

Addendum No. 3
Q&A Board Responses

ADDENDUM NO. 3

State of Florida
Department of Management Services

**INVITATION TO NEGOTIATE (ITN) No. 618-001-10-1
Office and Educational Consumables**

May 7, 2010

Contained herein are the responses to the questions submitted through the MFMP Sourcing Tool Q&A Board. If you choose to print this document, please be advised that the print parameters for this document are set for legal size paper (8½ x 14)

Please Note: This Addendum No. 3 does not need to be returned with the Response.

Addendum No. 3
Q&A Board Responses

#	Question Id #	Content	Response	Submitted By
1	6993001	Will this solicitation be awarded to multiple vendors at 1 vendor? In other words, will 1 vendor be given the responsibility for supplying the whole state, or will multiple vendors be chosen based on location?	In Attachment E, the Department asks Respondents to provide proposals both under a single award strategy and a multi-award strategy. The Department intends to conduct negotiations according to Section 7.3. The Department may award to a single statewide Respondent if the Department identifies significant benefits (e.g. 5% savings).	Ace Office Supplies
2	7025082	What is involved in providing the State of Florida with a punch-out catalog feature through the Ariba system? In other words, what is required to provide this capability? I contacted Ariba, but they instructed me to contact State of Florida for this information	According to Section 5.1, upon award the Contractor will work with the MyFloridaMarketPlace team to obtain specific requirements for the Punch-out Catalog and Electronic Invoicing. Respondents can request additional information about Punch-out Catalogs at from the MyFloridaMarketPlace Customer Service Desk at vendorhelp@myfloridamarketplace.com or 1-866-352-3776.	Ace Office Supplies
3	7036036	Is the awarded contractor required to offer the same sales promotion pricing it offers to the general public to the state contract customers?	Although not required, Respondents should indicate their capability to offer the lower of in-store prices vs. contract prices in their response to Evaluation Question 4. Reference section 7.1.2 for points associated with Question 4.	Deanne's Office & Computer Supply
4	7036057	Section 2.9 of the ITN requires certain disclosures of all respondents including whether it has within a three year period preceding this certification had one or more federal, state, or local government contracts terminated for cause or default. In the event that respondent has had a contract terminated for cause, will they be permitted to participate in this ITN? If they are permitted, is there any penalty assessment against their score, and if so, to what degree?	Section 3.3 outlines who may respond to this solicitation. Evaluation and selection details are outlined in Section 7.0.	Deanne's Office & Computer Supply

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5	7036022	Can a respondent submit a proposal for both statewide and proposals for regional coverage in multiple regions? For example, may a respondent submit one proposal for statewide coverage; one proposal for Region 1; and one proposal for Region 2?	No. If a Respondent offers Regional coverage, the pricing provided in Attachment F will apply to all regions selected by the Respondent on the Regions tab.	Deanne's Office & Computer Supply
6	7036029	If the awarded contractor offers pricing for a specific item, otherwise covered under the contract, to the general public below the state term contract pricing, are they required to revise the contract pricing for that item to the general public pricing?	See Response to Question ID Number 7036036 on Page 2 of this document.	Deanne's Office & Computer Supply
7	7036043	Charles Covington testified to the House Governmental Affairs Policy Committee in January that the current annual office supplies contract spend is \$40 million with \$19 million in local governmental agencies spend and \$21 million in state agency spend. The estimated annual usage in the ITN is \$42 million. Will the local governmental agencies automatically switch to this new contract when it become effective or will they continue to participate on the US Communities Contract? Will the awarded contractor have to solicit and negotiate with each non-state agency to adopt this contract?	Per Florida Statute 287.056, State Agencies are required to use State Term Contracts. Other Eligible Users have the option of using this contract.	Deanne's Office & Computer Supply
8	7036050	Section 2.9 of the ITN requires certain disclosures of all respondents including whether it has within a three-year period preceding this certification had one or more federal, state, or local government contracts terminated for cause or default. In the event that respondent terminated for cause, will they be permitted to participate in this ITN? If they are permitted, is there any penalty assessed against their score, and if so, to what degree?nt has had a contract	See Response to Question ID Number 7036057 on Page 2 of this document.	Deanne's Office & Computer Supply
9	7036064	Have there been any formal or informal protests as to any provisions of this ITN? If so, what was the nature of such protests and how was the ITN modified to accommodate such protest?	An intent to protest was received within 72 hours of the solicitation posting. Addendum No. 1 was issued to clarify the terms included in the intent to protest.	Deanne's Office & Computer Supply
10	7036071	If respondent still has questions after receiving answers on May 7, may they submit request for clarification or ask new questions to be answered at the owners discretion? Sourcing tool indicates we may submit questions until the bidding starts.Do you consider that to be May 14?	No, all vendor questions were due April 30, 2010 at 2:00pm.	Deanne's Office & Computer Supply
11	7036309	Are the usage amounts for core items in Attachments E and F exclusively state agencies' usages or do those usage numbers include local governments, municipalities etc. piggybacking on the current contract?	The estimated annual usages provided in Attachment E and Attachment F include purchases from all Customers of the current contract and are for evaluation purposes only.	Deanne's Office & Computer Supply

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12	7014001	<p>I am a little confused about pricing. Am I able to price each item individually? It seems that the only thing I am able to do is come up with a percentage off S.P. Richards and all of the items in that category would be the same percentage off.</p> <p>Also, in the 3.5.4 RFX area, you ask for proposed catalog with list prices. Does this give me the opportunity to quote each item individually versus just a percentage off? I ask these questions because it's very difficult and limiting to quote only based on percentage for an entire category as some items in that category will be priced higher than I would normally sell in order for me to avoid selling below cost. I believe it's in your benefit to allow individual prices in order to get the lowest bid.</p>	<p>No, Respondents are required to submit a % off of list prices for each of the Product Categories as outlined in the Pricing Proposal Tools (Attachment E or Attachment F). Respondents shall submit the Respondent's Proposed Catalog With List Prices and the minimum required fields as outlined in Section 6.3.5. Respondents are not required to apply their proposed discounts to the Respondent's Proposed Catalog With List Prices. Upon award, the Contractor's Product Category % discount off list price will be applied to the items by Product Category using the Respondent's Proposed Catalog With List Prices.</p>	Miami Data Products, Inc.
13	7035871		No question was received, therefore no response is provided.	Office Depot BSD
14	7035878	We have noticed that there currently is a difference in the responses due date of this bid between the website and Addendum 1. The website says the responses are due on May 11, 2010 at 2 PM and Addendum 1 says the responses are due on May 14, 2010 at 2 PM. Which is the actual correct date please?	Please reference Addendum No. 2	Office Depot BSD
15	7036015	<p>1. Page 4,5,6 Product Categories: a. Will the State require the Respondents to limit the On Line catalog view to ONLY those items that are submitted by each Respondent's ITN price list? 2. Page 4, 5, 6 Product Categories: a. The Consumables list of Product Sub Categories is very broad. Many product categories have widely different spreads in profit margins for each distributor. Would the State consider adding additional categories? The State could potentially benefit by receiving greater discounts on the higher volume Consumable supply items. Suggestions for consideration: Add a Furniture category Add a Breakroom category Redistribute camera film, batteries, chargers, photo paper to the Equipment category 3. Page 12, Section 2.11 and Page 25, Section 4.7: "The Buyer reserves the right to investigate or inspect at any time whether the product, qualifications, or facilities offered by Respondent meet the Contract requirements." and "Customer reserves the right to inspect, at any reasonable time with prior notice, the equipment or product or plant or other facilities of a Contractor to assess conformity with Contract requirements and to determine whether they are adequate and suitable for proper and effective Contract performance." a. Will the State limit any investigations or inspections of our facilities to:</p>	<p>It appears the Respondent submitted all their questions into this one text box (continued onto Page 8 of this document) in the Q&A Board and then separated these questions into individual entries within the Q&A Board. Therefore, the Department has responded to these questions as individually submitted in the Q&A Board.</p>	Office Depot BSD

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		<p>mutually agreed upon times, with at least 30 days prior written notice, no more than one time per 12 month period, at the sole expense of the State and the State may not examine or inspect areas which contain any confidential or proprietary information or products of third parties or our confidential and proprietary information? b. What parameters is the State using to determine if facilities are "adequate and suitable for proper and effective Contract performance"? 4. Page 16 -3.2 & 3.5.4 Use of S. P. Richards: "Respondents are also required to submit with their response an electronic copy of their complete product list that they intend to provide Customers under the awarded contract." a. Are respondents to include core items listed in the ITN in that list? 5. Page 13 – 3.2 and Page 43 – Qualification Questions – Mandatory Requirements: "Do you agree to provide a full line catalog with a minimum of 10,000 items that covers the scope of this contract in Section 1.2? a. May a vendor exclude items from their printed full line catalog that are included within the "scope" of this contract provided the offering meets or exceeds the 10,000 item requirement? Or must a vendor offer every item within their printed full line catalog that is covered by the "scope" of this contract. 6. Page 24, Section 4.4 Price Changes Applicable only to Term Contracts, Item B, Best Pricing Offer: a. Will the State remove this requirement (Page 24, Section 4.4) due to the fact that Addendum No. 1 revised Section 5.14, Best Pricing Comparison, is in conflict? 7. Page 25, Section 4.5 Additional Quantities: For a period not exceeding ninety (90) days from the date of solicitation award, the Customer reserves the right to acquire additional quantities up to the amount shown on the solicitation but not to exceed the threshold for Category Two at the prices submitted in the response to the solicitation. a. Please explain the intent of this paragraph and provide an example of how it would apply to this ITN? 8. Page 25 4.11 Transportation and Delivery: Prices shall include all charges for packing, handling, freight, distribution and inside delivery. a. Will the State exclude Furniture, Fireproof safes, special orders and excessive weight and/or length/width products requiring special handling? 9. Page 26 - 4.14 Transaction Fee: The State will assess a "transaction fee of one percent (1.0%), which the Contractor shall pay to the State". ...? a. Does this transaction fee apply ONLY to those orders placed through the State's Procurement Punchout system? b. Will this transaction fee apply to all sales including P-Card purchases? c. Will this transaction fee apply to "in-store" purchases? d. Will this transaction fee apply to other Political subdivision like schools, cities etc.? e. How will the State differentiate between an end user error causing a return and an error made by the Respondent? 10. Page 36 - 5.2 State of Florida Online Catalog: "For each item, the following information shall be provided at a minimum: item description, manufacturer name, manufacturer part number, unit of measure, list price and contract price." a. The State is requiring that List Price be shown on the Online Catalog. In addition, the State is requiring the Respondents to utilize SP Richard's List price (if available). The SP Richard's List price is not the necessarily the List price on any given Respondent's online catalog. Respondents may not have the option of displaying SP Richard's List price on their Online catalog. In addition, list prices are constantly</p>		

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		<p>being updated by SP Richards and the Manufacturer's and we are obligated to house those List price changes immediately within our system. Since the State is requiring the Respondent to deliver a Net Pricer showing Q1, 2010 SP Richards List price with their response, and to provide additional Net Price files with each allowed price update. These files would be used for any needed price audits or comparisons. Will the State consider foregoing the requirement to show List Price on the vendors online system in order to avoid the confusion your end users may experience with conflicting information? 11. Page 38 - 5.11 Price Changes: In this section the State discusses price changes but nowhere in the ITN does the State make any reference to updating the product mix to new catalogs. Hundreds of new products come out every year and many are discontinued. a. Will the State consider allowing respondents to update their product offering to the State based on catalog changes or updates that occur for most suppliers' semi-annually? Allowing these updates would provide all buyers the product offering with the best availability. 12. Page 38 - 5.11 Price Changes: a. Toner and paper prices are more volatile than the rest of the office and educational items. Will the State consider allowing the price of these two categories to change quarterly during the first year? This would allow respondents to price more aggressively with the knowledge that they will not lose money on the sales in the event of price increases. 13. Page 38 - 5.11 Price Changes: At times manufacturers will raise costs without raising list prices for products especially Toners and Paper. a. Will the state accept requests for price changes with proof of manufacturer's percentage of increase? Example, if a toner manufacturer raised its price to suppliers by 5% then the respondent could submit those letters as proof to substantiate a 5% increase to the State. 14. Page 38 - 5.11 Price Changes: Part 1: "The Department has 30 days to review and approve or deny the requested price update". a. Will the State please clarify on what basis can the State deny a request for a price increase? b. What recourse does the respondent have if they provided the proof stipulated in accordance with the agreed to requirements? Part 2: "If S.P. Richards', the product manufacturers, or the Contractor's list prices decrease, the Contractor shall submit to the Department a revised Product List that reflects the lower list prices for department review and approval. Once approved, the Contractor shall update all systems to provide State of Florida customers the lower pricing immediately." a. Since Manufacturer's List prices may change on a daily basis, to reduce administrative effort for both the State and the contractor, will the State consider allowing respondent to update prices that have decreased on a quarterly basis using the approval process as stipulated in section 5.11? 15. Page 38 - 5.12 Non-Core Items Revised, Contract Anniversary Pricing (Non-Core to Core Discount): "Upon each anniversary of the contract signing, Non-Core items in each category that have met a minimum annual spend threshold of \$10,000 will be added to the core items list and will have their list price lowered by Core discount amount." a. To eliminate products that are infrequently purchased from being unnecessarily added to the core, will the State please add additional parameters in determining the items are added to the core? (e.g. quantity sold and/or times purchased) Example 1: 5 conference</p>		

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		<p>room tables ordered at \$2,000 each would meet the limited requirement above but would add incompatible products to the core that is intended to demonstrate high usage, consumable items.</p> <p>Example 2: One time special purpose purchases or large quantities might also fall into such a \$10,000 category but should not take up valuable core list space that is typically reserved for those items that are ordered on a frequent and/or regular basis. 16. Page 38 - 5.12 Non-Core Items Revised, Contract Anniversary Pricing (Non-Core to Core Discount): "Upon each anniversary of the contract signing, Non-Core items in each category that have met a minimum annual spend threshold of \$10,000 will be added to the core items list and will have their list price lowered by Core discount amount." a. Will the State consider also taking items of less than \$10,000 of annual spend and/or low quantities or times purchased off the core list and adjusting the price to reflect non core discounts? (Separate question) 17. Page 38 - 39 - 5.13 State Objectives: "Products Available from the Blind or Other Handicapped (RESPECT): It is expressly understood and agreed that any articles that are the subject of, or required to carry out, this Contract shall be purchased from a nonprofit agency for the blind or for the severely handicapped that is qualified pursuant to Chapter 413, Florida Statutes." Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE): The State supports and encourages the use of Florida correctional work programs. It is expressly understood and agreed that any articles which are the subject of, or required to carry out, this Contract shall be purchased from the corporation identified under Chapter 946." a. What is State's intent with this objective? Would it be the State's intention that such items be restricted from sale under this contract? 18. Page 16, Q2 and Q6 of Qualification questions: "Order Accuracy - Maintain order accuracy rate of 98% or greater. Order Accuracy rate is defined as "the number of items delivered as ordered divided by the total number of items ordered." a. Please provide an example of how the State would be able to validate that an item ordered was the item shipped? b. How would product returns due to customer error be factored in to this requirement? 19. Attachment E - Audit Cost Tab: a. If the average order size was \$100 the number of invoices to be reviewed to meet the 20% objective would be 80,000 invoices. At \$150, the number would be 53,000 invoices. Would the State consider reducing the number invoices required to be reviewed? b. Would the State consider the auditor to be mutually agreed to by both parties? c. Since the State will select the auditor would it be better to have the State get the quote from that auditor versus having vendors quote prices that may not be accurate since they maybe from different auditors? 20. Page 54, Section 7.1.3 Financial Section: This evaluation question provides up to 100 points for the technical section or 25% of the total points available of 400 and 10% of the points available for the total proposal of 1000 points. The weighting of this section has significant impact on the overall evaluation and appears to overweight relative to other questions. This question is weighted 2.5 to over 3 times more than almost all of the other evaluation questions in the proposal. In addition, measuring the financial strength on just the SQR score does not appear to be an adequate measure of financial strength. For example, a SQR score of 7</p>		

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		<p>would show a probability of failure of .62% (62 per 10,000 or 1 in 160) according to D&B the company that produces the report. This is a significantly small risk of failure. Better scores would show a smaller probability of failure but still would not be measurable different, yet the scoring for a 7, for example, would produce a score of 20 points while a higher score of 6-40 points, 5-60 points, 4-80 points and 1-3-100 points. A slight change in the overall probability of failure results in a score the significantly impacts the rest of the evaluation. a. Will the State remove the financial question as part of the scoring criteria and make it a pass or fail criteria? b. Will the State allow other information to be provided to make their decision on financial strength and how they would score this section? c. Our understanding is that D&B is in the process of discontinuing use of the SQR rating system. Bearing this in mind. Would the State consider the use of an alternative report such as the Composite Credit Appraisal, or the Composite Stress Class. d. Will the State at a minimum reduce the weight of this scoring to bring it more in line with the scoring for other questions? 21. Page 9, 2.4 Terms and Conditions: All responses are subject to the terms of the following sections of this solicitation, which, in case of conflict, shall have the order of precedence listed.... a. Will the State accept and negotiate any additional terms and conditions or exceptions to the terms and conditions in the ITN except for Qualification Questions, Section 6.3.1? b. If the Respondent submits recommended modifications to the State's terms with our proposal due to the inability to accomplish a specific task outlined in the terms and conditions will the Respondent still be considered to be responsive? 22. Page 46-48 - Our understanding is that the legislature has passed a bill that requires this contract to be awarded to 3 suppliers. a. How will Bill that was passed change the evaluation or award criteria? b. Will the Respondents still be required to provide pricing based on a sole award? c. If a Respondent provides delivery across all Regions of the State, are we required to submit pricing on only attachment E? d. Are Respondents required to submit pricing on attachment F if we can cover all Regions?</p>		
16	7036078	<p>1. Page 4,5,6 Product Categories: a. Will the State require the Respondents to limit the On Line catalog view to ONLY those items that are submitted by each Respondent's ITN price list?</p>	<p>a. Yes. See Response to Question ID Number 7036148 on Page 11 of this document</p>	Office Depot BSD
17	7036085	<p>2. Page 4, 5, 6 Product Categories: a. The Consumables list of Product Sub Categories is very broad. Many product categories have widely different spreads in profit margins for each distributor. Would the State consider adding additional categories? The State could potentially benefit by receiving greater discounts on the higher volume Consumable supply items. Suggestions for consideration: Add a Furniture category, Add a Breakroom category Redistribute camera film, batteries, chargers, photo paper to the Equipment category</p>	<p>a. No</p>	Office Depot BSD

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18	7036092	<p>3. Page 12, Section 2.11 and Page 25, Section 4.7: "The Buyer reserves the right to investigate or inspect at any time whether the product, qualifications, or facilities offered by Respondent meet the Contract requirements." and "Customer reserves the right to inspect, at any reasonable time with prior notice, the equipment or product or plant or other facilities of a Contractor to assess conformity with Contract requirements and to determine whether they are adequate and suitable for proper and effective Contract performance."</p> <p>a. Will the State limit any investigations or inspections of our facilities to: mutually agreed upon times, with at least 30 days prior written notice, no more than one time per 12 month period, at the sole expense of the State and the State may not examine or inspect areas which contain any confidential or proprietary information or products of third parties or our confidential and proprietary information?</p> <p>b. What parameters is the State using to determine if facilities are "adequate and suitable for proper and effective Contract performance"?</p>	<p>a. See response to Question ID Number 7036323 on Page 16 of this document. b. The Department will coordinate in advance with a Contractor for any visits to their facilities, including reasons for visit, concerns around proprietary information, and appropriate next steps. The Department's expenses associated with these visits will be paid for by the Department.</p>	Office Depot BSD
19	7036099	<p>4. Page 16 -3.2 & 3.5.4 Use of S. P. Richards: "Respondents are also required to submit with their response an electronic copy of their complete product list that they intend to provide Customers under the awarded contract." a. Are respondents to include core items listed in the ITN in that list?</p>	Yes.	Office Depot BSD
20	7036106	<p>5. Page 13 – 3.2 and Page 43 – Qualification Questions – Mandatory Requirements: "Do you agree to provide a full line catalog with a minimum of 10,000 items that covers the scope of this contract in Section 1.2? a. May a vendor exclude items from their printed full line catalog that are included within the "scope" of this contract provided the offering meets or exceeds the 10,000 item requirement? Or must a vendor offer every item within their printed full line catalog that is covered by the "scope" of this contract.</p>	Respondents shall offer every item within their printed full line catalog that is covered by the "scope" of this contract.	Office Depot BSD
21	7036113	<p>6. Page 24, Section 4.4 Price Changes Applicable only to Term Contracts, Item B, Best Pricing Offer: a. Will the State remove this requirement (Page 24, Section 4.4) due to the fact that Addendum No. 1 revised Section 5.14, Best Pricing Comparison, is in conflict?</p>	Please reference Addendum No.2 and See Response to Question ID Number 7036323 on Page 16 of this document.	Office Depot BSD
22	7036120	<p>7. Page 25, Section 4.5 Additional Quantities: For a period not exceeding ninety (90) days from the date of solicitation award, the Customer reserves the right to acquire additional quantities up to the amount shown on the solicitation but not to exceed the threshold for Category Two at the prices submitted in the response to the solicitation. a. Please explain the intent of this paragraph and provide an example of how it would apply to this ITN?</p>	See Response to Question ID Number 7036323 on Page 16 of this document.	Office Depot BSD
23	7036127	<p>8. Page 25 4.11 Transportation and Delivery: Prices shall include all charges for packing, handling, freight, distribution and inside delivery. a. Will the State exclude Furniture, Fireproof safes, special orders and excessive weight and/or length/width products requiring special handling?</p>	Please reference Addendum No. 2	Office Depot BSD

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24	7036134	<p>9. Page 26 - 4.14 Transaction Fee: The State will assess a "transaction fee of one percent (1.0%), which the Contractor shall pay to the State". ...?</p> <p>a. Does this transaction fee apply ONLY to those orders placed through the State's Procurement Punchout system?</p> <p>b. Will this transaction fee apply to all sales including P-Card purchases?</p> <p>c. Will this transaction fee apply to "in-store" purchases?</p> <p>d. Will this transaction fee apply to other Political subdivision like schools, cities etc.?</p> <p>e. How will the State differentiate between an end user error causing a return and an error made by the Respondent?</p>	<p>a. No, The Transaction Fee applies to all payments made to the Contractor for purchases made under this contract, excluding payments made by the State's P-Card.</p> <p>b. Payments made by the State's P-Card are currently excluded from the Transaction Fee by Rule 60A-1.032, F.A.C.</p> <p>c. Yes, if not paid by the State's P-Card.</p> <p>d. Yes, the Transaction Fee applies to all payments made to the Contractor by Eligible Users as defined in Section 1.4, excluding payments made by the State's P-Card.</p> <p>e. All Transaction Fee credits claimed by the Contractor due to Customer error should be documented by the Contractor and are subject to verification by the Department.</p>	Office Depot BSD
25	7036141	<p>10. Page 36 - 5.2 State of Florida Online Catalog: "For each item, the following information shall be provided at a minimum: item description, manufacturer name, manufacturer part number, unit of measure, list price and contract price." a. The State is requiring that List Price be shown on the Online Catalog. In addition, the State is requiring the Respondents to utilize SP Richard's List price (if available). The SP Richard's List price is not the necessarily the List price on any given Respondent's online catalog. Respondents may not have the option of displaying SP Richard's List price on their Online catalog. In addition, list prices are constantly being updated by SP Richards and the Manufacturer's and we are obligated to house those List price changes immediately within our system. Since the State is requiring the Respondent to deliver a Net Pricer showing Q1, 2010 SP Richards List price with their response, and to provide additional Net Price files with each allowed price update. These files would be used for any needed price audits or comparisons. Will the State consider foregoing the requirement to show List Price on the vendors online system in order to avoid the confusion your end users may experience with conflicting information?</p>	<p>No. The SP Richards list price should be displayed in the Online Catalog and be available for Customer reference. Please refer to Section 3.2 - Use of S.P. Richards.</p>	Office Depot BSD

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26	7036148	<p>11. Page 38 - 5.11 Price Changes: In this section the State discusses price changes but nowhere in the ITN does the State make any reference to updating the product mix to new catalogs. Hundreds of new products come out every year and many are discontinued.</p> <p>a. Will the State consider allowing respondents to update their product offering to the State based on catalog changes or updates that occur for most suppliers' semi-annually? Allowing these updates would provide all buyers the product offering with the best availability.</p>	<p>a. The Department is willing to review for approval quarterly additions and deletions to the product list.</p>	Office Depot BSD
27	7036155	<p>12. Page 38 - 5.11 Price Changes: a. Toner and paper prices are more volatile than the rest of the office and educational items. Will the State consider allowing the price of these two categories to change quarterly during the first year? This would allow respondents to price more aggressively with the knowledge that they will not lose money on the sales in the event of price increases.</p>	<p>a. No.</p>	Office Depot BSD
28	7036162	<p>13. Page 38 - 5.11 Price Changes: At times manufacturers will raise costs without raising list prices for products especially Toners and Paper. a. Will the state accept requests for price changes with proof of manufacturer's percentage of increase? Example, if a toner manufacturer raised its price to suppliers by 5% then the respondent could submit those letters as proof to substantiate a 5% increase to the State.</p>	<p>a. No.</p>	Office Depot BSD
29	7036169	<p>14. Page 38 - 5.11 Price Changes:</p> <p>Part 1: "The Department has 30 days to review and approve or deny the requested price update".</p> <p>a. Will the State please clarify on what basis can the State deny a request for a price increase?</p> <p>b. What recourse does the respondent have if they provided the proof stipulated in accordance with the agreed to requirements?</p> <p>Part 2: "If S.P. Richards', the product manufacturers, or the Contractor's list prices decrease, the Contractor shall submit to the Department a revised Product List that reflects the lower list prices for department review and approval. Once approved, the Contractor shall update all systems to provide State of Florida customers the lower pricing immediately."</p> <p>a. Since Manufacturer's List prices may change on a daily basis, to reduce administrative effort for both the State and the contractor, will the State consider allowing respondent to update prices that have decreased on a quarterly basis using the approval process as stipulated in section 5.11?</p>	<p>Part 1: a. Price changes without supporting documentation (e.g., manufacturer documentation, or relevant price index) may be denied b. Section 4.31 outlines the Dispute Resolution process. Part 2: a. Please reference Addendum No. 2</p>	Office Depot BSD

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30	7036176	<p>15. Page 38 - 5.12 Non-Core Items Revised, Contract Anniversary Pricing (Non-Core to Core Discount): "Upon each anniversary of the contract signing, Non-Core items in each category that have met a minimum annual spend threshold of \$10,000 will be added to the core items list and will have their list price lowered by Core discount amount."</p> <p>a. To eliminate products that are infrequently purchased from being unnecessarily added to the core, will the State please add additional parameters in determining the items are added to the core? (e.g. quantity sold and/or times purchased)</p> <p>Example 1: 5 conference room tables ordered at \$2,000 each would meet the limited requirement above but would add incompatible products to the core that is intended to demonstrate high usage, consumable items.</p> <p>Example 2: One time special purpose purchases or large quantities might also fall into such a \$10,000 category but should not take up valuable core list space that is typically reserved for those items that are ordered on a frequent and/or regular basis.</p>	a. No.	Office Depot BSD
31	7036183	<p>16. Page 38 - 5.12 Non-Core Items Revised, Contract Anniversary Pricing (Non-Core to Core Discount): "Upon each anniversary of the contract signing, Non-Core items in each category that have met a minimum annual spend threshold of \$10,000 will be added to the core items list and will have their list price lowered by Core discount amount." a. Will the State consider also taking items of less than \$10,000 of annual spend and/or low quantities or times purchased off the core list and adjusting the price to reflect non core discounts? (Separate question)</p>	a. No.	Office Depot BSD
32	7036190	<p>17. Page 38 - 39 - 5.13 State Objectives: "Products Available from the Blind or Other Handicapped (RESPECT): It is expressly understood and agreed that any articles that are the subject of, or required to carry out, this Contract shall be purchased from a nonprofit agency for the blind or for the severely handicapped that is qualified pursuant to Chapter 413, Florida Statutes." Prison Rehabilitative Industries and Diversified Enterprises, Inc. (PRIDE): The State supports and encourages the use of Florida correctional work programs. It is expressly understood and agreed that any articles which are the subject of, or required to carry out, this Contract shall be purchased from the corporation identified under Chapter 946."</p> <p>a. What is State's intent with this objective? Would it be the State's intention that such items be restricted from sale under this contract?</p>	The intent of Section 5.13 is to provide Contractors with references to the applicable Florida Statutes governing the use of RESPECT and PRIDE as they develop their written plan to be submitted within 30 days of contract award.	Office Depot BSD

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#	Question Id #	Content	Response	Submitted By
33	7036197	<p>18. Page 16, Q2 and Q6 of Qualification questions: "Order Accuracy – Maintain order accuracy rate of 98% or greater. Order Accuracy rate is defined as "the number of items delivered as ordered divided by the total number of items ordered."</p> <p>a. Please provide an example of how the State would be able to validate that an item ordered was the item shipped?</p> <p>b. How would product returns due to customer error be factored in to this requirement?</p>	<p>a. The Department will rely on the Contractor to track reasons for the return of items by Customers (e.g. Customer order error, Contractor order error)</p> <p>b. If an order is shipped as the Customer ordered, the Contractor can consider it as an accurate order.</p>	Office Depot BSD
34	7036204	<p>19. Attachment E – Audit Cost Tab: a. If the average order size was \$100 the number of invoices to be reviewed to meet the 20% objective would be 80,000 invoices. At \$150, the number would be 53,000 invoices. Would the State consider reducing the number invoices required to be reviewed?</p> <p>b. Would the State consider the auditor to be mutually agreed to by both parties?</p> <p>c. Since the State will select the auditor would it be better to have the State get the quote from that auditor versus having vendors quote prices that may not be accurate since they maybe from different auditors?</p>	<p>a. Please refer to Addendum No. 2</p> <p>b. The Respondent is to select the 3rd party audit firm to obtain a quote. If the Department elects to utilize a 3rd party auditor for this contract, the Department will have final approval of the 3rd party auditor and audit plan.</p> <p>c. During the negotiation phase the Department may request to review the proposed audit plans and work with the Respondent to finalize plans and quotes.</p>	Office Depot BSD

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Q&A Board Responses

#	Question Id #	Content	Response	Submitted By
35	7036211	<p>20. Page 54, Section 7.1.3 Financial Section: This evaluation question provides up to 100 points for the technical section or 25% of the total points available of 400 and 10% of the points available for the total proposal of 1000 points. The weighting of this section has significant impact on the overall evaluation and appears to overweight relative to other questions. This question is weighted 2.5 to over 3 times more than almost all of the other evaluation questions in the proposal. In addition, measuring the financial strength on just the SQR score does not appear to be an adequate measure of financial strength. For example, a SQR score of 7 would show a probability of failure of .62% (62 per 10,000 or 1 in 160) according to D&B the company that produces the report. This is a significantly small risk of failure. Better scores would show a smaller probability of failure but still would not be measureable different, yet the scoring for a 7, for example, would produce a score of 20 points while a higher score of 6-40 points, 5-60 points, 4-80 points and 1-3-100 points. A slight change in the overall probability of failure results in a score the significantly impacts the rest of the evaluation.</p> <p>a. Will the State remove the financial question as part of the scoring criteria and make it a pass or fail criteria? b. Will the State allow other information to be provided to make their decision on financial strength and how they would score this section? c. Our understanding is that D&B is in the process of discontinuing use of the SQR rating system. Bearing this in mind. Would the State consider the use of an alternative report such as the Composite Credit Appraisal, or the Composite Stress Class. d. Will the State at a minimum reduce the weight of this scoring to bring it more in line with the scoring for other questions?</p>	<p>a. No b. No c. No d. No</p>	Office Depot BSD
36	7036218	<p>21. Page 9, 2.4 Terms and Conditions: All responses are subject to the terms of the following sections of this solicitation, which, in case of conflict, shall have the order of precedence listed....a. Will the State accept and negotiate any additional terms and conditions or exceptions to the terms and conditions in the ITN except for Qualification Questions, Section 6.3.1?b. If the Respondent submits recommended modifications to the State's terms with our proposal due to the inability to accomplish a specific task outlined in the terms and conditions will the Respondent still be considered to be responsive?</p>	See Response to Question ID Number 7036323 on Page 16 of this document.	Office Depot BSD

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#	Question Id #	Content	Response	Submitted By
37	7036225	<p>22. Page 46-48 - Our understanding is that the legislature has passed a bill that requires this contract to be awarded to to 3 suppliers.</p> <p>a. How will Bill that was passed change the evaluation or award criteria?</p> <p>b. Will the Respondents still be required to provide pricing based on a sole award?</p> <p>c. If a Respondent provides delivery across all Regions of the State, are we required to submit pricing on only attachment E?</p> <p>d. Are Respondents required to submit pricing on attachment F if we can cover all Regions?</p>	<p>a. At this time, Respondents shall comply with the solicitation as written. The Department may award to a single statewide Respondent if the Department identifies significant benefits (e.g., 5% savings). However, if changes are made to Florida Statutes, the Department will fully comply with Florida Statutes.</p> <p>b. Respondents are required to submit a complete Price Proposal as outlined in the ITN.</p> <p>c. Yes, Respondents offering Statewide coverage shall only use Attachment E - Statewide Pricing Proposal Tool to submit their Price Proposal.</p> <p>d. No, Attachment F is for Respondents offering coverage for 3 or less regions.</p> <p>See Response to Question ID Number 7036323 on Page 16 of this document.</p>	Office Depot BSD
38	7026001	After legal review, the ITN is very strict. Why is the State not willing to negotiate any terms put forth within this contract?		OfficeMax Inc.
39	7036001	The language in the ITN on Most Favored Nations pricing is not agreeable as it's stated. We'd like to respond to the ITN but be allowed to have further discussions on this topic during negotiations if we make it to that point. Is the State open to this?	See Response to Question ID Number 7036323 on Page 16 of this document.	OfficeMax Inc.
40	7036008	When will Arbia be updated with the new timelines as it still shows a deadline of today?	The Arbia system was updated on April 30, 2010. It will be updated again to reflect the changes to Section 1.5 Schedule of Events with Addendum No. 2.	OfficeMax Inc.
41	7036267	3. Is the State of Florida expecting to receive the 1% Transaction Fee on sales for all entities that may purchase from this contract or only for sales from agencies using the MFMP eProcurement System? ITN Reference 4.14 Transaction Fee: "The State of Florida has instituted MFMP, a statewide eProcurement System ("System"). Pursuant to section 287.057(23), Florida Statutes (2002), all payments shall be assessed a Transaction Fee of one percent (1.0%), which the Contractor shall pay to the State, unless exempt pursuant to 60A-1.032, F.A.C."	The State of Florida expects to receive the 1% Transaction Fee on sales for all entities that may purchase from this contract. Payments made by the State's P-Card are currently excluded from the Transaction Fee by Rule 60A-1.032, F.A.C.	Staples Advantage

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#	Question Id #	Content	Response	Submitted By
42	7036323	<p>10. Would the State consider allowing suppliers the opportunity to negotiate terms and conditions during the best and final offers process? It is understood that the State is reluctant to allow suppliers to propose changes to the terms and conditions that would have a material impact on pricing and therefore would give one supplier an unfair advantage. However, most terms and conditions do not impact pricing. Further, this is an Invitation to Negotiate (ITN) process which, by statute, is partially defined as a "written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services. The invitation to negotiate is used when the agency determines that negotiations may be necessary for the state to receive the best value." In order for Florida to attain the best value, it would be in the State's best interest to allow for negotiation of terms and conditions prior to finalizing an award.</p>	<p>Sections 2.0 and 4.0 of the ITN are required to be incorporated into any solicitation and resulting contract pursuant to rule 60A-1.002, F.A.C. The Department may consider alternatives to those terms and conditions during the negotiation sessions. However, if the Department accepts alternative terms and conditions during negotiations, the alternatives will apply to all Respondents so that there is a level playing field in the event of a multiple award. This is not a guarantee that the Department will accept the alternatives during negotiations.</p>	Staples Advantage
43	7036239	<p>The following questions relate to the State of Florida's Invitation to Negotiate (ITN) for Office and Educational Consumables ITN No. 618-001-10-1.</p> <p>=====</p> <p>1. Will the State of Florida accept alternate and/or private label products as part of the submission to the ITN provided the products are of equal or better quality than the products listed on the Pricing spreadsheets? If so, will the State evaluate the pricing of those alternate and/or private label products on an equal basis with the products listed in the Pricing spreadsheets? ITN References 2.10</p> <p>Manufacturer's Name and Approved Equivalents: "Unless otherwise specified, any manufacturers' names, trade names, brand names, information or catalog numbers listed in a specification are descriptive, not restrictive. With the Buyer's prior approval, the Contractor may provide any product that meets or exceeds the applicable specifications. The Contractor shall demonstrate comparability, including appropriate catalog materials, literature, specifications, test data. The Buyer shall determine in its sole discretion whether a product is acceptable as an equivalent." Pricing Proposal Tool: A - Core Items, specifically states, "No substitutes allowed." Issue/Concern A core mission of the Department of Management Services is to deliver the best overall value to state agencies and local governments and to promote fair and open competition. Requiring vendors to price specific manufacturer's items will not meet these objectives. Similar to the State, office supply companies strive to keep costs low by minimizing the number of suppliers they use in procuring their product line. Further, large office supply companies buy the majority of their products direct from manufacturers. The savings achieved through these manufacturer alliances are passed along to their customers. If these vendors were to purchase the</p>	<p>It appears the Respondent submitted all their questions into this one text box (continued onto Page 20 in this document) in the Q&A Board and then separated these questions into individual entries within the Q&A Board. Therefore, the Department has responded to these questions as individually submitted in the Q&A Board.</p>	Staples Advantage

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#	Question Id #	Content	Response	Submitted By
		<p>same basic product from multiple manufacturers their costs would increase and the price they could offer their customers would increase. For example, Office Supply Company A might partner with and purchase all batteries from Eveready while Office Supply Company B purchases all of their batteries from Duracell. This commitment to one manufacturer allows both Company A and Company B to leverage their global volume and receive significant discounts for their customers. Using this example, if the State of Florida requires that all vendors submit a price proposal for Eveready batteries, they are creating an unfair advantage to Company A. Company B would not be able to be price competitive because they neither purchase nor stock Eveready batteries. They would be required to make a special purchase of these products only for the State of Florida at a much higher cost. However, if the State of Florida allows Company B to offer Duracell batteries as an alternate product (same or better quality), this would create a fair and equal opportunity for both Company A and B to offer their lowest possible price to the State. This same scenario can be repeated in numerous product categories. By allowing for alternate and/or private label products the State of Florida will not only ensure they receive the lowest possible pricing for all line items but will also ensure the ITN is fair to all who wish to compete. 2. The State of Florida is requiring respondents to submit discount percentages off an S.P. Richards List Price. Would the State consider allowing vendors to submit fixed pricing (i.e., actual pricing) for the Core Items? ITN Reference 3.2 Use of S. P. Richards: "...For the items contained in the Core Items worksheet, Respondents shall submit discounts off of the Quarter 1, 2010 S.P. Richards' List Price by provided Product Category." Issue/Concern The ITN is clear that the resulting contract(s) must be verifiable and auditable. The element of audit is mentioned numerous times in the ITN and is a critical element to the success of the State of Florida's office supplies program. By requiring fixed prices vs. percentage discounts, the State would be creating a program that is much easier to manage and audit. A fixed price is a known quantity. The actual cost is known when the orders are placed and when invoices are received and reconciled. Percentage discounts require calculations against a publication that changes quarterly. From an audit perspective, fixed prices are much easier to verify. 3. Is the State of Florida expecting to receive the 1% Transaction Fee on sales for all entities that may purchase from this contract or only for sales from agencies using the MFMP eProcurement System? ITN Reference 4.14 Transaction Fee: "The State of Florida has instituted MFMP, a statewide eProcurement System ("System"). Pursuant to section 287.057(23), Florida Statutes (2002), all payments shall be assessed a Transaction Fee of one percent (1.0%), which the Contractor shall pay to the State, unless exempt pursuant to 60A-1.032, F.A.C." 4. Would the State consider revising the Termination for Convenience provision to make it applicable to both parties? ITN Reference 4.22 Termination for Convenience: "The Customer, by written notice to the Contractor, may terminate the Contract in whole or in part when the Customer determines in its sole discretion that it is in the State's interest to do so. The Contractor shall not furnish any product after it receives the notice of termination, except as necessary to complete the continued portion of the</p>		

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		<p>Contract, if any. The Contractor shall not be entitled to recover any cancellation charges or lost profits.”</p> <p>5. In regard to Section 6.4.2 (8th Tab Audit Costs) – can the State please elaborate on this process? What will the audit process entail? Will it be limited to only state agencies or will it include all entities purchasing from this contract? Will the invoices be in electronic form, paper form, purchasing card or a combination? Will the audit need to take place on-site at all purchasing locations in the State of Florida, at the state offices in Tallahassee or at an auditor’s location? What tools will the auditor need? How often will the audits need to take place? ITN Reference Section 6.4.2, 8th Tab Audit Costs: “The Department is interested in determining Respondent’s cost for implementing external auditing on this contract. The Department requires Respondents to provide a value estimating the Respondent’s cost to obtain these 3rd party auditing services if awarded the contract. This section will not be scored and it is for information purposes only. The Department requests Respondents to provide pricing on Price Proposal #1 and Price Proposal #2 exclusive of the audit option. If the Department chooses to incorporate the auditing services as described, it will be discussed with Respondents during negotiations and Respondents will have the opportunity to refine their pricing before the Best and Final Offers are due. Entry of the amount in the table is required for a Respondent’s Price Proposal to be considered responsive.” 6. In regard to Section 6.4.2 (9th Tab Volume Discounts) – if the State elects to award to multiple vendors, how will this requirement work? Will vendors only be required to provide the volume discount on their own sales volume or would all awarded vendors be required to offer the discount based on cumulative sales (i.e., all vendors) under the contract? ITN Reference Section 6.4.2, 9th Tab Volume Discounts: “Respondents shall propose any additional discount % you will provide all Eligible Users when total annual spend of all Eligible Users on the contract exceeds the listed amounts in cells A8 through A21. Discount amounts entered in this table would be added to all current product category discounts for Core Items, Non-Core Items, and Generic Items for balance of contract period, including any extensions. Entry of discount amounts in the table is required for a Respondent’s Price Proposal to be considered responsive. If Respondents are not willing to offer additional discounts, their response should reflect 0% in the required cells.” 7. In regard to Section 5.12 – this provision requires vendors to move items from the Non-Core list to the Core List (and reduce the price) should an individual item exceed spend of \$10,000. To clarify, in a multiple award situation, should one vendor account for, as an example, 90% of the spend for an item and that item exceeds \$10,000, then all vendors would be required to move that item to the Core List and lower their price accordingly. Is this an accurate interpretation? How would this provision work if awarded regionally? ITN Reference Section 5.12 Non-Core Items Revised, Contract Anniversary Pricing (Non-Core to Core Discount): “Upon each anniversary of the contract signing, Non-Core items in each category that have met a minimum annual spend threshold of \$10,000 will be added to the core items list and will have their list price lowered by Core discount amount. If the contract is awarded to multiple Contractors the Department will calculate the collective spend of items across all</p>		

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		<p>Contractors and evaluate against the \$10,000 threshold. Items will be added to the core list of items for all Contractors." 8. As a guideline, the State has provided the estimated annual volume for statewide purchases that have historically been made under prior statewide office supplies programs (\$42 million). This ITN is proposing a possible award by Region. Can the State provide estimated annual volumes for each Region? 9. Can the State please elaborate on the "Best Pricing Comparison" provision? Is this a common practice with State of Florida contracts? Does this clause exist in the State's current office supplies agreement? If so, how has it been enforced? How will it be enforced if the ITN is awarded regionally? Statewide? How will the State monitor this provision? ITN Reference Addendum No. 1 – Best Pricing Comparison -- April 12, 2010 Section 5.14 – Best Pricing Comparison: "Contractor represents that the Customer's pricing under this contract as offered for its aggregate spend during the prior twelve month period is less than the annual aggregate spend under any other state, regional or local government contract or public sector national or multi-state cooperative agreement or program held by the Contractor ("Comparison Contract"). For purposes of this Best Pricing Offer, "Comparison Contract" is defined as a contract that does not exceed 120% of the annual aggregate spend of this contract and has substantially similar items or services that are purchased under similar terms and conditions to this contract. If during the term of this contract, Contractor becomes aware that its pricing for Customer's aggregate spend under this contract is higher than it would be under a Comparison Contract, the pricing structure of the Comparison Contract will be offered to the Customer. If during the term of this contract this contract is higher than it would be under a Comparison Contract, the Customer may request an aggregate price comparison analysis of this contract against the Comparison Contract. We have several major concerns with this section and ask that it either be changed or removed from the document. It is incumbent upon the awarded vendor(s) to enforce this requirement." 10. Would the State consider allowing suppliers the opportunity to negotiate terms and conditions during the best and final offers process? It is understood that the State is reluctant to allow suppliers to propose changes to the terms and conditions that would have a material impact on pricing and therefore would give one supplier an unfair advantage. However, most terms and conditions do not impact pricing. Further, this is an Invitation to Negotiate (ITN) process which, by statute, is partially defined as a "written solicitation for competitive sealed replies to select one or more vendors with which to commence negotiations for the procurement of commodities or contractual services. The invitation to negotiate is used when the agency determines that negotiations may be necessary for the state to receive the best value." In order for Florida to attain the best value, it would be in the State's best interest to allow for negotiation of terms and conditions prior to finalizing an award. 11. In regard to the requirement that vendors submit a Catalog with List Prices – please clarify whether or not to include items not included in this ITN but that have been awarded through other state contracts? ITN Reference Section 3.1.2 Technical, Price</p>		

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#	Question Id #	Content	Response	Submitted By
		<p>Proposals, Forms and Additional Information: "...All Respondents shall use the MFMP Sourcing Tool to submit their responses to the Technical and Price Proposals. Respondents shall also complete and upload the required forms and additional information below in the MFMP Sourcing Tool: • Respondent's Proposed Catalog With List Prices" 12. It has been our experience that an SQR can only be requested by the customer and not by the vendor. If the vendor makes the request as outlined in the ITN but is denied for some reason, does this automatically constitute a zero (0) score? It would seem unfair to penalize a vendor for something outside of their control. ITN Reference Section 6.3.3 (3.3) Financial Section - Supplier Qualifier Report (SQR): "The Department requires submission of the Respondent's Supplier Qualifier Report (SQR) prepared by Dun & Bradstreet (D&B). The Supplier Qualifier Report is a standard report detailing financial and operational capability." 13. Given the fact that there will only be one week between the time the answers to these questions are published and the bid opening date, we respectfully request that the State of Florida extend the bid opening date. ITN Reference Addendum No. 1 - Schedule of Events -- April 12, 2010 Issue/Concern The State of Florida's objective is to receive well developed, aggressively priced offers from multiple office product suppliers. If the responses to the questions lead to a material change (or changes) to the specifications and requirements of this ITN, suppliers may be required to revise their offer strategy. Should this occur, it would be in the best interest of the State to allow suppliers more time to adjust their offer to ensure the State's objectives are fully met.</p>		

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#	Question Id #	Content	Response	Submitted By
44	7036253	<p>The following questions relate to the State of Florida's Invitation to Negotiate (ITN) for Office and Educational Consumables ITN No. 618-001-10-1.</p> <p>1. Will the State of Florida accept alternate and/or private label products as part of the submission to the ITN provided the products are of equal or better quality than the products listed on the Pricing spreadsheets? If so, will the State evaluate the pricing of those alternate and/or private label products on an equal basis with the products listed in the Pricing spreadsheets? ITN References 2.10 Manufacturer's Name and Approved Equivalents: "Unless otherwise specified, any manufacturers' names, trade names, brand names, information or catalog numbers listed in a specification are descriptive, not restrictive. With the Buyer's prior approval, the Contractor may provide any product that meets or exceeds the applicable specifications. The Contractor shall demonstrate comparability, including appropriate catalog materials, literature, specifications, test data. The Buyer shall determine in its sole discretion whether a product is acceptable as an equivalent."</p> <p>Pricing Proposal Tool: A - Core Items, specifically states, "No substitutes allowed."</p> <p>Issue/Concern A core mission of the Department of Management Services is to deliver the best overall value to state agencies and local governments and to promote fair and open competition. Requiring vendors to price specific manufacturer's items will not meet these objectives. Similar to the State, office supply companies strive to keep costs low by minimizing the number of suppliers they use in procuring their product line. Further, large office supply companies buy the majority of their products direct from manufacturers. The savings achieved through these manufacturer alliances are passed along to their customers. If these vendors were to purchase the same basic product from multiple manufacturers their costs would increase and the price they could offer their customers would increase. For example, Office Supply Company A might partner with and purchase all batteries from Eveready while Office Supply Company B purchases all of their batteries from Duracell. This commitment to one manufacturer allows both Company A and Company B to leverage their global volume and receive significant discounts for their customers. Using this example, if the State of Florida requires that all vendors submit a price proposal for Eveready batteries, they are creating an unfair advantage to Company A. Company B would not be able to be price competitive because they neither purchase nor stock Eveready batteries. They would be required to make a special purchase of these products only for the State of Florida at a much higher cost. However, if the State of Florida allows Company B to offer Duracell batteries as an alternate product (same or better quality), this would create a fair and equal opportunity for both Company A and B to offer their lowest possible price to the State. This same scenario can be repeated in numerous product categories. By allowing for alternate and/or private label products the State of Florida will not only ensure they receive the lowest possible pricing for all line items but will also ensure the ITN is fair to all who wish to compete.</p>	<p>For Core Name-Brand items no substitutes are allowed for purposes of completing the Pricing Tool. For Core Generic items, substitutes of equal or higher quality may be proposed. As indicated in Section 6.3.5, Respondents shall provide their Proposed Catalog With List Prices indicating all items available in their catalog.</p>	Staples Advantage

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45	7036260	<p>2. The State of Florida is requiring respondents to submit discount percentages off an S.P. Richards List Price. Would the State consider allowing vendors to submit fixed pricing (i.e., actual pricing) for the Core Items? ITN Reference 3.2 Use of S. P. Richards: "...For the items contained in the Core Items worksheet, Respondents shall submit discounts off of the Quarter 1, 2010 S.P. Richards' List Price by provided Product Category." Issue/Concern The ITN is clear that the resulting contract(s) must be verifiable and auditable. The element of audit is mentioned numerous times in the ITN and is a critical element to the success of the State of Florida's office supplies program. By requiring fixed prices vs. percentage discounts, the State would be creating a program that is much easier to manage and audit. A fixed price is a known quantity. The actual cost is known when the orders are placed and when invoices are received and reconciled. Percentage discounts require calculations against a publication that changes quarterly. From an audit perspective, fixed prices are much easier to verify.</p>	No.	Staples Advantage
46	7036274	<p>4. Would the State consider revising the Termination for Convenience provision to make it applicable to both parties? ITN Reference 4.22 Termination for Convenience: "The Customer, by written notice to the Contractor, may terminate the Contract in whole or in part when the Customer determines in its sole discretion that it is in the State's interest to do so. The Contractor shall not furnish any product after it receives the notice of termination, except as necessary to complete the continued portion of the Contract, if any. The Contractor shall not be entitled to recover any cancellation charges or lost profits."</p>	See Response to Question ID Number 7036323 on Page 16 of this document..	Staples Advantage

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47	7036281	<p>5. In regard to Section 6.4.2 (8th Tab Audit Costs) – can the State please elaborate on this process? What will the audit process entail? Will it be limited to only state agencies or will it include all entities purchasing from this contract? Will the invoices be in electronic form, paper form, purchasing card or a combination? Will the audit need to take place on-site at all purchasing locations in the State of Florida, at the state offices in Tallahassee or at an auditor's location? What tools will the auditor need? How often will the audits need to take place? ITN Reference Section 6.4.2, 8th Tab Audit Costs: "The Department is interested in determining Respondent's cost for implementing external auditing on this contract. The Department requires Respondents to provide a value estimating the Respondent's cost to obtain these 3rd party auditing services if awarded the contract. This section will not be scored and it is for information purposes only. The Department requests Respondents to provide pricing on Price Proposal #1 and Price Proposal #2 exclusive of the audit option. If the Department chooses to incorporate the auditing services as described, it will be discussed with Respondents during negotiations and Respondents will have the opportunity to refine their pricing before the Best and Final Offers are due. Entry of the amount in the table is required for a Respondent's Price Proposal to be considered responsive."</p>	<p>Please refer to the Audit Cost Tab within Attachment E or Attachment F for additional information on the audit requirements. The scope of the audit shall include all Customers under the contract. The Respondent shall work with the 3rd party auditor to develop an auditing plan that meets the Department's minimum requirements as outlined on the Audit Cost Tab within Attachment E or Attachment F - Pricing Tool. The Respondent shall indicate the estimated cost for providing these services in the space provided on the Audit Cost Tab in Attachment E or Attachment F. If selected for negotiations, the Department may request the Respondent to provide the plan behind the quoted price. Also, please refer to Addendum No. 2.</p>	Staples Advantage
48	7036288	<p>6. In regard to Section 6.4.2 (9th Tab Volume Discounts) – if the State elects to award to multiple vendors, how will this requirement work? Will vendors only be required to provide the volume discount on their own sales volume or would all awarded vendors be required to offer the discount based on cumulative sales (i.e., all vendors) under the contract? ITN Reference Section 6.4.2, 9th Tab Volume Discounts: "Respondents shall propose any additional discount % you will provide all Eligible Users when total annual spend of all Eligible Users on the contract exceeds the listed amounts in cells A8 through A21. Discount amounts entered in this table would be added to all current product category discounts for Core Items, Non-Core Items, and Generic Items for balance of contract period, including any extensions. Entry of discount amounts in the table is required for a Respondent's Price Proposal to be considered responsive. If Respondents are not willing to offer additional discounts, their response should reflect 0% in the required cells."</p>	<p>Contractors will only be required to provide volume discounts on their own sales volume. Respondents shall use the table provided in the Pricing Proposal Tool (Attachment E or Attachment F) on the Volume Discount Tab to indicate any additional volume discounts (in cells B8-B21) they will offer if their annual sales on the contract exceed the amounts listed in cells A8-A21.</p>	Staples Advantage

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Q&A Board Responses

#	Question Id #	Content	Response	Submitted By
49	7036295	<p>7. In regard to Section 5.12 – this provision requires vendors to move items from the Non-Core list to the Core List (and reduce the price) should an individual item exceed spend of \$10,000. To clarify, in a multiple award situation, should one vendor account for, as an example, 90% of the spend for an item and that item exceeds \$10,000, then all vendors would be required to move that item to the Core List and lower their price accordingly. Is this an accurate interpretation? How would this provision work if awarded regionally? ITN Reference Section 5.12 Non-Core Items Revised, Contract Anniversary Pricing (Non-Core to Core Discount): "Upon each anniversary of the contract signing, Non-Core items in each category that have met a minimum annual spend threshold of \$10,000 will be added to the core items list and will have their list price lowered by Core discount amount. If the contract is awarded to multiple Contractors the Department will calculate the collective spend of items across all Contractors and evaluate against the \$10,000 threshold. Items will be added to the core list of items for all Contractors."</p>	<p>Yes. As outlined in Section 5.12, if the contract is awarded to multiple Contractors then the Department will calculate the collective spend of each item across all Contractors and evaluate against the \$10,000 threshold. Items that collectively exceed \$10,000 will be added to the Core List of items for all Contractors.</p>	Staples Advantage
50	7036302	<p>8. As a guideline, the State has provided the estimated annual volume for statewide purchases that have historically been made under prior statewide office supplies programs (\$42 million). This ITN is proposing a possible award by Region. Can the State provide estimated annual volumes for each Region?</p>	<p>This information is not available.</p>	Staples Advantage

Addendum No. 3
Q&A Board Responses

#	Question Id #	Content	Response	Submitted By
51	7036316	<p>9. Can the State please elaborate on the "Best Pricing Comparison" provision? Is this a common practice with State of Florida contracts? Does this clause exist in the State's current office supplies agreement? If so, how has it been enforced? How will it be enforced if the ITN is awarded regionally? Statewide? How will the State monitor this provision? ITN Reference Addendum No. 1 -- Best Pricing Comparison -- April 12, 2010 Section 5.14 -- Best Pricing Comparison: "Contractor represents that the Customer's pricing under this contract as offered for its aggregate spend during the prior twelve month period is less than the annual aggregate spend under any other state, regional or local government contract or public sector national or multi-state cooperative agreement or program held by the Contractor ("Comparison Contract"). For purposes of this Best Pricing Offer, "Comparison Contract" is defined as a contract that does not exceed 120% of the annual aggregate spend of this contract and has substantially similar items or services that are purchased under similar terms and conditions to this contract. If during the term of this contract, Contractor becomes aware that its pricing for Customer's aggregate spend under this contract is higher than it would be under a Comparison Contract, the pricing structure of the Comparison Contract will be offered to the Customer. If during the term of this contract the Customer becomes aware of or has a concern that its pricing for Customer's aggregate spend under this contract is higher than it would be under a Comparison Contract, the Customer may request an aggregate price comparison analysis of this contract against the Comparison Contract. We have several major concerns with this section and ask that it either be changed or removed from the document. It is incumbent upon the awarded vendor(s) to enforce this requirement."</p>	<p>Section 5.14 outlines the Department's approach to Best Pricing Comparison. Best Pricing Comparison is a common practice with State of Florida contracts. The Department suggests that Respondents review Senate Bill 2386, which if signed into law, will require contracts containing a preferred-pricing clause to require that the Contractor submit an affidavit attesting to the Contractor's compliance with the clause. The term "preferred-pricing clause" means a contractual provision under which the state is offered the most favorable price that the Contractor offers to any client. Enforcement: Once the Department awards a contract, the Department will conduct benchmarking to other government and educational entities' contracts. If the Department's comparison results appear to show more favorable pricing with another entity, the Department will contact the Contractor. Section 5.14 also indicates that this is a shared responsibility with the Contractor. If the Contractor becomes aware of better pricing that they provide to another customer, the Contractor shall contact the Department.</p>	Staples Advantage

Addendum No. 3
Q&A Board Responses

#	Question Id #	Content	Response	Submitted By
52	7036330	<p>11. In regard to the requirement that vendors submit a Catalog with List Prices – please clarify whether or not to include items not included in this ITN but that have been awarded through other state contracts? ITN Reference Section 3.1.2 Technical, Price Proposals, Forms and Additional Information: "...All Respondents shall use the MFMP Sourcing Tool to submit their responses to the Technical and Price Proposals. Respondents shall also complete and upload the required forms and additional information below in the MFMP Sourcing Tool: •Respondent's Proposed Catalog With List Prices"</p>	<p>As outlined in Section 6.3.5, Respondents are required to submit with their response an electronic copy of their complete product list that they intend to provide Customers under the awarded contract.</p>	Staples Advantage
53	7036337	<p>12. It has been our experience that an SQR can only be requested by the customer and not by the vendor. If the vendor makes the request as outlined in the ITN but is denied for some reason, does this automatically constitute a zero (0) score? It would seem unfair to penalize a vendor for something outside of their control. ITN Reference Section 6.3.3 (3.3) Financial Section - Supplier Qualifier Report (SQR): "The Department requires submission of the Respondent's Supplier Qualifier Report (SQR) prepared by Dun & Bradstreet (D&B). The Supplier Qualifier Report is a standard report detailing financial and operational capability."</p>	<p>Respondents must follow the steps outlined in Section 6.3.3 to request an SQR through Dunn and Bradstreet. If a Respondent does not submit an SQR report as outlined in the ITN, the Respondent will receive a score of zero (0) for the Financial Section.</p>	Staples Advantage
54	7036344	<p>13. Given the fact that there will only be one week between the time the answers to these questions are published and the bid opening date, we respectfully request that the State of Florida extend the bid opening date. ITN Reference Addendum No. 1 – Schedule of Events -- April 12, 2010 Issue/Concern The State of Florida's objective is to receive well developed, aggressively priced offers from multiple office product suppliers. If the responses to the questions lead to a material change (or changes) to the specifications and requirements of this ITN, suppliers may be required to revise their offer strategy. Should this occur, it would be in the best interest of the State to allow suppliers more time to adjust their offer to ensure the State's objectives are fully met.</p>	<p>Please reference Addendum No. 2</p>	Staples Advantage

Addendum No. 3
Q&A Board Responses

#	Question Id #	Content	Response	Submitted By
55	7036351	The State of Florida is committed to the Office of Supplier Diversity program, are there any evaluation points awarded for being a CMBE or CSDVBE with this program?	There are no additional evaluation points awarded for a Respondent who is a Certified Minority Business Enterprise (CMBE) or Certified Service-Disabled Veterans Business Enterprises (CSDVBE). Pursuant to sections 287.057(12), and 295.187, F.S, the Department is permitted to provide a preference to a minority owned or service-disabled veteran owned business if the Department receives two equal responses. In addition, the Department considers participation by CMBEs and CSDVBEs to be an important state objective. Per section 5.13 of the ITN, any winning Contractor will be required to report, within 30 days of award, as to how the Contractor plans to meet this state objective by encouraging participation by minority and service-disabled veteran owned enterprises.	Total Office Products
56	7036232	Will a vendor be allowed to bid on ITN #618-001-10-1 if they are currently under investigation for overcharging the State of Florida?	Please refer to Section 3.3 - Who May Respond to the ITN.	Total Office Products
57	7036246	Is the transaction fee applicable to all items on the pricing proposal?	See Response to Question ID Number 7036267 on Page 15 of this document.	Total Office Products

