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K1A 0S5

Bid Fax: (819) 997-9776

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

Commercial Acquisitions & Fast Track Procurement
Div/Div des Acquisitions commerciales et achats en
régime accéléré
L'Esplanade Laurier,
East Tower 7th Floor
140 O'Connor, Street,
Ottawa
Ontario
K1A 0R5

Title - Sujet OFFICE SUPPLIES FOURN. DE BUREAU	
Solicitation No. - N° de l'invitation E60PD-19OSFB/C	Date 2019-07-03
Client Reference No. - N° de référence du client E60PD-19OSFB	Amendment No. - N° modif. 001
File No. - N° de dossier pd150.E60PD-19OSFB	CCC No./N° CCC - FMS No./N° VME
GETS Reference No. - N° de référence de SEAG PW-\$\$PD-150-77284	
Date of Original Request for Standing Offer 2019-06-13	
Date de la demande de l'offre à commandes originale	
Solicitation Closes - L'invitation prend fin at - à 02:00 PM on - le 2019-07-24	
Time Zone Fuseau horaire Eastern Daylight Saving Time EDT	
Address Enquiries to: - Adresser toutes questions à: Fulham, Veronique	
Buyer Id - Id de l'acheteur pd150	
Telephone No. - N° de téléphone (343) 550-1625 ()	FAX No. - N° de FAX () -
Delivery Required - Livraison exigée	
Destination - of Goods, Services, and Construction: Destination - des biens, services et construction: AS PER CALL-UP TEL QUE COMMANDÉ	
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		

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This amendment is raised to answer questions from the Industry and to make the following modifications;

- 1. Answer questions raised from the Industry;***
- 2. Modify Part 4- Evaluation Procedures and Basis of Selection, article 4.1 Evaluation Procedures, sub-article 4.1.2 Financial Evaluation, sub-article 4.1.2.2 Aberrant Prices;***
- 3. Modify Part 4- Evaluation Procedures and Basis of Selection, article 4.1 Evaluation Procedures, sub-article 4.1.2 Financial Evaluation, sub-article 4.1.2.3 Calculation Methodology, section b. Line Items 451-2,979;***
- 4. Modify Annex A- Requirement, article A.3 Environmental Considerations;***
- 5. Modify electronic attachment at Annex C- Electronic Financial Offer Template (EFOT);***
- 6. Modify electronic attachment at Annex D- Discounts Against Regular Price;***
- 7. Modify Part 4- Evaluation Procedures and Basis of Selection, article 4.2 Basis of Selection, sub-article 3.d;***
- 8. Modify Part 6- Standing Offer and Resulting Contract Clauses, article A6.4 Term of Standing Offer, sub-article A6.4.2 Extension of Standing Offer, sub-article A6.4.2.1 Pricing Adjustments.***

- 1. Answer questions raised from the Industry;***

Question 001:

Were the top 450 items in Annex C categorized based on quantity purchased or by total spend purchased?

Answer 001:

The top 450 items in Annex C were selected based on the highest aggregated quantities and the number of transactions per item. The list was then sorted by manufacturer not by rank.

Question 002:

In Section 4.1.2.3 Calculation Methodology, Canada has stated that 50% of the line items from 1 to 450 will be evaluated in a blind basket. How many items from 451 to 2,979 will be selected for the blind-basket evaluation?

Answer 002:

For line items 451-2,979, 50% of the items will be selected for the blind-basket evaluation. Please see modification at article 3 below.

Question 003:

As a reseller, we are not able to restrict cost increases on the manufacture of goods as we are not the manufacturer. How does Canada intend to allow for manufacturer-based increases on the goods purchased based on sustainable pricing or will Canada be negotiating with manufacturers directly to stabilize costs for the duration of the standing offer?

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Answer 003:

Canada does not negotiate with manufacturers, although, they are aware of this product list and were solicited to update their respective product line as the vendor community. It is our belief that vendors have the ability to secure some bid costing from manufacturers in order to provide government of Canada pricing for the duration of the Standing Offer and take into account the allowable annual price increase.

Canada acknowledges that some pricing from manufacturers might increase during the life to the SO. However, Canada cannot dictate the pricing that is submitted as part of the Offer. It is the risk and choice of Offerors on the fair and reasonable pricing that is submitted.

The allowable annual price increases, will be based on the Consumer Price Index (CPI) as stated in Part 6- Standing Offer and Resulting Contract Clauses, article A6.4 Term of Standing Offer, sub-article A6.4.2 Extension of Standing Offer, sub-article A6.4.2.1 Pricing Adjustments.

Question 004:

In the Sample Evaluation provided in Annex C, the formulas used do not match the RFSO. Is this intentional?

Answer 004:

The formula in the Sample Evaluation of the EFOT is the same except that the formula includes "if" statement to determine the proper Factor (F) to be used based on the pricing scales.

Question 005:

How does Canada intend to evaluate the discounts offered per category in Annex D?

Answer 005:

Canada will not evaluate the discounts offered per commodity in Annex D, but will require a minimum discount (%) of your published price list. Furthermore, Canada is researching ways to evaluate this annex in the future.

Question 006:

In the discount by category in Annex D, there is only one (1) discount being requested. The industry standard is for two categories by each item class as well as List Items and Market/Net items. Could Canada modify the discount category table to allow for the two applicable discounts to be shown?

Answer 006:

Canada is asking to provide your minimum discount by Commodity stipulated in Annex D. We understand that some products whether categorized as List or Net might be at a different cost to sell structure and that the possible discount might be only 5 % as others could go as high as 70 %. It is your choice to select the discount you can offer by products within a Commodity.

Question 007:

In reviewing the pricing formula, we have found that the point variances appear to be overstated based on the dollar differences between prices which is creating an imbalanced evaluation. If we look at example 2 on the top 450 items, it is noted that there is a 20% premium between the two prices of \$30 and \$25; however, if

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we were to look at the discount used to get to \$25 from \$30, it would actually only be a 16.67% discount/difference. Using the following formula: $\text{Score} = (1 - ((1 - (L/P)) * F)) * 100$, we would see a more balanced impact on a dollar difference to points earned ratio for each item being evaluated.

Answer 007:

Our evaluation is based on the premium paid from the lowest price, not on the possible discount received. Canada will not change the evaluation method.

Question 008:

We strongly disagree with the blind basket approach. Taking a random basket will not ensure that Canada is getting the best prices on this Request for Standing Offer (as you would exclude half of your top items) and does not meet the transparency requirements suppliers expect from public tenders. We recommend that you evaluate all items listed in the EFOT (Annex C). Including all items in the evaluation would also smooth out the variance in pricing for all suppliers as we would not be punished if our cost to procure some items is higher due to purchasing the item through a third party instead of direct. These anomalies would be averaged out in everyone's score and would be a fairer approach.

Answer 008:

Canada believes that a blind basket will provide the government of Canada with a fairer price across the core list. The blind basket approach will be kept in the financial evaluation of the EFOT.

Question 009:

Please remove all Tork product as this vendor is "closed loop" which means they are exclusive to certain vendors.

Answer 009:

Canada has verified the information directly with Tork, and has removed the following items from the EFOT in Annex C:

Delete line item 2,978: TORK, PAPER TOWEL, 2 PLY, 210 SHEETS, 100% RECYCLED, 12 PK
Delete line item 2,979: TORK 2 PLY TISSUE, FLAT BOX, 8X7 100 PCS, ECOLOGO, 30 PK

Question 010:

Please exclude the "Basics" manufactured/brand product in the EFOT (Annex C) as this is a private-label product only available to the Basics buying group.

Answer 010:

Canada has reviewed the EFOT in Annex C and has removed the following item:

Delete line item 1,579: BASICS® 8" BENT SCISSORS

Question 011:

1.2.3 Comprehensive Land Claims Agreements, Page 6 of 63 and A.6.4.3 (page 28 of 63):
Can PSPC provide bidders with specific location information on the locations in Canada subject to Comprehensive Land Claims Agreements?

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Answer 011:

Although Comprehensive Land Claim Agreements are not applicable to this Request for Standing Offer (RFSO), you can view a map of all existing Comprehensive Land Claim Agreements at the following link:

http://sidait-atris.aadnc-aandc.gc.ca/atris_online/home-accueil.aspx

Question 012:

1.8 Electronic Purchasing Tool – Notification and 1.10 Anticipated Migration to an e-Procurement Solution (EPS) (Pages 8-9 of 63):

Would PSPC please disambiguate these two systems – are they in fact the same solution or in some way separate, if they are not referring to the same solution, please provide a disambiguation.

Answer 012:

Article 1.10 Anticipated Migration to an e-Procurement Solution (EPS) makes reference to a specific tool that the government of Canada will be using in the future once implemented. Article 1.8 Electronic Purchasing Tool- Notification makes reference to any other tool that PSPC may implement during the life of the Standing Offer.

Question 013:

A6.4.2.1 Pricing Adjustments (Page 27 of 63):

- a. The use of the CPI as a tool for annual price increases is challenging for Offerors as the CPI is artificially constrained by significant consumer products sold at retail, specifically automotive fuel and food (grocery products), neither of which make up a part of this RFP. Would PSPC consider instead using the Industrial Products Price Index (IPPI) published by Statistics Canada on a monthly basis?
<https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1810003001>
- b. Will the price of 250 private label products submitted in the EFOT only be authorized for a price modification if there is an extension to the contract or can these be modified at any time as long as they are within the discounts against regular price in Annex D?

Answer 013:

- a. Canada has reviewed your request and will keep the annual price increases with the Consumer Price Index (CPI). Canada believes that this index is the most beneficial to Canadians.
- b. The private labels that an Offeror may submit in the EFOT will only be authorized for a price increase if and when the option year is exercise. Otherwise, the prices will remain the same throughout that Standing Offer period. However, at the time of exercising an option year, the Private Label products will not be subject to the CPI price increase.

Question 014:

A6.3.2.2.1 Ad Hoc Usage Reports – Standing Offer Environmental Attributes (p. 26 of 63) and Annex D: Will items included by Offerors in Annex D – Discounts against regular price be held to the Ad Hoc reporting and certification (or Offeror-supplied environmental attributes without certifications) standards in A6.3.2.2.1? We particularly note under Recycled content, subparagraph 2 that UL ECOLOGO is called out for all writing materials.

Answer 014:

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Yes, the items included by Offerors in Annex D will be held to the Ad Hoc reporting and certification (or Offeror-supplied environmental attributes without certifications) standard in A6.3.2.2.1, if applicable.

Question 015:

Annex D – Discounts against regular price:

Are products that are inconsistent across Offerors, such as pens or markers, permitted to be included in Annex D, as long as a discount is applied against the regular price of these items?

Answer 015:

Yes, products that are inconsistent across Offerors, such as pens and markers, are permitted to be included in Annex D, as long as the specified discount is applied against the regular price.

Question 016:

4.2 Basis of Selection, 3. c. Private Label products – (p.18 of 63):

- a. Will the 250 private label products submitted in the EFOT and in accordance and compliance with the terms of this section be listed along with the 2,980 Annex C items for the end users (and optional users) to view internally? For more precision, how will the 250 private label products be distinguished from Annex C or Annex D items?
- b. Would PSPC please clarify which circumstances would lead to a price revision in this statement "The price offered for a Private Label product may be revised against the Offeror's public facing website".

Answer 016:

- a. The 250 private label products that an Offeror may submit will be part of the EFOT in Annex C. These additional items will be available to all authorized users (federal/ provincial/ territorial and MASH) for viewing. The Private Label products will be added with its own heading to the bottom of the EFOT, and will be sectioned by Standing Offer Holder.
- b. PSPC will revise the pricing offered for the Private Label products against the Offeror's public facing website. In the event that the price of the Offeror's Private Label product is higher than the public facing website, the Offeror will be required to submit the correct pricing.

Question 017:

A6.7 Call-Up Procedures (p.30 of 613):

Would PSPC please clarify how Provincial/Territorial Identified Users will select the Standing Offer they will issue Call-Ups against? Is the intent for the Provinces to use this Standing Offer to purchase from only one of the suppliers who has been awarded the SO in their province, or will they select the supplier who best meets their needs on a requirement by requirement basis?

Answer 017:

The intent for the Provinces using the Standing Offers to purchase office and desk supplies, is to select the Offeror that best meets their immediate needs by utilizing the EFOT in Annex C, the Discounts in Annex D and the Delivery Schedules in Annex E.

2. Modify Part 4- Evaluation Procedures and Basis of Selection, article 4.1 Evaluation Procedures, sub-article 4.1.2 Financial Evaluation, sub-article 4.1.2.2 Aberrant Prices;

Part 4- Evaluation Procedures and Basis of Selection, article 4.1 Evaluation Procedures, sub-article 4.1.2 Financial Evaluation, sub-article 4.1.2.2 Aberrant Prices is hereby modified as follow:

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Delete:

In addition to the evaluation methodology described below, PSPC may use mathematical models supplemented by independent research to identify and isolate aberrant prices. An aberrant price is defined as a price whose deviation from the norm is so great that it has an impact on PSPC's ability to evaluate prices offered for the line item fairly. Prices deemed as aberrant by PSPC will be excluded from the calculations at 4.1.2.5 a. through d. and assigned a score of zero (0).

Insert:

In addition to the evaluation methodology described below, PSPC may use mathematical models supplemented by independent research to identify and isolate aberrant prices. An aberrant price is defined as a price whose deviation from the norm is so great that it has an impact on PSPC's ability to evaluate prices offered for the line item fairly. Prices deemed as aberrant by PSPC will be excluded from the calculations at 4.1.2.3 a. through d. and assigned a score of zero (0).

3. *Modify Part 4- Evaluation Procedures and Basis of Selection, article 4.1 Evaluation Procedures, sub-article 4.1.2 Financial Evaluation, sub-article 4.1.2.3 Calculation Methodology, section b. Line Items 451-2,979;*

Part 4- Evaluation Procedures and Basis of Selection, article 4.1 Evaluation Procedures, sub-article 4.1.2 Financial Evaluation, sub-article 4.1.2.3 Calculation Methodology, section b. Line Items 451-2,979 is hereby modified as follow:

Delete:

Line Items 451- 2,979:

PSPC will not evaluate every line item from 451 to 2,979. A random computer generated list (blind basket) will be generated by CCPD's Director on the closing date of the solicitation indicated in the RFSO. Each region will be evaluated independently from the others. For the line items included in the blind basket of the EFOT:

Insert:

Line Items 451- 2,976

PSPC will only evaluate 50% of the line items from 451 to 2,976. A random computer generated list (blind basket) will be generated by CCPD's Director on the closing date of the solicitation indicated in the RFSO. Each region will be evaluated independently from the others. For the line items included in the blind basket of the EFOT:

4. *Modify Annex A- Requirement, article A.3 Environmental Considerations;*

Annex A- Requirement, article A.3 Environmental Considerations is hereby modified as follow:

Delete:

PSPC has elected to identify in the list of 2,979 items which will form the EFOT items that incorporate one or more of the following criterion where reasonably practicable.

Insert:

PSPC has elected to identify in the list of 2,976 items which will form the EFOT items that incorporate one or more of the following criterion where reasonably practicable.

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5. *Modify electronic attachment at Annex C- Electronic Financial Offer Template (EFOT);*

The electronic attachment in Annex C- Electronic Financial Offer Template (EFOT) is hereby deleted in its entirety and replaced with the following attachment:

Delete: Annex C- EFOT (EN)

Insert: Annex C- EFOT (EN) V.2

6. *Modify electronic attachment at Annex D- Discounts Against Regular Price;*

The electronic attachment in Annex D- Discounts Against Regular Price is hereby deleted in its entirety and replaced with the following attachment:

Delete: Annex D- Discount Table (EN)

Insert: Annex D- Discount Table (EN) V.2

7. *Modify Part 4- Evaluation Procedures and Basis of Selection, article 4.2 Basis of Selection, sub-article 3.d.;*

Part 4- Evaluation Procedures and Basis of Selection, article 4.2 Basis of Selection, sub-article 3.d. is hereby modified as follow:

Delete:

The Private Label products offered will not be evaluated in accordance with the methodology at article 4.1.2.3 Calculation Methodology. The price offered for a Private Label product must be lower than the price shown on the Offeror's public facing website. The price offered for a Private Label product may be revised against the Offeror's public facing website. In the event that the price of the Offeror's Private Label product is higher than the public facing website, the Offeror will be required to submit the correct pricing.

Insert:

The Private Label products offered will not be evaluated in accordance with the methodology at article 4.1.2.3 Calculation Methodology. The price offered for a Private Label product must be lower than the price shown on the Offeror's public facing website. The price offered for a Private Label product will be revised against the Offeror's public facing website. In the event that the price of the Offeror's Private Label product is higher than the public facing website, the Offeror will be required to submit the correct pricing.

8. *Modify Part 6- Standing Offer and Resulting Contract Clauses, article A6.4 Term of Standing Offer, sub-article A6.4.2 Extension of Standing Offer, sub-article A6.4.2.1 Pricing Adjustments.*

Part 6- Standing Offer and Resulting Contract Clauses, article A6.4 Term of Standing Offer, sub-article A6.4.2 Extension of Standing Offer, sub-article A6.4.2.1 Pricing Adjustments is hereby modified as follow:

Delete:

Upon notification of extension Offerors will be authorized to modify their pricing. Pricing may be adjusted downward, upward or left the same. The PSPC Sustainable Pricing strategy does not apply to pricing revisions.

Offerors must submit proposed price changes to the Standing Offer Authority for consideration. Prices must not be increased by more than the rate established in the Consumer Price Index (CPI). PSPC will accept the proposed price increase rounded up to two decimals in the event that the rounding of the price is above the CPI. The CPI is widely used as an indicator of the change in the general level of consumer prices or the rate of inflation.

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For the purpose of this Standing Offer, CPI shall be the percentage change over one year, Core CPI, as posted at the Bank of Canada web site, will be used. (link below):

http://www.bankofcanada.ca/rates/price-indexes/cpi/?page_moved=1

Insert :

Upon notification of extension Offerors will be authorized to modify their pricing. Pricing may be adjusted downward, upward or left the same. The PSPC Sustainable Pricing strategy does not apply to pricing revisions.

Offerors must submit proposed price changes to the Standing Offer Authority for consideration. Prices must not be increased by more than the rate established in the Consumer Price Index (CPI). PSPC will accept the proposed price increase rounded up to two decimals in the event that the rounding of the price is above the CPI. The CPI is widely used as an indicator of the change in the general level of consumer prices or the rate of inflation.

For the purpose of this Standing Offer, CPI shall be the percentage change over one year, Core CPI, as posted at the Bank of Canada web site, will be used. (link below):

http://www.bankofcanada.ca/rates/price-indexes/cpi/?page_moved=1

Private Labels:

Upon notification of extension Offerors will be authorized to modify their pricing. Pricing may be adjusted downward, upward or left the same.

Offerors must submit proposed price changes to the Standing Offer Authority for consideration. Prices must not be increased by more than the price shown on the Offeror's public facing website. PSPC will accept the proposed price increase rounded up to two decimals.

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.