



GUAM POWER AUTHORITY

ATURIDÁT ILEKTRESEDÁT GUAHAN
P.O.BOX 2977 • AGANA, GUAM U.S.A. 96932-2977

November 05, 2018

AMENDMENT NO.: VII

TO

INVITATION FOR BID NO.: GPA-097-18

FOR

60-MONTH COPIER LEASE AGREEMENT, INCLUSIVE OF MULTIFUNCTIONAL EQUIPMENT, MAINTENANCE SERVICES, CONSUMABLES AND SOFTWARE SOLUTIONS.

Prospective Bidders are hereby notified of the following changes and response to inquiries received from Allstar Business System dated 10/29/2018:

CHANGES:

Bid opening date is changed **FROM** 2:30 P.M., Tuesday, November 06, 2018 **TO NO READ** 2:00 P.M., Wednesday, November 14, 2018.

Allstar Business Systems inquiry dated 10/29/2018:

QUESTION:

1. **How old can the copiers be?** After considering the bid specifications, I noticed that they do not mention if the copiers are **New or Used**, if they are New, Refurbished, or Re-conditioned. We have a very tricky competitor who has dumped tons of antiquated copiers on unsuspecting Guam organizations such as the Guam International Airport Authority (contact Danny Cepeda), the Attorney General of Guam, the Guam Army National Guard, Andersen AFB, and many more. We have been told that they are all experiencing significant service and supplies issues, and general unhappiness. If you want **NEW** copiers, we recommend that you ask for **NEW** copiers, delivered in the original manufacturer's packaging, and assembled on-site.

ANSWER:

Guam Power Authority requires new machines and not reconditioned because of the advancement on development with the machine.

QUESTION:

2. **Does the Supplier Need to maintain an inventory of consumables on Guam for the copiers quoted?** One competitor on Guam keeps minimal amounts of consumables on Guam forcing the end-user to contact Hawaii for supplies! We suggest that you incorporate "rake-back" clauses that forces the supplier to give you a free month of copier service for any machine which runs out of any consumable for more than eight continuous business hours. The clause should indicate that the funds will automatically be deducted and there is no ability for the supplier to protest short of proving that they were not contacted. This provision will force the supplier to keep toner on island and in stock at your fine offices. Many customers wished they had listened to our advice and added this clause.

ANSWER:

Yes, this is to ensure a machines down time is minimal.

QUESTION:

3. **Can we cut off supplies if you fall behind on payments?** We work closely with our customers to make sure they stay current, but we understand that delays in prompt payments may occur from time to time. One competitor, we know of, refuses to replace consumables and/or perform repairs if the account is not fully current. We suggest adding a clause which states that the supplier must continue to provide consumables even if the account is not paid or is past due. Once again, the “rack-back” provisions would apply so you are not charged for copiers that are not functional.

ANSWER:

No.

QUESTION:

4. **Can we make our own Bid Specifications?** Smart agencies, such as GHURA and GWA, would not allow the supplier to alter the bid specifications or replace them with completely different bid specifications such as GSA bid specifications. Can we make up our own bid specifications or quote GSA pricing with the GSA specifications ruling over your specifications? It would be nice if everyone was bidding on the same specifications and the same services!

ANSWER:

No. Bid specifications were derived based on divisional requirements and network requirements.

QUESTION:

5. **Can the copiers produce dangerous office gases?** Can the copiers use older technologies which produce dangerous industrial pollution such as ozone and excessive heat? Older copiers produce ozone (a known carcinogen which is supposed to be removed by a user replaceable filter) and strange gases from the melting of the toner and paper coatings? Modern copiers use LED technologies and produce no ozone and no heat (so they produce no toxic gases). We would be happy to provide older copiers which generate toxic gases at very good price points.

ANSWER:

No. All the machines are being placed in occupied office spaces with personnel.

QUESTION:

6. **Do you want a Quality Service Assurance Rebate?** I couldn't find any kind of significant punishment for poor quality service or performance. I also couldn't find any requirement that a **highly recommended** and **reliability certified** copier be supplied, as indicated by an independent rating agency. Our industry has an independent rating service that we all invest a great deal of money in supporting. We suggest you request a **BLIQ report** (Buyers Laboratory from Keypoint Intelligence) on every machine proposed. We recommend that you consider accepting only machines that are: **Reliability Certified** and **Highly Recommended**. Why should you suffer with unreliable machines that an industry-supported independent rating agency has NOT recommended highly or found to be reliable?

ANSWER:

It is noted that should a machine malfunction and require lengthy repair, the machine will be replaced with a matching or better machine until the repairs are completed. As stated in the contract specifications (Equipment guarantees).

QUESTION:

7. **Rack-back for poor quality Service and Performance?** We suggest that you incorporate “rake-back” clauses that forces the supplier to give you a free month of copier service for any machine which is not functioning for more than eight continuous business hours from the point of notification. The clause should indicate that the funds will automatically be deducted and there is no ability of the supplier to protest short of proving that they were not contacted. This performance assurance program will force the supplier to perform all of the manufacturer recommended maintenance. Ninety-five percent of our copiers never generate a service call during a 60-month lease. The reason is that we perform all of the manufacturer preventive maintenance as recommended in our service manuals. You get what you inspect for. If your contract has no teeth, the supplier will not perform well. You may contact the Governor’s office for some startling statistics on the copiers they now have. They have one machine with an amazing service record (zero failures) and another brand with an appalling record of failure. However, GSA does not punish for low quality, the end result is that GSA has provided a lot of poorly maintained and broken copiers to their customers and are probably not aware of the quality of service.

ANSWER:

Should the vendor fail to provide service as described in the bid specifications, then steps will be taken such as termination of bid contract.

QUESTION:

8. **Production copiers need volume for reliable operation.** Imagine if you built a 10MW power plant and operated it to generate only 500KW of power. I imagine that the operating cost would be prohibitive as the underutilized plant would be breaking down from running below the design parameters. For **Item 1.B Unit 2: Procurement**, you have asked for a copier with the requirement of “Post Process Insertion”. Only production copiers have the ability to meet this requirement. High quality copiers have the ability for “chapter insertion” using a specified tray (usually the bypass tray). Production copiers are designed for one million copies per month without breaking a sweat; you have required only 50,000 pages per month. Despite our production copiers being the industry leader for quality, the manufacturer has assured me that low volume will cause the machine to have a high maintenance cost. We will offer two proposals, a production copier with an extra budget for maintenance and a high performance office copier. Our manufacturer as recommended 150,000 pages as the minimum monthly volume for a production copier. If you can redirect printing to the production copier, you may be satisfied with the outcome. We can program the copiers near the production copier so that they will not allow printing of monochrome pages over some limit (such as 500 page or larger jobs) and send them, instead, to the production copier). You’ll be happier and we’ll be happier!

ANSWER:

Machines must meet minimum specifications listed on the IFB package.

QUESTION:

9. **All or Nothing:** Is this bid an all or nothing bid? If so, our competitor (rhymes with xerox) has a habit of mis-interpreting the clear meaning of the bid specifications. In the case of this bid, the pricing is not that clear to me so you can imagine our concerns about flexible interpretations! If they follow their habit, when they bid the individual machines, they will bid the machine alone without service and supplies. Since this contract is pooled, they will include all of the non-machine costs into the “cost per page” charges. Since you have told us the pooled amount 444,000 Black/White and 54,000 color printers but left no line item to reflect these amounts, our competitor will provide you a cost per page for each B/W and color (as a kind of addendum) and not price the cost per page into each line item. They have used this interpretation on too many bids to mention them all in this limited space. We’re not upset; we’re learning from them. Since, we believe, they will mis-interpret the bid specifications, we have to also bid this way! I would ask you to add a line item that says “pooled supplies, services, and parts” based on the 444,000 Black/White and 54,000 color printers. Because of the pooled supplies, we suggest that you make this an **“All or Nothing”** bid. That way, no one can be confused by the bid layout. At this point, we’ll just give you cost per page for comparison/informational purposes but not price it into the copier machine pricing.

ANSWER:

No.

QUESTION:

10. **What do you mean by Monthly and Annually?** For example, please consider "No. C., Unit 3:". You ask for quantity seven (7) of this machine with various print volumes. With our interpretation, all bidders will give you the monthly rate for one machine on the "monthly" column. Normally, there would be a total per month column (including all seven machines) and then a total per year, Annual, column. When you ask for the monthly amount, do you mean the total cost for the seven (7) copiers for each month (not including the cost per page as those are pooled). By "Annually", do you mean the total cost for one copier for a full year or the total cost for all seven (7) machines for one year?

ANSWER:

The contract requires that services be billed once monthly and at the end of the year a billing charge.

QUESTION:

11. **Memory and Drive Capacity requirements:** Your memory and drive capacity, don't seem to make sense to our manufacturers. In the old days, they made more sense, but in modern copiers requesting drive size will not be helpful, especially since you have selected "Hard Drive with Image Erase". 250Gb hard drives would be very large, even without "hard drive image erase" as they would hold many years worth of images. With "Image erase", the hard drive, if used at all, is cleaned out after every print job. In reality, the hard drive could be just a few GB and perform this function. The memory capacity is equally curious, rather than specifying the memory, it would be better to specify how many "simultaneous jobs" you want the copier to hold. The copiers that we're specifying have very powerful processors which reduce the need for system ram and drive storage. At these low print volumes, a 1Gb memory would be much larger than necessary. Could you provide performance requirements rather than size requirements? For instance, as a MW power comparison, why would you give specifications of the building sizes in a power production contract? If someone can make 10 MW of power in a very small structure, why should they provide large buildings which will stand empty during the contract? The same is true with copiers, please tell us your usage requirements and we'll size the equipment to meet that requirement. In reality for modern machines, the copier speed is more than sufficient to determine the correct memory, and drive requirements, at these low print volumes.

ANSWER:

The memory and drive requirement shall meet the specifications and requirements listed on the IFB package.

All other Terms and Conditions in the bid package shall remain unchanged and in full force.


JOHN M. BENAVENTE, P.E.
General Manager
