

# Request for Proposal (RFP)

## Office Supplies and Services



### Only Manual Bids Allowed

**Issued By**

State Procurement Office  
1225 Ferry Street SE, U140  
Salem, Oregon  
97301-4285

**Contact:** Pam Johnson  
**Phone:** 1 (503) 378-4731  
**Fax:** 1 (503) 373-1626  
**Email:** pam.johnson@state.or.us

**Opportunity #**  
**102-1557-09**

Addendum # 3

**Original Publish Date & Time**

05/04/2009 11:30 AM

**Publish Date & Time**

06/16/2009 10:25 AM

**Closing Date & Time**

07/30/2009 3:00 PM

**Time Zone**

Pacific Time

**Approx. Time Remaining**

All dates are mm/dd/yyyy

Attachments Exist  
Organization Attachments Do Not Exist  
Privileged Attachments Do Not Exist  
Documents for Purchase Do Not Exist

Geographic Matching Exists  
Commodity Matching Exists

**Issued For**

State Procurement Office  
1225 Ferry Street SE, U140  
Salem, Oregon  
97301-4285

\*\*\*\*\*  
Addendum # 3

First Phase, Response to protests to the RFP, see attachments for the Addendum #3, additional responses to come.

\*\*\*\*\*  
Addendum # 2

This RFP has been extended for additional time, the new closing date is July 30, 2009

\*\*\*\*\*  
Addendum # 1

Answers to Questions and Clarification.(SEE ATTACHMENTS FOR DETAILS)

New Closing Date: June 16, 2009 at 3:00 PM

\*\*\*\*\*

**Opportunity Summary**

The State of Oregon, Department of Administrative Services, State Procurement Office (DAS SPO), on behalf of the State of Oregon and its agencies, the Western States Contracting Alliance (WSCA), the National Association of State Purchasing Officials (NASPO) and authorized members of the Oregon Cooperative Purchasing Program (ORCPP), is requesting proposals from responsible Proposers to establish a Price Agreement(s) for Office Supplies, Toner, Paper, Recycle Products, remaining Full Line Catalog items, and related services. The State of Oregon and many of the WSCA states have adopted the principles of sustainability and are committed to meeting the office supplies needs of Authorized Purchasers while not harming the environment or human health.

SEE ATTACHMENTS FOR THE REQUEST FOR PROPOSAL AND THE PRICING SECTION

Item #	Quantity / Unit	Description	Unit Price	Total Amount
1	0	Commodity No. 600-73 Office Machines, Equipment, Accessories, and Supplies - Recycled		
<b>Delivery Requirements</b> To Be determined  <b>Payment Terms</b> Net 30  <b>FOB</b> FOB Destination			<b>Total</b> Including all charges   US Dollars Only	

**Manual & Electronic response must express an interest. Manual response must 1st DOWNLOAD the document. Electronic Response [if allowed] – must express interest; select Supplier Response & complete response. Instructions can be found in the HELP screens**

Control # 1140723

This Addendum modifies the Request for Proposal (RFP) Document(s) only to the extent indicated herein. All other areas not specifically mentioned or affected by this Addendum shall remain in full force. This Addendum shall be added as a part of the Original RFP.

\*\*\*\*\*  
REQUEST FOR PROPOSAL (RFP) #102-1557-09 RESPONSE TO PROTEST AS  
FOLLOWS:

Office Supplies Response to multiple Protest Questions:

\*\*\*\*\*  
This Addendum responds to Suppliers' protest of the Request for Proposal #102-1557-09 for Office Supplies and Services on behalf of the Western States Contracting Alliance.

The State of Oregon issued RFP #102-1557-09, on behalf of the Western States Contracting Alliance (WSCA) for the purpose of entering into price agreements with one or more contractors to supply Office Supplies and Services on a multi-state basis to WSCA's 15 member states and authorized purchasers. On May 26, 2009, Several Suppliers' submitted a protest of the solicitation. DAS SPO has reviewed Suppliers' letter of protest, applied the applicable laws, administrative rules, and protest criteria. DAS SPO has prepared the findings and determinations stated below:

DAS SPO finds that the Suppliers' letter of protest was submitted timely in accordance with Section 2.6.1 of the RFP and that the protest: (a) contained sufficient information to identify the solicitation that was the subject of the protest; (b) contained grounds allegedly supporting its protest; (c) contained evidence allegedly supporting its protest, and (d) described the relief sought, so that DAS SPO could consider the protest pursuant to ORS 279A.405 (4).

**SUPPLIER QUESTION:**

Specifics related to the pricing categories beginning in Section 1.1 are referenced throughout and are related specifically to the RFP's pricing methodology in regard to the "Vendor Specific Catalog" and "Discount From List" evaluation.

**DAS/SPO RESPONSE:**

In general, the Suppliers' protest claims that the pricing methodology set forth in the RFP:

*Is arbitrary and capricious, resulting in a lack of a "level playing field" for any and all participants. The pricing structure requirements in the current form within the RFP create a competitive disadvantage to the hundreds of Independent Dealers in the WSCA States and do not provide equal and fair opportunity to ALL of the participants.*

DAS SPO specifically denies that the pricing methodology is arbitrary and capricious and that the current methodology results in the lack of a level playing field for the Proposers offering the supplies and services to the WSCA 15 State membership. The main purpose of this RFP is to enter into price agreements with contractors who will be able to provide office supplies and services to many purchasing entities across the entire WSCA 15 state membership. (RFP Sections 1.1.1, 1.1.2, and 1.1.3) The mandatory requirements and the pricing methodology were set in order to obtain contractor(s) who will provide the products and services **and** the most favorable pricing across the entire multi-state service area, not just for specific states or for specific regions in states.

However, in the RFP process, DAS SPO acknowledged the requests of several entities to allow proposals for individual states. DAS SPO included a section permitting proposers to submit Proposals for individual States. Section 1.1.6 of the RFP provides as follows:

*1.1.6 Individual State Only: While the primary purpose of this solicitation is to select a supplier(s) who can offer the supplies for all Participating States, Proposers are permitted to submit a Proposal for a single State. However, if a Proposer elects to submit a Proposal for a single State then the Proposer must be willing to supply the entire State and will not be allowed to add additional States following award or at any time during the term of the Price Agreement(s) resulting from this RFP, including all optional renewals.*

DAS SPO also recognized that proposals for individual states would need to be evaluated individually, not against the proposals for all Participating States. The RFP provided that proposals for individual states would be evaluated individually by the Evaluation Committee, as set forth in Section 4.1 of the RFP

#### **4.1 Proposal Evaluation:**

*For the proposals that are for specific states only, those proposal [sic] will be evaluated individually by Evaluation Committee. That [sic] Evaluation Committee will follow the same evaluation process and criteria as per this RFP and reserves the right to request additional review by the specific state.*

DAS SPO finds that the original pricing methodology set forth in the RFP is not unnecessarily restrictive nor arbitrary or capricious. The pricing methodology is designed to encourage competition and fulfill the needs of all the 15 member WSCA States and the requirements and purpose of the RFP. That said, DAS SPO is willing to further refine the pricing methodology for the RFP and will issue an Addendum to the RFP.

#### **SUPPLIER QUESTIONS NO. 1, 2, 3 AND 4:**

1. Lack of mutual product offerings. The inclusion of vendor-specific catalogs results in bidders quoting non-identical items. Additionally, item-counts, packaging, units of measure, and private-label products will vary from

vendor to vendor making it extremely difficult for any fair comparisons, and will restrict competition

2. No set standards. Private-label products have no specific standards regarding quality or performance. For example, a post-it-type note from one vendor may not meet the minimum quality required by WSCA. The price may be low, but with the lack of performance norms – the product would not be in the best interests of the respective states.
3. Pricing model is flawed. The winner will be based on a “Discount-From-List” model. This may work when there are standards for a particular *branded* product published list price [e.g. 3M’s MMM-654YW post-it® note], but for private label products – especially from our publicly-traded competitors – list prices are set unilaterally. In other words, a private-label post-it-type note may have a “list” price significantly higher from one vendor to another. This is just one single example in their private-label offerings that number in the thousands. Determining a winning bid based on discounts off of inflated or rapidly changing “list” prices is neither fair, nor in the best interests of WSCA. Further, the methodology of making an award purely on “Discounts From List” does not follow the time – tested process of bidding line items between prospective Vendors. This methodology does not follow basic procurement standards, nor does it employ best practices where such a wide variety of products are being offered by multiple vendors. We are formally protesting this methodology as it opens the door for unfair dealing and will not provide the “apples to apples” comparison required for multiple thousands of SKU’s, especially when all proposers and respondents to this bid sell the same *exact nationally branded* products. We propose that WSCA re-issues the Pricing Terms and Conditions including branded line items with usage from the six participating states, thus giving vendors the flexibility to offer private-label items *only as cost saving alternates* to the branded products. This and only this process will create the “level playing field” that is inclusive of all vendors – Publicly Traded and Independents alike.
4. No “level playing field”. As stated earlier, there are no standard offerings. So, products offered in the vendor-specific catalogs are not available to all bidders. We would all be effectively bidding “apples and oranges” to WSCA. The solution here is to mandate the offerings to be aligned with items available to **all** bidders. The two major wholesalers in the channel – United Stationers [www.ussco.com] and S P Richards Company [www.sprich.com] - offer item files that are not only available and loaded in the databases of the Independent Dealer community, but are also loaded in the databases of our publicly-traded competition.

**DAS/SPO RESPONSE TO QUESTIONS 1, 2, 3 AND 4: *The pricing methodology:***

Again, DAS SPO denies the allegations. But, in response to questions numbers 1, 2, 3, and 4 above, DAS SPO is willing to further refine the pricing methodology for the RFP and will be issuing another Addendum to the RFP. The Addendum will include a market

basket list of specific national brand items and re-allocate a portion of the price proposal points to the market basket.

**SUPPLIER QUESTION NO. 5:**

5. Overweighting of Vendor-Specific Catalogs. In addition to our position per item 1 above, we believe that the weighting of vendor-specific catalogs is too high. Without any industry standards for list pricing, quality, packaging, etc., there is no empirical method of **measuring** competitive bids. As stated today in the bid documents, finding true value for WSCA is made more difficult by your focus on these catalogs. Utilization of a common database via one of the wholesale catalogs [see item 4 above] is a more effective tool in evaluating competitors.

**DAS/SPO RESPONSE TO QUESTION NO. 5:** DAS SPO and the sourcing team continue to believe that the current weighting of the Vendor-Specific and Wholesale catalogs represents the appropriate balance of points for accurate evaluation of the Proposals addressing the entire 15 member WSCA States, and DAS SPO denies the specific allegation. However, DAS SPO will be issuing another Addendum which will include a market basket list of specific national brand items and re-allocate a portion of the price proposal points to the market basket.

**SUPPLIER QUESTION NO. 6:**

6. Practice of “discontinuing” private-label items. Our experience has been that focus on private-label products is fraught with pitfalls in that items with low net prices seem to become “discontinued” by design, only to be substituted with higher-price items that may or may not be identical to the original submissions. One example is a \$0.19 pair of 8” private-label scissors becoming “discontinued” and then substituted with an identical product relabeled and selling for over \$3.00. We formally protest the lack of controls via the “Vendor Specific” catalog requirement, and again propose that nationally branded line items with usage are bid to create a level playing field.

**DAS/SPO RESPONSE TO QUESTION NO. 6:** DAS SPO understands the allegation. DAS SPO will be issuing another Addendum that will include a market basket list of specific national brand items and re-allocate a portion of the price proposal points to the market basket. The market basket will not include any private label products.

\*\*\*\*\*

Unless the specific deadline in this Addendum, Section 2.7 **Addenda** and Section 2.8 **Protest of Addendum**, is extended by subsequent Addenda, no requests for clarification,

requests for change, or protests of provisions contained in the originally-issued RFP will be considered after the date specified herein. Date specified in the original RFP is 3:00 pm on May 20, 2009.

After that date, Proposer may submit requests for modification of the RFP provisions, but only for those items directly covered by an issued addendum. Requests for clarification, requests for change, and protests of Addendum provisions addressed in this addendum must be received by DAS by 5:00 P.M.(Pacific time) on June 22, 2009 or they will not be considered. DAS will not consider requests or protests of matters not added or modified by the Addendum.

---

---

THIS ADDENDUM MUST BE SIGNED AND RETURNED BEFORE RFP CLOSING. A TOTAL OF TWELVE (12) COPIES OF THIS ADDENDUM MUST BE SUBMITTED, (ONE ORIGINAL AND ELEVEN COMPLETE PHOTO COPIES OF THE ORIGINAL. AT LEAST ONE ADDENDUM SUBMITTED BY THE BIDDER MUST BEAR AN ORIGINAL SIGNATURE AND BE MARKED "ORIGINAL". FAILURE TO SIGN AND RETURN THIS DOCUMENT WILL RESULT IN REJECTION OF THE OFFER.

---

---

**PROPOSER SIGNATURE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_