



523 East Capitol, Pierre, South Dakota 57501

605.773.3405 / boa.sd.gov

OFFICE SUPPLIES ANNUAL

NOTICE

ADDENDUM 1

DATE: October 10, 2023

BUYER: Lisa Hubbard

PHONE: 605-773-4580

VENDOR:

INNOVATIVE OFFICE SOLUTIONS

151 E. Cliff Road

Burnsville, MN 55337

Contact: John Townsend

Phone: 612-201-4714

Vendor #12550348

e-mail: JTownsend@innovativeos.com

CONTRACT #17785

Addendum 1 is being issued for the following:

Price adjustment dated October 10, 2023, is hereby incorporated into the contract with an effective date of **November 1, 2023**.

A handwritten signature in blue ink, appearing to read 'Steven L. Berg', is written over a light blue horizontal line.

Steven L. Berg, Director
Office of Procurement Management

STATE OF SOUTH DAKOTA
CONTRACT FOR OFFICE SUPPLIES
STATE CONTRACT 17785

CONTRACT made and entered into this 16th day of June, 2023, by and between the Bureau of Administration, Office of Procurement Management, a state agency, representing all State of South Dakota Agencies of 523 East Capitol Avenue, Pierre, South Dakota 57501-3182, (the "State") and Innovative Office Solutions LLC of 151 E. Cliff Rd, Burnsville, MN 55337 (the "Contractor").

The State hereby enters into this Agreement for office supplies and delivery of same with Innovative Office Solutions LLC in consideration of and pursuant to the terms and conditions set forth herein.

1. **Contract Term:** The Contractor services under this Agreement resulting from 23RFP8602 shall commence on July 1, 2023 and end on June 30, 2025, unless sooner terminated pursuant to the terms hereof. The RFP and the Contractor's response, along with the South Dakota Vendor Manual are made part of the vendor's contract by this reference. The Contract Number Agreement is State Contract Number 17785.
2. The Contractor will not use State equipment, supplies, or facilities. The Contractor's vendor number in the State's Accounting System is 12550348.
3. **Renewal Options:** The contract may be renewed subject to the same terms and conditions for up to eight (8) additional one (1) year periods, upon mutual consent of the parties. Notice shall be given by the State to the Contractor at least 60 days prior to the expiration of the contract, and the vendor shall agree to such extension within 30 days thereafter, before such extension period shall become effective.
4. **Pricing:** Price increases will not be considered until this contract has been in effect for 90 days for the balance of the catalog percentage discount. Prices for core list items are firm for a period of one year. Price adjustments to core list items will be considered after the initial one year period, based on the discount from the price list spreadsheet submitted prior to award. Subsequent price adjustments will be allowed on an annual basis in the same manner. For the balance of the catalog items, November 1 and May 1 price adjustments will be allowed based on updates to the original price list spreadsheet. However, the percentage category discount will remain firm for the length of the contract, including any extensions. The Contractor must submit the updated contract pricing to the Office of Procurement Management for approval. Core list pricing shall be separated from the balance of the catalog pricing on the Attachment A Worksheet electronic file. The Attachment A Worksheet electronic file shall be submitted thirty (30) days prior November 1 and May 1. Written requests for price escalation must be supported by dated manufacturer's printed price sheets or similar documentary evidence. This evidence must be presented to the Office of Procurement Management, and if approved, the new pricing will become effective on November 1 and May 1.

Price decreases are acceptable on invoice(s) presented for payment. If the open market price of a specific contract item is under the Contractor's price, the State reserves the right

to purchase the lower priced product.

5. Delivery: The Contractor shall furnish and deliver all of the awarded items of supplies, equipment, and commodities enumerated in the schedules and specifications, at the price and according to the terms and conditions, and of the kind, quality, and amounts and at the times specified in the schedules and specifications. The supplies, equipment, and commodities shall be delivered to the Director of the Office of Procurement Management or to such State Department or State agency as he shall direct and such delivery shall be made without cost to the State.

All orders shall be shipped F.O.B. destination. All deliveries are desktop delivery. The Contractor shall not combine orders from multiple agencies into one drop shipment to one central address at any time during the contract period. It is understood that some orders may be placed by telephone, online or the State's e-procurement system. Delivery for all items on this contract, other than special order or backordered items, shall be one-day delivery to 291 locations within South Dakota, two-day delivery to 90 locations within South Dakota and three-day delivery to the following locations: Eden, Roslyn, Sisseton, White, Britton, Conde, Doland, Turton, Philip, Deadwood, Hot Springs, Wall, and Wasta, as long as the order is placed by 5:00 P.M., Central Time. An additional 10 days will be allowed for back-ordered items when notification is given, in writing, to the ordering agency that the items are not available for immediate delivery. For special order items, the requesting agency must be informed at the time of order that the item is a special order item and the anticipated date of delivery. Core items are not considered special order.

A \$50.00 minimum order with no minimum/maximum poundage requirement is allowed under this agreement. Innovative will offer full reimbursement of any small order fee if orders over \$50.00 each 90% of orders placed. Small order shall not exceed \$4.99.

6. In the event of the inability or failure of the Contractor to furnish and deliver any item or items enumerated in the schedules and specifications at the time and in accordance with the terms and conditions therein provided, the Director of the Office of Procurement Management may contract for or purchase such supplies, equipment, and commodities in the open market and the Contractor shall make good the excess over the price named in the schedule and specifications and the cost of such supplies, equipment, and commodities in the open market provided however, that the foregoing provisions shall not apply where other penalties for any default in the performance of the conditions of this contract are provided for in the schedules and specifications.
7. Indemnification: The Contractor agrees to indemnify and hold the State of South Dakota, its officers, agents and employees, harmless from and against any and all actions, suits, damages, liability or other proceedings that may arise as the result of performing services hereunder. This section does not require the Contractor to be responsible for or defend against claims or damages arising solely from errors or omissions of the State, its officers, agents or employees.
8. Insurance: The Contractor, at all times during the terms of this Agreement, shall obtain and maintain in force insurance coverage of the types and with the limits as follows:

A. Commercial General Liability Insurance: The Contractor shall maintain occurrence based commercial general liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each occurrence. If such insurance contains a general aggregate limit it

shall apply separately to this Agreement or be no less than two times the occurrence limit.

B. Business Automobile Liability Insurance: The Contractor shall maintain business automobile liability insurance or equivalent form with a limit of not less than \$1,000,000.00 for each accident. Such insurance shall include coverage for owned, hired and non-owned vehicles.

C. Worker's Compensation Insurance: The Contractor shall procure and maintain workers' compensation and employers' liability insurance as required by South Dakota law. Before beginning work under this Agreement, the Contractor shall furnish the State with properly executed Certificates of Insurance which shall clearly evidence all insurance required in this Agreement. In the event a substantial change in insurance, issuance of a new policy, cancellation or nonrenewal of the policy, the Contractor agrees to endeavor to provide prompt notice to the State and provide a new certificate of insurance showing continuous coverage in the amounts required.

9. While performing services hereunder, the Contractor is an independent contractor and not an officer, agent, or employee of the State of South Dakota.
10. The Contractor agrees to report to the State any event encountered in the course of performance of this Agreement which results in injury to the person or property of third parties, or which may otherwise subject the Contractor or the State to liability. The Contractor shall report any such event to the State immediately upon discovery.

Innovative Office Solution's obligation under this section shall only be to report the occurrence of any event to the State and to make any other report provided for by their duties or applicable law. Innovative Office Solution's obligation to report shall not require disclosure of any information subject to privilege or confidentiality under law (e.g., attorney-client communications). Reporting to the State under this section shall not excuse or satisfy any obligation Innovative Office Solution to report any event to law enforcement or other entities under the requirements of any applicable law.

11. Termination: This Agreement may be terminated by either party hereto upon thirty (30) days written notice. In the event the Contractor breaches any of the terms or conditions hereof, this Agreement may be terminated by the State at any time with or without notice. If termination for such a default is effected by the State, any payments due to the Contractor at the time of termination may be adjusted to cover any additional costs to the State because of the Contractor's default. Upon termination the State may take over the work and may award another party an agreement to complete the work under this Agreement. If after the State terminates for a default by the Contractor it is determined that the Contractor was not at fault, then the Contractor shall be paid for eligible services rendered and expenses incurred up to the date of termination.
12. Performance Measures: The Contract shall maintain the following performance rates of measure throughout the term of the contract:
 - A. Order accuracy rate of 96%
 - B. Order fill rate of 96%
 - C. On-time delivery rate of 96%
 - D. Pricing accuracy rate of 96%

Failure of the Contractor to maintain these performance rates throughout the life of the contract will be considered a breach of contract and may be grounds for termination of the agreement. In the event of such breach, the Contractor will receive two warnings for non-compliance with an opportunity to cure, and a third incident of non-compliance may result in contract termination.

The Contractor will be required to submit by the 10th of each month, a report listing the performance rates of measure percentages from the previous month.

13. This Agreement depends upon the continued availability of appropriated funds and expenditure authority from the Legislature for this purpose. If for any reason the Legislature fails to appropriate funds or grant expenditure authority, or funds become unavailable by operation of law or federal funds reductions, this Agreement will be terminated by the State. Termination for any of these reasons is not a default by the State nor does it give rise to a claim against the State.
14. This Agreement may not be assigned without the express prior written consent of the State. This Agreement may not be amended except in writing, which writing shall be expressly identified as a part hereof, and be signed by an authorized representative of each of the parties hereto.
15. This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota. Any lawsuit pertaining to or affecting this Agreement shall be venued in Circuit Court, Sixth Judicial Circuit, Hughes County, South Dakota.
16. The Contractor will comply with all federal, state and local laws, regulations, ordinances, guidelines, permits and requirements applicable to providing services pursuant to this Agreement, and will be solely responsible for obtaining current information on such requirements.
17. Pursuant to Executive Order 2020-01, for contractors, vendors, suppliers, or subcontractors with five (5) or more employees who enter into a contract with the State of South Dakota that involves the expenditure of one hundred thousand dollars (\$100,000.00) or more, by signing this Agreement vendor/contractor certifies and agrees that it has not refused to transact business activities, has not terminated business activities, and has not taken other similar actions intended to limit its commercial relations, related to the subject matter of this Agreement, with a person or entity that is either the State of Israel, or a company doing business in or with Israel or authorized by, licensed by, or organized under the laws of the State of Israel to do business, or doing business in the State of Israel, with the specific intent to accomplish a boycott or divestment of Israel in a discriminatory manner. It is understood and agreed that, if this certification is false, such false certification will constitute grounds for the State to terminate this Agreement. Vendor/contractor further agrees to provide immediate written notice to the State if during the term of this Agreement it no longer complies with this certification and agrees such noncompliance may be grounds for termination of this Agreement.

18. Pursuant to Executive Order 2023-02, the Contractor certifies and agrees that the following information is correct:

In preparing its response or offer or in considering proposals submitted from qualified, potential vendors, suppliers, and subcontractors, or in the solicitation, selection, or commercial treatment of any vendor, supplier, or subcontractor, Contractor is not an entity, regardless of its principal place of business, that is ultimately owned or controlled, directly or indirectly, by a foreign national, a foreign parent entity, or foreign government from China, Iran, North Korea, Russia, Cuba, or Venezuela, as defined by South Dakota Executive Order 2023-02.

The Contractor further agrees that, if this certification is false, such false certification will constitute grounds for the State to terminate this Agreement. Contractor further agrees to provide immediate written notice to the State if during the term of this Agreement it no longer complies with this certification and agrees such noncompliance may be grounds for termination of this Agreement.

19. The Contractor may not use subcontractors to perform the services described herein without the express prior written consent of the State. The Contractor will include provisions in its subcontracts requiring its subcontractors to comply with the applicable provisions of this Agreement, to indemnify the State, and to provide insurance coverage for the benefit of the State in a manner consistent with this Agreement. The Contractor will cause its subcontractors, agents, and employees to comply, with applicable federal, state and local laws, regulations, ordinances, guidelines, permits and requirements and will adopt such review and inspection procedures as are necessary to assure such compliance.
20. The Contractor hereby acknowledges and agrees that all reports, plans, specifications, technical data, miscellaneous drawings, software system programs and documentation, procedures, or files, operating instructions and procedures, source code(s) and documentation, including those necessary to upgrade and maintain the software program, and all information contained therein provided to the State by the Contractor in connection with its performance of services under this Agreement shall belong to and is the property of the State and will not be used in any way by the Contractor without the written consent of the State. Papers, reports, forms, software programs, source code(s) and other material which are a part of the work under this Agreement will not be copyrighted without written approval of the State.
21. Any notice or other communication required under this Agreement shall be in writing and sent to the address set forth above. Notices shall be given by and to Lisa Hubbard on behalf of the State, and by John Townsend, on behalf of the Contractor, or such authorized designees as either party may from time to time designate in writing. Notices or communications to or between the parties shall be deemed to have been delivered when mailed by first class mail, provided that notice of default or termination shall be sent by registered or certified mail, or, if personally delivered, when received by such party.
22. In the event that any court of competent jurisdiction shall hold any provision of this Agreement unenforceable or invalid, such holding shall not invalidate or render unenforceable any other provision hereof.

23. All other prior discussions, communications and representations concerning the subject matter of this Agreement are superseded by the terms of this Agreement, and except as specifically provided herein, this Agreement constitutes the entire agreement with respect to the subject matter hereof.
24. **On-line Ordering Website Information:** Individuals ordering from this contract must have an account pre-established with the Contractor. Account set-up must be directed through the Contractor and can be completed by 1 (866) 574-5389 or by emailing cs@innovativeos.com. Orders will be placed by accessing a "punch-out" catalog through the State's E-procurement system. State of South Dakota employees requiring set up in the State's E-procurement system must contact Lisa Hubbard with the Office of Procurement Management by email at Lisa.Hubbard@state.sd.us or by telephone at (605) 773-4580.
- Pricing is available only through the website. The pricing will be automatically assigned. Items on other contracts (i.e., furniture, computer related items, etc.) will be blocked. Approval to unblock those items will be required from the Office of Procurement Management. An automatic email response of delivery information will be sent to the ordering agency. Automatic backorder/out-of-stock information will be emailed to the ordering agency within twenty-four (24) hours of order.
25. **Substitutions:** Substitutes of any item will not be allowed unless prior approval is obtained in writing from the Office of Procurement Management. Some items may be discontinued by any manufacturer during this contract period. If an item is discontinued, the contractor will be required to supply a like item, at the same cost, even though it may be at a loss.
26. **Forced Substitution:** The practice of forced substitution will not be accepted. For the purposes of this contract, the term forced substitution shall be defined as followed: "The act of replacing any item with an alternate item via the use of software or any other method, resulting in the substitution of any item on any order without the prior consent of the ordering entity."
27. **Re-Stocking Fees:** There are no re-stocking fees.
28. **Warranty:** All products shall be new, unused, current production models, where applicable. The Contractor will pass through to Customer any applicable warranties of the manufacturer to the extent permissible. The Contractor will assist the State of South Dakota with manufacturer warranty issues where necessary.
29. **Independent Audit:** The Contractor has agreed to pay for an independent auditor selected by the State if the Director of the Office of Procurement Management determines that the contractor cannot adequately ensure accuracy of the pricing and invoicing. The Contractor must make all records; including but not limited to invoices, purchase orders, statements, and confirmation of orders available to the State of South Dakota and the independent auditor. Records must be made available in an electronic format within ten (10) business days of submitted request to the Contractor. The Director of the Office of Procurement Management will make the decision for an audit and will be the final authority in requesting an outside audit.
30. The Contractor will pay a 1% rebate based on total contract spend provided that a \$1.5M spend threshold is met during the period of July 1st to June 30th each contract

year. The 1% rebate will be paid each year no later than July 30 of the current contract year less any returns, credits, or adjustments.

31. Customer Support: The Contractor is available to provide on-site comprehensive orientation and training to groups or one-on-one sessions through webinars at the Office of Procurement Management's request.

Customer service representatives are available during normal business hours 8:00 A.M. to 5:00 P.M. Central Time Monday through Friday by telephone (866) 574-5389 or by email at cs@innovativeeos.com. The Contractor' response time is approximately 8 seconds with 95 percent of calls handled and 5 percent require additional information provided within a one hour response time.

Assistance can be received for:

1. Status of Orders (e.g. shipped, pending, etc.).
2. Delivery Information.
3. Back Order Information.
4. State-wide Contract Pricing Information.
5. Product Exclusions (i.e., "lock out items").
6. Contract Compliance Requirements (e.g. delivery timeline requirements, invoice timeliness, etc.).
7. General Product Information.
8. Account Set-up.

In Witness whereof, the parties signify their agreement effective the date above first written by the signature affixed below.

STATE OF SOUTH DAKOTA

INNOVATIVE OFFICE SOLUTIONS

BY: 

Steven L. Berg, Director
Office of Procurement Management

BY: 

Innovative Office Solutions

DATE: 6-20-2023

DATE: 6/19/2023

WITNESS – STATE OF SOUTH DAKOTA

WITNESS – INNOVATIVE OFFICE SOLUTIONS

BY: 

BY: Kay M. Edmondson

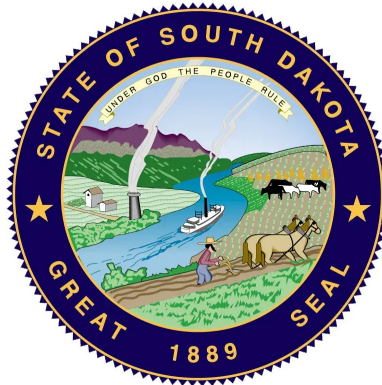
DATE: 6/20/23

DATE: 6/19/2023



State of South Dakota

RFP #: 23RFP8602 for Office Supplies



Date: Tuesday April 25, 2023
Representation: John Townsend, Executive, Sales & Diversity



INDEX

5.2.1 RFP FORM.....	PAGE 3
5.2.2 EXECUTIVE SUMMARY.....	PAGE 4
5.2.3 DETAILED RESPONSE.....	PAGE 6
5.2.3.1 PROJECT NARRATIVE.....	PAGE 6
5.2.3.2 POINT-BY-POINT RESPONSE.....	PAGE 7
5.2.3.3 ALTERNATIVES PROPOSED.....	PAGE 31
5.2.3.4 ATTACHMENT A – PRICING.....	PAGE 31

Excel Worksheet attached as a separate document in addition to this PDF.

Our purpose is much larger than the products and services we offer; as partners we focus on helping you and your organization thrive and perform at its best!

INSPIRE
PEOPLE TO
LOVE
WHAT THEY DO
— AND WHO —
THEY DO IT WITH.

5.2.1 RFP FORM



523 East Capitol, Pierre, South Dakota 57501

605.773.3405 / boa.sd.gov

REQUEST FOR PROPOSALS

OFFICE SUPPLIES

PROPOSALS ARE DUE NO LATER THAN
APRIL 25, 2023, AT 5:00 P.M. CDT

RFP #: 23RFP8602 BUYER: LISA HUBBARD EMAIL: Lisa.Hubbard@statesd.us

READ CAREFULLY

BUSINESS NAME: Innovative Office Solutions

ADDRESS: 151 Cliff Road East

CITY: Burnsville STATE: Minnesota ZIP: 55337

PHONE: 952-808-9900 FAX: 952-894-7153

BUSINESS PRIMARY CONTACT INFORMATION

CONTACT NAME: John Townsend

PHONE: 612-201-4714 EMAIL: jtownsend@innovativeos.com

By signing and submitting a proposal the offeror agrees to comply with the provisions and certification requirements of this RFP.

AUTHORIZED SIGNATURE: 

PRINTED NAME AND TITLE: Brooks Smith, President & CEO

PHONE: 952-698-9226 EMAIL: bsmith@innovativeos.com

5.2.2 EXECUTIVE SUMMARY

4/18/2023
State of South Dakota
RFP-23RFP8602
Office Supplies

Ms. Hubbard,

On June 27th, 2016, I had the privilege of meeting you and introducing you to Innovative Office Solutions. At that time, Innovative was unknown to the State of South Dakota but we did have a story to tell. A story of operational excellence; a story outlining the price/value coefficient and a story where relationships still matter. We have come a long way since our first meeting and hope we can continue providing the State of South Dakota with the world-class service they are now accustomed to. I would like to highlight some of the accomplishments throughout the last five years and how our partnership has flourished, even while working through the pandemic.

1. **Rollout and implementation of two punchout platforms:** Upon receiving the news we were awarded the contract; we were given 11 days to rollout two punchout platforms. Most punchout systems take months to implement. My team met the challenge and users were up and running on day one of the contract start date!
2. **One Website, one program:** One of the complaints before we took over was that users could find better pricing on your supplier's retail website. With Innovative, we have one platform which ended the confusion which led to much better customer satisfaction.
3. **Complete Deliveries with most items coming in one package:** Because of our dynamic stocking formula, 98% of the items we fulfill come from one warehouse in one box. This cuts down on packing materials and is much easier for our customers to receive.
4. **Audit accuracy greater than 99.9%:** Tom Traetow, my pricing analyst, takes tremendous pride in making sure files are scrubbed and pricing is correct.
5. **HP C-SKU Savings:** In coordination with HP, we introduced C Sku's (white box) and created cross reference soft sub suggestions to high yield cartridges saving the state thousands of dollars a year on toner!
6. **Dedicated Customer Service Team:** Team Inspire, led by Lesa Page, has been your dedicated team of customer service representatives. They know your account inside and out and have been a vital piece of the success of our program. My team is dedicated to the success of this program and are trained to do whatever it takes to take care of your associates! There is no better team in the industry!
7. **Dedicated Account Representative:** John Townsend is your account representative and will continue to lead his team in the service of your contract.

As my competitors continue to shrink their representation, Innovative continues to believe that relationships still matter. Moving forward you will have the same team of representatives led by your Account Executive John Townsend. In addition to John, Lesa Page will lead team inspire with the same dedication and expertise your associates have come to expect. Let's face it, change is hard and costly!



You will have zero disruption and we will continue to partner with the State of South Dakota to deliver upon the programs outlined within our proposal. Our story began in 2016 with just a bunch of ideas and the promise that we are different and that we live by our word. Since that time, Innovative delivered upon the promise of operational excellence, dedication to service and the belief that together we can create a program to be proud of. My hope is that we will continue to earn the right to serve your great state and expand on our proven success. Thank you for the opportunity! As I've said back in 2016, take the leap of faith, you will be happy you did!

Sincerely,

John Townsend

John J. Townsend
Executive, Sales & Diversity
612-201-4714
jtownsend@innovativeos.com

5.2.3 DETAILED RESPONSES

5.2.3.1 PROJECT NARRATIVE

A complete narrative of the offeror's assessment of the work to be performed, the offeror's ability and approach, and the resources necessary to fulfill the requirements. This should demonstrate the offeror's understanding of the desired overall performance expectations.

Innovative Office Solutions was formed in 2001 to bring change to the office products industry. Built on the foundation of a Relationships Matter belief system, you can expect Innovative to fulfill the role of a true partner. A partnership with a supplier that understands your success equals our success. We deliver on our promises, value long-term results, and work every day to ensure that we fulfill your expectations.

This approach has served Innovative well and the proof is in the result. We've grown to be the largest independent supplier in the Upper Midwest and one of the largest in the country. A small business approach, combined with large business scale and key vendor partnerships is a winning formula. By partnering with Innovative you can join the thousands of organizations who chose something different and we're confident you'll never regret that choice.

As your partner, our objective is to be an extension of your organization. We will take the time to understand your needs, customize our approach, and execute with confidence. Our industry experience, particularly in the government sector is extensive, and we'll use that experience to develop a winning program for this contract. We have been the office supply provider to the State of South Dakota since 2016 and are very familiar with your unique requirements.

With a vision to "Make Your Workplace More Productive," - Innovative's culture is built upon the compelling brand promise of Expect Response, Expect Reduction and Expect Relief. This strong customer-focused foundation has resonated in the market as businesses and organizations partner with Innovative as their office supply provider of choice. As a result, we have consistently recognized double digit growth and have grown to over 300 employees in offices throughout the five-state region.

The company's growth has been also driven by the expansion of products and services, offering over 140,000 products (and growing) that include:



We are very familiar with The State's needs as we have partnered with you since 2016. The State is setup in our system, we provide one website with accurate pricing, deliver when and where you need, provide value-added insight such as reducing toner costs, your Account Executive, John Townsend, is your main point of contact and proven partner, and we will continue to support you with a team of people who know your account and aim to make your organization more productive.

5.2.3.2 POINT-BY-POINT RESPONSE

A specific point-by-point response, in the order listed, to each requirement in the RFP. The response should identify each requirement being addressed as enumerated in the RFP.

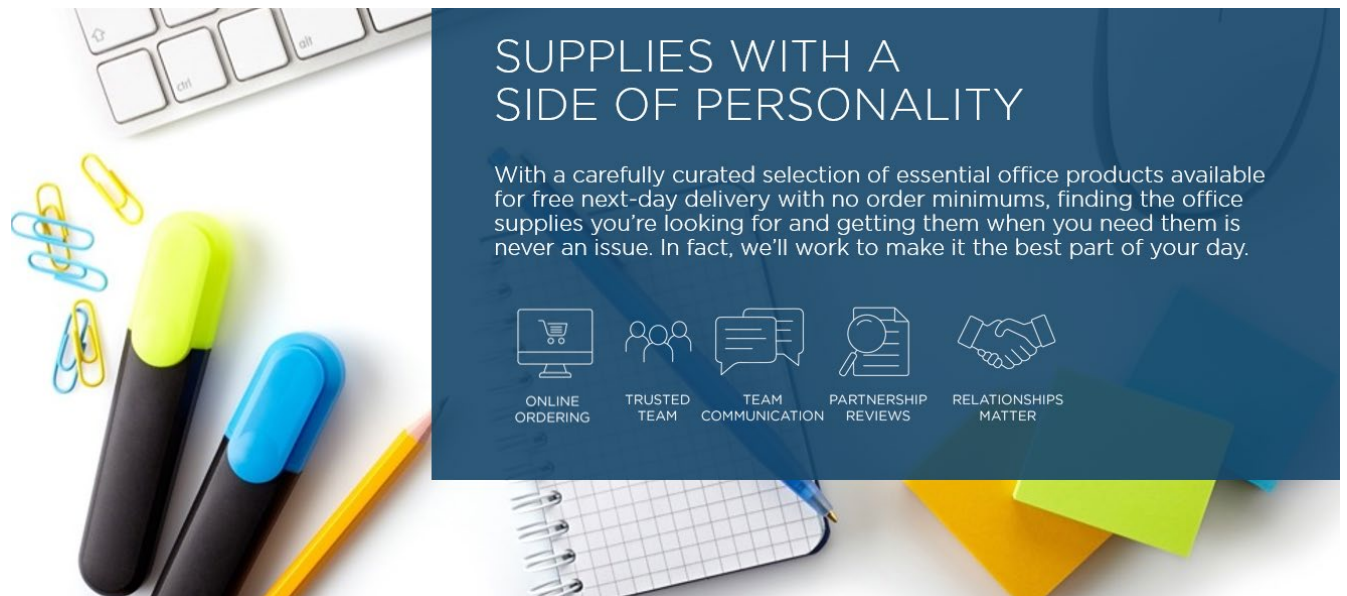
2.0 STANDARD CONTRACT TERMS AND CONDITIONS

Innovative has read, understood, and agrees to the State's standard terms and conditions as listed in 2.0 and is willing to negotiate additional terms and conditions as needed. We value your partnership, thank you!

3.0 SCOPE OF WORK

The State of South Dakota is seeking an office supplies contractor that has the proven resources to service the State's multiple statewide state agency locations.

With Innovative you have access to hundreds of brands from the best manufacturers through our online ordering system backed by a trusted team who will support you along the way.

An advertisement for office supplies. On the left, there is a photograph of office supplies including a keyboard, paper clips, highlighters, a pencil, a notebook, and sticky notes. On the right, there is a dark blue overlay with white text and icons. The text reads "SUPPLIES WITH A SIDE OF PERSONALITY" and "With a carefully curated selection of essential office products available for free next-day delivery with no order minimums, finding the office supplies you're looking for and getting them when you need them is never an issue. In fact, we'll work to make it the best part of your day." Below the text are five icons with labels: "ONLINE ORDERING" (shopping cart), "TRUSTED TEAM" (two people), "TEAM COMMUNICATION" (speech bubbles), "PARTNERSHIP REVIEWS" (magnifying glass over document), and "RELATIONSHIPS MATTER" (handshake).

[Click here to watch our Office Essentials Category Highlight.](#)

3.1 Product Requirements

Some of our key partners include:



- 3.1.1 The contractor will be required to stock all items identified in the core listing and private label listing and have them available for immediate delivery. No substitutions will be allowed. These items may not be considered special order items.

Innovative has a close partnership with Essendant, one of the two major office products wholesalers in the country. Through this partnership, Innovative has successfully offered over 120,000 products next day nationwide with industry leading accuracy and fill rate.

When Innovative was founded in 2001, the common industry model for all similar companies, even the national big box companies, was to stock the highest moving items and fulfill the remainder from one of the two national wholesalers. Innovative pioneered our current model by partnering 100% with our wholesaler to develop a model where orders are more accurate and come in fewer packages/shipments than our industry competitors.

- 3.1.2 The contractor shall stock as many balance of the catalog category items as possible and have them available for immediate delivery. The number of catalog items available for immediate delivery is an evaluation item.

All items identified in the catalog will be stocked and fulfilled from the Essendant distribution network in partnership with Innovative available for immediate delivery.

3.2 Ordering Methods

The contractor must be able to receive orders through the following methods:

- 3.2.1 The contractor must be able to receive orders via ecommerce, telephone, fax, email, and by walk-in to the contractor's retail locations (if retail locations are available).

Innovative offers a variety of ordering methods for our customers. Many customers use our website with 24 hour access to meet their ordering needs. Our site is easy-to-use and provides users with the search ability, product information and pricing that they need, right at their fingertips. We can receive PO's electronically and offer existing punchout capability with a variety of providers. Our team of Customer



Service professionals also enter orders received from customers via email, fax, phone call or Live Chat.

Innovative is a business-to-business provider and does not have retail store locations. With the ease of ordering using the Innovative website as well as access to our Customer Service Team coupled with our 98.6% fill rate for orders, customers receive the items they need in a timely manner without having to leave work to procure supplies. We believe this method is safer and more cost effective than having employees leave work to visit a retail location. This business model also keeps purchasing in line with the budgeting, accounting, and product selection control needs of individual members. This model helps to prevent the commonly seen issues in our industry where retailers may not appropriately honor consistent contract pricing.

Customer Service, Account Coordination, and Technical Support are available Monday through Friday, 8:00 a.m. to 5:00 pm central time, except on nationally recognized holidays. Our website provides 24 hour access, the cut-off time for next day delivery for items ordered online is 5:00 pm Central Time.

- 3.2.2 The contractor must create and maintain an internet-based electronic ordering system for the use of all users of the state contract. The electronic ordering system must facilitate a “punch-out” catalog with the State’s current e-procurement system (easyPurchase) hosted by ESM Solutions Inc. and the Board of Regents’ current e-procurement system (SDezBuy) hosted by JAGGAER (formerly SciQuest). The electronic ordering site must be compatible with the State of South Dakota’s operating system(s) which currently consist of Windows 10 and Windows 11. The electronic ordering site must be fully operational within thirty (30) calendar days from award of contract. The Director of the Office of Procurement may allow the contractor additional time for implementation if it is found that the State caused delays.

Innovative currently holds the State of South Dakota Supplies contract and is already setup with an operational electronic ordering site. Save time, money, and the hassle of implementation. Upon receiving the news that Innovative was awarded the contract in 2016; we were given 11 days to rollout two punchout platforms. Most punchout systems take months to implement. Innovative met the challenge and users were up and running on the contract start date!

Our experience with third party integrations is extensive. We currently have punch-out integrations with SciQuest and Ariba, as well as SAP, Oracle, EqualLevel, Skyward, Smart Finance and more; servicing thousands of end users. Customers include higher education as well as K-12, State and Government agencies and commercial accounts.

Customers have praised our quick and accurate implementation of their punchout systems, some in as little as a few days. Our largest competitors struggle to be as efficient as Innovative in rolling out punchouts.

Innovative's IT Team is led by Jason Player, CIO and he has a staff of many knowledgeable team members, backed with partnership retainers that provide access to hundreds of consultants and subject matter experts. The group has extensive experience in maintaining the Innovative ERP system, operating the company online ordering site, managing the integration of Microsoft Dynamics CRM system, and facilitating integration with customer punchouts and vendor portals.

They work collaboratively with our customers to determine the most effective integration process to meet the individual project requirements.

- 3.2.3 The contractor's electronic ordering system shall be secure and password protected. Entering the system with the designated password shall automatically direct the user to the contract pricing. Additional password protection will be agency based.

Innovative's electronic ordering system is secure, and password protected. Each user currently has their own login which display the specific pricing and ordering criteria, any product restrictions or approval routing.

Prices shown in online catalogs are net pricing inclusive of all discounts, shipping, handling, fees and charges. Each department or user will have their own login which will display their specific contract pricing and ordering criteria, such as product restrictions or approval routing. State of South Dakota contract pricing will be applied to all State of South Dakota accounts to ensure correct contract pricing to all users, regardless of order entry method.

- 3.2.4 It is desirable that the electronic ordering site clearly directs the user to the core list items upon login.

During the search process, the Innovative catalog clearly denotes core list items so users can make an informed purchasing decision. Additionally, the search results view offers the ability to filter searches to only show core list items.

Additional tools such as favorite lists and approval rules can be used to direct users to core list items.

- 3.2.5 The electronic ordering system shall have an informational field available to enter a purchase order number at the ordering agency's discretion.

The online ordering website includes a field to enter a Purchase Order number.

- 3.2.6 The electronic ordering system shall have the capability of excluding certain items. Excluded items will be identified between the contractor and the State of South Dakota prior to final award and issuance of contract. The State may identify additional items to be excluded during the term of the agreement. The ordering system must not allow purchases of excluded items.

The online ordering website has the capability to create a customized implementation of the ordering system to meet the State of South Dakota's requirements, including the exclusion of certain items. This can include: custom item sets and item blocking, approval rules, non-ordering profiles, favorite lists, etc. Additional items may be added to the exclusion list during the term of the contract.

- 3.2.7 The electronic ordering system shall automatically assign correct contract pricing to any order. The contractor shall ensure that correct contract pricing is also assigned to telephone, fax, email and walk-in orders by state contract users.

Prices shown in online catalogs are net pricing inclusive of all discounts, shipping, handling, fees and charges. Each department or user will have their own login which will display their specific contract pricing and ordering criteria, such as product restrictions or approval routing. State of South Dakota contract pricing will be



applied to all State of South Dakota accounts to ensure correct contract pricing to all users, regardless of order entry method. Innovative does not have retail locations.

- 3.2.8 The electronic ordering system shall contain ship to and bill to addresses. These addresses must be maintained throughout the contract period. The addresses will mirror what is currently in the State's e-Procurement system. OPM maintains the addresses within the State's e-Procurement System. The contractor's system must be maintained with no additional assistance from the State of South Dakota. Address changes must be completed within the same day of request.

Do you agree: Yes No

Please explain how your system will maintain addresses:

Our system automatically creates new addresses when an order is placed and comes in when it differs from our existing information.

- 3.2.9 The electronic ordering system must allow for use of the state purchasing card, currently a MasterCard card issued through Citibank. A "bill me" option must be available as an alternate method of payment. Order processing time must be the same for agencies utilizing the "bill me" option and credit card payments.

Innovative's online ordering website can facilitate payment via a state purchasing card or via a "bill me" option. In a non-punchout implementation, users are presented their options at the time of checkout and select the payment type that applies to their order. Ordering processing time is not affected by the payment method.

Innovative accepts payment via procurement/credit card. Visa, Mastercard, Discover and American Express are all accepted as forms of payment. End users will not be assessed a fee for purchases made with a procurement/credit card.

Credit card information/numbers cannot be stored within the online ordering system. Does the Offeror have online security measures that provide such protection?

Yes No

Please describe the security measures in detail:

Information security is important to us, and we are invested in security measures to protect your data. The cyber-threat landscape is ever evolving and Innovative is committed to continually adapting to the latest threats to ensure the privacy of our customer data. Innovative Office Solutions maintains an information security policy for all employees.

Upon receipt of the order from the orders punchout system, our system tokenizes the credit card number and our system stores that token in lieu of credit card details. Innovative is PCI compliant, we do not hold credit card information in our system.

- 3.2.10 Automatic backorder/out-of-stock information must be emailed to the requesting agency within twenty-four (24) hours of order.

Please provide a copy of the notice the ordering agency would receive for a backorder/out-of-stock item.

How would the ordering agency receive the notice?

Innovative has a company-wide 98.6% fill rate for next day delivery. Additionally, the State of South Dakota will be able to take advantage of our instant Add-to-Cart dynamic stock check to further reduce the chance of backorders.

We believe that Relationships Matter and take a personalized approach to backorders. If backorders do occur, our Customer Service Team works directly with the end user on each backorder, this includes suggesting an alternate product that may be available for immediate fulfillment while adhering to the contract or to provide an availability date for the original item. Customer Service contacts the end user either via phone or email within 24 hours of order.

- 3.2.11 It is desirable that the electronic ordering system allow same day (by 5:00 p.m. central time) order cancellation with no re-stocking fee.

Innovative can accommodate this request. Innovative has maintained a company-wide average return rate of under 2%, much lower than historical industry standards. A low return rate is a great indicator of two things. One, the customer understands the website, the products they are ordering and the unit of measure. Two, the quality and accuracy of the delivery is spot on. This industry leading statistic demonstrates a high degree of accuracy and customer satisfaction which ultimately reduces cost of ownership.

The Innovative online ordering website does not currently include a direct order cancellation option. We recommend that end users contact your dedicated Customer Service Team Inspire to cancel or return an order; this can however be requested through Live Chat which is accessible within the ordering system. Office supply items can be returned for a full refund within 90 days of receipt if the product has not been used, is in its original packaging and is in resalable condition. Items such as food and first aid supplies are not returnable and are marked accordingly.

- 3.2.12 The electronic ordering system shall provide an automatic email response of delivery information to the ordering agency. Delivery information shall include, but is not limited to, the expected delivery date, tracking numbers, and number of packages.

Innovative offers 24-hour access to our ordering website for order placement and view of order status. Upon placement of an order, an e-mail will immediately be sent to the user acknowledging that the order was received and has begun the fulfillment process. As needed, customers can reach out to your Customer Service Team Inspire for additional information.

- 3.2.13 The contractor must provide online proof of delivery.

For deliveries made by Innovative employee drivers and some contracted third parties, online proof of delivery is available within Order History.

- 3.2.14 Electronic ordering system shall be able to route order for approval within the agency.

Innovative offers a multi-tiered approval structure with numerous flexible options to meet the goals of the State of South Dakota. Orders can pass through unlimited

levels of approval. At each approval level, secondary approvers can also be utilized to provide backup approval in the event that the primary approver is unavailable.

Approval rules can be based on:

- Order Amount
- Order Quantity
- Line Quantity
- Item Contract Status
- A User's Monthly or Yearly Budget

After an order meets the identified rules that trigger approval routing, designated approvers will receive an email stating that they have an order pending approval. The approver has visibility to all orders waiting for their approval in their My Account/Order Approvals area on the web site.

For secondary approvers, we have an option as to whether they receive the email or not. End users will receive an email notification after an order has been approved or denied, and messaging is available to indicate why an order was rejected. In addition, the ordering system offers the ability to restrict certain products from users.

It should be noted that when used in tandem with a punchout, approval rules are not utilized within the Innovative system. It is common that in punchouts, the supplier sites are used for Cart creation, and approval rules and routing are handled within the client system.

3.3 Delivery

Innovative Office Solutions partners with Essendant, the largest distribution network in the country. In addition, we have key partnerships direct with select manufacturers. We deliver your supplies by utilizing 32 distribution facilities across the country with \$600 million in inventory. 97% of the United States qualifies for next day delivery. We power smarter operations, so you get your products where you need them when you need them. We have a 99.7% order accuracy, pick to voice technology, weight check accuracy verification, and automated replenishment.



- 3.3.1 **The State of South Dakota will allow the contractor to apply a minimum order amount of \$50.00.** Although no minimum order amount proposed shall exceed \$50.00, the contractor may offer deeper discounts for orders that exceed the specified minimum. Based on historical procurement data the average order size is **\$277.45**. The average lines per order is **5.20**.

Read and understood. Innovative will offer full reimbursement of any small order fee if orders over \$50 reach 90% of orders placed.

- 3.3.2 The contractor shall keep a sufficient inventory of supply items available to avoid out-of-stock or backorder situations during the course of the contract

Innovative has a company-wide 98.6% fill rate for next day delivery, customers are almost guaranteed to receive the order the next day. On the rare occasion when backorders do occur, our Customer Service Team works directly with the end user on each backorder, this includes suggesting an alternate product that may be available for immediate fulfillment and follows the contract or to provide an availability date for the original item. Customer Care will proactively contact the end user either via phone or email.

Innovative has a close partnership with Essendant, the premier office products wholesaler in the country. Through this partnership, Innovative brings together best-in-class dedicated service with the best distribution network in the industry. Innovative has access to more than \$830 million in inventory at any given time and can provide over 40,000 products next-day nationwide via 32 distribution centers. This ensures your locations receive consistent service across the country and have access to the critical products required to run your daily operations.

Innovative does also have extensive relationships with direct manufacturers and as part of pioneering the stockless model with Essendant, has developed new methods to obtain manufacturer support towards this model. This ensures that Innovative has access to the products and prices required to service large enterprise accounts, combined with the consistency and excellence of the Essendant distribution platform.

One of the features available on our e-commerce site is live notification stock-check at the time of adding a product to cart. When a user adds an item to cart, the system automatically checks the order quantity against the inventory of the closest distribution center. If there is an insufficient quantity of the item available to fill the line, the user is immediately notified and, where possible, offered an alternative product. This feature is just one way that we keep backorders to a minimum and help your users get what they need in the most efficient manner possible.

- 3.3.3 All deliveries shall be for desktop delivery, FOB Destination with all delivery costs paid by the contractor.

We are currently delivering based on end user and individual department needs and meeting requirements. We work collaboratively with each delivery address to identify the best placement and destination for their packages. In the event of contract award we would continue to work closely with each individual to meet their unique delivery needs.

Innovative complies with the stated desktop delivery and freight requirements for no cost deliveries to the State of South Dakota offices and locations.

- 3.3.4 The contractor will not be allowed to combine orders from multiple agencies into one drop shipment to one central address at any time during the contract period, unless specifically asked to do so by the ordering agency.

Orders will not be combined into one drop shipment unless specifically requested by the ordering agency.

- 3.3.5 Delivery for all items on this contract, other than special order or backordered items, shall be made within 24 to 48 hours of receipt of order, to any location in South Dakota, as long as the order is placed by the deadline proposed by the contractor. The actual required delivery time will be determined by the proposal of the successful offeror. This will be an evaluation factor.

Innovative's 20+ year relationship with Essendant allows us to service locations in the State of South Dakota with contract items within 24 to 48 hours of receipt of order. All items identified in the catalog will be stocked and fulfilled from the Essendant distribution network in partnership with Innovative. Our company-wide fill rate for next day delivery is 98.6%.

- 3.3.6 An additional 10 days will be allowed for back-ordered items when notification is given, in writing, to the ordering agency that the items are not available for immediate delivery. The agency may choose to cancel an order for a backordered item and make the purchase from another source of supply.

Understood and accepted.

- 3.3.7 For special order items, the requesting agency must be informed at the time of order that the item is a special order item and the anticipated date of delivery. The ordering agency will have the option of canceling the order and making the purchase from another source of supply.

Understood and accepted.

- 3.4 Substitutions:** The contractor will not be allowed to substitute any items in the resulting contract unless prior approval is obtained in writing from the Office of Procurement Management. It is understood that some items may be discontinued by any manufacturer during this contract period. If an item is discontinued, the contractor may be required to supply a like item, at the same cost, even though it may be at a loss to the contractor.

Innovative provides name brand items and wherever available, also offers a private label alternative product at a lower price. We work with each customer to design a program that meets their individual goals.

After understanding the State of South Dakota's initiatives, we will make recommendations on product listings that support those needs. Innovative has several tools available to manage the implementation.

For example, if required by the requesting entity, the Innovative ordering site can be set up to perform the following styles of substitution:

- **Hard Substitution:** When attempting to order a product with a desired alternative, the ordering system can automatically perform the substitution and notify the end user with an on-screen message.
- **Soft Substitution:** This method presents a notification that there is a recommended alternate product and allows the user to make a choice on which to order.

No automatic substitution process is ever implemented without specific customer request and approval.

Innovative performs regular updates to item files and web content to ensure that users are seeing the most current data possible, thus minimizing the chance of purchasing items that have been discontinued by manufacturers. In some cases, while a product is in the process of being discontinued by a manufacturer, there may be reduced availability. Your Customer Service Team manages these individual situations by notifying and working directly with the end user and/or the designated state representative. When the item in question is agreed upon, it will replace the item on the contract.

Our process of matching the quality of a suggested alternate to the original item is to determine that the alternate is comparable in quality, quantity, size, color, pricing, and functionality. We will provide all supporting product specifications and samples (if required), for review by the designated State of South Dakota representative. If an item is discontinued by the manufacturer, Innovative will communicate proposed item replacements with the state representative within 5 business days of manufacturer notification complying with the outlined requirements.

- 3.5 Forced Substitution:** By submitting their proposal, the offeror has in good faith offered firm core list pricing and a discount from each of the identified categories with the full intention of supporting the product offerings in each category. The practice of forced substitution will not be accepted.

No automatic substitution process is ever implemented without specific customer request and approval.

- 3.6 Reports:** The Office of Procurement Management requires usage reports to be provided through online reporting functionality of the offeror's electronic ordering website. The contract manager for the State of South Dakota must be able to run reports as needed without the need to request the report from the contractor. If a contractor's website does not have such functionality, Procurement Management may allow reports to be provided by the contractor on a scheduled basis, not to exceed monthly. Such reports must provide the minimum required information and be submitted in Microsoft Excel format in as required by Procurement Management. If requested by the State of South Dakota, the contractor must be able to provide a complete and accurate spend report for the most recently completed reporting period within 24 hours of initial notification. Copies of original invoices and original orders must be available for review.

Innovative offers a robust suite of standard reports available to meet the needs of our customers. These reports can be customized and setup on a schedule to be distributed to any recipients you choose. Customized reports can be emailed on a predefined schedule, requested ad-hoc through the customer support team, or via our online portal. Reports can be produced in almost any format, including PDF, Excel, CSV and Tab Delimited. Innovative has data and report writing experts on staff that can produce any form of report required to meet your needs.

We recently launched BillTrust, a convenient and efficient way of managing your invoices and statements. Our new online billing system offers more payment options, easy access to your financial information, and seamless integration with many accounting systems. PDF copies of all invoices are available online. Administrators can be set up to see any that they need access to. Accounts can be linked together if a user needs to see multiple accounts, reach out to your Customer Service Team if this is desired.

Your Account Executive also completes Partnership Reviews which include reporting, trends, and insights to support The State's goals and objectives.

3.6.1 The following minimum information must be available in a report:

Innovative has the ability to create any form of customization in order to provide the best tools to meet a customer's business objectives.

3.6.1.1 Total dollar volume of purchases during the reporting period, broken down by individual state agency.

Most of the standard reports that our customers request are centered on purchase history. Reports of this kind are available in a multitude of flexible options in terms of grouping and sorting. For example, report by:

- Shipping Address
- User
- Cost-Center/Department
- Product Group

3.6.1.2 Order date, shipped date, delivered date, description, item number, quantity, and invoiced price of each product/item purchased.

Additionally, Innovative regularly measures and reports on other business metrics to ensure program efficiency/compliance. For example:

- Purchases by month, quarter, user, shipping location, cost-center/department.
- Purchases by category.
- Percent of orders online.
- Average order size.
- Order size distribution.
- Purchasing locations/compliance.

3.7 Re-Stocking Fees: State agencies and other authorized users of this contract will not be responsible for restocking fees.

Understood and accepted.

3.8 Warranty: The offeror warrants that all products shall be new, unused, current production models, where applicable, and shall be free from defects in materials, design and manufacture for manufacturer's standard warranty period. Contractor must agree to assist the State of South Dakota with manufacturer warranty issues where necessary.

Innovative warrants that all products shall be new, unused, current production models, where applicable, and shall be free from defects in materials, design and manufacture for manufacturer's standard warranty period. Innovative agrees to assist the state with manufacturer warranty issues where necessary.

If the standard manufacturer's warranty for parts and labor is less than one year and a mechanical supply item is defective, Innovative will work with the State of South Dakota directly to replace the item.

3.9 Shelf-Life: All products will have a minimum shelf-life of one year from the date of purchase. The vast majority of products will have a minimum shelf-life of one year with the exception of some food, beverage and medical items.

3.10 Billing: The contractor will be required to maintain multiple accounts with multiple agencies with delivery to multiple locations. The contractor agrees not to sell to a third party any contact information obtained as a result of this RFP or the resulting contract.

Innovative agrees not to sell to a third party any contact information obtained as a result of this RFP or resulting contract.

3.10.1 A substantial line of credit between the State of South Dakota and the contractor is mandatory. The amount of the line of the credit will be established prior to final award and issuance of contract. The contractor will not “freeze” the account without prior notification of ten (10) days to the contract manager.

Understood and accepted.

3.11 Security Of Pricing:

3.11.1 The contractor shall ensure the accuracy and security of pricing on the online, punch-out, telephone, and stores ordering systems to be consistent with the awarded proposal, and any approved price adjustments.

Pricing accuracy is critical to the success of our programs and is something that Innovative is very proud of. Innovative frequently hears customer frustrations regarding our competitor’s inaccurate pricing and billing procedures, or unethical practices involving discontinuation and substitution at a higher price. Fortunately for our customers, we can help solve these frustrations and have a track record of positive feedback from our existing customers. We audit our pricing by running a series of reports that compare that the pricing loaded to the account is the same as the agreed upon Core List and validating that the agreed upon discount from List Price is accurate.

3.11.2 The contractor must ensure that no pricing adjustments are made on the system without written approval of the Office of Procurement Management.

Innovative complies with this requirement and will not make any pricing adjustments without written approval of the Office of Procurement Management.

3.11.3 If the contractor cannot ensure adequate pricing security, the State may terminate the agreement, or may require the contractor to provide an electronic file of all contract items to be hosted on a catalog within the State’s electronic procurement system. The contractor will be responsible for all expenses associated with establishing a catalog in the e-procurement system. Such expenses are only for the initial conversion of the electronic file into a catalog, and for any requested and approved catalog updates, which would require a new file to be submitted for conversion.

Understood and accepted.

3.11.4 If the Procurement Director determines that the contractor cannot adequately ensure accuracy of pricing and invoicing, the contract will be independently audited by a

company authorized by the Office of Procurement Management at the contractor's expense. The contractor must make all records; including but not limited to invoices, purchase orders, statements, and confirmation of orders available to the State of South Dakota and the independent auditor. Records must be made available in electronic format within 10 business days of submitted request to contractor. The Procurement Director will make the decision and will be the final authority in requesting an outside audit.

Does your company agree: Yes No

3.12 Performance Measures:

3.12.1 The contractor shall maintain the following performance rates of measure throughout the term of the contract:

3.12.1.1 Order accuracy rate of 96%,

3.12.1.2 Order fill rate of 96%.

3.12.1.3 On-time delivery rate of 96%.

3.12.1.4 Pricing accuracy rate of 96%

Understood and accepted.

3.12.2 Failure of the contractor to maintain these performance rates may be considered a breach of contract and may be grounds for termination of the agreement. In the event of such breach, the contractor will receive two warnings for non-compliance with an opportunity to cure, and a third incident of non-compliance may result in contract termination.

Understood and accepted.

3.12.3 The contractor will be required to submit by the **10th of each month**, a report listing the performance rates of measure percentages from the previous month. The report must be in a format that cannot be manipulated.

Understood and accepted.

3.13 Support: The following support requirements are mandatory. These requirements must be met at no additional cost to the State of South Dakota.

At Innovative we power our customers with a trusted team who have a passion for making your organization thrive. From Account Executives and Category Experts to Response Teams and Delivery Drivers, we make sure we have the people in place to set your organization up for success.

As your trusted partner, we are continuously invested in making sure you have the right solutions for your business. From spend usage reports and cost savings analysis, we take time to share insight and recommendations for your organization through our Partnership Reviews.

YOUR DEDICATED SINGLE-POINT OF CONTACT:



John Townsend, Executive, Sales & Diversity

INNOVATIVE'S LEADERSHIP TEAM:



Brooks Smith, CEO/President



Jason Play, CIO/CMO



Jennifer Rosenzweig, CSO



Julie Owen, COO



Ryan Burgwald, CRO



Jerry Sjoberg, Director of Sales

YOUR DEDICATED TEAM INSPIRE!
Customer Support & Service



Lesa Page



Bailey Sprute



Maria Baker



Raina Wendt



Kathy O'Grady



Jessica Underwood

[Click here to meet our Customer Service Team via video!](#)

Plus, we have additional category experts in Cleaning & Facilities, Furniture, Print & Promotional Products, Breakroom, and Technology Solutions, when you need them!

- 3.13.1 Contractor must provide on-site customer assistance services at the State's request which include, but are not limited to, system demonstrations, orientation meetings and customer assistance.

Innovative believes that Relationships Matter and we customize solutions to meet your needs. We take a team approach to servicing our customers and your dedicated team has been serving you since 2016. John Townsend is your main contact for the State of South Dakota. John is supported by highly qualified individuals with years of industry experience. Lesa Page will be the first point of contact for daily questions regarding products, returns or special orders. Maria is responsible for account maintenance, reporting and any other related issues as it pertains to structure. Your team is highly respected in the industry and is dedicated to the goals and mission outlined in your RFP.

Our Customer Support Team is one of the most capable and experienced teams in the market. They are fully empowered to resolve the vast majority of issues on the spot. This team receives accolades from our clients on a regular basis, recognizing superior response and performance.

John Townsend can travel to your sites for any requests you have. However, in our experience there are very few issues with this form of contract that require in-person visits. Before technology, managing large accounts across multiple locations was a challenge. In today's world reaching across the country or world is a simple task accomplished with technology. Webinars and video conferencing are highly effective methods of communicating, meeting, and training and represent a common standard in today's world. Through these mediums Innovative can provide comprehensive training and account management.

On-site customer assistance services can be performed at the State of South Dakota's request.

- 3.13.2 Contractor must be available to conduct multiple orientation sessions at various locations throughout the State to introduce users to account set up procedures and using the online ordering system. These orientation sessions may be in the form of

on-site group meetings or online webinars or training, or other format acceptable to the State.

Comprehensive orientation and training is offered via group sessions, webinars, and personal, one-on-one sessions. We address all aspects of ordering, delivery, returns and customer care processes at that time. Key individuals with extensive training experience allow us to deliver the appropriate level of information to our new and existing customers where and when it is needed. We have found this is an effective method for implementing new programs. An online Live Chat feature where customers can have their questions answered without leaving their online session is also available. Our response time for call answering is approximately 8 seconds with 95 percent of the calls handled and 5 percent require additional information that is provided within a one-hour response.

Innovative believes that in order to truly partner with an organization, there needs to be a format for open discussion. Partnership Reviews are an essential part of the partnering process. Members of the Account Team will be available to attend quarterly business review meetings online or on-site as requested. We will be prepared to review any agenda items you provide. We will cover our key performance indicators including fill rates, accuracy, order size, contract compliance, alternative products and green initiatives.

- 3.13.3 Contractor must provide a single, point of contact (i.e., account representative, account manager) and a back-up point of contact to answer questions and resolve problems.

John Townsend, Executive, Sales & Diversity

Currently serves as the State of South Dakota’s single point of contact and account representative. 30+ years of industry experience, 10+ years with Innovative. He has been serving the State of South Dakota since 2016. He also performs Partnership Reviews with The State to discuss insights, trends, and opportunities to add additional value. John is supported by:

Leadership Team:

Our leadership team is available for any escalations as needed.

Brooks Smith – Chief Executive Officer, 30+ years industry experience, 20+ years with Innovative.

Jason Player – Chief Information Officer, 20+ years industry experience, 20+ years with Innovative.

Jennifer Rosenzweig – Chief Service Officer, 30+ years industry experience, 20+ years with Innovative.

Ryan Burgwald – Chief Revenue Officer, 18 years industry experience, 8 years with Innovative

Julie Owen – Chief Operating Officer, 30+ years related industry experience, 7 years with Innovative.

Support Team:

Lesa Page - Primary Customer Service Lead and back-up point of contact, 25+ years of industry experience, 20+ years with Innovative.

Bailey Sprute – Response Team

Maria Baker – Response Team

Raina Wendt – Response Team

Kathy O’Grady – Response Team

Jessica Underwood – Response Team

Technical Support:

Amy Beasley – Technology Solutions Supervisor, 9 years of industry experience, 9 years with Innovative, primary individual responsible for punchout implementation.

- 3.13.4 Contractor must provide the Office of Procurement Management with a listing of the name, physical address, telephone number, email address and account information for all state government users in the system.

Innovative will be able to provide this information upon request.

- 3.13.5 Contractor's points of contact must be available by both telephone and email.

All Innovative points of contact will be available by both telephone and email.

- 3.13.6 Contractor must make available at least one (1) customer service representative during normal business hours (8:00 A.M. to 5:00 P.M. Central Time) to respond to the following inquiries:

When you contact Innovative, you're not calling a massive call-center staffed by hundreds of individuals who don't know anything about your organization. You're calling a dedicated team who know you and understand your unique needs. There are 19 members of the Customer Service Team. Lesa Page will be the dedicated Customer Service Team lead for the State of South Dakota account, however all team members are able to respond to all order status inquiries listed below.

- 3.13.7 Status of Orders (e.g., shipped, pending, etc.);
- 3.13.7.1 Delivery Information; [Comply](#)
 - 3.13.7.2 Back Order Information; [Comply](#)
 - 3.13.7.3 Statewide Contract Pricing; [Comply](#)
 - 3.13.7.4 Product Exclusions (i.e., "lock out items"); [Comply](#)
 - 3.13.7.5 Contract Compliance Requirements (e.g. delivery timeline requirements, invoice, timeliness, etc.) [Comply](#)
 - 3.13.7.6 General Product Information [Comply](#)
 - 3.13.7.7 Account set-up [Comply](#)
 - 3.13.7.8 The contractor must notify the Office of Procurement Management immediately of any: [Comply](#)
 - 3.13.7.9 Changes in contact information for customer service representatives and account representatives or managers. [Comply](#)
 - 3.13.7.10 Changes in assigned users accounts. [Comply](#)
- 3.13.8 Contractor must respond to all communications within twenty-four (24) hours of contact.



Innovative will respond to all communications within 24 hours of contact. Follow-up is typically significantly less than 24 hours.

- 3.13.9 Contractor must receive authorization from the Office of Procurement Management prior to unblocking or lifting restrictions on excluded products.

Innovative does not make any changes to exclusion lists or blocked item sets without written authorization from the customer, in this case the Office of Procurement Management.

- 3.14 Overlapping Contract Items:** Products available in this contract award may also be available from other State of South Dakota contracts. The State of South Dakota reserves the right to purchase from the most cost effective contract.

Understood and accepted.

- 3.15 Additional Items:** The State reserves the right to add or delete products during the life of the Contract. The State reserves the right to work with the contractor and allow low cost alternative products during the life of the contract.

Items added or deleted must be completed within the same day as request.

Do you agree: Yes No

- 3.16 On-Line Catalog Spreadsheet:** The apparent contractor will be required to submit their entire on-line catalog (include private label items) in the same format as Attachment A - Worksheet prior to contract award. The spreadsheet is necessary to provide information for all price adjustments throughout the length of the contract.

A separate spreadsheet will be maintained by the Office of Procurement Management for all items that have permanently been added to the contract by request. Once a price increase has been requested by the contractor, the added items will be merged into the price spreadsheet.

Understood and accepted.

4.0 PROPOSAL REQUIREMENTS AND COMPANY QUALIFICATIONS

- 4.1** The offeror is cautioned that it is the offeror's sole responsibility to submit information related to the evaluation categories and that the State of South Dakota is under no obligation to solicit such information if it is not included with the proposal. The offeror's failure to submit such information may cause an adverse impact on the evaluation of the proposal.

Understood and accepted.

- 4.2 Offeror's Contacts:** Offerors and their agents (including subcontractors, employees, consultants, or anyone else acting on their behalf) must direct all of their questions or comments regarding the RFP, the evaluation, etc. to the buyer of record indicated on the first page of this RFP. Offerors and their agents may not contact any state employee other than the buyer of record regarding any of these matters during the solicitation and evaluation process. Inappropriate contacts are grounds for suspension and/or exclusion from specific procurements. Offerors and their agents who have questions regarding this matter should contact the buyer of record.

Understood and accepted.

- 4.3** The offeror may be required to submit a copy of their most recent audited financial statements upon the State's request.

Understood and accepted.

- 4.4** Provide the following information related to at least three previous and current service/contracts, performed by the offeror's organization, which are similar to the requirements of this RFP. Provide this information for any service/contract that has been terminated, expired or not renewed in the past three years.

- 4.4.1 Name, address and telephone number of client/contracting agency and a representative of that agency who may be contacted for verification of all information submitted;
- 4.4.2 Dates of the service/contract; and
- 4.4.3 A brief, written description of the specific prior services performed and requirements thereof

REFERENCE 1:
University of Minnesota
Michael Clements
Director- Office Services
612-625-3835
mclem@umn.edu

We have had the State of Minnesota contract since 2013 and have renewed the agreement through 2016. The University purchases office supplies, toner, facility supplies and office furniture as part of the agreement. We are always praised in our reviews for our service and for having the highest compliance rate of all the University's contracts. Their accounting group also participates in our yearly reviews and praises the Innovative team for our accuracy in administrating the terms of our contract agreement.

REFERENCE 2:
Cygnus Home Service (the guys in the yellow trucks, Schwan's, Yelloh)
Joe Lasek
Director of Warehouse-Facility Operations
813-731-6813
Joe.Lasek@cygnusdelivers.com

Innovative has been servicing 300 plus locations throughout the US since 2009. We supply this group office supplies, facility supplies, toner, printers, promotional products and furniture.

REFERENCE 3:
State of South Dakota
Steve Lippert
State of North Dakota-OMB Central
701-328-3346
sjlippert@nd.gov



We have held the State of North Dakota Contract since 2017 and most recently have been awarded the new contract that began on 05/09/2022. In addition to the office supply contract we also have the following: Dry Cell Batteries, Flags and envelopes.

4.5 The following information is required to be submitted with the proposal.

4.5.1 On-line Ordering Website Information:

The on-line ordering website must be one that is used regularly by a significant number of large account customers so that it cannot be manipulated in an improper manner. Offerors may be required to provide a listing of government users of their on-line catalog for verification.

The Office of Procurement Management will utilize the offeror's online ordering site to verify list pricing and other information.

The on-line ordering website must contain a minimum of 7,000 items. Evaluation points will be given in direct correlation to the number of items offered. This will be an evaluation factor. The number of items offered is:

25,000

All items, including the private label items, in the offeror's response to the RFP must be available for review on the on-line ordering website. At a minimum, the on-line ordering site must provide detailed product information, including item numbers, unit of measure as offered in the proposal, and list price.

The on-line ordering website provided for review must be the site that will be utilized by the State of South Dakota if the offeror is selected for award.

Website Link: Innovativeos.com

Innovative offers an online ordering website with proven reliability and ease of use. Our website is intuitive and provides users with the search ability, product information and pricing that they need, right at their fingertips. The website can be configured to provide a secure online ordering and management website that meets the specific requirements of each State of South Dakota office or agency.

Innovative has a single business-to-business web site with each user having their own login which will display their specific pricing and business rules. Users will not have the confusion and frustration of finding items on multiple websites at different prices.

Key Features of the Innovative Online Ordering Website Include:

- Punchout Capability – Innovative has extensive experience in providing punchout integrations, and currently serves many clients through a variety of punchout interfaces.
- Individual Password Protected Logins – In a standard implementation, each user will have their own login which will display the specific pricing and ordering criteria, any product restrictions or approval routing.
- Product Information – Includes pictures, video, long descriptions, product details and warranties, contract item indicators, and environmental information and notations.
- Third Party Catalogs – Innovative also offers the creation of content files

for loading to third party ordering systems.

- Search – Search by keywords, full or partial part numbers, with advanced filters that allow users to narrow their search to those attributes that they need. In 2014 Innovative launched a new world class search engine to improve the user experience; adding features such as spell checking, type-ahead search, and improved result selection.
- Save Carts – Users have the ability to manage multiple ongoing carts at once, and swap between them as necessary. Carts are never lost if a user logs out. They simply log in again and the items will still be in their cart, ready for ordering.
- Favorite Lists – Lists can be created and shared with users, agencies or offices, as well as created by individual users to aid the ordering of regularly ordered items. Administrative users at any agency have the ability to edit and share lists among users.
- Customized Product Offering – Innovative can customize which products users can see or order online, down to the individual user level.
- Approval Mechanisms – Innovative offers a highly flexible and customizable ordering approval system that helps an agency or office manage purchases. Based on rules established at setup, orders can then be routed internally for approval before being placed.
- Help Feature – Click on the Live Chat feature to be connected to a member of the Customer Care Team and have questions answered without leaving your online session.
- Order Acknowledgement – Easy to follow Checkout steps walk a customer through required order information (such as Purchase Order, Billing Code, etc), with a confirmation on screen before order placement and sends an emailed confirmation.
- Online Returns, Product Availability and Tracking – Request a return online with a few keystrokes, check live inventory levels prior to placing a time sensitive order, track your order and view/print a proof of delivery.
- Order History – All order history is housed online and can be sorted, searched and printed.
- Dynamic Stock Check – No need to check inventory levels before ordering, our system will immediately notify you if an item has insufficient inventory to fulfill your order.

- 4.5.2 Please describe in detail your company's implementation process to make this contract operational.

Innovative currently holds the State of South Dakota Supplies contract and is already set up with an operational electronic ordering site. Save time, money, and the hassle of implementation. Upon receiving the news that Innovative was awarded the contract in 2016; we were given 11 days to rollout two punchout platforms. Most punchout systems take months to implement. Innovative met the challenge and users were up and running on the contract start date!. We have a process in place to onboard any additional users as needed.

- 4.5.3 Provide a detailed description of the offeror's delivery program, explaining how the offeror will ensure that products are delivered statewide within the required delivery timeframes.



Innovative currently delivers statewide within the required delivery timeframes. With 32 distribution centers across the country, Innovative is strategically positioned to deliver nationwide. All items identified in the catalog will be stocked and fulfilled from the closest distribution center.

The State of South Dakota is primarily served by our facilities in Eagan, MN and Denver, CO. Additionally, locations in Kansas City, KS and Salt Lake City, UT serve as backup locations to reduce backorders and ensure orders are delivered within the required timeframes.

Our local delivery network, in tandem with our strategically positioned distribution centers, ensures users within the State of South Dakota can expect timely delivery according to the specified requirements.

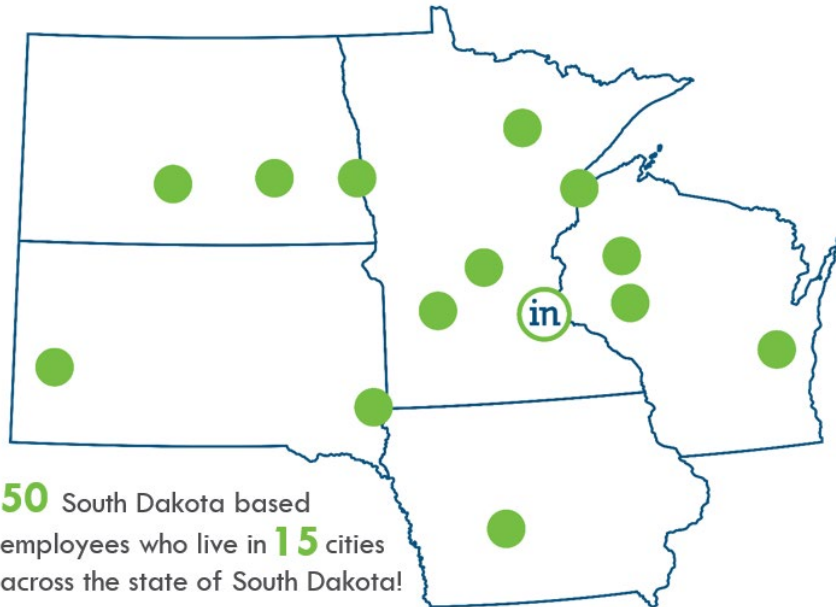
Innovative has a company-wide 98.6% fill rate for next day delivery on more than 45,000 office supply items. Our 20+ year strategic relationship with Essendant allows us to operate with the power of a \$7 billion enterprise, providing access to 32 office supply distribution centers nationwide, carrying more than \$900 million in inventory daily.

4.5.4 Provide a detailed description of your company's return policy and procedures.

Office supply items can be returned for a full refund within 90 days of receipt if the product has not been used, is in its original packaging, and is in resalable condition. Some items such as food and first aid supplies are not returnable and are marked accordingly in our catalog. Returns will be picked up within 2-3 business days and credits will be issued within 48 hours once the product is received back in the warehouse. Returns would be picked up via a UPS call tag or a freight truck. Returns are picked up and returned to our warehouse at no cost to our customers. Requests for returns can be processed online or by calling your dedicated Customer Service Team.

4.5.5 Provide a detailed summary of how your company utilizes supplies and services found in South Dakota and how your company economically impacts the State of South Dakota.

Since we were awarded the State of South Dakota contract for Office Supplies in 2016, we have further strengthened our ties with The State by expanding our business and partnerships in South Dakota. Being involved is embedded into the culture here at Innovative. We value philanthropic effort and give back to those around us through our local partnerships and charity work in the community.



How Innovative utilizes supplies and services found in South Dakota:

- We have two buildings in the State of South Dakota in which we maintain utilizing South Dakota based partners. Services and supplies include but are not limited to: Snow removal, landscaping, and mowing, electrical, plumbing, trash removal, cleaning service, and vending.
- Many of Innovative’s customers have ship-to locations within the State of South Dakota and we deliver all over the state on a regular basis. We maintain our delivery fleet utilizing South Dakota based partners including but not limited to: vehicle maintenance, tires, gasoline, and oil changes.
- Since we have offices in South Dakota and serve our customers from here we utilize vendor partners who are also based in South Dakota. Some of our major vendor partners include:
 - Ope Neimeyer Installation – Brookings, SD
 - Fosheim Flooring – Pierre, SD
 - SA Banning LLC – Sioux Falls, SD
 - Tom Rogers Flooring – Pierre, SD
 - Foothills Flooring – Rapid City, SD
 - Advertising Arts – Sioux Falls, SD
 - Performance Press – Brandon, SD
 - M&M – Sioux Falls, SD

How Innovative economically impacts the State of South Dakota:

- **Innovative employs:** 50 South Dakota residents in 15 different cities across the state including but not limited to Sioux Falls, Brandon, Tea, Dell Rapids, Rapid City, Chamberlain, Brookings, Harrisburg, and Canistota.
- **Sioux Falls Canaries Baseball Camp Sponsor:** We are the proud sponsor of the Sioux Falls Canaries Summer Baseball Camp Program. Each year we provide 9 deserving youth athletes with a chance to attend a three-day baseball

camp at Sioux Falls Stadium and learn skills from Saint players and coaches. Additionally, we have an InSports Day coming up where kids experience a free baseball clinic and tickets to the game.

- **Sioux Falls Stampede Try Hockey for Free Camp:** In partnership with the Stampede, we are the proud sponsor of the Sioux Falls Stampede free youth hockey camp giving kids the opportunity to learn hockey skills, skate on the ice and provide an unforgettable experience learning from coaches and players. Registration for the camp will open in the winter of 2023. Every year we impact 100+ kids from South Dakota.
- **Sioux Falls Storm InSports Day:** Our InSports Foundation brought an underserved South Dakota football team to the Denny for a free camp with the team and gave each participant new cleats for the season.
- **Partnership with Sioux Falls Public Schools and The Boys and Girls Club:** Through our partnership with these great organizations we provide an InSports Play Golf Program for underserved kids who reach their academic incentives. These South Dakota based kids are brought to great shots to learn and play golf. This is also an ongoing program throughout the summer where kids from the boys and girls club go to Willow Run golf course every other week to learn and play golf!
- **Scholarships:** We have given many scholarships to South Dakota athletes to support and help teams pay for registration and the expensive cost of gear.
- **Charity and Give back Continued:** Our employees also serve at the local banquet serving free meals to those in need, contribute to the community blood bank annually hosted at our Sioux Falls office, volunteer/donate to Feeding South Dakota, Promising Futures, and Challenge for Change.
- **Partnership with The Denny Sanford Premier Center-** Innovative is the primary sponsor of the Innovative HON Lounge. This is located on the suite level and we attend and host events there. In addition in state residents and customers we bring out of state guests and clients to The Denny providing them an opportunity to fall in love with South Dakota and increase spend in the state!
- **State of South Dakota & Innovative Partnership:** We have been providing products and services to the State of South Dakota since 2016 in Office Supplies, Facilities, Furniture, and Print categories. We provide you with dedicated support, fair honest pricing, and Partnership Reviews to cocreate on how we can continue to add value and support your productivity.

- 4.5.6 As outlined in Section 3.15 the State of South Dakota may add or delete products during the contract period. Provide a detailed summary of how your company will add or delete items on the punch-out and the length of time it will take for completion.

When a request is made to Innovative to add/delete products, the request can typically be processed within one business day. In the cases where the Innovative punchout catalog is being used, the update would occur overnight. If a proxy file is in use via a hosted catalog, there may be additional delays in the update based on the specific punchout provider being used.

5.2.3.3 ALTERNATIVES PROPOSED

A clear description of any options or alternatives proposed.

We have not proposed alternatives to products included in this RFP and have followed Worksheet A. We have worked with The State in the past to offer products that provide savings. In coordination with HP, we introduced C Sku's (white box) to The State and created cross reference soft sub suggestions to high yield cartridges saving The State thousands of dollars a year on toner. We will work collaboratively with you to propose alternative products as requested.

5.2.3.4 ATTACHMENT A - PRICING

Attachment A: Excel Worksheet is attached as a separate document in addition to this PDF document.

Innovative will pay a 1% rebate based on total contract spend provided that a \$1.5M spend threshold is met during the period of November 1st to October 31st each contract year. The 1% rebate will be paid each year no later than November 30 of the current contract year less any returns, credits, or adjustments.

Innovative will offer full reimbursement of any small order fee if orders over \$50 reach 90% of orders placed.

EXPECT RESPONSE

- Communication is key, our team **will** get back to you
- We are accessible every day with **teams in multiple categories**
- Employees are empowered to "**make it right**" on the spot

EXPECT REDUCTION

- **Customized programs** with ongoing partnership reviews to help meet your **financial goals**
- Partner on **sustainability initiatives** to reduce your carbon footprint
- Consolidate to a **single vendor** to reduce your procurement cost

EXPECT RELIEF

- Our category experts are here to do the research for you and provide **key insights and answers**
- **We've got your back** if something goes wrong
- **Relationships Matter**



ARE YOU IN?!