



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
PURCHASE BUREAU
P.O. BOX 230
TRENTON, NEW JERSEY 08625-0230

JON S. CORZINE
Governor

MICHELLENE DAVIS
Acting State Treasurer

AMENDMENT #1 T-2224

SOLICITATION #08-X-39458 CONTRACT #A69839

TO: Department of Health and Senior Services

DATE: October 29, 2007

FROM: Thomas Jennings

SUBJECT: Clarification of billing and payment of Media Placement Markup

CONTRACT PERIOD: September 20, 2007 through September 30, 2010

The following sections of the subject contract are amended to read as follows:

3.1.11 The contractor shall execute all contracts with the media and other third parties, including the negotiation of the best possible rates for any contracts, when required. All such contracts shall be entered into as a prime contractor and not as an agent of the State. The contractor shall submit percent net cost with its invoice for all media placement under the contract. Contractor's markup shall only apply to the net cost for media placement. All cost benefits must be passed to the State. The State shall retain the right to audit the contractor's books to verify that the State is receiving all net prices, discounts and rebates.

3.3.7 The contractor shall execute all contracts with the media and other third parties, including the negotiation of the best possible rates for any contracts, when required. All such contracts shall be entered into as an independent contractor and not as an agent of the State. All cost benefits must be passed to the State. The contractor shall submit percent net cost with its invoice for all media placement under the contract. Contractor's markup shall only apply to the net cost for media placement. The State shall retain the right to audit the contractor's books to verify that the State is receiving all net prices, discounts and rebates.

5.21 Form of Compensation and Payment

This Section supplements Section 4.5 of the NJ Standard Terms and Conditions version 07/27/07, located on the Advertised Solicitation, Current Bid Opportunities webpage <http://www.state.nj.us/treasury/purchase/bid/summary/08-x-39757.shtml>. The contractor must submit official State invoice forms to the Using Agency with supporting documentation evidencing that work for which payment is sought has been satisfactorily completed. Invoices must reference the tasks or subtasks detailed in the Scope of Work section of the RFP and

must be in strict accordance with the firm, fixed prices submitted for each task or subtask on the RFP pricing sheets. When applicable, invoices should reference the appropriate RFP price sheet line number from the contractor's bid proposal. **Further, the contractor must submit, and Using Agency must ensure receipt of proof of the net cost (invoices) it has to pay its provider for placement and then apply the markup to that cost and send this documentation in with every invoice for payment by the State.** All invoices must be approved by the State Contract Manager before payment will be authorized.

In addition, primary contractors must provide, on a monthly and cumulative basis, a breakdown in accordance with the budget submitted, of all monies paid to any small business subcontractor(s). This breakdown shall be sent to the Purchase Bureau Business Unit, Set-Aside Coordinator.

Invoices must also be submitted for any special projects, additional work or other items properly authorized and satisfactorily completed under the contract. Invoices shall be submitted according to the payment schedule agreed upon when the work was authorized and approved. Payment can only be made for work when it has received all required written approvals and has been satisfactorily completed.