

## ADDENDUM NO. 5

State of Florida  
Department of Management Services

### **INVITATION TO NEGOTIATE (ITN) No. 618-001-10-1 Office and Educational Consumables May 21, 2010**

Please Note: This Addendum No. 5 does not need to be returned with the Response.

The Department intends to monitor Price Accuracy throughout the Office and Educational Consumables Contract period. The Department plans to conduct periodic checks of a random sample of items to compare the Contract price with the price displayed on the Contractor's punch-out catalog and/or the Contractor's State of Florida Online Catalog. The Department may also have the Contractor engage an external auditing services provider to execute a Department approved Audit Plan. The results of the Department's periodic checks or results of any engaged external auditing service provider are subject to the Price Accuracy Service Level Agreement. Based on this information, the Department amends the sections below:

#### **Section 6.3.1 Qualification Question – Mandatory Requirement Question #2**

The following table below replaces Qualification Question #2 in its entirety. The Department has revised the Service Level Agreements to include Price Accuracy. The MFMP Sourcing Tool will not be updated to reflect the new text. Respondents indicating 'Yes/No' to 3.1.2 in the MFMP Sourcing Tool will indicate their response to the updated text below when responding to the question.

Q2. Do you agree to maintain the following service level agreements measured on a monthly basis:

- Delivery Timing - Maintain on-time delivery rate of 95% or greater. On-time delivery will be defined as delivery of order within two (2) business days of placement of order. This SLA supersedes Section 4.11 Transportation and Delivery of the General Conditions.
- Order Accuracy - Maintain order accuracy rate of 98% or greater. Order Accuracy rate is defined as "the number of items delivered as ordered divided by the total number of items ordered."
- Order Completeness / Fill - Provide order fill rate of 95% or greater. Order Fill rate is defined as a number of items on an order filled completely as ordered divided by the total number of lines on an order."
- Backorder Fill - Ship backorders within five (5) calendar days of original order, unless special circumstances apply. The following information about the backorder(s) may be requested by the Customer or the Department: item name and product ID, reason for shortage, and plan of action (when delivery may be expected or suggested replacement).
- Price Accuracy- Maintain a price accuracy rate of 99.5% or greater. Price Accuracy is defined as the number of audited items each month where the list price, discount % and net price match the contract terms.

#### **Section 5.5 – Performance Assurance**

The following replaces Section 5.5 – Performance Assurance as outlined in Addendum No. 2 in its entirety.

The Respondent is required to meet the performance standards for Delivery Timing, Order Accuracy, Order Completeness/Fill, and Price Accuracy described in Section 6.3.1, Q2. Failure to meet the performance standards specified will result in the specified damages to the State as shown in the chart below. On the 15<sup>th</sup> of the month following the month being reported, the Respondent shall submit a report to the Contract Administrator containing the information required in Section 6.3.1, Q2. Performance Assurances, if applicable, will be paid via check or money order made out to the Department of Management Services in US Dollars within 30 days after report submission. These damages are assessed for failures over each 12 month period beginning with the first full month of contract performance and every 12 months thereafter.

<b>Item</b>	<b>First Failure</b>	<b>Second Failure</b>	<b>Third Failure</b>	<b>Fourth Failure</b>	<b>Fifth Failure*</b>	<b>Each Additional Failure</b>
Submit Report	\$0	\$500	\$500	\$1,000	\$2,000	\$3,000
Delivery Timing – less than 95% on time	\$0	\$0	\$1,000	\$1,000	\$2,000	\$3,000
Order Accuracy – less than 98% of items delivered are accurate	\$0	\$0	\$1,000	\$1,000	\$2,000	\$3,000
Order Completeness/ Fill – less than 95%	\$0	\$0	\$1,000	\$1,000	\$2,000	\$3,000
Price Accuracy – less than 99.5%	\$0	\$0	\$2,000	\$3,000	\$4,000	\$5,000

\*Note: If respondent fails to meet the performance standards 5 or more times in a 12 month contract period, the State shall have grounds to initiate contract breach and termination proceedings.