

RETURN BIDS TO:
RETOURNER LES SOUMISSIONS À:
Bid Receiving Public Works and Government
Services Canada/Réception des soumissions Travaux
publics et Services gouvernementaux Canada
800 Burrard Street, 2nd Floor
800, rue Burrard, 2e étage
Vancouver, BC V6Z 0B9
Bid Fax: (604) 775-7526

SOLICITATION AMENDMENT
MODIFICATION DE L'INVITATION

The referenced document is hereby revised; unless otherwise
indicated, all other terms and conditions of the Solicitation
remain the same.

Ce document est par la présente révisé; sauf indication contraire,
les modalités de l'invitation demeurent les mêmes.

Comments - Commentaires

Vendor/Firm Name and Address
Raison sociale et adresse du
fournisseur/de l'entrepreneur

Issuing Office - Bureau de distribution
Public Works and Government Services Canada -
Pacific Region
800 Burrard Street, 12th Floor
800, rue Burrard, 12e étage
Vancouver, BC V6Z 0B9

Title - Sujet RMSO - Imaging Consumables	
Solicitation No. - N° de l'invitation EZ107-120002/B	Amendment No. - N° modif. 002
Client Reference No. - N° de référence du client EZ107-120002	Date 2013-11-27
GETS Reference No. - N° de référence de SEAG PW-\$VAN-582-7106	
File No. - N° de dossier VAN-2-35246 (582)	CCC No./N° CCC - FMS No./N° VME
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2013-12-20	
F.O.B. - F.A.B. Plant-Usine: <input type="checkbox"/> Destination: <input checked="" type="checkbox"/> Other-Autre: <input type="checkbox"/>	
Address Enquiries to: - Adresser toutes questions à: Lee, Hilda	Buyer Id - Id de l'acheteur van582
Telephone No. - N° de téléphone (604) 666-1106 ()	FAX No. - N° de FAX (604) 775-7526
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction:	

Instructions: See Herein

Instructions: Voir aux présentes

Delivery Required - Livraison exigée	Delivery Offered - Livraison proposée
Vendor/Firm Name and Address Raison sociale et adresse du fournisseur/de l'entrepreneur	
Telephone No. - N° de téléphone Facsimile No. - N° de télécopieur	
Name and title of person authorized to sign on behalf of Vendor/Firm (type or print) Nom et titre de la personne autorisée à signer au nom du fournisseur/ de l'entrepreneur (taper ou écrire en caractères d'imprimerie)	
Signature	Date

This amendment 002 has been raised to extend the closing date and incorporate the following information into Solicitation No. EZ107-120002/B:

QUESTIONS AND ANSWERS

- Q1.** In 6.4 Limitation of Call-ups (b), From \$2,500 to \$25,000 the identified user may place the Call-up with the Active Offeror whose consumables have the lowest or highest ranking. In essence you are potentially forcing a user to switch between suppliers every 2 months as individual firms lobby for top spot. This is the only supply arrangement that I am aware of that does this for values as low as \$2500. Typically the supply orders that we fulfill for the Federal Government are over that amount as departments consolidate their efforts and one individual support many machines. The added work of where defective product needs to be returned to and who is ultimately responsible for what empty, in my eyes, will be an unnecessary concern related by this document.
- A1. The limitation of call-up from \$2,500 to \$25,000 (HST/GST included) will be changed to "Identified User may place the Call-up with the three (3) highest ranking Active Offerors or the three (3) Active Offerors providing the lowest total price for the required consumables."
- Q2.** Are we allowed to submit our bid in French? Will we be penalized if we do so?
- A2. Bidders are allowed to submit bid in French and will not be penalized to do that.
- Q3.** Is an OEM manufacturer of print supplies able to respond directly to the Solicitation and appoint designated partners as fulfilling agents in the execution of the deliverables on behalf of the OEM partner? Execution is understood to mean:
- A. Reception of orders
 - B. Shipping of orders
 - C. Invoicing of orders
 - D. Processing order returns
 - E. Crediting of orders where necessary
- As well as other matter of an operational nature.
- A3. OEM manufacturer of print supplies can respond directly to the solicitation. However, the OEM manufacturer cannot appoint designated partner as fulfilling agents in the execution of the deliverables on behalf of the OEM partner unless they are a joint venture.
- Q4.** Would the Crown consider making it mandatory that all offerors provide proof from the OEM that they have permission to sell the imaging cartridges (i.e. Manufacturers certification letter)?
- A4. No. PWGSC are not considering making it mandatory.
- Q5.** Our company has passed the CGSB testing for two of products required in the EZ107-120002/A and we are sending the other two as we speak. How is that affecting our position to submit our proposal?
- A5. Offeror must complete the CGSB benchmark testing on the requested four toner cartridges (HP CC364X, HP Q5945A, Lexmark T650H21A and Lexmark 64035HA) with their offer, but may be submitted afterwards. If the certification is not completed and submitted as requested, the Standing Offer Authority will inform the Offeror and provide the Offeror with a time frame within

which to meet the requirement. Failure to comply with the request of Standing Offer Authority and meet the requirement within the time period will render the offer non-responsive.

- Q6.** When we unzip the Attachment for the Price schedule it appears on the computer screen in the very clearly but when we print it the writing is very small almost unreadable. Are we doing something wrong?
- A6.** Please try to adjust the "Page Setup" of the spreadsheet and submit one (1) soft copy on CD or DVD or Flash Drive as indicated in the RFSO.
- Q7.** Our Private Label Brand imaging products are manufactured by a manufacturing company which has CGSB registration for all four engines required. Does Canada consider this compliant for our Private Label Brand imaging products?
- A7.** Yes, that would be compliance. But PWGSC will verify with the manufacturer that the Private Label Brand is what was tested by CGSB.
- Q8.** The price protection obligations under this RMSO EZ107-120002 hold Offerors accountable for prices that may have changed due to cost increases within the previous year. In our opinion these terms do not consider market conditions and place an undue burden on the Offeror. Where an Offeror had prices on a previous RMSO that had been renewed several times without the opportunity to revise prices upward, then prices on the new RMSO could be higher if there had been cost increases in the interim. Would Canada still obligate the Offeror to offer the same prices on the previous RMSO if there had been cost increases?
- A8.** Part 5 - Certifications - Article 2.4 Price Protection - Most Favoured Customer - Sub-article 2.4 (b) refers to non-evaluated and non-NMSO products only. Therefore, PWGSC would not obligate the Offeror to offer the same prices on the previous RMSO if there had been cost increases.
- Q9.** Where an Offeror had locked-in price obligations with another customer and that obligation expired within the year prior to the RMSO and there had been cost increases to the products in question, would Canada still obligate the Offeror to offer the prices on the old contract with another customer?
- A9.** Part 5 - Certifications - Article 2.4 Price Protection - Most Favoured Customer - Sub-article 2.4 (g) refers to non-evaluated and non-NMSO products only. Therefore, PWGSC would not obligate the Offeror to offer the prices on the old contract with another customer.
- Q10.** Currently other Standing Offers permit pricing increases i.e. through the CPI index at time of renewal. As identified in Article 4.2, prices may only be extended under the same conditions and at the same rates or prices specified in the Standing Offer. Will Offer Holders have an opportunity at this renewal time to recover their costs with price increases when their costs are affected by economic and currency changes?
- A10.** Offerors are permitted to increase the price for products which are currently listed on RMSO when they submit the bids for this RFSO. However, once the new RMSO is issued, the Offerors are not allowed to increase their prices.
- Q11.** How will Canada monitor and control on an ongoing basis Call-ups that are over the \$2,500 limitation and being fulfilled by non-qualified Offerors?

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- A11. Government of Canada personnel in charge of purchasing are trained to follow policies and procedures in place, including call-up limitation rules. Departments found to be circumventing the rules of the NMSO can have their authority to place call-up revoked by PWGSC.
- Q12.** How will Canada be sourcing the hundreds of OEM consumables that are not listed on the "OEM Consumables" list provided?
- A12. During the Standing Offer period, additional consumables will be added to the listing to reflect devices which have been added to the Imaging Hardware standing offers.
- Q13.** Some Offerors will use these price decreases to improve their ranking but not have the inventory or the wherewithal to meet the demand. Predatory pricing will be harmful to other Offerors and in the long run be harmful to Canada. How does Canada intend to prevent predatory pricing?
- A13. Canada has the ability to set-aside the Standing Offer of Offerors who are unable to fulfill call-ups at the rates specified in the RMSO.
- Q14.** In our opinion asking for revisions every two months is not workable with a commodity that involves so many different items. This process will tie up valuable resources within the Offeror community. How does Canada intend to update these continual pricing changes in a reasonable timeframe?
- A14. Offerors are not obligated to revise their prices. They can keep their prices remain unchanged.
- Q15.** For past Remanufactured Toner RFSO's some resellers employed a tactic whereby they submitted several bids in a region using different numbered companies with the same brand products which skews the midpoint and giving unfair advantage from multiple entities of the same brand name. How does Canada propose to prevent collusion between numbered companies of the same brand submitting numerous offers?
- A15. Any suspected collusion will be referred to the Competition Bureau of Canada.
- Q16.** How will the evaluation prevent aberrant pricing where some responders use lost leader/below cost pricing on low volume consumables to distort their calculated average cost per page?
- A16. Offerors must fulfill orders at the rates specified in their Standing Offer. It is up to the Offeror what rates they will bid for any given products. Canada may set-aside the Standing Offer of Offerors who are unable to fulfill call-up at the rates specified in the Standing Offer. PWGSC always encourages clients to compare products to ensure they are getting the lowest price occurred in the Standing Offer.
- Q17.** Not all suppliers have access to Ricoh products, as they have restricted supply to only certain VARs. Can you approach Ricoh and ask them to authorize their products to all suppliers through the commercial channel. We feel this is a necessary requirement as these sku's represent a large quantity of the total sku's and could affect our ability to qualify.
- A17. PWGSC has no authority to ask the OEM manufacturers to make their products available to all resellers.
- Q18.** Can you confirm that a supplier will not be disqualified if they only quote the OEM product category?

A18. Offeror will not be disqualified if they only quote the OEM product category as long as they provide prices on at least 70% of the total list of consumables and minimum of 10% (round down to the nearest number) of each type (monochrome, colour and others).

Q19. In Attachment 1, can you confirm the yields on the following Manu Codes? In some cases they are listed twice: 50F0Z00, 40X6401, 40X8110, c734X246J. Also, is C748H1MG a magenta or yellow sku, as it is listed twice.

A19. 50F0Z00 - Yield 60,000 pages
 40X6401 - Yield 120,000 pages
 40X8110 - Yield 100,000 pages
 C734X24G - Yield 80,000 pages
 C748H1MG is magenta, NOT yellow.

Q20. We remanufacture laser printer cartridges. The total list of the imaging consumables contains 751 items out of which only 421 are cartridges. As a remanufacturer do we have to list 20% of the items or 20% of the 421 cartridges?

A20. You have to list 20% of the 751 items.

Q21. I have ordered the documentation on both "Merx" and "Buy and Sell" and as yet haven't received the Excel file for the financial part. Can you confirm how and where I'm suppose to get this file.

A21. The Excel spreadsheet is available on "Buy and Sell" website for download.

Q22. On page 34, Annex C, where it says "For Remanufactured imaging consumables Offeror:, it does not mention using the total average Cost per Page for each type to evaluate the offer. Does that mean that anyone who can offer 20% of the remanufactured imaging consumables will be permitted on the NMSO?"

A22. For Remanufactured imaging consumables, Standing Offer will be issued to Offerors who provide prices for a minimum of 20% (round down to the nearest number) of the consumables on the list in Attachment 1. Offeror must provide prices on HP CC364X, HP Q5945A, Lexmark T650H21A and Lexmark 64035HA cartridges and obtain CGSC qualification number. Also, Offeror's yield must meet or exceed OEM yield.

In Part 7 - Standing Offer And Resulting Contract Clauses, Section 6.4 Limitation of Call-ups

DELETE: (b) **From \$2,500.00 to \$25,000.00:** the Identified User may place the Call-up with the Active Offeror whose consumables, have the lowest price or highest ranking;

INSERT: (b) **From \$2,500.00 to \$25,000.00:** the Identified User may place the Call-up with the three (3) highest ranking Active Offeror or the three (3) Active Offerors providing the lowest total price for the required consumables;

In Annex "C" - Evaluation And Basis of Selection:

For OEM Imaging consumables:

Solicitation No. - N° de l'invitation

EZ107-120002/B

Client Ref. No. - N° de réf. du client

EZ107-120002

Amd. No. - N° de la modif.

002

File No. - N° du dossier

VAN-2-35246

Buyer ID - Id de l'acheteur

van582

CCC No./N° CCC - FMS No/ N° VME

DELETE: Standing Offers will be issued to Offeror's whose total average Cost Per Page from each type (monochrome, colour or others) falls within 50% (round down to the nearest number) of the lowest total average Cost Per Page Offeror submitted for that region.

REPLACE: Standing Offers will be issued to Offeror's whose total average Cost Per Page for each type of consumables (monochrome, colour, others) falls within 50% (round to the nearest four decimal places) of the Offeror with the lowest total average Cost Per Page for that region.

For Remanufactured imaging consumables Offeror:

DELETE: Standing Offers will be issued to Offerors who provide pricing for the list of Remanufactured consumables in Attachment 1. Offeror's yield must meet or exceed OEM yield and have a CGSB qualification.

INSERT: Standing Offer will be issued to Offerors who provide prices for a minimum of 20% of the consumables on the list in Attachment 1. Offeror must provide prices on HP CC364X, HP Q5945A, Lexmark T650H21A and Lexmark 64035HA cartridges and obtain CGSB qualification number. The yield of the offered remanufactured consumables must meet or exceed the OEM yield.

All other terms and conditions remain the same.