of a good-faith dispute within thirty (30) days of receipt shall entitle Cost Reduction Analysts, Inc. to charge interest on the overdue portion at the lower of 1.0% per month. All payments should be sent to Cost Reduction Analysts, Inc., 14001 Marian Drive, Rockville, MD 20850-3445.
- c. Unless provided otherwise in an Appendix, all expenses incurred in the performance of the services are to be paid by Cost Reduction Analysts, Inc. If an Appendix specifically provides for expense reimbursement, Cost Reduction Analysts, Inc. shall be reimbursed only for funds recovered by Cost Reduction Analysts, Inc. in the performance of the services. Travel and lodging expenses, communications charges, and computer time and supplies are not included in this contract.
- d. Delaware shall subtract from any payment made to Cost Reduction Analysts, Inc. all damages, costs and expenses caused by Cost Reduction Analysts, Inc.'s negligence, resulting from or arising out of errors or omissions in Cost Reduction Analysts, Inc.'s work products, which have not been previously paid to Cost Reduction Analysts, Inc.

6. RESPONSIBILITIES OF COST REDUCTION ANALYSTS, INC.

[\(Return to Table of Contents\)](#)

- a. Cost Reduction Analysts, Inc. shall be responsible for the professional quality, technical accuracy, timely completion, and coordination of all services furnished by Cost Reduction Analysts, Inc., its subcontractors and its and their principals, officers, employees and agents under this Agreement. In performing the specified services, Cost Reduction Analysts, Inc. shall follow practices consistent with generally accepted professional and technical standards. Cost Reduction Analysts, Inc. shall be responsible for ensuring that all services, products and deliverables furnished pursuant to this Agreement comply with the standards promulgated by the Department of Technology and Information ("DTI") published at <http://dti.delaware.gov/>, to the extent applicable, and as modified from

time to time by DTI during the term of this Agreement. If any service, product or deliverable furnished pursuant to this Agreement does not conform to applicable DTI standards, Cost Reduction Analysts, Inc. shall, at its expense and option either (1) replace it with a conforming equivalent or (2) modify it to conform to DTI standards. Cost Reduction Analysts, Inc. shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to Delaware caused by Cost Reduction Analysts, Inc.'s failure to ensure compliance with applicable DTI standards.

- b. It shall be the duty of the Cost Reduction Analysts, Inc. to assure that all products of its effort are technically sound and in conformance with all pertinent Federal, State and Local statutes, codes, ordinances, resolutions and other regulations. Cost Reduction Analysts, Inc. will not produce a work product that violates or infringes on any copyright or patent rights. Cost Reduction Analysts, Inc. shall, without additional compensation, correct or revise any errors or omissions in its work products.
- c. Permitted or required approval by Delaware of any products or services furnished by Cost Reduction Analysts, Inc. shall not in any way relieve Cost Reduction Analysts, Inc. of responsibility for the professional and technical accuracy and adequacy of its work. Delaware's review, approval, acceptance, or payment for any of Cost Reduction Analysts, Inc.'s services herein shall not be construed to operate as a waiver of any rights under this Agreement or of any cause of action arising out of the performance of this Agreement, and Cost Reduction Analysts, Inc. shall be and remain liable in accordance with the terms of this Agreement and applicable law for all damages to Delaware caused by Cost Reduction Analysts, Inc.'s performance or failure to perform under this Agreement.

ADDITIONAL TERMS AND CONDITIONS

[\(Return to Table of Contents\)](#)

8. STATE RESPONSIBILITIES

- a. Delaware agrees that its officers, employees and legal counsel, as appropriate, will cooperate with Cost Reduction Analysts, Inc. in the performance of services under this Agreement and will be available for consultation with Cost Reduction Analysts, Inc. at such reasonable times with advance notice as to not conflict with their other responsibilities. To the extent Delaware determines to pursue legal means for recovery of refunds/overcharges identified by Cost Reduction Analysts, Inc., Delaware agrees that Cost Reduction Analysts, Inc. shall not be responsible for the costs of related attorneys services and/or legal action.
- b. The services performed by Cost Reduction Analysts, Inc. under this Agreement shall be subject to review for compliance with the terms of this Agreement by Delaware's designated representatives. Delaware representatives may delegate any or all responsibilities under the Agreement to appropriate staff members, and shall so inform Cost Reduction Analysts, Inc. by written notice before the effective date of each such delegation.
- c. The review comments of Delaware's designated representatives may be reported in writing as needed to Cost Reduction Analysts, Inc. It is understood that Delaware's representatives' review comments do not relieve Cost Reduction Analysts, Inc. from the responsibility for the professional and technical accuracy of all work delivered under this Agreement.
- d. Delaware shall, without charge, furnish to or make available for examination or use by Cost Reduction Analysts, Inc. as it may request, any data which Delaware has available, including as examples only and not as a limitation:
 - i. Copies of reports, surveys, records, and other pertinent documents;
 - ii. Copies of previously prepared reports, job specifications, surveys, records, ordinances, codes, regulations, other documents, and information related to the services specified by the Agreement.
- e. Cost Reduction Analysts, Inc. shall return any original data provided by Delaware.
- f. Delaware shall assist Cost Reduction Analysts, Inc. in obtaining data on documents from public officers or agencies and from private citizens and business firms whenever such material is necessary for the completion of the services specified by this Agreement.

- g. Cost Reduction Analysts, Inc. will not be responsible for accuracy of information or data supplied by Delaware or other sources to the extent such information or data would be relied upon by a reasonably prudent contractor.
- h. Delaware agrees not to use Cost Reduction Analysts, Inc.'s name, either express or implied, in any of its advertising or sales materials. Cost Reduction Analysts, Inc. reserves the right to reuse the nonproprietary data and the analysis of industry-related information in its continuing analysis of the industries covered.
- i. If, following consultation with Cost Reduction Analysts, Inc., Delaware determines that litigation and/or legal measures are necessary in order to obtain the appropriate refund/overcharge/recovery from a vendor, Delaware agrees that it shall diligently pursue such legal measures and litigation and that Cost Reduction Analysts, Inc. shall be entitled to its fee as a portion of the recovery regardless of when that recovery is made. If necessary and appropriate, Cost Reduction Analysts, Inc. will continue to provide consultation and support throughout the litigation or legal process.
- j. Notwithstanding anything herein to the contrary, Delaware's obligation to pay fees to Cost Reduction Analysts, Inc. under this contract shall survive termination or expiration of the contract and any extensions thereof.

9. **BILLING**

The successful vendor is required to **"Bill as Shipped" to the respective ordering agency(s).** Ordering agencies shall provide at a minimum the contract number, ship to and bill to address, contract name and phone number.

10. **PAYMENT**

The agencies or school districts involved will authorize and process for payment each invoice within thirty (30) days after the date of receipt. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

11. **PRODUCT SUBSTITUTION**

All items delivered during the life of the contract shall be of the same type and manufacture as specified unless specific approval is given by Government Support Services to do otherwise. Substitutions may require the submission of written specifications and product evaluation prior to any approvals being granted.

12. **ORDERING PROCEDURE**

Successful contractors are required to have either a local telephone number within the (302) area code, a toll free (800) number, or agree to accept collect calls. Each agency is responsible for placing their orders and may be accomplished by written purchase order, telephone, fax or computer on-line systems. The contractor or vendor must accept full payment by procurement (credit) card and/or conventional check and/or other electronic means at the State's option, without imposing any additional fees, costs or conditions.

13. **HOLD HARMLESS**

The contractor agrees that it shall indemnify and hold the State of Delaware and all its agencies harmless from and against any and all claims for injury, loss of life, or damage to or loss of use of property caused or alleged to be caused, by acts or omissions of the contractor, its employees, and invitees on or about

the premises and which arise out of the contractor's performance, or failure to perform as specified in the Agreement.

14. NON-PERFORMANCE

In the event the contractor does not fulfill its obligations under the terms and conditions of this contract, the ordering agency may purchase equivalent product on the open market. Any difference in cost between the contract prices herein and the price of open market product shall be the responsibility of the contractor. Under no circumstances shall monies be due the contractor in the event open market products can be obtained below contract cost. Any monies charged to the contractor may be deducted from an open invoice.

15. FORCE MAJEURE

Neither the contractor nor the ordering agency shall be held liable for non-performance under the terms and conditions of this contract due, but not limited to, government restriction, strike, flood, fire, or unforeseen catastrophe beyond either party's control. Each party shall notify the other in writing of any situation that may prevent performance under the terms and conditions of this contract.

16. AGENCY'S RESPONSIBILITIES

The Agency shall:

- a. Examine and review in detail all letters, reports, drawings and other documents presented by the Contractor to the Agency and render to the Contractor in writing, findings and decisions pertaining thereto within a reasonable time so as not to delay the services of Contractor.
- b. Give prompt written notice to the Contractor whenever the Agency observes or otherwise becomes aware of any development that affects the scope or timing of the Contractor's services.
- c. When an ordering agency first experiences a relatively minor problem or difficulty with a vendor, the agency will contact the vendor directly and attempt to informally resolve the problem. This includes failure to perform by the date specified and any unacceptable difference(s) between the purchase order and the merchandise received. Ordering agencies should stress to vendors that they should expedite correction of the differences because failure to reply may result in an unfavorable rating in the execution of the awarded contract.
- d. The state has several remedies available to resolve non-performance issues with the contractor. The Agency should refer to the Contract Terms and Conditions to view these remedies. When a default occurs, the Agency should first review the contract to confirm that the issue is a part of the contract. If the issue is not covered by the contract, the state cannot expect the contractor to perform outside the agreement. If the issue is a part of the contract, the Agency or GSS - Contracting must then contact the contractor, discuss the reasons surrounding the default and establish a date when the contractor will resolve the non-performance issue.
- e. If there is a performance deficiency, a Corrective Action Report (CAR) may be used. Complete this form to report concerns with vendors or commodities. Be sure to furnish as much detail as possible. <http://gss.omb.delaware.gov/divisionwide/forms.shtml>.