



STATE OF DELAWARE
EXECUTIVE DEPARTMENT
OFFICE OF MANAGEMENT AND BUDGET

April 4, 2018

TO: ALL OFFERORS

FROM: SHANNON WROBEL
STATE CONTRACT PROCUREMENT OFFICER

SUBJECT: ADDENDUM TO REQUEST FOR PROPOSAL NO.: GSS18489-OFFICESUPPLIES

ADDENDUM #1:

The purpose of this addendum is to answer questions received regarding the solicitation.

Information regarding the current contract is available online at:
http://contracts.delaware.gov/contracts_detail.asp?i=3282

QUESTIONS AND ANSWERS

1. I obtained a copy of the bid for office supplies and wanted to know if I could obtain a copy of the last bid tabulation.

Can I also please get a copy of last year tab sheet on this bid?

- a. All prior contracts covering the State's needs for Office Supplies have been through a National Cooperative. The current contract is through NJPA.



2. Can you tell me if this will be awarded to one or several vendors?

Section I. A. 5. MULTIPLE SOURCE AWARD (page 5) While reserving the right to award any contract resulting from this RFP to more than one vendor, is it the State's intention and/or desire to award a single source contract?

a. A determination will be made regarding the number of vendors awarded based on the proposal evaluations as to what is in the best interest of the State.

3. To clarify, can we bid only on the toner cartridge portion or we must bid on every single item?

a. Bidders do not need to bid on every category to be considered for award.

4. With the exception of the "I Found It Cheaper" Program, are the state agencies required to use this agreement for their office supply needs?

a. Yes. The office supplies and accessories contract is a mandatory use contract for all covered agencies.

5. Please provide us with the GSS18489_Office Supplies_ RFP document in Word so we can use the document for our responses.

a. A copy of the RFP document is not needed with a response.

6. On file GSS18489_Office Supplies_appB_pricing can you please add the following information:

- a. Current Vendors Item Number
- b. Mfg Number
- c. Qty Sold in 2017
- d. UOM
- e. Pack Qty
- f. Current Sell Price

a. Please refer to 18489 AD1 attachment for more information of what was purchased in 2017.

7. What was the total number of orders placed in 2017?

a. There were 10,620 orders placed under the office supplies and accessories contract on our eMarketplace system in 2017.

8. What was the total number of lines placed in 2017?

a. There were 75,225 lines placed under the office supplies and accessories contract on our eMarketplace system in 2017.

9. What was the Average Order Size in 2017?
 - a. There average order amount for orders placed on our eMarketplace system in 2017 was \$290.00.
10. How many locations will we be required to deliver to?
 - a. There are 932 different street addresses in our eMarketplace system. Some street addresses have multiple departments and/or agencies. There are 2231 different ship to addresses in in our eMarketplace system.
11. Approximately how many users place orders for supplies?
 - a. Over 1300 people placed orders under the office supplies and accessories contract on our eMarketplace system in 2017.
12. Page 22 – Bullet 19 – Electronic Catalog: Will the end users be placing orders with Office Depot directly via our website (bsd.officedepot.com) or does the state use a middleware provider? If there is a middleware provider, please identify who it is and will there be hosted or punch out catalog?
 - a. The State currently purchases items covered on the Office Supplies and Accessories contract through the State's eProcurement portal, eMarketplace hosted by Jaggaer. A determination has not been made regarding implementation of a hosted or punch out catalog for this contract.
13. What is the percent of orders placed in 2017 via the internet, phone and/or fax?
 - a. As of July 1, 2017 all orders from all agencies, schools, and municipalities for the office supplies and accessories contract have been placed on the State's eMarketplace system.
14. Section III. H. DISCOUNT (page 7). Will "added discounts" be considered as part of the evaluation criteria? For example, would a prompt payment discount be assimilated by the State into the "Pricing" portion of the Evaluation Criteria and thus carry any specific weight?
 - a. The evaluation criteria is identified in the request for proposal.
15. Section III. N. PROPOSAL EXPIRATION DATE (page 8). Does this language that vendor proposals must remain valid through 7/31/2020 or that any pricing submitted and subsequently made part of any resulting contract are to be held firm through that date? As we see in Section VI. B. 15. PRICES (Page 21) that prices are to remain firm for the initial two year term of the contract, we are concluding that the start date for this contract is 8/1/18. Can you confirm that this conclusion is accurate?
 - a. This is a two year contract that will start on August 1, 2018 and expire on July 31, 2020. Pricing must remain firm through the entire contract period.

16. Section IV. A. 13. INVOICING (page 20). Does the State have any special or customized invoicing requirements that we should be aware of that would fall under the category of “an acceptable invoice”?
- a. All invoices should accurately reflect the purchase made, line items should be detailed for reconciliation. Different agencies may have specific requirements that they will communicate to awarded vendors as they are needed.
17. Section IV. A. 8. OR EQUAL (PRODUCTS BY NAME) (page 13). This question relates to a question below where we will be asking for the part number of the current provider for all line items on the ‘Market Basket’ tab of the Appendix B price file: Typically, in instances where items on a government bid list supplied by the current vendor are private label or proprietary items of that vendor, referencing the item number and providing an item description for any alternate items necessary to bid the item are regarded as sufficient information to satisfy “that the function, characteristics, performance and endurance qualities of the material offered is equal or superior to that specified”? Is that information sufficient for the State, or are there other specific requirements that non-incumbent vendors must meet or additional information that they must supply? If so, can you please specify what the State would be looking for in terms of additional information and/or certifications?
- a. The items bid on the market basket must meet the description that is identified in column A of the market basket tab of Appendix B. Most items do not reference a specific manufacturer. If your company wishes to bid an alternate item or manufacturer, please indicate that it is an alternate in column D and provide the description in column E. Refer to 18489 AD1 attachment for more information of what was purchased in 2017.
18. Section IV. E. CRITERIA AND SCORING (Page 15). Regarding “pricing”, what relative role will the “Category Discounts”, “Market Basket” and “Product Offering” play in the scoring for the Pricing section of the Evaluation Criteria? Can the State give us some idea of what weight each of those three individual components will carry in the evaluation of pricing? For example, will the primary focus be on the Market Basket? Or, alternately, will greater weight be placed on the discounting, etc?
- a. Product offering is a separate scoring criteria from pricing. The evaluations will depend on the overall offering from each bidder as there is not a requirement to bid on every identified category.
19. Section IV. E. CRITERIA AND SCORING (Page 15). As pertains to the market basket tab of Appendix B, as it currently stands the State has provided no usage directly for the 574 line items on that tab. That being the case, how will the State determine low bidder and award points in the “Pricing” category of the Evaluation Criteria? Will the state determine low bidder based on who has the lowest price on the most number of items? An example of that scoring methodology might be:

	Low On		# of Low Items Compared to Vendor A	Points
Vendor A	288	items		35
Vendor B	216	items	75.00%	26.25
Vendor C	70	items	24.31%	8.5085

Or, alternately, will the state determine low bidder and award points in this section based on the total price bid by each bidder on a "one each" basis for all items combined, like as follows:

	"One Each" Total Price	Price Compared to Vendor A	Points
Vendor A	\$10,000.00		35
Vendor B	\$11,000.00	10.00%	31.5
Vendor C	\$12,000.00	20.00%	28

Please elaborate.

Could the State elaborate similarly on its analysis methodology for the off core section of the Product Offering/Discount of this RFP?

- a. The evaluations will depend on the overall offering from each bidder as there is not a requirement to bid on every identified category.

20. Section IV. E. CRITERIA AND SCORING (Page 15). Is the state soliciting any sort of incentives outside of line pricing and discounting (i.e.- Volume Rebates, Signing Bonus, etc., or are financial considerations here to be limited strictly to pricing and catalog discounting?

- a. The evaluation criteria is identified in the request for proposal.

21. Section IV. A. 21. TEMPORARY PERSONNEL ARE NOT STATE EMPOLYEES UNLESS AND UNTIL THEY ARE DIRECTLY HIRED (pages 22 and 23). How is this section of the RFP referenced above specifically applicable to vendors? Will vendors be expected to provide temporary personnel to the State as part of any contract resulting from this RFP? If so, in what capacity, to what extent, and what quantity of personnel would be deemed necessary?

- a. This is standard contract boilerplate language. Temporary personnel are not required for the office supplies and accessories contract.

22. Section IV. A. 22 ACA SAFE HARBOR (Page 23). How is this section of the RFP referenced above specifically applicable to vendors? Will vendors be expected to provide temporary personnel to the State as part of any contract resulting from this RFP? If so, in what capacity, to what extent, and what quantity of personnel would be deemed necessary?
- a. This is standard contract boilerplate language. Temporary personnel are not required for the office supplies and accessories contract.
23. Section IV. A. 36. C. METHOD OF PAYMENT (Page 28). Can the State provide any sort of estimate as to what percentage of invoices are paid by P-Card, if that percentage is anything other than one hundred percent (100%)?
- a. Method of payments vary by agency.
24. Section IV. A. 36. METHOD OF PAYMENT (Page 28). How is payroll data and/or itemization of non-salary costs relevant to the invoicing under any contract resulting from this RFP? This question effectively relates to our questions above regarding temporary personnel and ACA Safe Harbor? Is the supply by vendor of temporary personnel to the State necessary in any way under this contract? Section 42 (PERSONNEL, EQUIPMENT AND SERVICES) on pages 29-30 of the RFP would indicate that no such temporary personnel are deemed necessary? However, if in fact deemed necessary, can the State please identify to the fullest and most detailed extent possible what those requirements are and what type of and what quantity of temporary personnel would be required?
- a. This is standard contract boilerplate language. Temporary personnel are not required for the office supplies and accessories contract.
25. Attachment 11- Reply Requirements, (Page 51), Section 1. With regards to the submission requirements noted on pages 50 and 51, are the “Two paper copies of the vendor proposal paperwork” required intended to mean one “original” copy and one copy of the original documents for a total of two paper copies, or does this language mean that one “original” copy and two copies of the original document (for a total of three copies, one original plus two copies) are required?
- a. Two paper copies of the proposal are needed (one original, one copy).
26. Appendix A- Scope of Work, Section M (WARRANTY), page 56. How specifically does the State want bidders to address the various bullets contained within this section? With regards to the first of the four bullets listed within this section, are vendors required to state the warranty for all of the individual items contained within the market basket? For every individual line item in its product offering? What level of detail regarding the “Availability of replacement parts” is required, and what specifically does this pertain to, the program in general, or some or all specific items bid? What level of detail regarding the “Life expectancy of equipment under normal use” is required, and what specifically does this pertain to, the program in general, or some or all specific items bid?
- a. A bid must identify your firm’s process should a warranty claim arise. Each of the bullets mentioned in Scope of Work, Section M (WARRANTY) should be included in the response.

27. Appendix B Excel File, "Category Discounts" tab. Will Gross Profit Floors or any other sort of vendor declaration to reserve the right to not sell items below cost be allowed as part of bidders' minimum discount offering? For those uninitiated with the term, an illustration/example of a Gross Profit Floor follows:

Example of a Gross Profit Floor:

<u>Item</u>	<u>Item Description</u>	<u>List Price</u>	<u>Quoted Discount</u>	<u>Net Price Based on Quoted Discount</u>	<u>Dealer Cost</u>	<u>Gross Profit Floor Percentage</u>	<u>Final Price to Customer Based on Gross Profit Floor</u>	<u>Actual Discount Received</u>	Increase, Actual Price vs. "Discountable" Price
ABC123	WIDGET,X-LRG,BLUE	\$10.00	50.00%	\$5.00	\$6.00	20.00%	\$7.50	25.00%	50.00%

In the example above for item ABC123, the prevailing discount quoted is 50.00%. The list price for the item is \$10.00. Applying a discount of 50.00%, the net price for the item would be \$5.00. However, the dealer cost for the item is \$6.00 and in the example above the dealer has attached a 20.00% Gross Profit Floor to its 50.00% discount. Therefore, the sell price of \$5.00 based on the quoted discount of 60.00% results in a gross profit for the dealer that is less than 20.00%, thereby triggering the conditional 20.00% Gross Profit floor. Thus, the dealer cost of \$6.00 is marked up to result in a sell price to the customer that includes 20.00% gross profit for the dealer, a sell price of \$7.50 (\$1.50 profit on the sell price of \$7.50 equals 20.00% Gross Profit). In this example, the actual discount received by the customer on this transaction is 25.00% (List Price: \$10.00; Purchase Price: \$7.50 = discount received of 25.00%). IN THIS EXAMPLE, THE ACTUAL PRICE IS FIFTY PERCENT HIGHER THAN THE PRICE CHARGED AT THE QUOTED DISCOUNT MINUS THE GROSS PROFIT FLOOR

- a. Pricing will be evaluated by the best price. The evaluations will depend on the overall offering from each bidder as there is not a requirement to bid on every identified category.

28. Appendix B Excel File, "Market Basket" tab In order to assist vendors in streamlining the item matching process on line items on this tab, provide further clarification on items where the product description alone is vague enough to leave room for doubt as to the precise item sought, and to enable non incumbent vendors to ascertain the State's traditional usage for Market Basket items, can the current item number of the incumbent vendor for each of the 574 items be provided? This information is required also in order for bidders to complete Column D ("alternate item?") of this tab. Were that information not to be provided, we would then be forced to ask the State to provide bidders with historical usage for each of the individual Market Basket Items in order to create a level playing field for all bidders and not give a material and unfair advantage to the current provider, who obviously has all this information. While we realize and appreciate that the State did provide Excel files containing State usage for its Fiscal Years 2017 & 16, it seems that the item descriptions used to formulate the Market Basket do not match exactly any of the item descriptions contained on those usage reports and therefore are somewhat prohibitive in trying to ascertain traditional State usage as collating that information is by necessity a manual process.

I am working on putting together a bid for office supplies and wanted to know if you have item numbers for the descriptions of items on the market basket.

- a. The items bid on the market basket must meet the description that is identified in column A of the market basket tab of Appendix B. Most items do not reference a specific manufacturer. If your company wishes to bid an alternate item or manufacturer, please indicate that it is an alternate in column D and provide the description in column E. Refer to 18489 AD1 attachment for more information of what was purchased in 2017.

29. Appendix B Excel File, "Market Basket" tab. We notice a significant amount of HP toner on the Market Basket tab. Does the State of Delaware have a "Big Deal" with Hewlett-Packard containing targeted additional discounting specifically for the State? If so, please provide written consent allowing HP to all bidders to that Big Deal so that those bidders can access the specifics of that program and ensure a fair and level playing field for all bidders.

- a. There is not a special agreement between the State of Delaware and HP in regards to toner.

30. Appendix B Excel File, "Market Basket" tab. What percentage of the State's total annual spend is encompassed by the 574 Market Basket items?

- a. The items identified on the market basket tab were 60% of the 2017 spend on office supplies and accessories.

31. Appendix B Excel File, "Market Basket" tab. We notice that the following columns are hidden: N, O, P, Q, R, T, U, V, W, X, AA, AB, AC. Is this by intention and are they to be disregarded by bidders, or is this information sought as part of the bid response?

- a. These columns are hidden intentionally as the information is not needed for the proposal response.

32. Appendix B Excel File, "Market Basket" and "Product Offering" tabs. With regards to the column headed "Product Size", what specifically is the State looking for here? For example, if the item is a stapler, does this refer to the sheet capacity of the stapler, or the height x length x width of the stapler itself? Another example would be a toner cartridge: size could conceivably be defined as a page yield, or, again, the physical dimensions of the item itself. Then there are items where the item size really isn't relevant, like a marker or an envelope moistener. ALTERNATELY, we are wondering if the correct interpretation here is in fact the quantity within a selling unit of measure, like the number of labels in a box, for example. Could the State please clarify?

- a. Provide packaging information for the product. Together with Packaging UOM, this attribute tells user about exact configuration (For example a single 5L bottle or five 1L bottles) in which product will be supplied. Provide enough details such that user understands packaging details. Make sure that any unit used in the value is as per the standard list of Product Size unit values (product sizes category).

33. Appendix B Excel File, "Market Basket" and "Product Offering" tabs. What is the differentiation in terms of what the State is looking for the column headed "Is Green?" and that headed "Green Product"?

- a. The "Is Green?" column is used as a flag to identify if a product is green, or not. The "Green Product" column is a supporting attribute for the "Is Green?" flag. This attribute is used to indicate the specific certification, based on guidance issued by various agencies, which applies to the product to identify it as a green product.

34. Appendix B Excel File, "Product Offering" tab. We notice that the following columns are hidden: L, M, N, O, P, R, S, U, V, Y, Z, AA. Is this by intention and are they to be disregarded by bidders, or is this information sought as part of the bid response?

- a. These columns are hidden intentionally as the information is not needed for the proposal response.

35. Appendix B Excel File, "Product Offering" tab. Bidders will likely be responding with tens of thousands of items for this section. As such, the amount of information required based on the various columns for this tab are really prohibitive from a time standpoint; that is, inputting all information for Columns J (Product Size) through AJ (Made in USA) for tens of thousands of items is going to take bidders past May 10th to get completed. It just isn't feasible, given the number of line items that will comprise the response to this section. Perhaps the best example of this issue relates to our inquiry directly above regarding "item size". If the State were looking for bidders to provide the physical dimensions of all items it offers for sale, we're skeptical that we could even complete that task outright. Even confirming the number of "eaches" within a box or carton for the number of items involved is certain to be an extremely time consuming process. We would request that, in lieu of an extension to the bid due date in order to satisfactorily complete all information for all fields, that completion of all fields from Column H through AH be optional, or, at the very least, satisfied by submission with the bid response of a vendor catalog which would contain all of this information. Otherwise, we would request an extension to the bid due date of a minimum of four weeks in order to complete all columns on this tab not specified as "Optional Field" in the instruction tab of Appendix B.

a. The amount of product data was taken into consideration before posting this RFP, which is why it was released eight weeks before the bid due date. The bid due date will not be extended beyond 3:00pm May 10, 2018.

36. Total Aggregate Spend (Separate pdf document provided by the State). Can the State provide any insight into why the total annual spend went from \$4,930,124 in FY14 to \$1,908,290 for FY15? Was a commodity such as copy paper rebid on a separate contract, for example? Or, did a large participant or eligible agency cease using the contract starting in FY15 and going forward? Or, was this drop attributable to a simple overall drop in demand? We ask only in an effort to forecast the annual contract spend on a go forward basis?

a. In FY15 there are a number of months (August 2014 to February 2015) that no spend for schools, nor municipalities was reported. Both of these entities are not required to use this contract.

37. On page 43, question #3. Is there a specific category of product that drives this question?

a. no

All other terms and conditions remain the same.

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