

EXHIBIT

1. UOG IFB No. P41-2010



UNIVERSITY OF GUAM
UNIBETSEDAT GUAHAN

Administration and Finance
Consolidated Procurement Office

**INVITATION TO BID
UOG BID No. P41-10**

The University of Guam is soliciting sealed bids for:

Document Management Equipment with Software Integration

Copies of Instruction and Information may be obtained from:

Procurement Office
UOG Administration Building
Mangilao, Guam.
Tel: 735-2925
Fax: 734-3118

A bid package is available from 9am - 4pm Mon - Fri.
A non-refundable fee of \$25.00 is required.

Deadline for Submission of Bid Packages is on Friday, September 10, 2010, 2:00 P.M. at the UOG Procurement Office.

/s/Dr. Robert A. Underwood
President

University of Guam is an equal opportunity employer and provider
This Advertisement is paid for by University of Guam Funds

AUTHORIZED FOR ANNOUNCEMENT

Dr. Robert A. Underwood
President

UOG Station, Mangilao, Guam 96923 Tel. (671) 735.2925 Fax. (671) 734.3118
A U.S. Land Grant Institution accredited by the Western Association of Schools and Colleges
The University of Guam is an equal opportunity provider and employer.

UNIVERSITY OF GUAM
INVITATION TO BID

UOG BID NO. P41-10, Document Management Equipment with Software Integration

DATE ISSUED: August 8, 2010
UOG SECTION: EMSS
ISSUED BY: UOG PROCUREMENT OFFICE
TEL: 735-2925 FAX: 734-3118

INSTRUCTIONS TO BIDDERS

1. **RECEIPT AND OPENING OF BIDS:** Sealed bids for UOG Bid No. P41-10, Document Management Equipment with Software Integration must be received by the Procurement Office, University of Guam in Mangilao, (An original and a copy of the bid submission) signed and sealed in an envelope to the issuing office no later than:

TIME: 2:00 P.M.

DATE: Friday, September 10, 2010

Bid submitted after the time and date specified above shall be rejected.

Attention is called to the fact that bidders not only offer to assume the obligations and liabilities imposed upon the contractor in the form of a contract, but are expressly made certain of the representations and warrants made herein. No effort is made to emphasize any particular provision of the contract, but bidders must familiarize themselves with every provision and its effect. This Bid is subject to **General Terms and Conditions of the Invitation for Sealed Bids (Attachment A)** and the **Special General Provisions (Attachment B)**.

In consideration of the expense of the University of Guam of opening, tabulating, and evaluating this and other bids, and other considerations, the undersigned agrees that this bid shall remain firm and irrevocable within thirty (30) calendar days from the date of opening to supply any or all of items for which prices are quoted.

2. **BIDDER'S QUALIFICATIONS (Attachment C):** The University of Guam may require a bidder to present satisfactory evidence that he has sufficient experience and he is fully prepared, thus it is required that the bidder completely fill out the Bidder's Qualifications Form.
3. **NON-COLLUSION AFFIDAVIT (Attachment D):** Each person submitting a bid for any portion of the work covered by the bidding documents shall execute an affidavit, in the form provided with the Bid to the effect that he has not colluded with any other person, firm or corporation in regard to any bid submitted. Such affidavit shall be attached to the proposal.
4. **MAJOR SHAREHOLDERS AFFIDAVIT (Attachment E):** As a condition to submitting of bids or proposals, any partnership, sole proprietorship or corporation doing business with the University of Guam shall submit an affidavit that lists the name and address of any person who has held more than ten percent (10) of outstanding shares in said partnership, sole proprietorship or corporation at any time during the twelve (12) month period immediately preceding submission of a proposal. The affidavit shall contain the number of shares or the percentage of all assets of such partnership, sole proprietorship or corporation which have been held by each person during the twelve (12) month period. In addition, the affidavit shall contain the name and address of any person who has received or is entitled to receive a commission, gratuity or other compensation for the procuring or assisting in obtaining business related to the bid or proposal for the Offeror and shall contain the amounts of any shall commission, gratuity or other compensation. The affidavit shall be open and available for inspection and copying.
5. **RIGHT TO ACCEPT AND REJECT BIDS:** The President of the University of Guam reserves the unqualified right, in his sole and absolute discretion, to reject any and all bids, or to accept that bid or combination of bids, if any, which in his sole and absolute judgment will under all circumstances best serve the interests of the University of Guam. In the event that the successful bidder fails to execute the contract upon his part or to

furnish a satisfactory performance and payment bond, the University, after declaring the security deposit of such bidder forfeited, reserves the option to accept the bid of any other bidder within ten (10) days from such default, in which case such acceptance shall have the same effect as to such bidder as though he was the originally successful bidder.

6. MODIFICATIONS PRIOR TO DATE SET FOR OPENING BIDS: The University reserves the right to revise or amend the specifications prior to the date set for opening bids. Such revisions and amendments, if any, will be announced by an amendment or amendments to this Invitation for Bids and shall be identified as such. It is required that the bidders acknowledge in writing receipt of all amendments issued and such acknowledgment must be included in the bid. The amendment shall refer to the portions of the Invitation for Bids it amends. Amendments shall be sent to all prospective Bidders known to have received an Invitation for Bids. Amendments shall be distributed within a reasonable time to allow prospective Bidders to consider the amendment in preparing their Bids. If the time and date set for receipt of bids will not permit such preparation, such time shall be increased to the extent possible in the amendment or, if necessary, by facsimile, email or telephone and confirmed in the amendment.

7. METHOD OF AWARD: Bid shall be awarded to the [] highest-rated, (X) lowest, () highest, responsible bidder. The University reserves the right to waive any minor information of irregularity in Bids received. The President shall have the authority to award or reject Bids, in whole or in part for any one or more items if he determines it is in the public interest.

Award issued to the [] highest-rated, (X) lowest, () highest, responsible bidder within the specified time for acceptance as indicated in the Bid, results in a binding contract without further action by either party provided the successful bidder executes a formal contract with the University. In case of any error in the extension of prices, unit price will govern. It is the policy of the Government of Guam to award Bids to qualified local vendors.

8. SUBMISSION OF BIDS:

- a. Bids and modifications thereof shall be enclosed in sealed envelopes and addressed to the office specified in the Solicitation. The bidder shall show the hour and date specified in the Solicitation for receipt, the Solicitation number, and the name and address of the bidder on the face of the envelope.
- b. Telegraphic bids will not be considered unless authorized by the Solicitation. However, bids may be modified or withdrawn by written or telegraphic notice, provided such notice is received prior to the hour and date specified for receipt (see paragraph 9 of these instructions).
- c. Samples of items, when required, must be submitted within the time specified, unless otherwise specified by the University, at no expense to the University. If not destroyed by testing, samples will be returned at bidder's request and expense, unless otherwise specified by the Solicitation.
- d. Samples or descriptive literature should not be submitted unless it is required on this Solicitation. Regardless of any attempt by a bidder to condition the bid, unsolicited samples or descriptive literature will not be examined or tested at the bidder's risk, and will not be deemed to vary any of the provisions of this Solicitation.

9. FAILURE TO SUBMIT BID: If no bid is to be submitted, do not return the Solicitation unless otherwise specified. A letter or postcard shall be sent to the issuing office advising whether future Solicitations for the type of supplies or services covered by this Solicitation is desired.

10. PRE-BID CONFERENCES. Pre-Bid conferences will be permitted anytime prior to the date established herein for submission of bid. The conferences will be conducted only to explain the procurement requirements for this Request for Proposal. The Authority will notify all Bidders of any substantive clarification provided in response to any inquiry. The Authority will extend the due date if such information significantly amends the solicitation or makes compliance with the original proposed due date impractical.

11. BID PACKET. The prospective bidder is required to read each and every page of the Bid Packet and by the act of submitting a proposal shall be deemed to have accepted all conditions contained therein. In no case will failure to inspect constitute grounds for claim or for the withdrawal of a bid after opening. Bid submission shall be filled out in ink or typewritten and signed in ink. Erasures or other changes in a bid must be explained or noted over the signature of the offeror. Bid submission containing any conditions, omissions, unexplained erasure

or alterations or items not called for in the Bid packet, or irregularities of any kind may be rejected by the University as being incomplete.

12. BID PACKET FORM. A non-refundable fee of \$25.00 (U.S.) will be charged for each bid packet. All payments shall be by cash, certified check or money order and shall be made to the University of Guam.

13. NOTICE OF AWARD. UOG will notify all bidders the status of the Bid and intent to award. Written notice of award will be public information and made a part of the contract file.

14. LOCAL PROCUREMENT PREFERENCE: "All procurement of supplies and services shall be made from among businesses licensed to do business on Guam in accordance with Guam Code Annotated Title 5 Chapter 5 Section 5008 and UOG Procurement Regulation Section 3.9.14.5."

**ATTACHMENT A
GENERAL TERMS AND CONDITIONS OF THE INVITATION FOR BIDS**

- 1. COMPLIANCE WITH SPECIFICATIONS:** Bidder should comply with specifications outlined.
- 2. LATE BIDS, LATE WITHDRAWALS, AND LATE MODIFICATIONS:**
Any bid received after the time and date set for receipt of bids is late. Any withdrawal or modification of a bid received after the time and date set for opening of bids at the place designated for opening is late. (Section 3.9.11.1, University of Guam Procurement Manual).
- 3. DETERMINATION OF LOWEST/HIGHEST RESPONSIBLE BIDDERS:** In determining lowest/highest responsible bidder, the University shall be guided by the following:
 - (a) Price of bid items.
 - (b) The ability, capacity, and skill of the bidder to perform.
 - (c) Whether the bidder can perform promptly or within the specified time.
 - (d) The character, integrity, reputation, judgment, experience, and efficiency of the bidder.
 - (e) The quality of performance of the bidder with regards to awards previously made to him.
 - (f) The previous and existing compliance by the bidder with laws and regulations relative to procurement.
 - (g) The sufficiency of the financial resources and ability of the bidder to perform.
 - (h) The quality, availability, and adaptability of the supplies for the use of the subject of the award.
 - (i) The ability of the bidder to provide future maintenance and services for the use of the subject of the award.
 - (j) The number and scope of the conditions attached to the bid.
- 4. TAXES:** Bidders are cautioned that they are subject to Guam Business Privilege Taxes, including 4% Gross Receipt Tax and Guam Income Taxes on Guam Transactions. Specific information of taxes may be obtained from the Director of Revenue and Taxation.
- 5. LICENSING:** Bidders are cautioned that the University will not consider for award any Bid Offer submitted by a bidder who has not complied with Guam Licensing Law. Evidence of required licenses must be provided in order for a bid to be considered. Specific information on licenses may be obtained from the Director of Revenue and Taxation.
- 6. EQUAL EMPLOYMENT OPPORTUNITY:** Section 3.01(1) of the President Executive Order No. P29-08 10935 dated March 7, 1965, requires the bidder not to discriminate against any employee or applicant for employment because of race, creed, color or national origin. The bidder will take affirmative action to ensure that applicants are employed and the employees are treated equally during employment without regard to their race, creed, color or national origin.
- 7. DETERMINATION OF RESPONSIBILITY OF BIDDER:** The University reserves the right for securing from bidders information necessary to determine whether or not they are responsible and to determine the responsibility in accordance with Section 3 of the General Terms and Conditions.
- 8. JUSTIFICATION OF DELAY:** Vendors who are awarded items under the Bid guarantee that the goods will be delivered to their destination within the time specified. If the vendor is not able to meet the specified delivery date, he is required to notify the purchasing agent of such delay. Notification shall be in writing and should be received by the agent at least twenty-four (24) hours before the specified delivery date. Notification of delay shall include an explanation of the causes and reasons for the delay including statement(s) from supplier or shipping company causing the delay. The University of Guam reserves the right to reject delay justification if in the opinion of the President such justification is not adequate.
- 9. EQUAL OPPORTUNITY EMPLOYER AND PROVIDER:** It is the policy of the University of Guam to provide equal opportunity in its higher educational mission and as employer. The University complies with all federal and local statutes, rules and regulations which prohibit discrimination in its policies and practices and direct affirmative action, including but not limited to Titles VII and IX of the Civil Rights Act of 1964 (as amended), Executive Order 11246, and the Equal Pay act of 1963 (as amended). The University shall promote a full

realization of equal opportunity through a positive, continuing program, including a requirement that those doing business with the University also are equal opportunity employers.

10. EMPLOYMENT RESTRICTION: If a contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of the Guam Code Annotated or of an offense defined in Article 2 of Chapter 28 of Title 9 of the Guam Code Annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on University of Guam property, with the exception of public highways. If any employee of a service provider is providing services on University property and is convicted subsequent to an award of a contract, then the service provider warrants that it will notify the University of the Conviction, within twenty-four hours of the conviction, and will immediately remove such convicted person from providing services on University property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the University will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four hours of notice from the University, and the service provider shall notify the University when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from the University, then the University in its sole discretion may suspend temporarily any contract for services until corrective action has been taken.

11. (X) (Required if checked) BID SECURITY REQUIREMENT (Attachment F): Bidder is required to submit a Bid Security or standby irrevocable Letter of Credit or Certified Check or Cashier's Check in the same bid envelope to be held by the University of Guam (UOG). The bid security required under any applicable invitation for Bid shall not be released upon award of the bid, but instead shall continue in full force and effect until delivery of the supplies or services required by any contract awarded to contractor under the associated Invitation for Bid is completed. The Bid Security, Letter of Credit Certified Check or Cashier's Check must be issued by any local surety or banking institution licensed to do business on Guam and made payable to the University of Guam in the amount of fifteen percent (15%) of the total amount bid. The Bid Security must be submitted on UOG Bid Security Form (a copy is enclosed). Personal Checks will not be accepted as Bid Security. If a successful Bidder (contractor) withdraws from the bid or fails to enter into contract within the prescribed time, such Bid guarantee will be forfeited to the University of Guam. Bids will be disqualified if not accompanied by Bid Security, Letter of Credit, Certified Check or Cashier's Check. Bidder must include in his/her bid, valid copies of a Power of Attorney from the Surety and a Certificate of Authority from the Government of Guam to show proof that the surety company named on the bond instrument is authorized by the Government of Guam and qualified to do business on Guam. For detailed information on bonding matters, contact the Department of Revenue and Taxation. Failure to submit a valid Power of Attorney and Certificate of Authority on the surety is cause for rejection of bid. (Pursuant to Public Law 27-127, all competitive sealed bidding for the procurement of supplies or services, exceeding \$25,000.00, a 15% Bid Security of the total bid price must accompany the bid package.) When the Invitation for Bids requires bid security, non compliance requires that the bid be rejected unless, pursuant to Policy Office regulations, it is determined that the bid fails to comply in a non-substantial manner with the security requirements.

12. INDEPENDENT CONTRACTOR: Contractor shall operate its business as an independent contractor and shall discharge all of its duties as such. No act performed or representation made, whether oral or written by Contractor with respect to third parties shall be binding on UOG.

13. INDEMNITY: Contractor agrees to indemnify and hold harmless UOG and its officers and employees from any claim, damage, liability, injury, expense or loss, including defense costs and attorney's fees, arising out of Contractor's duties under this agreement resulting from Contractor's negligence, save and except those caused by the negligence on the part of UOG.

14. CONTRACTOR PROVIDED INSURANCE: The Contractor and subcontractors of all tiers shall procure and maintain the following types and amounts of insurance, if applicable, during the entire term of the Agreement:

a) **PROPERTY INSURANCE:** Property or Builders All Risk insurance providing coverage for all risks of direct physical loss or damage, including flood, earthquake, and windstorm, to raw materials, work in progress, components, and completed construction throughout the job site and at temporary storage and prefabrication

sites. The amount of coverage shall be not less than the total of the full replacement value of raw materials, components, work in process, and completed construction. Deductibles if any shall be approved by the Owner. The policy shall be endorsed to include the Owner as an additional insured as its respective interests may appear at the time of loss.

b) LIABILITY INSURANCE: Commercial General Liability insurance including coverage for bodily injury and property damage, contractual liability, products and completed operations, and, if necessary, Broad Form Property Damage and Explosion, Collapse and Underground coverage. Coverage shall be extended for three years following issuance of Notice of Completion. The limits of liability shall be not less than \$1,000,000 combined single limit of liability per accident and \$2,000,000 annual aggregate. Deductibles if any shall be approved by the Owner. The University of Guam, its Directors, Officers, agents, and employees shall be named as additional insureds as respects any claims arising out of the Project.

c) AUTOMOBILE LIABILITY: Commercial Auto Liability insurance for all owned and non-owned vehicles used in connection with the contract/agreement/project in an amount not less than \$1,000,000 combined single limit of liability. Deductibles if any shall be approved by the Owner. The University of Guam, its Directors, Officers, agents, and employees shall be named as additional insureds as respects any claims arising out of the Project.

d) WORKERS COMPENSATION: Statutory Workers' Compensation and Employers Liability insurance.

e) TRANSPORTATION INSURANCE: If necessary, Transportation insurance providing "All Risk" coverage, including War Risk, for loss or damage to building materials and components from the point of shipment to the job site.

CANCELLATION: All policies shall contain an endorsement requiring insurers to provide the Owner with sixty (60) days prior written notice of cancellation, non-renewal, or reduction of coverage or limits.

CERTIFICATES: Contractor shall provide evidence of the required insurance on standard Accord forms or equivalent.

**ATTACHMENT B
SPECIAL GENERAL PROVISIONS**

1. GENERAL INTENTION: It is the declared and acknowledged intention and meaning of this Special General Provision for the Bidder to provide the University of Guam with materials, supplies, or equipment completely assembled, and ready for use.

2. COMPETENCY OF BIDDERS: Bids will be considered only from such bidders who, in the opinion of the University, can show evidence of their ability, experience, and facilities to render satisfactory service.

3. CONTACT FOR CONTRACT ADMINISTRATION: If your firm receives a contract as a result of this invitation, please designate a person whom we may contact for prompt administration.

NAME: _____ **TITLE:** _____

NAME OF COMPANY: _____ **ADDRESS:** _____

TEL: _____ **FAX:** _____ **E-Mail Address:** _____

4. INSPECTION: All supplies, materials, or equipment delivered under this contract shall be subject to the inspection and test conducted by the University at destination. If, in any case, the supplies, materials, or equipment are found to be defective in material, workmanship, performance or otherwise does not conform to the specifications, the University shall have the right to reject the items or require that they be corrected. The number of days required for correction will be determined by the University of Guam.

5. BID FORMS: Each bidder shall be provided with one (1) set of bid forms. Additional copies may be provided upon request. Bidders requesting additional copies of bid forms will be charged \$1.00 per page. All payments for this purpose shall be by cash, certified check, or money order and shall be made payable to the University of Guam.

6. BID ENVELOPE: Bid envelopes shall be sealed and marked with the bidder's name, bid invitation number, time of bid opening, date of bid opening and place of bid opening. An original and a copy of the bid submission must be in the bid envelope.

NOTE: UNDER NO CIRCUMSTANCES WILL LATE BIDS BE ACCEPTED BY THIS OFFICE.

7. RECEIPT, OPENING AND RECORDING OF BIDS: Bids and modifications shall be publicly opened in the presence of one or more witnesses, at the time, date, and place designated in the Invitation for Bid. The name of each bidder, the bid price, and such other information as is deemed appropriate by the Procurement Officer, shall be read aloud and recorded, or otherwise made available. The names and addresses of required witnesses shall be recorded at the opening. The opened bids shall be available for public inspection except to the extent the bidder designates trade secrets or other proprietary data to be confidential as set forth in accordance with Section 9, below. Materials so designated shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Prices, makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary.

8. CONFIDENTIAL DATA: The Procurement Officer shall examine the bids to determine the validity of any requests for nondisclosure of trade secrets and other proprietary data identified in writing. If the parties do not agree as to the disclosure of data, the Procurement Officer shall inform the bidders in writing what portions of the bid will be disclosed and that, unless the bidders protest under Chapter 9 of UOG Procurement Regulations, the bids will be so disclosed. The bids shall be opened to public inspection subject to any continuing prohibition on the disclosure of confidential data.

9. TRADE SECRETS AND PROPRIETARY DATA. Offerors may designate those portions of their proposals that contain trade secrets or proprietary data to be confidential.

10. INQUIRIES: All inquiries or questions and concerns must be submitted to the President of the University of Guam in writing. Oral communications will not be considered.

**ATTACHMENT C
BIDDER'S QUALIFICATIONS**

To be submitted in accordance with the provisions set forth in the INSTRUCTIONS TO BIDDERS contained in the bidding documents for the project.

The undersigned Bidder makes the following representations relating to its proposal to the UNIVERSITY OF GUAM.

The word "it", used herein by way of reference to the undersigned, shall be deemed to mean "he or she" if the Bidder is an individual and "they" if the Bidder is a partnership.

1. It maintains a permanent place of business at

2. **STANDARD FOR DETERMINATION OF QUALIFIED BIDDER:** In order to qualify as responsible, a prospective bidder must meet the following standards as they relate to the particular procurement under consideration:
- (a) Has adequate financial resources for performance, or has the ability to obtain such resources as required during performance.
 - (b) Has the necessary experience, organization, technical qualifications, skills, and facilities, or has the ability to obtain them.
 - (c) Is able to comply with the proposed or required performance schedule.
 - (d) Has a satisfactory record of integrity, judgment, and performance.
 - (e) Must be able to conform to the requirements of the Equal Employment Opportunity Act.

3. It hereby represents and warrants that all statements set forth herein are true and correct. (If the Bidder is a partnership, the partnership name must be signed, followed by the signature of at least one of the partners. If the Bidder is a corporation, the corporate name must be signed, followed by the signature of a duly authorized officer and the corporate seal affixed. A typewritten copy of all such names and signatures shall be appended. No alterations, erasures, corrections or interlineations will be permitted).

NAME OF BIDDER

ATTACHMENT D
FORM OF NON-COLLUSION AFFIDAVIT

GUAM)
) ss
HAGATNA, GUAM)

_____, being first duly sworn deposes and says:

That he is _____
(A Partner or Officer of the Firm, etc.)

the party making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder has not colluded, conspired, connived or agreed, directly or indirectly, with any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to fix any overhead, profit or cost element of said bid price, or of that of any other bidder, or to secure any advantage against the University of Guam or any person interested in the proposed contract; and that all statements in said proposal or bid are true.

/s/ _____

Signature of _____
Print name of Bidder, if bidder is an individual
Partner, if bidder is a partnership
Officer, if bidder is a corporation

Subscribed and Sworn to this _____ day of _____, 20 _____,

(Notary Public)

My Commission expires on _____, 20 _____.

ATTACHMENT F
BID SECURITY

BID BOND
No. P41-10

KNOW ALL MEN BY THESE PRESENTS that _____, as Principal, hereinafter called the "Principal", and (Bonding Company), _____, a duly admitted insurer under the laws of the Territory of Guam, as Surety, hereinafter called the "Surety", are held firmly bound unto the University of Guam for the sum of _____ Dollars (\$_____), for payment of which sum will and truly to be made, the said Principal and the said Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

Whereas, the Principal has submitted a bid for (identify project by number and brief description)
_____.

NOW, THEREFORE, if the University of Guam shall accept the bid of the Principal, the Principal shall enter into a Contract with the University of Guam in accordance with the terms of such bid, and give such bond or bonds as may be specified in bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof. In the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the University of Guam the difference not to exceed the penalty hereof between the amounts specified in said bid and such larger amount for which the University of Guam may in good faith contract with another party to perform work covered by said bid or an appropriate liquidated amount as specified in the Invitation for Bid, then this obligation shall be null and void, but otherwise will remain in full force and effect.

Signed and sealed this _____ day of _____, 20_____

(PRINCIPAL) (SEAL)

(WITNESS)

(TITLE)

(MAJOR OFFICER OF SURETY)

(TITLE)

(MAJOR OFFICER OF SURETY)

(TITLE)

(RESIDENT GENERAL AGENT)

**University of Guam
Invitation to Bid UOG BID NO. P41-10
DOCUMENT MANAGEMENT EQUIPMENT AND SOFTWARE LEASE
OR EQUIVALENT
BID SPECIFICATIONS**

Document Management Equipment with Software Integration for University of Guam Robert F. Kennedy Memorial Library

The University of Guam Robert F. Kennedy Memorial Library desires to procure document management hardware with software integration in order to better provide services to library patrons (students/faculty/staff/administrators/Friends of the Library). Information on the plan, support, hardware and software integration are listed below. This is an "all or none" bid as the library will hold the awarded vendor responsible for assuring all hardware and software integration under the plan are compatible with one another. Vendors responding to this bid warrant that the hardware provided in response to this bid will be successfully integrated with the software. The University of Guam Robert F. Kennedy Memorial Library is committed to the University's GOING GREEN Initiative.

Plan Information

- 60 month plan agreement for equipment and software specifications detailed below
- Includes maintenance with all parts, labor and all supplies
- Allowance of 25,000 black and 1600 color prints per month
- Pricing fixed for duration of the plan
- On-site Service Support
- Multifunction Machine Performance Guarantees for the duration of the plan so that in the event UOG is unsatisfied with the performance of any proposed machine, machine will be replaced with an equal or comparable machine at no additional charge
- Quarterly reporting of how multifunction machines are performing, no. of service calls per machine, aggregate and per unit print volumes and trend analysis (month to month and year over year)

Hardware Information

Magnetic Card Dispensing Units (2 Units)

- Accepts Bills and Dispenses Magnetic Cards for use in Vend Units
- Allows Revaluing of Magnetic Cards
- Compatible with Jamex 10 mil. Magnetic Cards

Unit 1 and 2: Multifunction copier/ printer with Vend Unit

- 35 ppm Black copying/ printing; 35 ppm Color copying/ printing
- 75 sheet Automatic Duplexing Document Feeder
- 50 pages per minute scanning
- 4 paper trays and bypass tray holding up to 11 x 17 sized paper
- Print Resolution of 1200 x 2400 dpi
- Remote printer management via the network
- Hard Drive
- Ability to limit Black and Color Copying and Printing with usage reporting provided on demand
- Convenience Stapling
- Workshelf
- Book Copying
- 15 Amp Line Conditioner
- Customizable Copy and Print Default Settings
- Lockable Vend Unit with bypass key; accepts Coins, Bills, and Jamex Cards and charges for copies and prints depending upon paper size, and whether print is in color or black & white

Unit 3: Multifunction copier/ printer/ scanner with Vend Unit

- 35 ppm Black copying/ printing; 35 ppm Color copying/ printing
- 75 sheet Automatic Duplexing Document Feeder
- 50 pages per minute scanning
- 4 paper trays and bypass tray holding up to 11 x 17 sized paper
- Print Resolution of 1200 x 2400 dpi
- Network color/black scanning to a variety of locations including email, mailbox, network folder, and PC desktop
- Scan to PDF and Text Searchable PDF formats
- Remote printer management via the network
- Hard Drive
- Ability to limit Black and Color Copying and Printing with usage reporting provided on demand
- Convenience Stapling
- Workshelf
- Book Copying
- 15 Amp Line Conditioner
- Customizable Copy and Print Default Settings
- Lockable Vend Unit with bypass key; accepts Coins, Bills, and Jamex Cards and charges for copies and prints depending upon paper size, and whether print is in color or black & white; must be compatible with LPT:One Print Release Software

Unit 4 and 5: Multifunction copier/ printer/ scanner with Vend Unit

- 85 ppm Black copying/ printing; 60 ppm Color copying/ printing
- Cartridge-less and Fuser-less Printing Technology
- 100 sheet Automatic Duplexing Document Feeder
- 75 pages per minute scanning
- 3 paper trays and bypass tray holding up to 11 x 17 sized paper
- Print Resolution of 600 x 600 dpi
- Network color/black scanning to a variety of locations including email, mailbox, network folder, and PC desktop
- Scan to PDF and Text Searchable PDF formats
- Remote printer management via the network
- Hard Drive
- Ability to limit Black and Color Copying and Printing with usage reporting provided on demand
- Convenience Stapling
- Workshelf
- Book Copying
- 15 Amp Line Conditioner
- Customizable Copy and Print Default Settings
- Lockable Vend Unit with bypass key; accepts Coins, Bills, and Jamex Cards and charges for copies and prints depending upon paper size, and whether print is in color or black & white; must be compatible with LPT:One Print Release Software

Unit 6: Multifunction copier/ printer/ scanner/ fax

- 35 ppm Black copying/ printing; 35 ppm Color copying/ printing
- 75 sheet Automatic Duplexing Document Feeder
- 50 pages per minute scanning
- 4 paper trays and bypass tray holding up to 11 x 17 sized paper
- Print Resolution of 1200 x 2400 dpi
- Network color/black scanning to a variety of locations including email, mailbox, network folder, and PC desktop
- Scan to PDF and Text Searchable PDF formats

- Remote printer management via the network
- Hard Drive
- Ability to limit Black and Color Copying and Printing with usage reporting provided on demand
- In-line automatic stapling
- Walkup Fax and LAN Fax at 33.6 kbps
- Fax forwarding to email
- 15 Amp Line Conditioner
- Customizable Copy and Print Default Settings

Unit 7: Multifunction copier/ printer/ scanner

- 75 ppm Black copying/ printing; 50 ppm Color copying/ printing
- 250 sheet Automatic Duplexing Document Feeder
- 80 pages per minute scanning
- 4 paper trays and bypass tray holding up to 11 x 17 sized paper
- Print Resolution of 2400 x 2400 dpi
- Network color/black scanning to a variety of locations including email, mailbox, network folder, and PC desktop
- Scan to PDF and Text Searchable PDF formats
- Remote printer management via the network
- Hard Drive
- Ability to limit Black and Color Copying and Printing with usage reporting provided on demand
- In-line automatic stapling, hole punching, and booklet folding
- 20 Amp Line Conditioner
- Customizable Copy and Print Default Settings

Supplies

All supplies necessary to run the multifunction devices shall be included (Example: toner, drums, fusers, waste containers, paper and staples) and delivered as needed with the exception of paper which will be delivered per the schedule below.

<u>Paper Size</u>	<u>Quantity (cases)</u>	<u>Delivery</u>
8.5 x 11	5	monthly
8.5 x 14	1	semi-annually
11 x 17	1	semi-annually

Paper shall be delivered at the beginning of every month.

Software Support Information

- PC Desktop Document Management Software that allows indexing and searching of indexed documents from within the software and also allows creation of digital file systems for storage of electronic documents. User should be able to assign keywords to scanned files and query file system for these keywords. Scanned image "drag and drop" functionality available as a means of filing scanned images/files into created folders. Also, document management software maintains industry standard file formats including PDF, Multipage TIFF, and JPEG (no proprietary formats throughout the scanning/filing process). Software allows enhancement and correction of scanned images including color photos (Image Rotate, Image Highlight, Add Text, Add Line, Color Improvement, Brightness Improvement, Erase, Automatic Stray Dot Removal, Auto Page Straightening.) 10 seat license
- PC Optical Character Recognition Software that allows creation of Text Searchable PDF documents and direct saving of recognized documents to .doc (MS Word) and .xls (MS Excel) formats. OCR capability is accurate and maintains format of original document including tables. 10 seat license.
- PC PDF Creation Software that allows creation of PDF documents in either image only or text searchable formats. Also allows creation of PDF documents that requires a password prior to opening and/or

printing (Password protected PDF). Also allows conversion of hardcopy forms to electronic PDF form fillable documents. 10 seat license.

- Form filling software that automatically determines completion fields in a scanned in form and allows you to complete and save the form as a digital form template in PDF. Manual placement of completion fields on the scanned form is not necessary. 10 seat license.
- Automatic Scanned Image Retrieval Software that automatically places scanned images on PC workstations and deletes scanned images from server (no manual searching of scanned image files necessary) 10 seat license.

Service Support

- 24 Hour Unlimited Telephone Technical Support
- Support including setup of equipment on the network and setting up of software
- Equipment Training
- Unlimited On-site Maintenance Support
- Software Support for the duration of the plan
- Pick-up, disposal, and recycling of all used toner bottle, fusers, drum and waste cartridge supplies. Disposal of spent supplies shall be done in a manner that is environmentally responsible.

EXHIBIT

2. Letter of September 13, 2010, IBSS to UOG

RECEIVED

DATE: 9/13/2010 *for*



Island Business Systems & Supplies

Canon

Authorized Dealer

Guam Office:

P.O. Box 7 Hagaña, Guam 96932
• Tel (671) 477-7454, 472-2200 • Fax: (671) 477-7650 •
email: support@ibssguam.com

Saipan Office:

P.O. Box 187 CK Saipan MP 96950
• Tel (670) 234-8002, 234-5155 • Fax: (670) 234-6050 •
email: support@ibssguam.com

Date: September 13, 2010
To: University of Guam
Attention: Dr. Robert A. Underwood
President
Reference: UOG Bid No. P41-10

IBSS (Island Business Systems and Supplies), is a division of Town House Department Stores, Inc., a J&G affiliate, a locally owned and operated Guam corporation. IBSS provides document management services and equipment and is a potential bidder for the referenced UOG IFB.

The IFB is issued to procure various copiers, each with its own specifications, as well as document management software.

The hardware specifications are overly restrictive by deviating unnecessarily over competitive common industry standards, in a manner that favors Xerox products above others. IBSS has sought to broaden the specifications to foster more price competitiveness at no material functional detriment to the University's needs, but without success. The specifications thus violate the policy of 5 GCA § 5001(b)(6) and the requirements of 5 GCA §§ 5268(a) and (b), and 2 GAR §§ 4102(a)(1) and (a)(3).

The instructions purport to impose a condition that prohibits the University from accepting part of a bid; rather it must accept all or none of a bid.

The "all or none" condition in the Specifications is internally inconsistent with ¶ 7 of the Instructions to Bidders as well as applicable Guam procurement law and regulation.

There are several components to this solicitation, including variously specified pieces of copier hardware and, additionally, a software component. The relevant law requires that these be separately priced so that the award may be made in whole or in part, to the lowest bidder of any responsive and responsible bidder.

The only reference in the procurement rules to "all or none" is 2 GAR § 3115(f); it is not mentioned at all in the law. This regulation does NOT give the government the right to declare a "all or none" bid condition.

OFFICE OF THE
COMPTROLLER
OF THE GOVERNMENT
SEP 14 2010
[Signature]



What is says is that bidders can condition their own bid on the requirement that the government must accept the entire bid or reject it in its entirety if and only when the solicitation allows an all or nothing bid (which you apparently intend to do with this bid). If the solicitation does not allow such a bid, any condition of the bidder restricting acceptance to all or nothing is deemed to be a non-responsive bid.

§ 3115(f) says, if the solicitation allows the bidder to limit its bid to all or nothing, "the territory shall not reject part of such bid or proposal and award on the remainder".

This last provision is important to understand because it points to the purpose of the clause in the greater scheme of the procurement law.

5 GCA § 5225, says "any or all bids or proposals may be rejected in whole or in part". It does not say bids may be "accepted" in whole or part, it says "rejected" in whole or part. The government cannot limit its power – or intention (if the provision is dropped but applied de facto) – to award only in whole.

The regulation (§ 3115(f)) was made to allow the government flexibility to put out a bid to encourage bidders to submit a bid that could not be cherry-picked. It was not intended to tie the government's hands. Nor to give the government an excuse to reject low bids for some items when the bidder does not or can not bid on every item.

This unfettered reservation in the law of the power of the government to cherry-pick, as expressed in § 5225, is amplified in the regulation and supported by express policies of the procurement law.

Regulation 2 GAR § 3115(e)(2) unequivocally states "[e]ach solicitation issued by the territory shall provide that any bid or proposal may be rejected in whole or in part". If the government declares it will only accept the bid in whole, it is negating the legal requirement that it be allowed (and, by competition policy, encouraged) to accept the bid in part.

The policy behind the reserved right to pick and choose amongst bids is "to provide increased economy in territorial activities and to maximize to the fullest extent practicable the purchasing value of public funds". (5 GCA § 5001(b)(5).) It purposefully allows the government to pick the lowest priced items from amongst all bids, and encourages competition (5 GCA § 5001(b)(6)) from vendors who can competitively bid some but not all items in the IFB.

The law requires that all specifications be drafted in such manner as will permit maximum practicable competition. (2 GAR § 4102(a)(1); see, 5 GCA § 5265.) The all or none provision this IFB intends to implement violates this requirement.



Island Business: Systems & Supplies

Canon

Authorized Dealer

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email: support@ibssguam.com

Saipan Office:

P.O. Box 167 CK Saipan MP 96950

• Tel: (670) 234-8002, 234-5155 • Fax: (670) 234-8650 •

email: support@ibssguam.com

Furthermore, the proposed all or none condition is a stalking horse for sole source procurement.

The stated justification for the all or none condition is simply to assure hardware and software integration.

This assumes that there is no software that can accomplish this goal irrespective of hardware platform. That assumption is not justified.

The software specifications in the IFB are not unique nor particularly complex. All commercial copiers have their own software, and most offer integration and compatibility across differing hardware platforms that handily meet the software specifications. The IFB should be geared to those who offer the widest range and options of platform, not the least.

What's more, other software packages are available as well, such as Laserfiche™, PaperPort, PageManager and many others. There was an article in the news just recently about a company from Hong Kong visiting island to sell another such product. Even the Microsoft operating software for computers allows print capacity and document mobility over a variety of hardware platforms.

If a particular vendor's software is incompatible with cross-platform integration, it should be non-responsive, because that is not the commercial norm:

"It is the general policy of this territory to procure standard commercial products whenever practicable. In developing specifications, accepted commercial standards shall be used and unique requirements shall be avoided to the extent practicable." (2 GAR § 4103(a)(3).)

It unnecessarily restricts competition in this IFB to only one vendor to bundle and tie the hardware to the vendor's proprietary integrative software by the all or none clause.

And, if you limit the bid for the software to only one vendor (which, under the proposed all or none clause, would be the hardware vendor), you are sole sourcing software for which there are alternate providers, in contravention of 5 GCA § 5214.

For all these reasons this solicitation must not be "bundled" by the proposed all or none clause.

Having carefully reviewed the specifications, attached is our cost analysis showing our recommendations and the tremendous savings that can be realized by modifying the copying speed/pages per minute in accordance with Buyers Lab/Feature by Segment Chart. The thousands of dollars that could be saved, based on the suggested retail prices, can be used for other UOG Projects that could include improvements in its facilities.



Island Business Systems & Supplies

Canon

Authorized Dealer

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• Tel (670) 234-9002, 234-5155 • Fax: (670) 234-8050 •
email: support@ibssguam.com

IBSS is also recommending the following changes in the specifications for:

Unit 1 and 2, Unit 3 and Unit 6:

From: Print Resolution of 1200 x 2400

To: Print Resolution with a range of 1200 x 1200 to 1200 x 2400

Unit 7:

From: Print Resolution of 2400 x 2400

To: Print Resolution with a range of 1200 x 1200 to 2400 x 2400

Unit 4 and 5

Delete Cartridge-less and Fuser-less Printing which is proprietary to the Xerox ColorCube Series.

Also, please define what is a Workshelf, noted on Unit 1 and 2, Unit 3, and Unit 4 and 5?

Sincerely,

Roland R. Franquez
General Manager

Cc: Attorney John Thos. Brown
Cc: UOG Procurement Office

JOG Cost Analysis using Buyer's Laboratory, Inc. Data

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
UOG's Unit No.	UOG's Quantity	UOG's Copier Speed Specifications- Pages-Per-Minute (PPM)	UOG's Total Monthly Pooled Print Volume (Combined Black & Color)	UOG's Average Monthly Print Volume Per Unit (Combined Black & Color) (Note 1)	Buyers Lab Inc.'s (BLI) Suggested Retail Price Based on UOG's Copier Speed Specifications	BLI's Copier Speed Recommendation Based on Monthly Print Volume	BLI's Average Suggested Retail Price Based on the BLI's Recommended Copier Speed	UOG's Estimated Savings Per Unit (Note 2)	UOG's Quantity	UOG's Total Estimated Savings (Note 3)	IBSS Recommended Copier Speed
1 & 2	2 Units	35/35ppm	26,600	3,800	\$15,000.00	11-20ppm	\$8,000.00	\$7,000.00	2 units	\$14,000.00	20-30ppm (Black) 20-30ppm (Color)
3	1 Unit	35/35ppm	26,600	3,800	\$15,000.00	11-20ppm	\$8,000.00	\$7,000.00	1 unit	\$7,000.00	20-30ppm (Black) 20-30ppm (Color)
4 & 5	2 Units	85/60ppm	26,600	3,800	\$15,000.00	11-20ppm	\$8,000.00	\$7,000.00	2 Units	\$14,000.00	20-30ppm (Black) 20-30ppm (Color)
6	1 Unit	35/35ppm	26,600	3,800	\$15,000.00	11-20ppm	\$8,000.00	\$7,000.00	1 Units	\$7,000.00	20-30ppm (Black) 20-30ppm (Color)
7	1 Unit	75/50ppm	26,600	3,800	\$15,000.00	11-20ppm	\$8,000.00	\$7,000.00	1 Unit	\$7,000.00	20-30ppm (Black) 20-30ppm (Color)
									Total	\$49,000.00	

Notes:

- 1) UOG's Average Monthly Print Volume per unit is UOG's Total Monthly Print Volume divided by UOG's Unit Quantity
- 2) UOG's Potential Estimated Savings Per Unit is Column #6 minus Column #8
- 3) The Total Savings is based only on the BLI's suggested retail price. The total savings will greatly INCREASE for a five (5) year lease, since FINANCE CHARGES will have to be included.
- 4) The chart, which cannot be reproduced or reprinted without BLI's approval, can be viewed from their website www.buyerslab.com.

OFFICE
 [Handwritten initials]

loc
 [Handwritten initials]

EXHIBIT

3. Letter of September 22, 2010, UOG to IBSS



UNIVERSITY OF GUAM
UNIBETSEDĀT GUAHAN

Administration and Finance
Consolidated Procurement Office
September 22, 2010

Mr. Roland R. Franquez
General Manager
Island Business Systems & Supplies
P.O. Box 7
Hagåtña, Guam 96932
Email: support@ibssguam.com

Re: Letter to President dated September 13, 2010 re UOG Bid No. P41-10

Dear Mr. Franquez:

This responds to your letter of September 13, 2010 addressed to the President stating several of your concerns with UOG Bid No. P41-10. You have raised concerns with the University's "all or none" provision in the bid, and in addition have made the following recommendations: 1) That the specification for Units 1, 2, 3 and 6 be changed from a "Print Resolution of 1200 x 2400" to "Print Resolution with a range of 1200 x 1200 to 1200 x 2400"; 2) that the specification for Unit 7 be changed from "Print Resolution of 2400 x 2400" to "Print Resolution with a range of 1200 x 1200 to 2400 x 2400"; 3) that the specification for Units 4 and 5 for "Cartridge-less and Fuser-less Printing" be deleted, as you contend it is proprietary to the Xerox ColorCube Series. You have also asked for the definition of "Workshelf".

After review and discussion with the RFK Library personnel for whom this bid is solicited, it has been determined that the specifications above that you have recommended to be revised will remain as originally listed, based on the needs of the University and its students. Further, the terms "cartridge-less" and "fuser-less" are not proprietary to the Xerox ColorCube Series, but are general terms used to describe a system that is cartridge or fuser free. Therefore, those terms will also remain as originally listed.

A "workshelf" may be defined in this solicitation as a shelf or work area that is attached to the copier machine.

Finally, the University notes your position on the "all or none" provision. The University is permitted to use this "all or none" provision in accordance with UOG Procurement Regulation 3.15.6. As stated, "[I]f the bid or proposal is so properly limited, the University shall not reject part of such bid or proposal and award on the remainder."

The University encourages you to participate in the bidding process, in accordance with Guam Procurement Law and the University's Procurement Rules and Regulations.

Thank you for your attention to this matter.

Should you have any further inquiries or concerns, please direct them to Vicente (Ben) Borja, Supply Management Administrator, UOG Procurement Office.

Thank you for your attention to this matter.

Sincerely,

V. T. BORJA,
Supply Management Administrator

Copy: President
Legal Counsel
Comptroller
RFK Library Director

EXHIBIT

4. Protest letter of September 27, 2010

September 27, 2010

Dear President Underwood,

IBSS (Island Business Systems and Supplies), is a division of Town House Department Stores, Inc., a J&B affiliate, a locally owned and operated Guam corporation. IBSS provides document management services and equipment and is a potential bidder for the referenced UOG IFB. For the reasons stated below and issues subsumed therein, IBSS must protest this solicitation.

RESPONSE:

UOG's response, V.T. Borja's letter of September 22, 2100, to IBSS' letter of September 13 2010 is disappointingly non-responsive. Though Mr. Borja's letter affirms UOG's intent to proceed with UOG Bid No. P41-1- ("Solicitation") unchanged, UOG fails to substantively address the issues and concerns raised in IBSS' letter.

SPECIFICATIONS:

The solicitation is for standard, commercial office products. Thus, "In developing specifications, accepted commercial standards shall be used and unique requirements shall be avoided..." 2 GAR, section 4102(a)(3). As set forth in IBSS' letter of September 13, 2010, incorporated herein and appended for your review and convenience, the specifications unnecessarily deviate from competitive commercial standards. For example, the cartridge-less and fuser-less specifications are not the commercial standard. Specifications shall contain "...only the essential physical characteristics and functions required to meet the Territory's minimum needs." 5 G.C.A. 5268(a). It is important to utilize competitive commercial standards in developing specifications, the effect of which is to broaden, not lessen, the field of potential bidders which in turn increases the likelihood that the government shall receive the lowest possible price without compromising the quality of the product. Unduly restrictive specifications, by contrast, reduce the number of potential responsible bidders, making it less likely that the government will receive the lowest possible price on all respective components of the solicitation. Unless a written determination is made that a less restrictive specification is not practicable, unique requirements such as described above, unnecessarily restricts and discourages competition by limiting the number of potential bidders to the detriment of the consumer. This statutory preference for the least restrictive specifications promotes the overall economy by fostering competition. 5 G.C.A., section 5265 and 2 GAR, section 4106, respectively. As discussed below, a bidder with the lowest price on the hardware may not be the lowest bidder on the software.

ALL OR NONE:

The “all or none” condition contained in the first paragraph of the Bid Specifications is internally inconsistent with paragraph 7 of the Instruction To Bidders, Invitation To Bid. There is neither statutory nor regulatory authority for the Government to condition its acceptance on “all or none” of a bid or proposal. In the limited instance that the government permits a bidder to condition his offer/bid on (the government’s) acceptance or rejection of “all or none” of it, Section 3115(f) of 2 GAR precludes the government from rejecting it in part and awarding on the remainder. See, 2 GAR, Section 3115(f), “All or None Bids or Proposals” (... shall not REJECT (emphasis added) part of such bid or proposal and award on the remainder.”). Thus, it is the bidder, not the government, that conditions its bid on the acceptance or rejection of “all or none” of it.

UOG’s interpretation of 2 GAR, section 3115(f) that purportedly authorizes it to condition its acceptance on “all or none” of a bid runs afoul of 5 G.C.A., Section 5225 and of 2 GAR, Section 3115(e)(2), both of which specifically mandate that the government must reserve its unfettered authority to reject a proposal in whole or in part. See 5 G.C.A., Section 5225 (“any or all bids or proposals may be rejected in whole or in part”); see also 2 GAR, Section 3115(e)(2) (“Each solicitation issued by the territory SHALL (emphasis added) provide that any bid or proposal may be rejected in whole or in part.”).

The right to reject in part and accept (a bid) in part permits the government to maximize the value of the public funds expended by purchasing goods and services at the lowest possible price from the most responsive and responsible bidder and furthers the underlying purposes and policies of the Guam Procurement Law to increase public confidence, ensure fair and equitable treatment, foster competition and provide increased economy. See 5 G.C.A., Section 5001 et. seq.. Conversely, to hamstring the government right to reject a bid in whole or in part by limiting its power to accept “all-or-none” hampers competitive pricing, diminishes the purchase value of public funds and promotes sole source procurement.

The “all or none” condition inhibits competitive pricing respecting the various copiers, each with its own specifications and software. As noted above, the lowest bidder on the software may not be the lowest bidder on the hardware. Consequently, to garner the lowest possible bid, the copiers and software should be separately priced. However, conditioning the bid on “all or none” only hampers the government’s ability to obtain the lowest possible bid by limiting the pool of bidders and by restricting itself to a sole source bidder.

IBSS’ letter of September 13, 2010 dispels the notion that an “all or none” bid condition is necessary to ensure integration of software and hardware. Given that the software specifications are neither unique nor complex and that current industry information boasts of integration and compatibility across the hardware platforms, there is every reason to believe that integration can be accomplished without resort to an “all or none” bid condition which promotes sole sourcing, when there are alternate sources at a lower price, in contravention of 5 G.C.A., section 5214.

IDENTIFICATION OF AUTHOR OF SPECIFICATIONS AND BASIS:

In violation of 5 G.C.A., section 5267, the solicitation fails to disclose the person responsible for the drafting of the specifications and persons, technical literature or manufacturer's brochure relied upon in drafting the specifications.

For all these reasons this solicitation must not be "bundled" by the proposed all or none clause.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Ed Tumamak', with a long horizontal flourish extending to the right.

Ed Tumamak
duly authorized representative,
Island Business Systems and Supplies,
division of Town House Department Stores, Inc.,
a J&G affiliate

EXHIBIT

5. Letter of Decision on Protest dated October 25, 2010



UNIVERSITY OF GUAM
UNIBETSSEDAT GUAHAN
OFFICE OF THE PRESIDENT
UOG Station, Mangilao, Guam 96923
Telephone: (671) 735-2990 • Fax: (671) 734-2296

October 25, 2010

Roland R. Franquez
General Manager
Island Business Systems & Supplies
P.O. Box 7
Hagåtña, Guam 96932
Email: support@ibssguam.com

Re: **Protest dated September 27, 2010 re UOG Bid No. P41-10**

Dear Mr. Franquez:

This responds to your Protest addressed to me as President of the University of Guam and received by the President's Office on September 27, 2010. Your Protest consists of three issues: 1) the "All or None" provision; 2) the specifications; i.e., the cartridge-less and fuser-less specifications; and 3) the publication of the source of the specifications, pursuant to 5 GCA § 5267. These issues are addressed below as follows:

1. The University has reviewed your position on the "All or None" provision. In the best interests of the University, the University will remove the "All or None" provision from the bid, but will retain the specification that integration and compatibility exist with the University's software and hardware systems.

2. IBSS contends that the specifications for UOG Bid No. P41-10 are unduly restrictive and unnecessarily deviate from competitive commercial standards, and that unique requirements should be avoided (2GAR § 4102(a)(3)). As an example, IBSS states that the "cartridge-less" and "fuser-less" specifications are not the commercial standard. Under 17 GCA §§ 16123 and 16124, the University is statutorily designated as the Natural Energy Institute. In recent years the University has established its UOG Green Initiative and its Center for Island Sustainability. Further, the Office of the Governor has recently promulgated Executive Order No. 2010-15, Relative to Creating an Energy Task Force Committee to Develop and Implement a Strategic Energy Plan, spearheaded by the Guam Energy Office and the University. In accordance with its statutory mission and executive directives, the University must seek environmentally conscious and energy saving technology on its campus and throughout the region. Given such a mandate, the specifications for cartridge-less and fuser-less printing technology are not unduly restrictive, nor does the University find that they are considered unique among the industry standards. I also note that the cartridge-less and fuser-less printing technology specification applies only to Units 4 and 5, out of the seven (7) units solicited in the bid.

Further, IBSS' request to modify the print resolutions for various units does not serve the best interests of University and its students. Therefore, in the best interests of the University, the bid specifications, except as noted in number 1 above, will remain as originally listed.

3. IBSS further contends that the solicitation fails to identify the person responsible for drafting the specifications pursuant to 5 GCA § 5267. Internally, the person responsible for drafting the specifications is identified, despite this omission in the bid package itself. In this instance, however, the omission on the part of the University to so state in the bid package did not act to prejudice any other bidder, as evidenced by the free flow of communication by the bidders in clarifying specifications with the University procurement official. Therefore, in the best interests of the University, the University takes notice of this omission, but will proceed with the bidding process. However, to be clear and transparent, all future University IFBs will identify the person responsible for drafting the specifications, pursuant to 5 GCA § 5267.

Based on the above reasoning, the University will **amend** UOG Bid No. P41-10 to remove the "All or None" provision. Further, pursuant to 5 GCA § 5267, the University will identify the person responsible for drafting the specifications in the bid packet.

Pursuant to Guam law, you have a right to administrative and judicial review.

The University complies with the Guam Procurement Law and the University of Guam Procurement Manual, and is committed to the fair and equitable treatment of all qualified bidders.

Should you have any further inquiries or concerns, please direct them to Vicente (Ben) Borja, Supply Management Administrator, UOG Procurement Office.

Thank you for your attention to this matter.

Sincerely,



Robert A. Underwood
President

Copy: Legal Counsel
RFK Library Director
SMA

EXHIBIT

6. Request for Reconsideration dated October 27, 2010

JOHN THOS. BROWN
ATTORNEY AT LAW *

GENERAL COUNSEL

Jones & Guerrero Co. Inc. (Guam, USA)

Its divisions, subsidiaries and affiliates[†]

J&G Corporate Office

545 Chalan Machaute, (Rte 8 @ Biang St.), Maite, Guam 96910

Telephone: +1-671-477-7293

Fax: +1-671-472-6153

email: jngoza@azemail.com.au

Mobile/Cell phone: +1-671-483-5960

POSTAL: GPO Box 7, Hagåtña, Guam 96932

27 October, 2010

Mr. Robert A. Underwood
President, University of Guam
UOG Station, Mangilao
Guam 96923

RE: REQUEST FOR RECONSIDERATION – BID PROTEST NO. P41-10

Dear President Underwood,

On September 27, 2010, Island Business Systems & Supplies submitted a protest of IFB UOG No. P41-10.

You courteously responded to the protest by letter dated October 25, 2010, addressed to Mr. Roland R. Franquez, General Manager of IBSS. I am General Counsel for IBSS and seek your reconsideration of your response to the extent that it rejected IBSS' protest regarding the unduly restrictive nature of the specifications.

First, you rejected the protest objection to “cartridge-less” and “fuser-less” specifications. You base your argument on the ground that 17 GCA §§ 16123 and 16124, together with E.O. No. 2010-15 mandate a “statutory mission and executive directives” requiring the University to “seek environmentally conscious and energy saving technology.” You conclude, “[g]iven such a mandate, the specifications for cartridge-less and fuser-less printing technology are not unduly restrictive, nor does the University find that they are considered unique among

* Admitted to Practice: California, Guam and Commonwealth of Northern Mariana Islands, USA [inactive in NSW, Australia]*

[†] Micronesian Brokers, Inc. (Guam and CNMI)/Town House Department Stores, Inc. (Guam)/J&G Distributors/Aquarius Beach Towers, (Saipan, CNMI)/Livno Holdings PTY LTD (A.C.N. 003 585 331)/Townhouse, Inc. (Saipan, CNMI)/ IBSS (Guam and Saipan)

the industry standards”.

I can find no such mandate. The laws you cite merely gives another moniker to the University (“The Guam *Natural Energy* Institute”; 17 GCA § 16123) and require the University to liaise with other institutions and “*natural energy-related* projects” (§ 16124(a)), maintain a file of possible support programs (§ 16124(b)), maintain current information on *natural energy* resouces, (§ 16124(c)), provide information “on natural energy systems” (§ 16124(d)), and undertake “natural energy” system development projects (§ 16124(e)).

There is simply no element of “natural energy” in the specifications or requirement for the copiers which are the subject of this IFB. The law you have cited is entirely irrelevant.

Likewise, the Executive Order that is cited does not mandate anything at all having to do with this equipment. And even if it did, Executive Orders cannot override the obligations of statutory law.

Statutory law requires that “[a]ll specifications ... shall not be unduly restrictive.” (5 GCA § 5265.) It requires that specifications “shall include only the essential physical characteristics and functions to meet the Territory’s minimum needs”. (5 GCA § 5268(a).)

You further assert the cartridge-less and fuser-less printing technology is “not considered *unique* among the industry standards”. Granted such technology may be found in more than one isolated manufacturer’s product (thus may not be “unique” to one manufacturer), but, first, it is rare in the industry and is not the standard, and second, it is not available on Guam from the usual copier providers doing business here. These factors run contrary to Guam Procurement regulation and policy.

“It is the general policy of this territory to procure standard commercial products whenever practicable. In developing specifications, accepted commercial standards shall be used and unique requirements shall be avoided to the extent practicable”. (2 GAR § 4102(a)(3).)

An essential purpose of the Procurement Act is “to foster *effective* broad-based competition”. (5 GCA § 5001(b)(6).) The Act is to “be construed and applied to promote its underlying purposes”. (5 GCA § 5001(a).) It is no answer, then, to claim, in defense of an allegation of non-competitive, non-standard specifications, that a specification may possibly be available in some far place, because that does not foster competition, nor is it “effective” competition.

Whatever the merits of a policy to acquire “environmentally conscious and energy saving technology”, there is just no exemption or preference for it in the procurement law, nor in the legal authorities cited in your letter of rejection.

Moreover, even if we were to consider as meritorious the goal to “seek environmentally conscious and energy saving technology”, the specifications do so in an unduly restrictive manner. Cartridge-less and fuser-less printing technology is not the only energy saving technology in the industry.

Other manufacturers achieve energy savings by other means (there are third party industry surveys of subjects like this), and if your goal is to seek energy saving technology, those other means must also be considered, and these specifications do not do that. The University has arbitrarily selected one amongst many energy savings alternatives. Competitive specifications must only identify the essential *function* to meet the territory’s needs, not *features* which unnecessarily restrict competition. (5 GCA § 5268(a).)

You next reject the modification of print resolutions. IBSS can show that these specifications, again, are not the industry standard for the uses and types of equipment required, and therefore run contrary to the preference for standard commercial products discussed above. Indeed, it can be shown that the specifications unnecessarily exceed industry standards and will result in a non-competitive and more expensive acquisition.

Your rejection is justified by the bald, unsubstantiated statement that changing the specifications as requested “does not serve the best interests of the University and its students”. This justification is inadequate in the circumstances.

Determinations such as this must articulate sufficient facts, circumstances and reasoning as will substantiate the specific determination. In the Guam Supreme Court case, *In re Department of Agriculture v. CSC (Rojas)* 2009 Guam 19, at ¶ 31, the Court said “[w]e explicitly hold here that where the CSC exercises its power to reconsider a final decision without articulating in its decision a reasoned basis for doing so, the exercise is inherently arbitrary and capricious.”

Finally, you mention the failure of the IFB to identify the person responsible for drafting the specifications, and promise to do so in the future; in this case, you indicate it is adequate, in the give and take of correspondence, that the identity must be obvious.

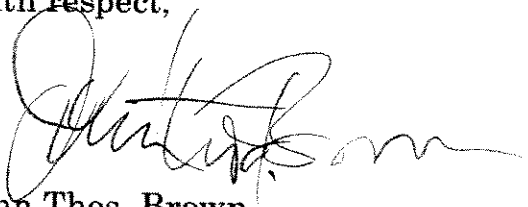
This does not cover the full protest. It is not simply the identity of the drafter

that is required, but also the “persons, technical literature or manufacturer’s brochure relied upon in drafting the specifications” that must be disclosed under 5 GCA § 5267.

The specifications in the IFB were not contrived in a vacuum. They were obviously taken from some other template or source or with some other person’s influence or suggestion. Therefore, it is not proper to “proceed with the bidding process” as your rejection advises unless this disclosure is first made and time is allowed to consider the matter disclosed.

This letter is written under the authority of 2 GAR § 9101(h) and in the spirit of dialogue to avoid a rush to appeal, but my time to appeal is not tolled by this request. Therefore, sir, I respectfully ask for an immediate reconsideration and response, and in any event I must soon act to preserve IBSS’ objections and rights of review.

With respect,

A handwritten signature in black ink, appearing to read "John Thos. Brown", written over a horizontal line.

John Thos. Brown

EXHIBIT

7. Copy of Buyer's Laboratory, Inc. report concerning industry standards for ppm

How to Buy a Copier or MFP: 2009

PPM VS. MONTHLY VOLUME STANDARDS

Feature by Segment (Monochrome)

Monochrome Segment	Average SRP	Range for Scheduled Maintenance (impressions)	BLI Optimum Monthly Volume (impressions)	Paper Capacity Standard	Paper Capacity Max	Optional Finishing
1 (11-20 ppm)	\$2000 legal \$3000 ledger	25k-45k legal 40k-150k ledger	3600	305 legal 380 ledger	730 legal 1550 ledger	None legal Some ledger
2 (21-30 ppm)	\$3,700 up to 23 ppm \$7,000 up to 30 ppm	60k-200k up to 23 ppm 60k-300k up to 30 ppm	9000	600 up to 23 ppm 1,000 up to 30 ppm	1,800 up to 23 ppm 3,100 up to 30 ppm	Some up to 23 ppm All up to 30 ppm
3 (31-40 ppm)	\$9,400	75k-500k	17,000	1,050	3,850	All
4 (41-69 ppm)	\$16,000	60k-500k	26,500 (41-49 ppm) 37,250 (50-59 ppm) 55,000 (60-69 ppm)	2,250	5,350	All
5 (70-90 ppm)	\$31,500	250k-600k	82,000 (70-79 ppm) 135,000 (80-89 ppm) 175,000 (90 ppm)	3,600	7,250	All
6 (91 ppm+)	\$56,500	500k-750k	175,000	3,500	8,300	All

ppm ↑
Feature by Segment (Color)

VOL. ↑
↓

Color	Average SRP	Range for Scheduled Maintenance (impressions)	BLI Optimum Monthly Volume (impressions)	Paper Capacity Standard	Paper Capacity Max	Optional Finishing
1 (11-20 ppm)	\$8,000	Information not available	3,000 up to 15 ppm 13,500 16-20 ppm	780	2,550	Majority
2 (21-30 ppm)	\$13,000	40k-300k	13,500 21-25 ppm 15,000 26-30 ppm	1,000	3,500	All
3 (31-40 ppm)	\$15,000	40k-300k	15,000 31-36 ppm 28,000 37-40 ppm	975	3,600	All
4 (41-69 ppm)	\$29,000	70k-200k	28,000 41-46 ppm 36,500 46 ppm +	2,400	5,500	All
5 (70-90 ppm)	\$36,000	Information not available	36,500	3,250	6,700	All

Image Quality Ratings

Each product submitted for BLI testing has its print and copy output carefully inspected by our team of industry experts, who use both visual evaluations and sophisticated lab test instruments to determine image quality in key areas including text, fine lines, halftones, curved lines, business graphics and photographic images.

BLI technicians also use a spectrophotometer to measure how accurate color output remains over time during the test. Halftone output is measured and analyzed for range of tone as well as the distinction between shades. Even the density of printed and copied output is measured and compared against competing units. What this adds up to is a clear and detailed evaluation of the strengths and weaknesses of each product's output quality, and how it stacks up against the competition.

- ▶ If the machine goes down for any reason, how fast does the dealer get it fixed?
- ▶ Does the dealer offer solutions software (and training) that can help you use your MFP to link to your existing software and workflow?

These are all questions you'll want to consider during your "test drive" period.

Look One Step Up and One Step Down

Before making your final decision, it's worth it to take a last look at the copiers, printers and MFPs that are 5-10 ppm faster (and also those that are 5-10 ppm slower) than the device you're leaning toward.

Not only will these products offer a number of capabilities that are similar to the one you're considering, but by examining products one segment up the food chain might also show you useful, increased capabilities (such as better finishing options that let users create booklets in-house instead of sending them out to copy shops). Similarly, you might find it worthwhile to look at a slightly slower machine that still offers the feature set you want, but at a lower price. Take a look at productivity data for any OEM's product you buy to make sure not only that it prints the speed you need, but it does so for the kinds of jobs you produce (e.g. duplex). At times for some products, you might find the difference in productivity for your set of work to be so slight that you can buy a less expensive model with a slower rated engine without much loss in productivity. Ask your sales rep to provide you with BLI or other independent productivity studies. You can [also see a comparison of capabilities by segment](#).

In every market segment, color devices are priced higher than monochrome ones, but even if you currently use only black and white printers and copiers, color is still a capability that you might find useful over the course of your new MFP's lifetime. More and more businesses are using color to create livelier presentations, sales materials that "pop," and more professional-looking output. Some even create their own letterhead and business cards, saving those printing costs over the life of the machine.

With the ability to control who uses color, and how much color they use, more and more offices are installing at least one color-capable device. Even printers, copiers and MFPs that print only in monochrome may offer color scanning capabilities, so this capability is creeping into even the "monochrome-only" end of the marketplace.

EXHIBIT

8. BLI "Understanding Sustainability", from "How to Buy a Copier or MFP: 2009"

Understanding Sustainability

Customer demand for environmentally friendly digital imaging products has increased over the past several years. When it comes to determining the environmental friendliness of digital imaging equipment and that of its manufacturer, there are many factors for the customer to consider. They include:

- ▶ Energy consumption (energy save modes, how fuser works)
- ▶ Paper (handles recycled paper; defaults to duplex)
- ▶ Waste (consumables, packaging, page yield and toner saving modes)
- ▶ Impact of manufacturing and disposing of the product (chemical, global warming, biodegradable)

There are also a number of areas where equipment differs. While each manufacturer we surveyed claims to design its products with recycling in mind and to use recycled materials to remanufacture new products, less than half have a hardware recycling program and only half offer a toner cartridge recycling program.

When talking to a vendor, there are a number of questions you can ask to find out more on the environmental friendliness of their devices:

- ▶ What chemicals are used in the product?
- ▶ What eco-logo certifications does the product have and what directives does it comply with?
- ▶ How is the device cleaned?
- ▶ Are parts procured from environmentally friendly manufacturers?
- ▶ Does the manufacturer have proof that they are environmentally friendly?
- ▶ Does it accommodate recycled toner cartridges and recycled paper?
- ▶ How much water and natural resources were consumed to make the product?

There are a number of things you can do once you own the device to be environmentally friendly as well. For example, make sure you activate the unit's duplexing features and sleep mode and place the unit at least four feet from any workstation to reduce noise and air pollution from bothering nearby workers. In addition, during closing or off peak hours, turn the machine off. Also be sure it complies with International Blue Angel standards, which is one of the most comprehensive eco-labels available.

Understanding Sustainability II

Customer demand for environmentally friendly digital imaging products has increased over the past several years, according to manufacturers that participated in a comprehensive survey on sustainability practices conducted by Buyers Laboratory. Indeed, many manufacturers claimed that not only

has the increase in demand risen, but overall public knowledge of what types of features to look for in an environmentally friendly product has increased as well. When it comes to determining the environmental friendliness of digital imaging equipment and that of its manufacturer, there are many factors for the customer to consider. For example, what chemicals are used in the product? Does the product offer features such as duplexing or toner- or energy-save mode? Does the manufacturer recycle its products?

To find out about manufacturers' environmental initiatives across a range of aspects, BLI asked 14 document imaging manufacturers to participate in a comprehensive survey on sustainability practices; nine manufacturers returned surveys. Manufacturers were asked about their most environmentally friendly products, waste reduction programs and recycling, eco-label certifications for their products, regulatory compliance progress, types of chemicals used in their products, how they define carbon footprint, their use of natural resources, how they reduce waste, and pollution, in-house environmental initiatives, third-party procurement policies, challenges faced and future "green" endeavors.

Environmentally Friendly Product Features

Environmentally friendly features found on digital imaging equipment include instant- or quick-fusing technology, duplexing, toner- and energy-save modes, as well as the ability to use recycled paper.

Six of the manufacturers surveyed incorporate instant- or quick-fusing technology into some or all of their product lines, which eliminates or greatly reduces a device's warm-up time, and in turn saves energy. This technology can refer to two different types of energy-saving technologies. While some manufacturers have developed a fast-melting toner that fuses more quickly, others have created a fuser that heats up faster than with previous units. Both methods of instant fusing use less energy than conventional fusing.

The majority of manufacturers surveyed incorporate toner-save mode in some or all of their products, which helps to reduce toner consumption by reducing the coverage on the output. All surveyed manufacturers offer energy-save modes for most of their products as well. Energy-save mode automatically places the document imaging device into a "sleep," or a low-power mode, when the device has not been used for a certain amount of time.

Most surveyed manufacturers claim that all of their products can handle 30, 50 and 100 percent recycled paper. About half sell or recommend Forest Stewardship Council (FSC)-certified paper products, which means that materials used to produce the products were sourced responsibly. Plus, every manufacturer surveyed offers duplexing for at least some of its products.

Recycling and Reducing Waste

One way that manufacturers reduce waste is by refurbishing or remanufacturing devices. While some manufacturers recycle the outer shell and replace a few internal components, others completely disassemble the device at the end of its life and either disassemble and melt down various components to form new parts for new devices, or recycle them for completely different uses, such as roof shingles, while still others recycle the whole document imaging device. Most often, however, manufacturers recycle or reuse only the toner or ink cartridges, as well as plastic casings and a few metal components. While each surveyed manufacturer claims to design its products with recycling in mind and to use recycled materials to remanufacture new products, only six have a hardware recycling program and seven have a toner cartridge recycling program.

Regulatory Compliance

Many regions and countries require products to comply with certain governmental regulations. Among the most common electronic regulations are the Restriction of Hazardous Substances (RoHS) and Waste Electrical and Electronic Equipment (WEEE). WEEE places the responsibility for the disposal of waste electrical and electronic equipment, including removal and waste processing, as well as the financing of such processes, on the manufacturers of such equipment. The RoHS directive prohibits new electrical and electronic equipment in the European Union (EU) market from containing more than 0.1 percent by weight of lead, mercury, hexavalent chromium, polybrominated biphenyls (PBB) and polybrominated diphenyl ethers (PBDE) and 0.01 percent by weight of cadmium. Nearly every manufacturer surveyed claims some or all of its products are RoHS and WEEE compliant. However, the survey found that the majority of manufacturers surveyed still used polyvinyl chloride, brominated flame retardants, mercury and nickel. The only chemical group listed that the manufacturers surveyed have eradicated from document imaging product manufacturing is polybrominated biphenyls.

Two new directives introduced in the EU include Registration, Evaluation and Authorization of Chemicals (REACH) and Directive 2005-32-EC (EuP). The goals of REACH are to establish a coherent registration system for providing basic hazard and risk information on new and existing chemical substances manufactured in or imported into the EU; to move the burden of proof away from government regulatory agencies to the producing and importing companies; to make users of such chemicals responsible for providing information on uses and associated risks; to maintain the existing restriction system and to introduce an authorization procedure for the most hazardous substances; to ensure greater transparency and openness for the public by providing easier access to relevant information on chemicals; and to establish a central European entity to facilitate the administration of REACH and ensure that the system is applied in a harmonized way across the EU. Three of the manufacturers BLI surveyed claim to already comply with REACH, while all but one of the others are preparing for compliance.

EuP, or the Directive for Energy-using Products, requires manufacturers of electrical and electronic devices to record the life cycle of a product "in all its significant environmental aspects." EuP encourages manufacturers to design products with the impact the product will have on the environment throughout its life in mind, including raw material selection and use; manufacturing; packaging, transport and distribution; installation and maintenance; use; and end-of-life. None of the manufacturers surveyed have met the directive's goal, but most say they are preparing for compliance.

In addition to the directives discussed above, the manufacturers surveyed also comply with various eco-labels, such as United States ENERGY STAR. (See the report for a list of the eco labels supported by each manufacturer.)

Defining Carbon Footprint

Since the definition of carbon footprint can cover anything relating to a company from the type of paper placed in the printer to the emissions caused by company employees commuting to work every day, it is often hard to measure, especially with larger corporations. While few manufacturers define carbon footprint, many claim to be carbon neutral. But what does that actually mean?

Often when companies talk about being carbon neutral, they are referring to the carbon emissions from their manufacturing and transportation processes being offset, or neutralized, by some environmental

initiative. For instance, if a certain amount of carbons are emitted through the production of one 35-ppm monochrome copier, that amount may be canceled out by the use of recycled content in the copier or the amount of waste diverted from landfills. Companies subtract the potential carbons from the actual carbons to arrive at a carbon-neutral result. The few manufacturers that responded to BLI's survey question, "How do you define carbon footprint?" either gave examples of how they minimize their carbon footprint, such as by creating environmentally friendly products, or simply said that their company does not.

Environmental Violations

Information on the number of environmental violations is sometimes made available on a company's Web site or in its sustainability reports. In addition to providing specific examples, many of the manufacturers surveyed listed their remediation progress, as well as steps in place to prevent future incidents. Four manufacturers cite specific examples of violations in their respective sustainability reports, as well as the cleanup status of incidents. A few others simply describe a plan of action against such incidents or give very general violation information.

In-House Initiatives

One way to determine how serious a company is about saving the environment is to look at its in-house initiatives, such as measures taken to save energy and reduce waste. For example, if a company or its facilities are ISO 14001-certified, then it has agreed to identify and control the environmental impact of its activities, products or services; to continually improve its environmental performance; and to implement a systematic approach to setting environmental objectives and targets, achieving them and demonstrating that they have been achieved.

Most surveyed manufacturers said they have ISO 14001 certification for most or all of their factories and other locations. Additional in-house initiatives employed by most of the surveyed manufacturers include carpooling; providing employee transportation; consolidating space; reducing greenhouse gases; internal recycling; telecommuting; using environmentally friendly shipping practices (e.g., using low-emission vehicles); recycled materials in everyday office use; energy-efficient servers and environmentally sound machine cleaning processes (e.g., no harmful chemicals); and reducing or eliminating waste whenever possible.

Green Procurement Policies

When evaluating a company's environmental initiatives, buyers should also consider the third-party vendors from whom the manufacturer buys parts. Most manufacturers recognize this as a concern and include environmental criteria in their procurement policies. Although procurement policies differ slightly from manufacturer to manufacturer, a few of the respondents follow the guidelines of the Electronic Industry Code of Conduct (EICC), which lists criteria for environmental reporting, pollution prevention and resource reduction, the restriction of hazardous substances, water and solid waste and air emissions and product content restrictions based on applicable laws and regulations.

Future Endeavors

The plans for future environmentally friendly document imaging devices vary from manufacturer to manufacturer. Indeed, BLI received a variety of responses from the manufacturers surveyed when asked what areas they are focusing on improving or further developing:

Resource efficiency, carbon emissions and the use of bio plastics (plastic manufactured from biological materials, such as corn).

- ▶ Additional energy efficiency solutions for their products.
- ▶ Improving energy efficiency, as well as the "effective use of available resources."
- ▶ Improve development of sustainable technology and services and increase sustainability of its operations and community involvement.
- ▶ Minimize wasted and unnecessary prints; minimize energy consumption per print; maximize reuse of materials and minimize landfill use; minimize emissions of ozone, noise and toner dust; and increase attractiveness as an employer for talented employees through its environmental initiatives.
- ▶ Reduce energy use and protect the climate; preserve biodiversity and the world's forests; preserve clean air and water; and prevent and manage waste.

About Wide-Format Devices

Wide-format devices allow users to print, scan and copy documents that are larger than 11" x 17". These devices primarily use rolls of paper, although some devices also accommodate cut-sheet paper. Previously focused around production and print-for-pay environments, wide-format devices are increasingly being used in-house due in part to greater ease of use. The market for these devices include the AEC (architectural, engineering and construction) market, manufacturers, government agencies, utilities and educational organizations.

Monochrome wide-format models, which are available through dealers and direct sales channels, are laser or LED devices typically used for technical documents and drawings.

Color wide-format devices, which are sold through dealers, resellers and the IT channel, use one of three types of ink—aqueous, solvent or UV-curable—and are often used to print graphic documents, including posters, signs, CAD drawings and photographs. These devices can print on a variety of media ranging from bond paper to canvas.

About Wide-Format Devices II

Wide-format devices, which allow users to print, scan and copy documents that are 11" x 17" or larger, are moving from print-for-pay shops into the office. Two factors have contributed to this transition: prices have decreased and the devices have become easier to use. "Eight years ago a customer would pay \$65,000 for a product that would do four D-size prints per minute and that could scan and print," said Rich Gigl, KIP America's vice president of sales. Now such a device can be purchased for less than \$20,000. In addition, these devices have become easier for a typical walk-up user to operate. "They're less intimidating," said Gigl. "Years ago, you needed a dedicated trained operator, specialized PCs and this, that and the other thing." Now, he continued, an employee "can simply walk up and use it without being trained and certified."