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800 Burrard Street, Room 219
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Vancouver, BC V6Z 0B9
Bid Fax: (604) 775-7526

Revision to a Request for a Standing Offer

Révision à une demande d'offre à commandes

Regional Master Standing Offer (RMSO)

Offre à commandes maître régionale (OCMR)

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

Ce document est par la présente révisé; sauf indication
contraire, les modalités de l'offre 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
219 - 800 Burrard Street
800, rue Burrard, pièce 219
Vancouver, BC V6Z 0B9

| | | |
|--|--|---|
| Title - Sujet RMSO - Imaging Consumables | | |
| Solicitation No. - N° de l'invitation EZ107-120002/E | | Date 2015-02-04 |
| Client Reference No. - N° de référence du client EZ107-120002 | | Amendment No. - N° modif. 002 |
| File No. - N° de dossier VAN-2-35246 (582) | CCC No./N° CCC - FMS No./N° VME | |
| GETS Reference No. - N° de référence de SEAG PW-\$VAN-582-7411 | | |
| Date of Original Request for Standing Offer Date de la demande de l'offre à commandes originale | | 2015-01-05 |
| Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2015-02-27 | | Time Zone Fuseau horaire Pacific Standard Time PST |
| 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 | |
| Delivery Required - Livraison exigée | | |
| Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: | | |
| Security - Sécurité This revision does not change the security requirements of the Offer. Cette révision ne change pas les besoins en matière de sécurité de la présente offre. | | |

Instructions: See Herein

Instructions: Voir aux présentes

| | | |
|--|--|---|
| Acknowledgement copy required Accusé de réception requis | Yes - Oui <input type="checkbox"/> | No - Non <input type="checkbox"/> |
| The Offeror hereby acknowledges this revision to its Offer. Le proposant constate, par la présente, cette révision à son offre. | | |
| Signature | Date | |
| Name and title of person authorized to sign on behalf of offeror. (type or print) Nom et titre de la personne autorisée à signer au nom du proposant. (taper ou écrire en caractères d'imprimerie) | | |
| For the Minister - Pour le Ministre | | |

Solicitation No. - N° de l'invitation

EZ107-120002/E

Amd. No. - N° de la modif.

002

Buyer ID - Id de l'acheteur

van582

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

EZ107-120002

File No. - N° du dossier

VAN-2-35246

CCC No./N° CCC - FMS No/ N° VME

TITLE: RMSO - Imaging Consumables

SEE ATTACHED

This amendment 002 is raised to incorporate the following information into Solicitation No. EZ107-120002/E:

- 1) Questions and Answers
- 2) Extend the closing date to Friday, February 27th, 2015 14:00 Pacific Time

QUESTIONS AND ANSWERS

Q1. In order to do a proper assessment for potential pricing, can Canada provide us with a usage report for each OEM item by manufacturer and by region?

A1. PWGSC does not have the usage report for each OEM item by manufacturer and by region. The toner cartridges listed in Annex H are for current NMSO imaging hardware and some are for previous hardware standing offer. The current hardware NMSOs do not have the list of consumables.

Q2. Annex C – Evaluation and Basis of Selection – C2.1 Sustainable Pricing and part 7 – Standing Offer and Resulting Contract Clauses A. 12. Price Refresh

Sustainable pricing; we understand and agree with these requirements and would recommend that this clause be applicable to the four months price reviews and at the yearly renewal. This will prevent anyone from playing the pricing game after the award of an RMSO by reducing their price considerably by using volume rebate or program monies. We feel it needs to be clarified that the “sustainable pricing” criteria must apply to the regular four month price updates and the annual renewal.

With regards to the four month price refresh, this clause will add an extra layer of administration to these RMSO's that will only add to the costs that the Offerors must endure; not to mention the administrative costs that Canada must also undertake to manage these reviews as the manufacturer costs for print consumables rarely decline and the fact that most Offerors will have provided their best price position during the initial bid response the value of this requirement is highly questionable. The annual renewal should suffice to make price revisions that will result in adding further value to Canada.

A2. The “Sustainable pricing” clause is applicable to the four months price reviews and at the yearly renewal. During the Standing Offer period, additional consumables will be added to the list to reflect hardware which have been added to the imaging hardware standing offers. And the Offeror can provide pricing on the updated list of imaging consumables in the price refresh. It is voluntarily for Offeror to decrease their pricing every four month.

Q3. Annex C – Evaluation and Basis of Selection, C2.4 Calculating Methodology – For Remanufactured Imaging Consumables Offers

Must Offerors provide prices for 20% of All Consumables or 20% by Manufacturer?

A3. Offerors must provide prices for 20% of All Consumables listed in Annex H. Each region will be evaluated independently.

Q4. Part 5 – 2.2 – Price Protection – Most Favored Customer – Page 12

The cost for print consumables, along with the Canadian dollar exchange rate have increased over the past year. Prices a year ago were generally lower than they will be at the time of the

new RMSO. Toner costs will continue to increase until the Canadian dollar stops devaluating. How can Canada hold Offerors accountable for circumstances beyond their control? Will Canada rescind this untenable requirement?

A4. We will modify the requirement to remove all references to the previous one year period. This is PWGSC policy to have the price protection in place for standing offer.

Q5. Part 7 – 5.3.1 – No Contracting Outside Authority – Page 17

From time to time Identified User will purchase non-core items via the Offeror's website. Is one of the intents of this clause to prevent online purchase of non RMSO toners or print consumables?

A5. It is a mandatory use of standing offer for imaging consumables. If Identified User wants to purchase non-core items, he/she is required to get approval from the Standing Offer Authority. Once the Standing Offer Authority approves his/her requirement, the Identified User can purchase the non-core items.

Q6. Part 7A – 12 – Price Refresh – Page 22

During the Standing Offer Period, PWGSC reserves the right to specify an alternative downward price revision process at their sole discretion. The intent of this clause is not clear. Can Canada please explain further the reasoning behind this clause?

A6. The downward price revision process may be adjusted for administrative reasons. Some examples of administrative reasons would include:

- (a) a requirement to submit pricing in a modified format;
- (b) a need to make minor adjustment to the submission dates; or
- (c) to allow for improved automated process.

Q7. Part 7B – Discretionary Audit – Commercial Goods and/or services – Page 27

Does this apply to all items or to only the non evaluated and non RMSO items as mentioned in Part 5 – 2.2?

A7. The "Discretionary Audit" applies to non-evaluated and non-RMSO items only.

Q8. It has come to our attention that there are a significant amount of supplies (specifically drums) missing for the OKI portion regarding this request for standing offer. I can supply you with a listing of the missing consumables - will you be able to add it to the solicitation offer?

A8. The toner cartridges listed in Annex H are for current NMSO imaging hardware and some are for previous hardware NMSO. Other imaging consumables (drums, maintenance kits...) may be added in future. Offerors are welcome to provide the list of missing consumables directly to Standing Offer Authority during the tendering period. PWGSC will consider to add those missing items in Annex H.

Q9. Are you able to provide an estimate of overall volumes of items purchased along with a breakdown of OEM vs. remanufactured usage?

A9. The estimated overall volume per year for OEM is \$10M and \$5M for remanufactured.

-
- Q10.** If a supplier bids correctly with regards to product percentages inside the brands, but not on all the brands, will you still consider this company as a possible supplier?
- A10.** For OEM products, consumables for each individual imaging hardware manufacturer in each region will be evaluated independently from the others. The Offerors are not required to provide pricing on all hardware manufacturers. They can provide prices for one or more than one imaging hardware manufacturer. However, they have to meet the minimum percentage of items for OEM and remanufactured consumables in Annex H. Failure to do that will be considered non-compliant.
- Q11.** Section 2: Is it possible to submit our bid via email. For companies based on the east coast, there may be some time/logistic issues with submitting physical copies of the tender. It happen sometimes that pricing or documents are not made available by the manufacturers until close to the deadline and it take 3 days to ship to Vancouver.
- A11.** Due to the nature of this RFSO, no bids by facsimile and electronic mail are accepted. The Offeror must also provide one hard copy and one soft copy (CD or DVD or USB thumb drive) on technical offer and financial offer.
- Q12.** Section 4.2.1: Certain manufacturers are raising their toner prices in the middle of February this offer is to be mailed to PWGSC by the 18th of February. Can the RFP deadline be extended by at least one week so that accurate pricing can be submitted.
- A12.** We will amend the closing date of this RFSO to Friday, February 27th, 2015 14:00 Pacific Time.
- Q13.** Section 4.2.1: Because of the volatility of the CDN dollar, suppliers costs can fluctuate. Since this standing offer will produce extremely competitive pricing from various companies, there is virtually no room to recoup losses due to external influences such as exchange rates. The Government has offered suppliers to lower their costs every 4 months however would they be willing to offer a potential increase at the same time to take into account any price increases for the suppliers.
- A13.** Offerors have the opportunity to increase their pricing upon notification of extension of standing offer. It is voluntarily for Offeror to decrease their pricing every four month.
- Q14.** There seems to be a large number of cartridge SKU's purchased by the government currently that do not appear on the electronic price list. How does PWGSC deem what needs to be added to the list. Would the Government be willing to allow suppliers to add a separate list with SKU's not on the graded list that government users can purchase from. This was done during the last standing offer. Also, on amendment 1, Annex H was revised to include toners from the imaging Hardware NMSO. The consumables for category 3.4 to 3.10 and 4.3 to 4.6 were not included. Can these be added as well so that clients that purchase their hardware instead of leasing them have a vehicle on which to procure the consumables.
- A14.** The toner cartridges listed in Annex H are for current NMSO imaging hardware and previous hardware standing offer. During the Standing Offer period, additional consumables will be added to the list to reflect hardware which have been added to the imaging hardware standing offers. Currently, there are no consumables listed on imaging hardware NMSO. The Offerors do not require to add a separate list with SKU's that government users can purchase from. Imaging hardware in Category 3.4 to 3.10 and 4.3 to 4.6 are mostly for leased and only a few were

purchased by the Government. Therefore, we anticipated the purchase of toner cartridges for those categories will be low.

- Q15.** Page 22 of 54 states remanufactured offerors must maintain 15% of all products in a region. Page 38 of 54 says remanufactured offerors must provide prices for minimum of 20%. Does this mean that must have 15% of products per region but 20% overall?
- A15.** Remanufactured offerors must provide prices for a minimum of 20% (round down to the nearest number) of the list of consumables in Annex H (all manufactured items) in each region. And each region will be evaluated independently. After the financial evaluation, Offerors will be recommended for Standing Offer award if a minimum of 15% (round down to the nearest number) of all remanufactured items in a region is compliant to the minimum and maximum pricing thresholds.
- Q16.** If a low price that is submitted is considered sustainable in section C2.1 could that price also be considered Aberrant in section C2.2?
- A16.** Yes, it can be sustainable and aberrant.
- Q17.** Non-stocked items could be unavailable for a variety of reasons. For instance, the items may not be available from the manufacturer and are on back-order either with the OEM or Reman manufacturer. In this case, 7 days could not be met.
- What is the Crown's expectations for items that are currently not available and back-ordered from the OEM or Reman?
- A17.** Not available and back-ordered items from the OEM or Reman which cannot be delivered within seven (7) working days will be reviewed on a case-by-case basis.
- Q18.** Orders to OEMs and Reman are not made by UPC code, but by part number and UPC codes are not tracked on orders. The RFP's financial tables in Annex H requires us to bid based on product numbers (part numbers). Reporting to the government by UPC code would require a huge effort on behalf of offerors solely for the purpose of reporting.
- Would the government please clarify exactly what number it will be expecting vendors to report on?
- A18.** The Offerors are not required to provide UPC codes in their report. The clause for UPC codes will be deleted in Annex I. Offerors must provide the product numbers (part numbers) on the report.
- Q19.** Section II Financial Offer Annex H requires that we print one hard copy of the "Pricing Summary" worksheet and one soft copy of the entire workbook. We cannot find a "Pricing Summary" either in the RFP document in Annex H – revised January 9, 2015.
- Would the government please clarify the requirement for a hard copy of the "Pricing Summary" worksheet?
- A19.** There is no actual page named "Pricing Summary" in Annex H. Offerors must print out and submit the worksheets in Annex H with their Offer once they completed the pricing for each individual imaging hardware manufacturer. They can submit a hard copy of the worksheet only for those they meet the minimum % for OEM consumables and remanufactured. For soft copy,

Offerors must save a copy of completed worksheets in Excel 2003-2003 compatible format (.XLS) on CD or DVD or USB thumb drive and submit it with their Offer.

Q20. Part 7A – 6.3 – Call up Instrument – Page 19

PWGSC has allowed Offerors with standing offers for Paper and Office Products to operate a Federal Micro-site that permit online purchase as long as certain requirements are met. These sites were developed at great expense to Standing Offer holders but do allow the Identified Users to make online purchases from these micro sites which in fact become "942 Call-up Against authorized micro sites?

A20. At this moment, the purchase of imaging consumables will not be integrated with the micro site for Paper and Office Products. Also, on-line purchase will not be available on this RMSO.

Q21. Part 7A – 6.6 – Non-standing Offer items – Page 20

This clause appears to be a make work project for both the Identified Users and the Contracting Authority. Currently, Identified User will often order non-core print consumables from a PWGSC authorized Micro-sites. The current process for Office Products is that non standing offer items can be ordered on-line buy must be invoiced separately from a call-up. How does Canada plan to administer the requirement to approve non standing offer print consumables in writing with respect to on-line purchases?

A21. For all purchases of non-RMSO imaging consumables, the Identified Users must get the approval from the Standing Offer Authority to either include the items on their call-up or proceed with an order outside of the standing offer using their standard departmental procedures. Please refer to answer in A6.

Q22. What is the maximum dollar value for non-standing offer items on a 942?

A22. There is no maximum dollar value for non-standing offer items on a 942. However, Identified Users must get the approval from Standing Offer prior to including them on their call-up. If Offerors find the Identified Users have ordered a large portion of non-standing offers on their 942, please notify the Standing Offer Authority immediately.

In the Solicitation document:

Page 1 – Front page

DELETE: Solicitation closes on February 18, 2015 at 2:00 pm Pacific Time

INSERT: Solicitation closes on February 27, 2015 at 2:00 pm Pacific Time

DELETE: Annex H - Electronic Financial Offer Template (EFOT)

INSERT: Annex H - Electronic Financial Offer Template (EFOT) - Revised on February 4th, 2015

Part 5 – Section 2.2 Price Protection – Most Favored Customer

DELETE:

(b)To the best of the Offeror's knowledge, the prices it is charging to Canada under any resulting Call-up or Contract are not higher than the lowest prices/rates that it has charged any other customer (including other Government of Canada entities) for a similar quality and quantity of goods and services in the year before the Call-up/Contract was awarded.

INSERT:

(b)To the best of the Offeror's knowledge, the prices it is charging to Canada under any resulting Call-up or Contract are not higher than the lowest prices/rates that it has charged any other customer (including other Government of Canada entities) for a similar quality and quantity of goods and services.

DELETE:

(e)During this audit, the Offeror must produce invoices and contracts for similar quality or quantity of goods or services sold to other customers from one year before the Call-up/Contract was awarded until the end of the Contract Period. If the Offeror is required by law or by contract to keep another customer's information confidential, the Offeror may black out any information on the invoices or contracts that could reasonably reveal the identity of the customer (such as the customer's name and address), as long as the Offeror provides, together with the invoices and contracts, a certification from its Senior Financial Officer describing the profile of the customer (e.g., whether it is a public sector or private sector customer and the customer's size and service locations).

INSERT:

(e)During this audit, the Offeror must produce invoices and contracts for similar quality or quantity of goods or services sold to other customers. If the Offeror is required by law or by contract to keep another customer's information confidential, the Offeror may black out any information on the invoices or contracts that could reasonably reveal the identity of the customer (such as the customer's name and address), as long as the Offeror provides, together with the invoices and contracts, a certification from its Senior Financial Officer describing the profile of the customer (e.g., whether it is a public sector or private sector customer and the customer's size and service locations).

DELETE:

(g)If Canada's audit reveals that the Offeror charged lower prices for a similar quality and quantity of goods and services under any contract where deliveries were made in the year before the Call-up/Contract was awarded, or that the Offeror delivered additional goods or services under the Contract after reducing its prices for other customers but without reducing the prices under resulting Call-up/Contract(s), then the Offeror must pay to Canada the difference between the amount charged to Canada and the amount charged to the other customer, up to a maximum of 25% of the value of the Call-up/Contract.

INSERT:

(g)If Canada's audit reveals that the Offeror charged lower prices for a similar quality and quantity of goods and services under any contract where deliveries were made, or that the Offeror delivered additional goods or services under the Contract after reducing its prices for other customers but without reducing the prices under resulting Call-up/ Contract(s), then the Offeror must pay to Canada the

difference between the amount charged to Canada and the amount charged to the other customer, up to a maximum of 25% of the value of the Call-up/Contract.

In Annex C – Evaluation and Basis of Selection

DELETE:

For Remanufactured imaging consumables Offeror:

After the financial evaluation, Offerors will be recommended for Standing Offer award if a minimum of 15% (round down to the nearest number) of all Remanufactured items for an individual imaging hardware manufacturer in a region is compliant to the minimum and maximum pricing thresholds. Offeror's yield must meet or exceed OEM yield and have a CGSB qualification.

INSERT:

For Remanufactured imaging consumables Offeror:

After the financial evaluation, Offerors will be recommended for Standing Offer award if a minimum of 15% (round down to the nearest number) of all Remanufactured items in a region is compliant to the minimum and maximum pricing thresholds. Offeror's yield must meet or exceed OEM yield and have a CGSB qualification.

Annex C – Evaluation And Basis of Selection, Section C2.2 Aberrant prices:

DELETE:

In addition to the evaluation methodology described below, PWGSC may use mathematical models supplemented by independent research to identify and isolate aberrant prices. Aberrant prices are defined as prices whose deviation from the norm is so great that it has an impact on PWGSC's ability to evaluate prices offered for the line item fairly. Prices deemed as aberrant by PWGSC will be excluded from the calculations at C2.4 a) & b) and assigned a score of zero(0).

INSERT:

In addition to the evaluation methodology described below, PWGSC may use mathematical models supplemented by independent research to identify and isolate aberrant prices. Aberrant prices are defined as prices whose deviation from the norm is so great that it has an impact on PWGSC's ability to evaluate prices offered for the line item fairly. Prices deemed as aberrant by PWGSC will be excluded from the calculations at C2.4 and assigned a score of zero(0).

Annex I – Instructions for Completing the Electronic Standing Offer Usage Report

DELETE:

f) UPC Code

This field must contain the manufacturers UPC Code for the item sold as a result of call ups against the Standing Offer. This identifier must be the same as the one used in the Electronic price list (of the resulting Standing Offer). The offeror must enter UPC for the item.

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VAN-2-35246

Buyer ID - Id de l'acheteur
van582
CCC No./N° CCC - FMS No/ N° VME

Part 3 – Offer Preparation Instructions, Section 1. Offer Preparation Instructions

DELETE:

Section II: Financial Offer (Annex H): one (1) hard copy of the "Pricing Summary" worksheet and one (1) soft copy of the entire workbook on CD or DVD or USB thumb drive.

INSERT:

Section II: Financial Offer (Annex H): one (1) hard copy of the pricing worksheet for each individual imaging hardware manufacturer and one (1) soft copy of the entire workbook on CD or DVD or USB thumb drive.

All other terms and conditions remain the same.