



State of New Jersey

DEPARTMENT OF THE TREASURY
DIVISION OF PURCHASE AND PROPERTY
OFFICE OF THE DIRECTOR

33 WEST STATE STREET

P. O. BOX 039

TRENTON, NEW JERSEY 08625-0039

<https://www.njstart.gov>

Telephone (609) 292-4886 / Facsimile (609) 984-2575

MIKIE SHERRILL
Governor

DR. DALE G. CALDWELL
Lt. Governor

AARON BINDER
Acting State Treasurer

AMY F. DAVIS, ESQ.
Acting Director

January 26, 2026

Via Electronic Mail Only to Mike.Pallotta@Ricoh-USA.com

Mike Pallotta
Ricoh USA, INC
2 Gatehall Dr
Parsippany, NJ 07054

Re: I/M/O Bid Solicitation #25DPP01122 Cenero, LLC (A Ricoh Company)
Protest of Notice of Intent to Award
T1466 – Video Teleconferencing Equipment & Services

Dear Mr. Pallotta:

This final agency decision is in response to the protest application dated January 16, 2026 (“Protest Application”), submitted by Cenero, LLC (A Ricoh Company) (“Ricoh”) and received by the Division of Purchase and Property’s (“Division”) Hearing Unit. In that correspondence, Ricoh protests the Notice of Intent to Award dated January 12, 2026, by the Division’s Procurement Bureau (“Bureau”) for Bid Solicitation #25DPP01122 – Video Teleconferencing Equipment & Services. Bid Solicitation. The record of this procurement reveals that the Quote submitted by Ricoh was deemed non-responsive as set forth in the Recommendation Report dated January 9, 2026 (“Recommendation Report”) for submitting language on NJSTART as part of their Quote submission (“Terms”) essentially stating that Ricoh reserved the right to negotiate terms for the contract following bid award that the Bureau determined impermissibly reserved the right to further negotiate the contract terms and/or enter in a future contract with the State. In their application, Ricoh states that the Terms were never supposed to conflict with the Bid Solicitation’s terms, and instead were clarifying that they fully accepted the NJ State Standard Terms and Conditions. Protest Application, Pages 1-2. Ricoh has not submitted any additional documents regarding this Protest.

By way of background, on March 7, 2025, the Division’s Procurement Bureau (“Bureau”) issued the Bid Solicitation on behalf of the New Jersey Office of Information Technology (OIT). The purpose of the Bid Solicitation was to solicit “Quotes for the purchase, installation and maintenance of premises-based equipment that can be used to build conference room and desktop Video Conferencing (VC) systems.” Bid Solicitation Sec. 1.1, *Purpose and Intent*. “It is the intent of the State of New Jersey (State) to award Contract(s) to those responsible Bidder(s) whose Quote(s), conforming to this Bid Solicitation are most advantageous to the State, price and other factors considered. The State may award any or all price lines.” Id.

In accordance with Bid Solicitation Section 2.1, *Electronic Question and Answer Period*, an electronic portal enabling the Bureau to receive questions electronically was available to all potential Bidders until 2:00 P.M. Eastern Time on March 25, 2025. A second Electronic Question and Answer period

was available to all potential Bidders until 2:00 P.M. Eastern Time on August 29, 2025. A total of 187 questions were received and answered across both periods. Six (6) Bid Amendments were issued for this Bid Solicitation, which provided revisions to the Quote Opening Date, the Bid Solicitation and responses to questions received from potential Bidders.

On June 26, 2025, the PRU opened seventeen (17) Quotes. After conducting an initial review of the Quotes received for compliance with mandatory Quote submission requirements, all Quotes were sent to the Bureau for further evaluation.

On or about January 12, 2026, the Bureau sent a Notice of Intent to Award and Recommendation Report to Ricoh. On January 16, 2026, prior to the close of the protest period, Ricoh submitted a Protest alleging that the following:

Please provide details on the specific issue(s) and ground(s) for challenging the cited specification(s): Christina, Good morning, happy Friday! I am writing to provide clarification regarding language included in our submitted proposal. Unfortunately, we missed Section 2.2, Exceptions to the State of NJ Standard Terms and submitted standard commercial "reservation of rights" language. We wish to confirm that we fully accept all terms, conditions, and requirements of the solicitation as issued. We will not seek to negotiate or modify any mandatory terms, nor do we reserve any rights inconsistent with the requirements of the bid documents or applicable New Jersey procurement law. Our pricing, commitments, and representations in the proposal are firm, unconditional, and fully compliant with the specifications. We remain prepared to perform in strict accordance with all requirements should an award be made. We appreciate your consideration of this clarification and remain available to provide any additional information you may require.

[Protest Letter, pages 1-2].

Ricoh submitted no other documents; the statement above is Ricoh's Protest in full.

Although Ricoh did not request an in-person presentation as permitted by N.J.A.C. 17:12-3.3(e), it should be noted that "[t]he Director has sole discretion to determine if an in-person presentation by the protester is necessary to reach an informed decision on the matter(s) of the protest. In-person presentations are fact-finding for the benefit of the Director." Further, "[i]n cases where no in-person presentation is held, such review of the written record shall, in and of itself, constitute an informal hearing." N.J.A.C. 17:12-3.3(d). I have reviewed the record of this procurement, including the Bid Solicitation, the Quotes received, the Bureau's Recommendation Reports, the relevant statutes, regulations, case law, and the protest submitted by Ricoh. The issues raised in the protest were sufficiently clear such that a review of the record of this procurement has provided me with the information necessary to determine the facts of this matter and to render an informed final agency decision on the merits of the protest submitted by Ricoh on the written record, as such an in-person hearing is not warranted. I set forth herein the Division's Final Agency Decision.

DISCUSSION

The New Jersey Courts have long recognized that the purpose of the public bidding process is to "secure for the public the benefits of unfettered competition." Meadowbrook Carting Co. v. Borough of Island Heights, 138 N.J. 307, 313 (1994). To that end, the "public bidding statutes exist for the benefit of the taxpayers, not bidders, and should be construed with sole reference to the public good." Borough of Princeton v. Board of Chosen Freeholders, 169 N.J. 135, 159-60 (1997). The objective of New Jersey's statutory procurement scheme is "to guard against favoritism, improvidence, extravagance and corruption; their aim is to secure for the public the benefits of unfettered competition." Barrick v. State of New Jersey, 218 N.J. 247, 258 (2014) (citing Keyes Martin & Co. v. Dir. of Div. of Purchase and Prop., 99 N.J. 244, 256 (1985)).

Bid Solicitation Section 1.1, *Purpose, and Intent and Background*, advises bidders that “The State of New Jersey Standard Terms and Conditions (SSTCs) included with this Bid Solicitation will apply to all Contracts made with the State. These terms are in addition to the terms and conditions set forth in this Bid Solicitation and should be read in conjunction with them unless the Bid Solicitation specifically indicates otherwise.” The State of New Jersey Standard Terms and Conditions (“SSTC”) were provided as Attachment 1 of the Bid Solicitation. Bid Solicitation Section 2.2, *Exceptions to the State of New Jersey Standard Terms and Conditions*, informs bidders that “Questions regarding the State of New Jersey Standard Terms and Conditions and exceptions to mandatory requirements MUST be posed during the Electronic Question and Answer period and shall contain the Bidder’s suggested changes and the reason(s) for the suggested change(s).” (Emphasis in the original). Bid Solicitation Section 3.11, *Bidder Additional Terms Submitted with the Quote* further advises Bidders:

A Bidder may submit additional terms as part of its Quote. Additional terms are Bidder-proposed terms or conditions that do not conflict with the scope of work required in this Bid Solicitation, the terms and conditions of this Bid Solicitation, or the State of New Jersey Standard Terms and Conditions. Bidder proposed terms or conditions that conflict with those contained in the State of New Jersey Standard Terms and Conditions will render a Quote non-responsive. It is incumbent upon the Bidder to identify and remove its conflicting proposed terms and conditions prior to Quote submission.

Quotes including Bidder proposed additional terms may be accepted, rejected, or negotiated, in whole or in part, at the State’s sole discretion.

If Bidder intends to propose terms and conditions that conflict with the State of New Jersey Standard Terms and Conditions, those Bidder proposed terms and conditions shall only be considered if submitted and agreed to pursuant to the electronic question and answer procedure. Bidders shall not submit exceptions or modifications as part of the Quote or on the “Terms and Conditions” Tab through [NJSTART](#).

The term “must” denotes a mandatory requirement as further set forth in the Bid Solicitation’s glossary:

Must – Denotes that which is a mandatory requirement.

[Bid Solicitation Section 9, *GLOSSARY*.]

The term “shall” also denotes that which is a mandatory requirement as further set forth in the Bid Solicitation’s glossary:

Shall – Denotes that which is a mandatory requirement.

[Bid Solicitation Section 9, *GLOSSARY*.]

As stated in the Recommendation Report, Ricoh impermissibly reserved to the Bidder the right to further negotiate the contract terms and/or enter in a future contract with the State as outlined in Section 2.2, *Exceptions to the State of NJ Standard Terms and Conditions (SSTC)*. In Ricoh’s Terms, Ricoh stated the following on NJSTART,

Vendor accepts the terms & conditions with exceptions: In response to your request, we are pleased to submit this proposal for your consideration. We recognize your right to negotiate and approve the terms and conditions of any contract following award and respectfully reserve the same right. We acknowledge that all contract terms and conditions must be mutually agreed upon by both of us. Our proposal represents our commitment with respect to pricing, equipment specifications and our proposed solution. Following bid award, we contemplate that we will both negotiate and sign, in the exercise of good faith, customary definitive agreement(s) to govern our relationship, and provide reasonable assurances of our authority to enter into such agreements. As is customary for transactions of this type, any acknowledgements each of us have made are qualified by the right to negotiate mutually acceptable terms. Our proposal is based upon the information provided by you, and the assumptions made by us in preparing our response. Any changes to information or assumptions may, if material, require modification. Upon award, we will be pleased to work with you to promptly finalize mutually acceptable contract terms and, if applicable, provide copies of appropriate contract forms for that purpose.

This language was submitted by Ricoh on NJSTART when Ricoh submitted their bid on September 24, 2025, long after the close of the second Question and Answer period on August 29, 2025. This is in direct violation of the language of Section 2.2 of the Bid Solicitation, *Exceptions to the State of NJ Standard Terms and Conditions*:

Questions regarding the State of New Jersey Standard Terms and Conditions and exceptions to mandatory requirements MUST be posed during the Electronic Question and Answer period and shall contain the Bidder's suggested changes and the reason(s) for the suggested change(s).

During the initial responsive review of a Quote, the Division is charged with ensuring that the Contract is awarded to that responsible Bidder, whose Quote, conforming to the Bid Solicitation, is most advantageous to the State, price and other factors considered. Bid Solicitation Section 1.1 *Purpose and Intent*. A responsive Quote is a Quote that is deemed by the Division to have adequately addressed all material provisions of a Bid Solicitation's terms and conditions, specifications, and other requirements. N.J.A.C. 17:12-1.3. A Quote that is not compliant or responsive to the material requirements of the Bid Solicitation shall not be eligible for further consideration for award of a Contract and the bidder offering said Quote shall receive notice of the rejection of its Quote. N.J.A.C. 17:12-2.7(c). Here, Ricoh did not adhere to the requirements of the Bid Solicitation. Ricoh submitted terms and conditions long after the Question and Answer period in direct violation of Bid Solicitation Section 2.2.

Here, the State determined that the Quote submitted by Ricoh contained a material deviation from the requirements of the Bid Solicitation rendering the Quote non-responsive. The question before me is whether Ricoh's modified term that they "accept[ed] the terms and conditions with exceptions" was a material deviation rendering the Quote non-responsive or if the modified term could have been waived. To be deemed non-responsive, Ricoh's Quote would have had to materially deviate from the requirements of the Bid Solicitation such that the State would have no assurances that the Contract would be performed consistent with the requirements of the Bid Solicitation.

When evaluating a Quote, if a deviation is found, the question is whether the deviation is material. It is firmly established in New Jersey that material deviations may not be waived. Twp. of Hillside v. Sternin, 25 N.J. 317, 324 (1957). In Meadowbrook Carting Co., 138 N.J. 307, 315 (1994), the New Jersey Supreme Court adopted the test set forth by the court in Twp. of River Vale v. Longo Constr. Co. for determining materiality. 127 N.J. Super. 207 (Law Div. 1974). "In River Vale, the court declared that after identifying the existence of a deviation, the issue is whether a specific non-compliance constitutes a substantial [material] and hence non-waivable irregularity." In re Protest of Award of On-Line Games Prod. and Operation Servs. Contract, 279 N.J. Super. 566, 594 (App. Div. 1995), citing River Vale, 127 N.J. Super. at 216. The River Vale court set forth a two-part test for determining whether a deviation is material:

First, whether the effect of a waiver would be to deprive the [government entity] of its assurance that the contract will be entered into, performed and guaranteed according to its specified requirements, and second, whether it is of such a nature that its waiver would adversely affect competitive bidding by placing a bidder in a position of advantage over other bidders or by otherwise undermining the necessary common standard of competition.

[River Vale, *supra*, 127 N.J. Super. at 216.]

“If the non-compliance is substantial and thus non-waivable, the inquiry is over because the bid is non-conforming and a non-conforming bid is no bid at all.” On-Line Games, *supra*, 279 N.J. Super. at 595 (citing River Vale, *supra*, 127 N.J. Super. at 222).

Although the State has broad discretion to select among qualified and responsive Bidders in public contracting matters, the discretion afforded to the Director, “is not limitless.” See, In re Request for Proposals #17DPP00144, 454 N.J. Super. 527, 559 (App Div. 2018). “In line with the policy goal of thwarting favoritism, improvidence, extravagance, and corruption, the Division may not award a contract to a bidder whose proposal deviates materially from the [RFQ’s] requirements.” *Ibid.*, quoting, Barrick v. State, 218 N.J. 247, 258-59 (2014)). For that reason, the Division’s governing regulations mandate stringent enforcement to maintain the equal footing of all Bidders and to ensure the integrity of the State’s bidding process. Notably, “a proposal that is not...responsive to the material requirements of the [RFQ] shall not be eligible for further consideration for award of contract, and the bidder offering said proposal shall receive notice of the rejection of its proposal.” N.J.A.C. 17:12-2.7(c).

Here, Bid Solicitation Section 3.11 *Bidder Additional Terms Submitted with the Quote* stated as follows:

A Bidder may submit additional terms as part of its Quote. Additional terms are Bidder-proposed terms or conditions that do not conflict with the scope of work required in this Bid Solicitation, the terms and conditions of this Bid Solicitation, or the State of New Jersey Standard Terms and Conditions. Bidder proposed terms or conditions that conflict with those contained in the State of New Jersey Standard Terms and Conditions will render a Quote non-responsive. It is incumbent upon the Bidder to identify and remove its conflicting proposed terms and conditions prior to Quote submission.

Quotes including Bidder proposed additional terms may be accepted, rejected, or negotiated, in whole or in part, at the State’s sole discretion.

If Bidder intends to propose terms and conditions that conflict with the State of New Jersey Standard Terms and Conditions, those Bidder proposed terms and conditions shall only be considered if submitted and agreed to pursuant to the electronic question and answer procedure. Bidders shall not submit exceptions or modifications as part of the Quote or on the “Terms and Conditions” Tab through NJSTART.

[Emphasis added]

Potential Bidders were permitted to submit questions regarding the Bid Solicitation’s terms and conditions by August 29, 2025. One hundred eighty-seven (187) questions were received in total. One question was received regarding the ability to modify the Bid Solicitation’s requirements (in bold), and the State responded clearly that any requests for potentially conflicting terms must be submitted during the electronic question and answer period, and that no additional negotiations would be permitted after Quote opening:

Section 3.11 Bidder Additional Terms Submitted with the Quote	Q: We would propose to add our licensing and terms of use terms and conditions as an attachment to the Contract (our General Terms). Rationale: We respectfully request this add as the contract is currently missing critical licensing and terms of use language, as well as our Data Protection Agreement (which is also available via our General Terms), applicable to the goods and service proposed under the contract. A: The State does not accept this proposed modification. Terms and conditions on publicly bid procurements must be consistent for all potential Bidders, and cannot be based on a single vendor's terms. Pursuant to Bid Solicitation Section 3.11 <i>Bidder Additional Terms submitted with the Quote</i>, Bidder proposed terms or conditions that conflict with those contained in the State of New Jersey Standard Terms and Conditions will render a Quote non-responsive.
--	--

[Bid Amendment #5, Question and Answer #8, August 19, 2025]

Despite this response, and the clear language in the Bid Solicitation and the State's Standard Terms and Conditions, Ricoh included the Terms when they submitted their Quote through NJSTART that read, in part "Vendor accepts the terms & conditions **with exceptions**," that "[f]ollowing bid award, we [Ricoh] contemplate that we **will both negotiate...**" and that "we [Ricoh] will be pleased to **work with you promptly finalize mutually acceptable contract terms.**" See Terms, emphasis added.

As noted above, in conducting the initial review of the Quotes received, the State determined that the Quote submitted by Ricoh was non-responsive. Specifically: "These terms impermissibly reserve to the Bidder the right to further negotiate the contract terms and/or enter in a future contract with the State as outlined in Section 2.2, *Exceptions to the State of NJ Standard Terms and Conditions (SSTC)*." Evaluation Committee Report, p. 4. In such situations the Courts have said the State is unable to make equal comparisons of the submitted Quote pricing with that supplied by other vendors.

Unlike requirements that can "be relinquished without there being any possible frustration of the policies underlying competitive bidding," **waiving a price term is plainly "capable of becoming a vehicle for corruption or favoritism, or . . . of encouraging improvidence or extravagance, or likely to affect the amount of any bid or to influence any potential bidder to refrain from bidding, or . . . of affecting the ability of the contracting unit to make bid comparisons,"** and is thus generally regarded as "the kind of condition[] which may not under any circumstances be waived." *Terminal Constr. Corp. v. Atl. Cty. Sewerage Auth.*, 67 N.J. 403, 412, 341 A.2d 327 (1975).

[In re Request for Proposals ##17DPP00144, 454 N.J. Super. 527, 564-565 (emphasis added).]

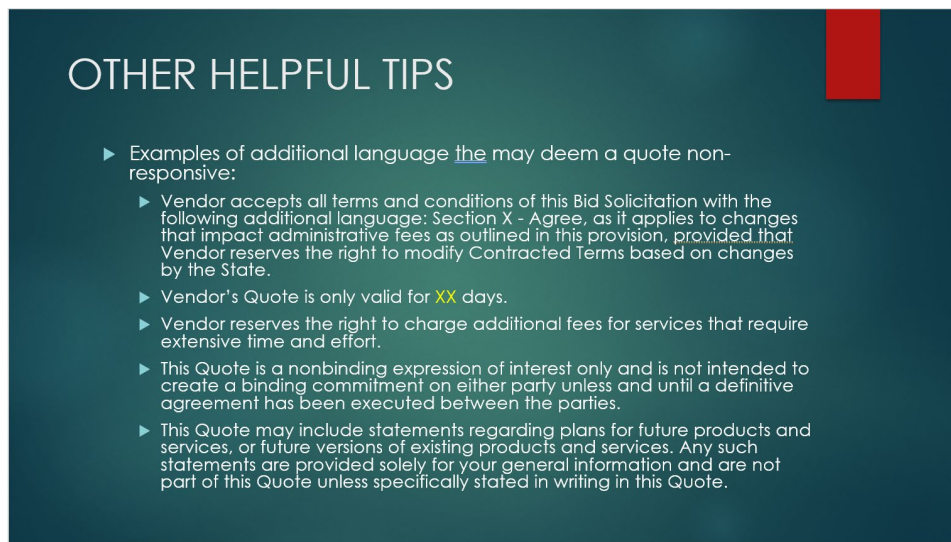
By inserting this language with its Quote, Ricoh impermissibly reserves to itself rights that are not available to all Bidders, thus unleveling the playing field.

Furthermore, it is noted that as part of the Bid process the Division conducted an Optional Pre-Quote Conference pursuant to Bid Solicitation Section 2.5. The purpose and intent of the Pre-Quote Conference is set forth in that section:

The purpose of the Optional Pre-Quote Conference is to address procedural questions regarding the Bid Solicitation and Bidder Quote Submission Requirements only. No substantive questions regarding the

Bid Solicitation Scope of Work will be accepted or answered during the pre-Quote conference. All questions are to be submitted during the Electronic Question and Answer Period.

As part of this Pre-Quote Conference, and because the Division has been presented with this issue multiple times in the past, the following information is specifically included in the standard Pre-Quote Conference presentation:



The slide is titled "OTHER HELPFUL TIPS" in white capital letters on a dark blue background. To the right of the title is a solid red vertical rectangle. Below the title is a bulleted list of examples of language that may be deemed non-responsive. Each bullet point is preceded by a blue right-pointing triangle.

- ▶ Examples of additional language the may deem a quote non-responsive:
 - ▶ Vendor accepts all terms and conditions of this Bid Solicitation with the following additional language: Section X - Agree, as it applies to changes that impact administrative fees as outlined in this provision, provided that Vendor reserves the right to modify Contracted Terms based on changes by the State.
 - ▶ Vendor's Quote is only valid for **XX** days.
 - ▶ Vendor reserves the right to charge additional fees for services that require extensive time and effort.
 - ▶ This Quote is a nonbinding expression of interest only and is not intended to create a binding commitment on either party unless and until a definitive agreement has been executed between the parties.
 - ▶ This Quote may include statements regarding plans for future products and services, or future versions of existing products and services. Any such statements are provided solely for your general information and are not part of this Quote unless specifically stated in writing in this Quote.

[Pre-Quote Conference – Slide Deck Page #8.]

The Division expressly advises and warns Bidders not to include language that reserves to the Bidder the future right, as here, to further negotiate the contract terms and/or enter in a future contract with the State. The Division includes this language knowing how the courts have addressed this issue in the past and to help Bidders avoid repeating the same mistakes.

Reserving the right to further negotiate the contract terms and/or enter in a future contract with the State, as Ricoh had, is a non-waivable deviation under River Vale. Allowing Ricoh to “provide clarification regarding language included in [their] submitted proposal” as suggested on page 1 of their Protest Application after the Quote submission deadline would result in an impermissible supplementation of the Quote, which the Division cannot allow as doing so would be contrary to the Court’s holding in In re Protest of Award of On-Line Games Prod. & Operation Servs. Contract, Bid No. 95-X-20175, 279 N.J. Super. 566, 597 (App. Div. 1995). In On-Line Games, the Appellate Division held that “in clarifying or elaborating on a proposal, a bidder explains or amplifies what is already there. In supplementing, changing or correcting a proposal, the bidder alters what is there. It is the alteration of the original proposal which was interdicted by the RFP”. Id.

Ricoh’s protestation that they “missed Section 2.2” does not qualify Ricoh for special consideration. Ricoh was responsible for ensuring their Quote conform to the specifications of the Bid Solicitation, including all sections therein. Ricoh was aware failure to do so may result in their Quote being found non-responsive and ineligible for award. This is incumbent on every Bidder who seeks an Award with the State of New Jersey, Ricoh included. Moreover, the time to raise concerns was during the electronic question and answer period mentioned above.

New Jersey procurement law requires that “specifications and invitations for bids shall permit such full and free competition as is consistent with the procurement of supplies and services necessary to meet the requirements of the using agency. . . .” N.J.S.A. 52:34-12. This principle is based on the long-recognized “policy behind the competitive bidding statutes, i.e., assurance against favoritism, improvidence, extravagance and corruption in the bidding process.” Palamar Constr., Inc. v. Pennsauken, 196 N.J. Super. 241, 251 (App. Div. 1983) (citing Terminal Construction Co. v. Atlantic City Sewerage Auth., 67 N.J. 403, 410 (1975)). “These policies, in turn, are meant to ensure that all bidders are equally situated in their competition for the public contract.” Palamar, supra, 196 N.J. Super. at 251 (citing Hillside Twp. v. Sternin, 25 N.J. 317, 322 (1957)). “The conditions and specifications must apply equally to all prospective bidders. Otherwise, there is no common standard of competition.” Id. Allowing Ricoh’s Quote to proceed to award in light of their failure to adhere to the requirements of the Bid Solicitation would place Ricoh in a superior position among bidders under this Bid Solicitation.

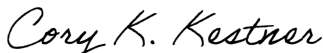
CONCLUSION

Based upon the findings set forth above, I find no reason to disturb the determination that the Quote submitted by Ricoh was non-responsive to the requirements of the Bid Solicitation. Accordingly, I sustain the January 12, 2026, Notice of Intent to Award. This is my final agency decision.

Thank you for your company’s continuing interest in doing business with the State of New Jersey, I encourage you to log into [NJSTART](#) to select any and all commodity codes for procurements you may be interested in submitting a Quote for so that you may receive notification of future bidding opportunities.

This is the Division’s final agency decision. Pursuant to N.J.A.C. 17:12-3.1, this determination is appealable to the Appellate Division of the Superior Court in accordance with the New Jersey Court Rules (R. 2:4-1) which provide a party 45 days to appeal this final agency decision.

Sincerely,



Cory K. Kestner, Esq.
Acting Chief Hearing Officer

CKK: NAA

c. M. Dunn
J. Pastuzyn
C. Quin