

AWARD RECOMMENDATION

Notice of Intent to Award Number: 240000000072

The Department of Technology, Management & Budget’s Central Procurement Services office has completed the evaluation of RFP 230000003193- Cutsheet Printers- MICR and Standard Toner and has recommended an award to Konica Minolta Business Solutions U.S.A. in the amount of One Million, Eight Hundred Twenty-Five Thousand, Four Hundred and Ninety Dollars (\$1,825,490.00.00), pending State Administrative Board approval, if applicable. More information on the State Administrative Board can be found at: [State Administrative Board](#).

Bidders who were not recommended for the award are encouraged to schedule a debriefing session with the Solicitation Manager. The debriefing session will provide the bidder with the State’s rationale on why the bidder was not recommended for the award. The Solicitation Manager may be contacted as follows:

Valerie Ann Hiltz, Solicitation Manager.
 HiltzV@michigan.gov
 517-249-0459

Background Information:

This Request for Proposal (RFP) was to solicit responses for selection of a Contractor to provide Cutsheet Printers using MICR and Standard Toner. The term of this contract was to be determined based on the printer model’s useful life with up to two one-year renewal options.

Bidders:

The RFP was posted on SIGMA VSS on Wednesday, September 20, 2023. It was posted for 15 days. The following bidders submitted proposals by the published due date of October 4, 2023.

Bidder	Address, City, State, Zip Code	SDVOB*	GDBE**
Canon Solutions America, Inc.	One Canon Park, Melville, NY 11747	No	No
Konica Minolta Business Solutions U.S.A.	340 East Big Beaver Road, Building C, Suite 400, Troy, MI 48083	No	No
Xerox Corporation	2174 Commons Parkway, Okemos, MI 48864	No	No

One bid was received on October 4, 2023, however it was received outside of the SIGMA VSS platform after the published due time of 3:00 pm and was considered non-responsive.

Bidder	Address, City, State, Zip Code	SDVOB*	GDBE**
Ricoh USA, Inc.	25800 Northwestern Highway, Suite 950, Southfield, MI 48075	No	No

*SDVOB: Service-Disabled Veteran Owned Business
 **GDBE: Geographically Disadvantaged Business Enterprise

EVALUATION SYNOPSIS

I. Evaluation Process

A Responsible Vendor is a vendor that demonstrates it has the ability to successfully perform the duties identified by the solicitation. A Responsive proposal is one that is submitted in accordance with the solicitation instructions and meets all mandatory requirements identified in the solicitation.

Proposal Instructions: Evaluation Process

8. EVALUATION PROCESS. The State will evaluate each proposal based on the following factors:

	Technical Evaluation Criteria	Weight
1.	Schedule A, Statement of Work, Sections 1-4	50
2.	Schedule A, Statement of Work, Section 5	30
3.	Schedule A, Statement of Work, Sections 6, 7, 8, & 9	10
4.	Vendor Questions Worksheet	10
	Total	100

Proposals receiving 80 or more technical evaluation points will have pricing evaluated and considered for award.

The State may utilize all bidder information, without regard to a proposal’s technical score, to determine fair market value for goods or services sought. The State is not obligated to accept the lowest price proposal. If applicable, the State’s evaluation will include consideration of a bidder’s qualified disabled veterans/service-disabled veteran owned business(QDV/SDVOB) status under MCL 18.1261(8). Additional information on the SDVOB preference is available at: Michigan.gov/SDVOB.

The full evaluation process is stated in the RFP Proposal Instructions.

II. Evaluation Method

Responses to this solicitation were reviewed by a Joint Evaluation Committee, which consisted of the following individuals:

Voting
Valerie Hiltz, Category Specialist DTMB Central Procurement Services Commodities/Services Division
Kristen Hampton, Director DTMB Print and Mail Management

Voting
Jason Vera, IT Programmer/Analyst DTMB Print and Mail Management
Bradley Best, IT Programmer/Analyst DTMB Print and Mail Management
Colin Pike, IT Programmer/Analyst DTMB Print and Mail Management
Guy Reynolds, IT Supervisor DTMB Print and Mail Management

III. Evaluation Results

A. Bidder # 1- Canon Solutions America, Inc.

The Evaluation Team determined that Canon Solutions America, Inc. based on a score of 48, did not meet the requirements of this RFP This determination was accomplished by evaluating their responses to the Technical Evaluation Criteria.

1. Schedule A- Statement of Work, Sections 1-4

The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiencies were noted:

- a. Section 1.2. Cut Sheet Printer Specification- The Bidder was required to attach documentation in its proposal. The Bidder did not provide what the title of the attached documents were, nor were any documents found to be attached.
- b. Section 2.4. Support, Repair and Maintenance- The Bidder was asked if they accepted the requirements of this section. The Bidder indicated that they would need to have two weeks advanced notice to provide weekend extension coverage.
- c. Section 3.1. Acceptance and Testing- The Bidder was asked if they accepted the requirements of this section. The Bidder responded that they could not meet the production uptime requirements.
- d. Section 4.4. Key Personnel Assignment or Removal- Bidder was asked if they accepted the requirements of this section. Bidder took exception and rejected the credits as published.
- e. Section 4.6. Work Hours. Bidder was asked if they accepted the requirements of this section. Bidder indicated that they took exception and indicate that they would work between the hours of 8:30 am and 5 pm with no evening support and weekend support would require two-week notice.

2. Schedule A- Statement of Work, Section 5

The Evaluation Team determined that overall, the responses were mostly unsatisfactory, with the following deficiencies were noted:

- a. Section 5.1. Project Plan- Bidder was required to submit a preliminary project plan as described in this section. Bidder did not provide a plan with the seven elements requested in this section.
- b. Section 5.3. Reporting- Bidder was asked to explain its reporting capabilities and any reporting included in its proposal. Bidder did indicate that it could provide reports during an in person quarterly review or via email, however, didn't indicate specific reports that the State requested be provided on a monthly basis.
- c. Section 5.3. Reporting- Bidder was required to provide a sample of a monthly digital report containing printer performance and uptime/downtime. Bidder did not provide this sample.

9/30

3. Schedule A- Statement of Work Sections 6, 7, 8 & 9

Evaluation Team determined that overall, the responses were mostly unsatisfactory, with the following deficiencies noted:

- a. Section 6.1. Price Term- The Bidder was asked if they accepted the requirements of this section. Bidder took exception and indicated that pricing would be allowed to be changed to match MSRP even after a contract was negotiated and finalized.
- b. Section 6.2. Price Changes- The Bidder was asked if they accepted the requirements of this section. Bidder took exception and indicated that pricing would be allowed to be changed to match MSRP even after a contract was negotiated.
- c. Section 8.1. Invoicing Requirements- The Bidder was asked if they accepted the requirements of this section. Bidder took exception to milestone payments and our invoicing requirements.
- d. Section 9. SLA's- The Bidder was asked if they accepted the requirements of this section. Bidder took exception to credits as published.

1/10

4. Vendor Questions Worksheet

The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiencies were noted:

- a. Section 2. Company Background Information - The Bidder was required to provide the legal business name and address. Bidder did not provide the address.
- b. Section 6. Standard Contract Terms. The Bidder was required to affirm acceptance of Standard Contract Terms or if not they were instructed to

attach redlines of Standard Contract Terms. Bidder did not affirm acceptance and attached redlines.

- c. Section 7. Insurance Requirements. The Bidder was required to affirm acceptance of the Insurance Requirements or if not they were instructed to attach redlines of Insurance Requirements. Bidder did not affirm acceptance and attached redlines.
- d. Section 9. Labor, Anti-Discrimination and Environmental Law Compliance- The Bidder was required to disclose any violations of state or federal labor, antidiscrimination and employment laws and regulations received within the past five years and to disclose any violations of state or federal environmental laws and regulations received within the past five years. Bidder's response did not address these disclosures.

12/20

Total Score: 48/100

B. Bidder # 3- Konica Business Solutions U.S.A.

The Evaluation Team determined that Konica Business Solutions U.S.A. based on a score of 81, did meet the requirements of this RFP. This determination was accomplished by evaluating their responses to the Technical Evaluation Criteria.

1. Schedule A- Statement of Work, Sections 1-4

The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiencies were noted:

- a. Section 1.6.A. Acceptable Use - The Bidder was asked if they accepted the requirements of this section. Bidder took exception indicating that they didn't read the requirement and wanted to the State to point out what was applicable.
- b. Section 2.3. Removal and Trade-In of Existing Printers. Bidder was asked if they accepted the requirements of this section. Bidder took exception and indicated that removal was contingent on being awarded all proposed equipment.
- c. Section 4.4. Key Personnel Assignment or Removal. The Bidder was asked if they accepted the requirements of this section. Bidder took exception to credits indicated and wants to negotiate credits.

37/40

2. Schedule A- Statement of Work, Section 5

The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiencies were noted:

- a. Section 5.1. Project Plan- Bidder was required to submit a preliminary project plan as described in this section. Bidder's project plan didn't include the equipment footprint

28/30

3. Schedule A- Statement of Work Sections 6, 7, 8 & 9

The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiencies were noted:

- a. Section 8.1. Invoice Requirements- Bidder was required to provide the frequency for billing of maintenance and consumable but didn't provide this information.
- b. Section 9. SLA's- The Bidder was asked if they accepted the requirements of this section. Bidder took exception and indicated that wish to customize the SLA's.

8/10

4. Vendor Questions Worksheet

The Evaluation Team determined that overall, the responses were mostly unsatisfactory, with the following deficiencies were noted:

- a. Section 5. Experience- The Bidder was required to supply three experiences, within the past five year of similar scope and size as is being required in this RFP.

For Experiences 1,2 & 3- Bidders were to provide projects that match the scope and size of that which is listed in this RFP. Bidder didn't provide information that indicated the scope of the projects other than a MICR machine was provided, and the projects were of a smaller size.

- b. Section 6. Standard Contract Terms. The Bidder was required to affirm acceptance of Standard Contract Terms or if not they were instructed to attach redlines of Standard Contract Terms. Bidder did not affirm acceptance and attached redlines with a list of additional terms they wanted included.
- c. Section 7. Insurance Requirements. The Bidder was required to affirm acceptance of the Insurance Requirements or if not they were instructed to attach redlines of Insurance Requirements. Bidder did not affirm acceptance and attached redlines.

8/20

Total Score: 81/100

C. Bidder #4- Xerox Corporation

The Evaluation Team determined that Xerox Corporation, based on a score of 76, did not meet the requirements of this RFP. This determination was accomplished by evaluating their responses to the Technical Evaluation Criteria.

1. Schedule A- Statement of Work, Sections 1-4

The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiencies were noted:

- f. Section 2.1. Timeframes- The Bidder was asked if they accepted the requirements of this section. Bidder took exception and indicated they want acceptance to be the date the equipment is installed.
- g. Section 2.4. Support, Repair and Maintenance- The Bidder was asked if they accepted the requirements of this section. The bidder indicated Technical Support would provide a one-hour call back. For repair service Bidder indicated Field Engineer phone response time of one-hour. Indicated it could support a 3-hour on-site response 90% of the time.
- h. Section 2.4. Support, Repair and Maintenance- The bidder was asked to explain the processes and procedures that would need to be followed for technical support. The Bidder did not provide a response.
- i. Section 3.1. Acceptance and Testing- The Bidder was asked if they accepted the requirements of this section. Bidder took exception and indicated that equipment would be deemed acceptable on installation date and that Xerox would make the determination if it was running satisfactorily.
- j. Section 3.2. Final Acceptance- The Bidder was asked if they accepted the requirements of this section. Bidder took exception and indicated that they would not allow PARE time.
- k. Section 4.4. Key Personnel Assignment or Reassignment- The Bidder was asked if they accepted the requirements of this section. Bidder took exception and rejected the credits as published.

29/40

2. Schedule A- Statement of Work, Section 5

The Evaluation Team determined that overall, the responses were mostly satisfactory, but the following deficiencies were noted:

- a. Section 5.3. Reporting- Bidder was required to provide a sample of a monthly digital report containing printer performance and uptime/downtime. Bidder indicated the samples were attached, but none were found.

29/30

3. Schedule A- Statement of Work Sections 6, 7, 8 & 9

The Evaluation Team determined that overall, the responses were mostly satisfactory, with the following deficiencies noted.

- c. Section 9. SLA's- The Bidder was asked if they accepted the requirements of this section. Bidder took exception and indicated that wish to customize the SLA's.

9/10

4. Vendor Questions Worksheet

The Evaluation Team determined that overall, the responses were mostly unsatisfactory, with the following deficiencies noted.

- a. Section 5. Experience- The Bidder was required to supply three experiences, within the past five year of similar scope and size as is being required in this RFP.
- b. For Experiences 1,2 & 3- Bidders were to provide projects that match the scope and size of that which is listed in this RFP. Bidder didn't provide information that indicated the scope of the projects nor mention MICR machines and didn't provide the size of the project.
- c. Section 6. Standard Contract Terms. The Bidder was required to affirm acceptance of Standard Contract Terms or if not they were instructed to attach redlines of Standard Contract Terms. Bidder did not affirm acceptance and attached redlines with a list of additional terms they wanted included.

9/20

Total Score: 76/100

IV. Technical Evaluation Summary

	Selection Criteria	Canon Solutions America, Inc.	Konica Business Solutions U.S.A.	Xerox Corporation
1	Schedule A, Sections 1 - 4	26	37	29
2	Schedule A, Section 5	9	28	29
3	Schedule A, Sections 6, 7, 8, & 9	1	8	9
4	Vendor Question Worksheet	12	8	9
	Total	48	81	76

V. Pricing Summary

Konica Business Solutions U.S.A. was the only bidder to pass technical evaluation. Konica Minolta indicated that their equipment had a seven-year useful life.

Deliverable		Konica Business Solutions U.S.A. 7 Years Useful life
1	Three Printers	\$ 344,800.37
2	Maintenance	\$ 289,800.00
3	“Click” Charges for 3 Million per Month or less	\$1,108,800.00
Total Price		\$1,743,400.37

VI. Negotiations

The State requested second round pricing and a faster duplex option for the non-MICR printer. Konica offered an alternative Standard Toner Printer, Model 6272p.

These are the following results:

Deliverable		Konica Business Solutions U.S.A. 7 Years Useful life
1	Three Printers	\$ 414,284.84
2	Maintenance	\$ 302,400.00
3	“Click” Charges for 3 Million per Month or less	\$1,108,800.00
Total Price		\$1,825,484.84

Konica Business Solutions U.S.A. negotiated in good faith to resolve redlines to the Standard Contract Terms and any exceptions they took to Schedule A on bid day.

VII. Award Recommendation

Award recommendation is made to the responsive and responsible Bidder who offers the best value to the State of Michigan. Best value is based on the proposal meeting the minimum point threshold and offering the best combination of the factors stated in the *Proposal Instructions Evaluation Process* section, and price.

Konica Business Solutions provided the best value to the State. Best value factors for Award Recommendation include:

- The Bidder offered printers with a useful life of seven years,
- The Bidder offered a special security toner that indicates when it has been tampered with.

As part of the best value determination, overall economic impact to the State of Michigan was considered and is not a determinative factor in making this award.

Award Recommendation is made to Konica Business Solutions U.S.A in the amount of \$1,825,490.00.