



Graphic Supplies

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2/25/2008

Bonnie Rich
El Dorado County
330 Fair Lane
Placerville Ca 95667

Dear Bonnie.

I would like to protest the awarding of the HP Inkjet and Lasertoner and related supplies bid #08-208-097.

I have been in this business in excess of 20 years and normally would not protest an award of a bid. As a resident of El Dorado County I worked extremely hard with my Corporate Headquarters to bring the absolute lowest pricing for our county.

On a line by line analysis of the bid we were 3.7% lower than the next lowest bid and 23.3% lower than the winning bid.

Corporate Express ICGS lost the bid based on the county crediting Walkers Office Supplies with 20% (\$54,047.65) for net 20 terms.

Under the Evaluation portion of the RFG it states;
"BID EVALUATION SHALL INCLUDE APPLICABLE PROMPT PAYMENT TERMS."

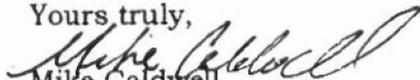
I have 3 concerns regarding this procedure.

1. No where in the bid does it state how in the bid evaluation the terms would apply.
2. I believe that the county does not have the processes in place to fully take advantage of the terms offered. Making the terms offered not applicable.
3. El Dorado County states that the discount must be \$2.50. Based upon the unit price for most of the items, the individual invoices will not be large enough to meet this minimum. Therefore, you should not apply the discount to total value of the bid.

The low bid that Corporate Express ICGS provided will be the net low bidder to El Dorado County and should be awarded the Blanket Contract.

I would like to schedule a meeting with you to discuss this issue in greater detail.

Yours truly,


Mike Caldwell
Account Executive

Submitted by Bonnie Rich

at Board Hearing of 3/11/08
#21



The County of El Dorado

Chief Administrative Office

Laura S. Gill, Chief Administrative Officer

Procurement & Contracts Division

Bonnie H. Rich, Manager of Procurement & Contracts

Phone (530)621-5830 Fax (530)295-2537

February 26, 2008

Corporate Express
11344 Coloma Road
Suite 890
Gold River, California 95670
Attn: Mike Caldwell

Re: Protest to Bid #08-207-097/HP Toner Cartridges (County wide)

Dear Mr. Caldwell:

The Procurement and Contracts Division is in receipt of your letter of protest dated February 25, 2008, attached hereto. The letter addresses the issue of protest you have presented to our office for the subject Invitation to Bid. While this response represents our evaluation of the issues you have raised, please be advised that this matter is scheduled to be heard by the Board of Supervisors on March 4, 2008. Your protest will be heard on that date and you have the opportunity to appear before the Board and be heard on your protest at that time. Pursuant to Board of Supervisors Policy C-17, Section 5.6.5. The decision of the Board of Supervisors will be final.

Protest: No where in the bid does it state how in the bid evaluation the terms would apply.

Response to Protest: The subject Invitation to Bid, on page 6, contained the following provision that describes the how prompt payment discount terms are evaluated:

Evaluation: Bids will be evaluated based on meeting or exceeding minimum specifications. Bids submitted on the basis of "All or Nothing" may be rejected. *Bid evaluation shall include applicable prompt payment terms discount.* If payment cannot be made within the discount period, payment terms shall revert to Net 30 days.

Qualified Bidders that are able to meet the delivery requirements, and that can provide client references satisfactory to the County, will be considered for evaluation and award. *The evaluation criteria will be based on the combined total of items listed on the Quotation Schedule (Quotation Schedule is calculated by multiplying the quantity times bid price) plus the percentage off manufacturer's suggested retail price based on an accumulative order for Inkjet Supplies totaling \$80,000 and LaserJet Supplies totaling \$80,000.*

*330 Fair Lane
Placerville, CA 95667*

- **The example below is for illustrative purposes only. The discounts shown do not reflect actual pricing nor imply a suggested discount structure.**

Example:	Quotation Schedule for bid items totals	\$100,000
	PLUS - Bidder quotes 45% off LaserJet supplies (\$80,000 -45%)	\$ 44,000
	PLUS - Bidder quotes 40% off inkjet supplies (\$80,000 -40%)	<u>\$ 48,000</u>
	Evaluated Total	\$192,000
	<i>(Please note: Discount Terms will apply see "Invoices and Payment Terms")</i>	

The illustration hereinabove clearly describes that the prompt payment discount terms are applied after the sum total of the quotation schedule plus the net discount structure for additional laser jet and inkjet supply purchases.

Protest: I believe that the County does not have the processes in place to fully take advantage of the terms offered. Making the terms offered not applicable.

Response to Protest: The Purchasing Agent has included an action item in the recommendation for award that states:

"Board direct departments to ensure prompt payment to vendor in order to secure the prompt payment discount terms of 20% office prices quoted if payment is made within twenty days of receipt of invoice(s)."

Prompt payment will be assured via the utilization of the county's payment card (credit card) program.

Protest: El Dorado County states that the discount must be \$2.50. Based upon the unit price for most of the items, the individual invoices will not be large enough to meet this minimum. Therefore, you should not apply the discount to the total value of the bid.

Response to Protest: The subject Invitation to Bid, on page 5, contained the following provision that describes the how invoices and prompt payment discount terms are applied:

Invoices and Payment Terms: Invoices are to be mailed to the County department(s) specified on the resulting purchase order, blanket purchase order or contract. All invoices must include the purchase order number, blanket purchase order number, or contract number, County stock numbers when applicable, product description and reference to back ordered items. Invoices must be exclusive of product other than bid items. Failure to comply may result in delayed payments.

The County will make payment on a Net 30-day basis unless a cash discount of one-half percent (1/2%) or greater, which amounts to \$2.50 or more, is allowed for payment within not less than twenty (20) days. The payment term shall begin on the date the merchandise is inspected, delivered and accepted by the County, or on the date a correct invoice is received in the office specified in the order, whichever is later. Prompt payment discounts shall be considered earned if payment is postmarked or personally delivered within the prescribed term. The beginning date described above shall be considered day zero for the purposes of counting days in the prescribed term.

A discount term of 20% results in a monetary discount of \$2.50 at a price point of \$12.50. The lowest item bid has a unit price of \$15.51. The application of a 20% discount against that lowest item results in a discount of \$3.10. In addition, terms discounts are taken on the total of the invoice which normally would include more than one item.

Based on our evaluation of all the information received, the Procurement and Contracts Division will make recommendations to the Board of Supervisors on March 4, 2008 in accordance with the above analysis.

Respectfully,

Bonnie H. Rich
Manager of Procurement & Contracts

Cc: Laura S. Gill, Chief Administrative Officer
Patricia Beck, Principal Assistant County Counsel