



DEPARTMENT OF ADMINISTRATION
OFFICE OF FISCAL MANAGEMENT
IMPORTANT BID ADDENDUM

April 27, 2016

FAILURE TO RETURN THIS BID ADDENDUM IN ACCORDANCE WITH INSTRUCTIONS MAY SUBJECT YOUR BID TO REJECTION ON THE AFFECTED ITEM(S):

BID NUMBER: #13-MS19507699
ADDENDUM NUMBER: 01
PURCHASER: Meredith Swartz

COMMODITY: 915-57 - Mailing/Postage and Shipping Services, Electronic
USING AGENCY: NC Mail Service Center
OPENING DATE/TIME: May 5, 2016 @ 2:00PM ET

INSTRUCTIONS:

- 1. Please make the following change(s) in the bid referenced above:
A. QUESTIONS AND ANSWERS
B. UPDATED SCOPE OF WORK
C. UPDATED ATTACHMENT A: PRICING FORM
2. Check ONLY one of the following categories and return one properly executed copy of this addendum prior to bid opening time and date.

Form with three checkboxes and corresponding text:
Bid has already been submitted. Changes resulting from this addendum are as follows:
Bid has already been submitted. NO CHANGES resulted from this addendum.
Bid has NOT been submitted and ANY CHANGES resulting from this addendum are included in our bid.

Execute Addendum:

BIDDER: _____
ADDRESS (CITY & STATE): _____
AUTHORIZED SIGNATURE: _____ DATE: _____
NAME and TITLE (Print): _____

Table with 2 columns: DELIVERED BY US POSTAL SERVICE and DELIVERED BY ANY OTHER MEANS (Preferred). Both columns contain contact information for Meredith Swartz at the NC Department of Administration.

A. QUESTIONS AND ANSWERS

QUESTION NO.	REFERENCE	QUESTION
QUESTION 1.	IFB section 1.0 page 3	Just to have a clear understanding is the “credit “ referred to in this section the difference between the postage affixed and the actual post claimed for a mailing?
ANSWER		Credit relates to any rebate the vendor chooses to apply to this contract.
QUESTION 2.	IFB section 5.2 page 8	With reference to “Permit” mail will the vendor be able to commingle the mail with other mail therefore submitting to USPS under the vendor’s permit and simply invoice the state for actual postage claimed in the same manner as for mail we meter on behalf of the state?
ANSWER		Permit mail can be comingled with a detailed piece count. Postage will be paid through the state’s USPS CAPS account.
QUESTION 3.	IFB attachment A	Is this “Proposed Rates” chart based on 1 ounce mail for each category of mail and all parties understand that the actual postage claimed will be the same USPS rate structure but will increase as the mail piece weight increase?
ANSWER		All postage is calculated at current USPS rates.
QUESTION 4.	Section 1.0, “Purpose and Background” on page 3:	This section states that the State will receive a “credit” from the discount issued by the USPS. Is this simply a reference to the USPS discount postage rate level as opposed to the retail rate? If no, please clarify the type of credit the State is seeking.
ANSWER		Credit relates to any rebate the vendor chooses to apply to this contract.
QUESTION 5.	Section 2.6, “Bid Contents” on page 4:	Can additional documents and information be included in the response or only the list of required forms and attachments?
ANSWER		Yes, any additional information/documents can be added to your bid proposal. The items listed in Section 2.6 are required.
QUESTION 6.	Section 4.1, “Payment Terms” on page 7:	This section states that a monthly credit in the amount specified on Attachment A, Pricing Form, is to be paid to the State; however, there is no credit amount listed on Attachment A. Please clarify the credit the State is seeking.
ANSWER		Credit relates to any rebate the vendor chooses to apply to this contract.
QUESTION 7.	Section 5.1, “Vendor Responsibilities” on page 8:	Please clarify the State’s expectations in the fifth bullet point regarding return of damaged mail and the credit for such mail. Does the state expect a monetary credit for each piece of damaged mail? If so, how much? Can the Vendor return damaged mail to the State on the next pickup? The last bullet point in this section states that rejected mail would be processed same day. However, the mail picked up from the State is only required to be processed on a next day basis as shown in the fourth bullet point in this section. In addition, such mail may be delayed because of the extra handling necessary to meet USPS preparation requirements. Is it acceptable for the vendor to re-date and submit such rejected mail the following business day?
ANSWER		Vendor returns the damaged mail with a refund of any fee(s) incurred prior to damage. Damaged mail may be returned at next scheduled pickup. Reject mail to be processed within 24 hours of meter date.
QUESTION 8.	Section 5.2, “Contracting Agency Responsibilities” on page 8:	Is the volume commitment shown in the fourth bullet point per agency or overall mail volume for all agencies? The section does not state that the Contracting Agencies must prepare the mail in compliance with USPS requirements for automation compatible mail. In order to provide the best pricing, vendors must know if the mail will be automation compatible. Would the State be willing to add a bullet to this section that says the mail must be prepared in compliance with the USPS requirements for automation compatible mail? Also can another bullet point be added that notes that mail from different state agencies will be consolidated and picked up from one State Agency location by vendor?



		<p>If separate accounting is required for participating agencies, can the vendor limit the number of sub-agencies or departments for separate billing?</p> <p>What is the estimated volume of First Class flat mail per day?</p>
	ANSWER	<p>Outgoing mail from multiple state agencies will be consolidated for an overall average daily volume of 10,000 to 15,000 pieces each day. Piece counts will be achieved by the state or the vendor for individual agency chargeback during the metering process.</p>
QUESTION 9.	Attachment A, Pricing Form on page 9:	<p>Will all the mail be metered mail? Will any permit mail also be included? If so or there is a chance in the future then there should be another category added for 1) permit letters, 2) permit postcards and if needed 3) permit flats. Will agencies be allowed to submit mail that is neither metered or permit and require vendor to meter the mail? In the event that vendor is required to meter the mail, where on the bid form would we indicate an additional metering fee that would apply and that a requirement for metering could affect service level time frames? Where would we indicate that postage amounts (by USPS postage category (i.e., USPS 5 digit, 3 digit/AADC, MAADC or Presort rates)) metered by vendor, or permit mail would be required to be deposited into a vendor postage fund prior to processing because the vendor would have to pay the USPS on a daily basis?</p> <p>Is it possible for the State to add another column on Attachment A: Pricing Form for Postage affixed 5 – digit? And also another column which reads just “Cost or Rebate” in addition to the column which already is there for IMb (cost or rebate)?</p> <p>Would the State be willing to add an option for flat mail metered at the 5 digit rate?</p>
	ANSWER	<p>It is anticipated that all mail will be metered by the state. In instances where metering cannot be completed by vendor’s scheduled pick up time, the vendor can expect to meter this mail with piece counts reported by accounts specified by the state. Account numbers are not expected to exceed over 20 accounts per day.</p> <p>Price chart has been amended to include Standard and First-Class permit mailings for letters, flats and postcards.</p>
QUESTION 10.	Attachment D, Section 2, “Governmental Restrictions” on page 14:	<p>Because all pricing is based upon current USPS rates, rules and regulations which are subject to change in the event that the USPS adopts any new postal regulations, procedures, rates, or incentives which could directly affect the cost of performance of the services, does the State agree that this provision allows for the postage amount to be automatically to the then-current 3 digit postage rates as set from time to time by the USPS? In the event of other USPS changes that directly affect the services, would the State allow the vendor to pass on, with supporting detail, reasonable resulting adjustments with at least thirty (30) days advance written notice of such changes?</p>
	ANSWER	<p>The state expects to abide by the effective dates set by USPS for any rate changes. Notice of such changes should be provided by vendor when changes are announced by USPS.</p>
QUESTION 11.	Attachment D, page 14:	<p>Would the State be willing to limit vendor’s liability for lost or damaged mail to the cost or recreation? If yes, where in our bid response could we propose such language?</p>
	ANSWER	<p>Vendor should include language for cost associated with recreation of lost or damaged mail.</p>
QUESTION 12.	Attachment D, Section 15, “Insurance” on page 15:	<p>This section includes some language that is not quite the same as on our insurance certificates. Vendor has the types of insurance required in the amounts listed or greater, but would request an opportunity to propose slightly different wording on some of the coverage descriptions and endorsements. Vendor is confident that we can reach mutual agreement with the State to provide appropriate insurance. Is it acceptable that we agree to the coverages and limits and work out the exact language on endorsements and certificates with the State if we are the successful bidder?</p>



ANSWER		It is acceptable to review insurance certificates of successful bidder.
QUESTION 13.	Attachment D, Section 17 "Electronic Procurement", page 16:	<p>Will the services requested under this IFB be subject to the Electronic Procurement requirements?</p> <p>If the Electronic Procurement transaction fee applies to the services, does the State agree that it applies only to the Fees charged and not to any postage up to the then current 3 digit postage rate?</p> <p>If the Electronic Procurement transaction fee applies to the services and includes the cost of postage, Vendor would like to provide the State with the following perspective. A transaction fee structure based upon 1.75% of the total amount shown on a purchase order the invoice will not yield a fee that would be fair to either party. A purchase order may reflect both fees and postage. The "fee" for mail presorting services is entirely fluid and within control of the vendor. In fact, in many cases the fee is \$0 and would therefore result in a transactional fee of \$0. The transaction fee cannot be applied based on postage rates for several reasons. Also the postage rates themselves are solely within the control of the USPS and will always increase even though the increase does not result in increased revenue to the vendor who is thereby losing money simply because the postage rates went up. At the critical level, postage charged to the client is really a pass through from the USPS and will result in the vendor losing money if assessed a fee.</p> <p>Vendor proposes an alternative fee structure for the mail presorting services based on a per piece flat fee (one on letters and one for flats) as well as an incentive target. The flat per piece fee eliminates the ability of the vendor to simply shift dollars from postage to service fees or vice versa. As more agencies bring more mail to the services, the volumes at or above target area an added benefit to the vendor and therefore those volumes earn the higher fee. Is the State willing to amend the IFB to request the bidders to submit a proposed flat fee with or without incentive? Will the State permit a bidder to offer a specific proposal for a proposed flat fee with or without incentive as an alternative bid?</p> <p>If the cost of any services provided by subcontractors is rolled into our pricing, is it acceptable for Vendor to simply pay the transaction fee on our total pricing and have no fee associated with the subcontractor contributions to the services?</p>
ANSWER		<p>Please reference Section 2.2 E-PROCUREMENT SOLICITATION ATTENTION: This is NOT an e-procurement solicitation. Paragraph #17 of Attachment E: North Carolina General Contract Terms and Conditions, paragraphs (b) and (c), do not apply to this solicitation.</p>



B. UPDATED SCOPE OF WORK

5.0 SCOPE OF WORK

5.1 VENDOR RESPONSIBILITIES

- Furnish all necessary facilities, personnel and equipment for the performance of this work.
- Presort mail to the 3 or 5 digit level in compliance with USPS requirements with less than 8% reject rate.
- Certify annually that USPS certifications for NCOA/Move update and full service IMb are current.
- Establish daily pickup at the Mail Service Center that allows next day induction to USPS mail stream.
- Responsible for immediately returning mail damaged in processing with proper credit.
- Weekly or Monthly invoice or credit to Contracting Agency with sufficient detail to permit verification of accuracy. Details include the type and number of pieces metered for multiple accounts.
- Ensure rejected mail is processed and inducted to USPS on same day as rejected. Provide piece count and feedback for improvements.

5.2 CONTRACTING AGENCY RESPONSIBILITIES

- Prepare mail for safe and timely transport by containerizing mail in rolling equipment or pallets.
- Tray the letter mail by categories of postage affixed, no-postage affixed and permit imprint.
- Notify contractor of volumes in excess of average daily volumes (ADV.)
- Commit to average daily volumes of 10,000 to 15,000 letters per day – with influxes of 5,000 letters per day.
- Provide account details for chargeback of pieces where postage is affixed by Contractor.
- Prepare presorted flats for processing as available



C. UPDATED ATTACHMENT A: PRICING FORM

ATTACHMENT A: PRICING FORM

FURNISH AND DELIVER:

PROPOSED RATES (categories as applicable to contractor's pricing structure)	Postage Affixed 3-digit	Contractor affix postage	Move Update Fee per piece	IMb (cost or rebate)	Sort Fee per piece	Any other fees as applicable	All in cost per piece
First Class Letters with postage affixed	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
First Class letters without postage affixed.	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
First Class Postcards with postage affixed	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
First Class Postcards without postage affixed	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
First Class Flats with postage affixed	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
First Class Flats without postage affixed	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
First Class permit imprint: letters	\$ N/A	\$ N/A	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
First Class permit imprint: postcards	\$ N/A	\$ N/A	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
First Class permit imprint: flats	\$ N/A	\$ N/A	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Standard permit imprint: letters	\$ N/A	\$ N/A	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Standard permit imprint: postcards	\$ N/A	\$ N/A	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____
Standard permit imprint: flats	\$ N/A	\$ N/A	\$ ____	\$ ____	\$ ____	\$ ____	\$ ____

Proposed daily pick up time (latest): _____

