



# STATE OF ARKANSAS

## OFFICE OF STATE PROCUREMENT

1509 West 7th Street, Room 300

Little Rock, Arkansas 72201-4222

## **INVITATION FOR BID** **BID SOLICITATION DOCUMENT**

SOLICITATION INFORMATION			
Bid Number:	SP-20-0028	Solicitation Issued:	October 11, 2019
Description:	Tax Packages, Vouchers, and Forms		
Agency:	DFA – Revenue Services		

SUBMISSION DEADLINE FOR RESPONSE			
Bid Opening Date:	October 25, 2019	Bid Opening Time:	2:00 p.m., Central Time
<p>Deliver Bid submissions for this Invitation for Bid to the Office of State Procurement on or before the designated Bid opening date and time. In accordance with Arkansas Procurement Law and Rules, it is the responsibility of Prospective Contractors to submit Bids at the designated location on or before the Bid opening date and time. Bids received after the designated Bid opening date and time may be considered late and may be returned to the Prospective Contractor without further review. It is not necessary to return "no Bids" to OSP.</p>			

DELIVERY OF RESPONSE DOCUMENTS	
Delivery Address:	<p>Office of State Procurement 1509 West 7<sup>th</sup> Street, Room 300 Little Rock, AR 72201-4222</p> <p>Delivery providers, USPS, UPS, and FedEx deliver mail to OSP's street address on a schedule determined by each individual provider. These providers will deliver to OSP based solely on the street address. <b>Prospective Contractors assume all risk for timely, properly submitted deliveries.</b></p>
Bid's Outer Packaging:	<p>Seal outer packaging and properly mark with the following information. If outer packaging of Bid submission is not properly marked, the package may be opened for Bid identification purposes.</p> <ul style="list-style-type: none"><li>• Bid number</li><li>• Date and time of Bid opening</li><li>• Prospective Contractor's name and return address</li></ul>

OFFICE OF STATE PROCUREMENT CONTACT INFORMATION			
OSP Buyer:	Brandi Schroeder	Buyer's Direct Phone Number:	501-682-4169
Email Address:	Brandi.Schroeder@dfa.arkansas.gov	OSP's Main Number:	501-324-9316
OSP Website:	<a href="http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx">http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx</a>		

## **SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION**

- **Do not provide responses to items in this section unless specifically and expressly required.**

### **1.1 PURPOSE**

The Office of State Procurement (OSP) issues this Invitation for Bid (IFB) on behalf of the Department of Finance Administration (DFA) Revenue Services to obtain pricing and a contract for providing Withholding and Excise Tax Packages and related vouchers, return labels, and envelopes (hereinafter collectively referred to as "Tax Packages") as specified herein.

### **1.2 TYPE OF CONTRACT**

- A. As a result of this IFB, OSP intends to award a contract to a single Contractor.
- B. The anticipated starting date for any resulting contract is November 1, 2019, except that the actual contract start date may be adjusted forward unilaterally by the State for up to three (3) calendar months. By submitting a signed Bid in response to the IFB, Prospective Contractors represent and warrant they will honor their Bids as being held open as irrevocable for this period.
- C. The initial term of a resulting contract will be for one (1) year. Upon mutual agreement by the Contractor and Agency, the contract may be renewed by OSP for up to six (6) additional one-year terms or portions thereof, not to exceed a total aggregate contract term of seven (7) consecutive years.

### **1.3 ISSUING AGENCY**

OSP, as the issuing office, is the sole point of contact throughout this solicitation process.

### **1.4 BID OPENING LOCATION**

Bids will be opened at the following location:

Office of State Procurement  
1509 West Seventh Street, Room 300  
Little Rock, AR 72201-4222

### **1.5 ACCEPTANCE OF REQUIREMENTS**

- A. A Prospective Contractor **shall** unconditionally accept all Requirements in the Requirements section(s) of this IFB to be considered a responsive Prospective Contractor.
- B. A Prospective Contractor's Bid will be rejected if a Prospective Contractor takes exceptions to any Requirements in the Requirements Section(s) of this IFB and/or if a Prospective Contractor's Bid fails to adhere to all of the Bid Submission Requirements.

### **1.6 DEFINITION OF TERMS**

- A. The State Procurement Official has made every effort to use industry-accepted terminology in this *Bid Solicitation* and will attempt to further clarify any point of an item in question as indicated in *Clarification of Bid Solicitation*.
- B. Unless otherwise defined herein, all terms defined in Arkansas Procurement Law and used herein have the same definitions herein as specified therein.
- C. "Agency" means any State agency, institution, authority, department, board, commission, bureau, council, or other agency of the State issuing a contract resulting from this IFB.
- D. "Author's Alteration" means a mark-up correction made by the Agency to a Tax Package Proof that is the result of an error in the file images the Agency provides to the Contractor, or a change the Agency wishes to make to the Tax Packages after the Contractor has printed the Tax Package Proofs. Author's Alterations do not include any Printer's Errors.
- E. The terms "Bid" and "Bid Response Packet" are used synonymously in this document.
- F. "Bid Submission Requirement" means a task a Prospective Contractor **must** complete when submitting a Bid in response to this Solicitation. These Requirements will be distinguished by using the term "**shall**" or "**must**" in the Requirement.

- G. "Broken Serifs" means the broken short lines stemming from and at an angle to the upper and lower ends of the strokes of a letter.
- H. "Contractor" means a person who sells or contracts to sell commodities and/or services under a contract resulting from this IFB.
- I. "Fluctuating Alignment" means changing frequently and uncertainly the proper positioning or state of adjustment of parts or print in relation to each other.
- J. "Ghosting" means an unwanted faint image of a design in solid printing areas that is not intended to receive that portion of the image.
- K. "Hairlines" means unwanted tiny or fine lines that appear in the final printed product.
- L. "Hickey" means an unwanted spot or imperfection caused by debris on the printing plate, blanket, gravure cylinder, or other image-carrying surface.
- M. "Hot Spot" means unwanted weak ink coverage or visible dot gain caused by an air bubble or debris on the printing plate.
- N. "Hollow Type" means the misdistribution of ink that appears as partially printed letters in type.
- O. The terms "Invitation for Bid," "IFB," "Bid Solicitation," and "Solicitation" are used synonymously in this document.
- P. "Overrun" means additional printed Tax Packages over the quantity ordered.
- Q. "Printer's Error" means a mark-up correction made by the Agency to a Tax Package Proof that is a result of any error in design, printing, or quality made by the Contractor as determined by the Agency. Printer's Errors do not include Author's Alterations.
- R. "Prospective Contractor" means a person who submits a Bid in response to this Solicitation.
- S. "Registration" means the intended alignment and placement of all aspects and elements of the Tax Package.
- T. "Requirement" means a specification that a Contractor's product and/or service **must** perform during the term(s) of contract resulting from this Solicitation. These specifications will be distinguished by using the term "**shall**" or "**must**" in the Requirement.
- U. "Roller Marks" means the unwanted transfer of ink from equipment to a printed sheet or page.
- V. "Set-off Smudges" means the unwanted transfer of ink from one printed sheet or page to another before the ink has set.
- W. "State" means the State of Arkansas. When the term "State" is used herein to reference any obligation of the State under a contract that results from this Solicitation, that obligation is limited to the Agency using such a contract.
- X. "Tax Package Proof" means a quality sample of each Tax Package supplied to the Agency by the Contractor that represents a near-exact model of how each finished Tax Package will appear in all aspects possible.
- Y. "Working Day" means a day occurring Monday through Friday excluding State Holidays. A current listing of State holidays may be found on the Arkansas Secretary of State's website at <https://www.sos.arkansas.gov/news/state-holiday-calendar/>.

## 1.7 **RESPONSE DOCUMENTS**

### A. *Bid Response Packet*

1. The following are Bid Submission Requirements and **must** be submitted in the original *Bid Response Packet*.
  - a. Original signed *Bid Signature Page*. (See *Bid Response Packet*.)
    - i. An official authorized to bind Prospective Contractors to a resultant contract **shall** sign the *Bid Signature Page* included in the *Bid Response Packet*.

- ii. Prospective Contractor's signature signifies agreement to and compliance with all Requirements in this IFB and agrees that any exception that conflicts with a Requirement or Bid Submission Requirement of this *Bid Solicitation* will cause the Prospective Contractor's Bid to be rejected.
    - iii. Bid responses **must** be in the English language.
  - b. One (1) original hard copy of the *Official Bid Price Sheet*. Pricing **must** be proposed in U.S. dollars and cents.
2. The following items should be submitted in the original *Bid Response Packet*.
  - a. One (1) electronic copy of the *Official Bid Price Sheet*.
  - b. EO 98-04 *Contract and Grant Disclosure Form*. (See *Standard Terms and Conditions*, #24. *Disclosure*.)
  - c. Copy of Prospective Contractor's *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)
  - d. Signed addenda, if applicable. (See *Requirement of Addendum*.)
  - e. Arkansas Vendor Number, if known.
    - i. Selected Contractor **shall** be registered as an Arkansas Vendor to receive payment.
      - For a \$25 annual fee, Prospective Contractors may register online at <https://www.ark.org/contractor/index.html> and will receive a Vendor Number upon registering. Online registration allows vendors to receive email notifications for future bid solicitations posted to the OSP website.
      - Selected Contractors not wishing to register online **shall** submit an updated copy of the Contractor's Form W-9 to the Agency prior to award.
3. Do not include any other documents or ancillary information, such as a cover letter or promotional/marketing information.

#### 1.8 **CLARIFICATION OF BID SOLICITATION**

- A. Submit any questions requesting clarification of information contained in this *Bid Solicitation* in writing via email by 4:00 p.m., Central Time on or before October 16, 2019 to the OSP buyer as shown on page one (1) of this *Bid Solicitation*.
  1. For each question submitted, Prospective Contractor should reference the specific Solicitation item number to which the question refers.
  2. Prospective Contractors' written questions will be consolidated and responded to by the State. The State's consolidated written response is anticipated to be posted to the OSP website by the close of business on October 21, 2019. If Prospective Contractor questions are unclear or non-substantive in nature, the State may request clarification of a question(s) or reserves the right not to respond to that question(s).
- B. Prospective Contractor should notify the OSP buyer of any term, condition, etc., that precludes the Prospective Contractor from submitting a Bid that complies in all material aspects to this IFB.
  1. Prospective Contractors should note that it is the responsibility of the Prospective Contractor to seek resolution of all such issues, including those relating to the terms and conditions of the contract, prior to the submission of a Bid.
- C. Prospective Contractors may contact the OSP buyer with non-substantive questions at any time prior to the Bid opening.
- D. An oral statement by OSP will not be part of any contract resulting from this Solicitation and may not reasonably be relied on by Prospective Contractors as an aid to interpretation unless it is reduced to writing and expressly adopted by OSP.
- E. Prospective Contractors entering into a contract with the State **shall** comply with all the terms and conditions contained herein.

**1.9 PRICING**

- A. Prospective Contractors **shall** include all pricing on the *Official Bid Price Sheet* only.
- B. If any cost is not identified by the successful Contractor but is subsequently incurred in order to achieve successful operation, the Contractor **shall** bear this additional cost.
- C. For the purposes of this Solicitation and a resulting contract, Set-Up Costs **must** include all supplies and actions necessary to begin printing Tax Packages as specified herein including but not limited to the following:
1. Making necessary file conversions, separations, and finalizing files.
  2. Creating applicable printing plates and providing all supplies and tools necessary to print Tax Packages.
  3. Printing, packaging, shipping, and delivering required Tax Package Proofs to the Agency, including applicable Author's Alterations and Printer's Errors revisions. (See *Tax Package Proofs and Approval*.)
- D. The *Official Bid Price Sheet* is provided as a separate Excel file posted with this *Bid Solicitation* and includes three (3) tables for the following purposes:
1. Table 1: Set-Up and Printing Costs includes all costs for printing Tax Packages as specified in this IFB.
    - a. Item 1: Prospective Contractors **shall** enter the Set-Up Cost for each Employer's Withholding Wage Tax Package.
    - b. Item 2: Prospective Contractors **shall** enter the cost per Employer's Withholding Wage Tax Package to print, package, ship, and deliver an estimated annual quantity of 20,000 Employer's Withholding Wage Tax Packages each January as required by this IFB.
    - c. Item 3: Prospective Contractors **shall** enter the cost per Employer's Withholding Wage Tax Package to print, package, ship, and deliver an estimated annual quantity of 10,000 Employer's Withholding Wage Tax Packages semi-monthly as required by this IFB.
    - d. Item 4: Prospective Contractors **shall** enter the Set-Up Cost for each Annual Withholding Return Package.
    - e. Item 5: Prospective Contractors **shall** enter the cost per Annual Withholding Return Package to print, package, ship, and deliver an estimated annual quantity of 10,000 Annual Withholding Return Packages each December as required by this IFB.
    - f. Item 6: Prospective Contractors **shall** enter the Set-Up Cost for each Excise Tax Package, estimated to be twice per year.
    - g. Item 7: Prospective Contractors **shall** enter the cost per Excise Tax Package to print, package, ship, and deliver an estimated annual quantity of 7,500 Excise Tax Packages each December as required by this IFB.
    - h. Item 8: Prospective Contractors **shall** enter the cost per Excise Tax Package to print, package, ship, and deliver an estimated annual quantity of 18,000 Excise Tax Packages each January and July as required by this IFB.
    - i. Item 9: Prospective Contractors **shall** enter the cost per Excise Tax Package to print, package, ship, and deliver an estimated annual quantity of 9,000 Excise Tax Packages semi-monthly as required by this IFB.
    - j. Table 1 will be used in determining low cost.
  2. Table 2: *Other Costs* is for informational purposes only and will not be used for determining lowest cost.
    - a. Item 1: Prospective Contractors **shall** enter the cost per Author's Alteration revision after receiving the Agency's final approval of Tax Package Proofs, if applicable.
    - b. Item 2: Prospective Contractors **shall** enter the cost per Overrun occurrence when printing Tax Packages, if applicable.

- c. Should the Prospective Contractor enter "0" or leave a cell in Table 2 blank, the Contractor **shall not** invoice the Agency for Author's Alterations or Overruns during the aggregate term of a resulting contract.
- d. The Contractor **shall not** invoice the Agency for costs submitted on Table 2 without prior written approval from the Agency.
- 3. Table 3: Ink and Paper Stock Brand Information is for informational purposes only and will not be used for determining lowest cost.
  - a. The Contractor **shall** enter the brand of ink and brand, weight, and brightness of the paper stock for Tax Packages being bid.
  - b. The Contractor **shall** enter the brand of ink to be utilized under a resulting contract.
  - c. The Contractor **shall** enter the brand, weight, and brightness of the paper stock to be utilized for each of the following:
    - i. Perforated Voucher Paper.
    - ii. Mailing Label Paper.
    - iii. Nonperforated Text Pages Paper.
    - iv. Envelope Paper.
- E. Prospective Contractors **shall** enter pricing and information for all items on the *Official Bid Price Sheet*, filling in the yellow-shaded cells only.
  - 1. The Per Item Cost amounts entered will be automatically calculated using an Excel formula and totaled into the Grand Total Estimated Annual Cost cell.
- F. Low cost determination will be made using the amount auto-populated into the Grand Total Estimated Annual Cost cell on the *Official Bid Price Sheet*.
- G. To allow time to review Bids, prices **must** be valid for ninety (90) days following the Bid opening.
- H. Do not submit any ancillary information not related to actual pricing on or with the *Official Bid Price Sheet*.

#### **1.10 PRIME CONTRACTOR RESPONSIBILITY**

- A. A single Prospective Contractor **must** be identified as the prime Contractor.
- B. The prime Contractor **shall** be responsible for the contract and jointly and severally liable with any of its subcontractors, affiliates, or agents to the State for the performance thereof.

#### **1.11 INDEPENDENT PRICE DETERMINATION**

- A. By submission of this Bid, the Prospective Contractor certifies, and in the case of a joint response, each party thereto certifies as to its own organization, that in connection with this Bid:
  - The prices in the Bid have been arrived at independently, without collusion.
  - No prior information concerning these prices has been received from, or given to, a competitive company.
- B. Evidence of collusion warrants consideration of this Bid by the Office of the Attorney General. All Prospective Contractors **shall** understand that this paragraph may be used as a basis for litigation.

#### **1.12 ETHICAL STANDARDS**

It **shall** be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a State contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies maintained by the Contractor for the purpose of securing business.

**1.13 PROPRIETARY INFORMATION**

- A. Submission documents pertaining to this *Bid Solicitation* become the property of the State and are subject to the Arkansas Freedom of Information Act (FOIA) of 1967.
- B. In accordance with FOIA and to promote maximum competition in the State competitive bidding process, the State may maintain the confidentiality of certain types of information described in FOIA. Such information may include trade secrets defined by FOIA and other information exempted from the Public Records Act pursuant to FOIA.
- C. Prospective Contractor may designate appropriate portions of its response as confidential, consistent with and to the extent permitted under FOIA, by submitting a redacted copy of the response.
- D. By so redacting any information contained in the response, the Prospective Contractor warrants that it has formed a good faith opinion having received such necessary or proper review by counsel and other knowledgeable advisors that the portions redacted meet the requirements of FOIA.
- E. Under no circumstances will pricing information be designated as confidential.
- F. One (1) complete copy of the submission documents from which any proprietary information has been redacted should be submitted on a flash drive in the *Bid Response Packet*. Do not submit documents via email or fax.
- G. Except for the redacted information, the redacted copy **must** be identical to the original copy, reflecting the same pagination as the original and showing the space from which information was redacted.
- H. The Prospective Contractor is responsible for identifying all proprietary information and for ensuring the electronic copy is protected against restoration of redacted data.
- I. The redacted copy will be open to public inspection under FOIA without further notice to the Prospective Contractor.
- J. If a redacted copy of the submission documents is not provided with Prospective Contractor's *Bid Response Packet*, a copy of the non-redacted documents, with the exception of financial data (other than pricing), will be released in response to any request made under FOIA.
- K. If the State deems redacted information to be subject to FOIA, the Prospective Contractor will be contacted prior to release of the documents.
- L. The State has no liability to a Prospective Contractor with respect to the disclosure of Prospective Contractor's confidential information ordered by a court of competent jurisdiction pursuant to FOIA or other applicable law.

**1.14 CAUTION TO PROSPECTIVE CONTRACTORS**

- A. Prior to any contract award, address all communication concerning this *Bid Solicitation* through the OSP buyer.
- B. Do not alter any language in any Solicitation document provided by the State.
- C. Do not alter the *Official Bid Price Sheet*.
- D. All official documents and correspondence related to this Solicitation become part of the resultant contract.
- E. The State has the right to award or not award a contract, if it is in the best interest of the State to do so.
- F. As requested, provide clarification regarding Prospective Contractor's Bid to OSP.
  - 1. Should the Prospective Contractor fail or refuse to clarify in writing any matter questioned about the Prospective Contractor's Bid by the deadline set by OSP, the Prospective Contractor's Bid may be rejected.
- G. Qualifications and proposed services **must** meet or exceed the required specifications as set forth in this *Bid Solicitation*.
- H. Prospective Contractors may submit multiple Bids.

**1.15 REQUIREMENT OF ADDENDUM**

- A. Only an addendum written and authorized by OSP will modify this *Bid Solicitation*.

- B. An addendum posted within three (3) calendar days prior to the Bid opening may extend the Bid opening and may or may not include changes to the *Bid Solicitation*.
- C. The Prospective Contractor is expected to check the OSP website, <http://www.arkansas.gov/dfa/procurement/Bids/index.php>, for any and all addenda up to Bid opening.
- D. Prospective Contractors should sign and submit all addenda posted to the OSP website relating to this Solicitation in their *Bid Response Packets*.
  1. Failure to submit the signed addenda may result in rejection of Prospective Contractor's Bid.

#### **1.16 AWARD PROCESS**

##### **A. Successful Contractor Selection**

1. Award will be made to the lowest-bidding, responsible Prospective Contractor on an all or none basis.

##### **B. Negotiations**

1. If the State so chooses, negotiations may be conducted with the lowest-bidding Prospective Contractor. Negotiations are conducted at the sole discretion of the State.
2. If negotiations fail to result in a contract, the State may begin the negotiation process with the next lowest-bidding Prospective Contractor. The negotiation process may be repeated until the anticipated successful Contractor has been determined, or until such time the State decides not to move forward with an award.

##### **C. Anticipation to Award**

1. Once the anticipated successful Contractor has been determined, the anticipated award will be posted on the OSP website at [http://www.arkansas.gov/dfa/procurement/pro\\_intent.php](http://www.arkansas.gov/dfa/procurement/pro_intent.php).
2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract.
  - a. Prospective Contractors and agencies are cautioned that these are preliminary results only, and a contract will not be issued prior to the end of the fourteen (14) day posting period.
3. OSP may waive the policy of Anticipation to Award when it is in the best interest of the State.
4. It is the Prospective Contractor's responsibility to check the OSP website for the posting of an anticipated award.

##### **D. Issuance of Contract**

1. Any resultant contract of this *Bid Solicitation* is subject to State approval processes which may include Legislative review.
2. A State Procurement Official will be responsible for the Solicitation and award of any resulting contract.

#### **1.17 MINORITY AND WOMEN-OWNED BUSINESS POLICY**

##### **A. A minority-owned business is defined by Arkansas Code Annotated § 15-4-303 as a business owned by a lawful permanent resident of this State who is:**

- African American
- American Indian
- Asian American
- Hispanic American
- Pacific Islander American
- A Service Disabled Veteran as designated by the United States Department of Veteran Affairs

##### **B. A women-owned business is defined by Act 1080 of the 91<sup>st</sup> General Assembly Regular Session 2017 as a business that is at least fifty-one percent (51%) owned by one (1) or more women who are lawful permanent residents of this State.**



- C. The Arkansas Economic Development Commission conducts a certification process for minority-owned and women-owned businesses. If certified, the Prospective Contractor's Certification Number should be included on the *Bid Signature Page*.

**1.18 EQUAL OPPORTUNITY POLICY**

- A. In compliance with Arkansas Code Annotated § 19-11-104, OSP must have a copy of the anticipated Contractor's *Equal Opportunity (EO) Policy* prior to issuing a contract award.
- B. *EO Policies* should be included with the *Bid Response Packet*.
- C. Contractors are responsible for providing updates or changes to their respective policies, and for supplying *EO Policies* upon request to other Agencies that are also subject to this statute.
- D. Prospective Contractors who are not required by law to have an *EO Policy* **shall** submit a written statement to that effect.

**1.19 RESTRICTION OF BOYCOTT OF ISRAEL**

- A. Pursuant to Arkansas Code Annotated § 25-1-503, a public entity is not permitted to enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in and agrees for the duration of the contract not to engage in a boycott of Israel.
- B. This prohibition does not apply to a company which offers to provide the goods or services for at least twenty percent (20%) less than the lowest certifying business.
- C. By checking the designated box on the *Bid Signature Page* of the *Bid Response Packet*, a Prospective Contractor agrees and certifies that they do not, and will not for the duration of the contract, boycott Israel.

**1.20 PAST PERFORMANCE**

- A. In accordance with provisions of State Procurement Law, specifically OSP Rule R5:19-11-230(b)(1), a Prospective Contractor's past performance with the State may be used to determine if the Prospective Contractor is "responsible."
- B. Bids submitted by Prospective Contractors determined to be non-responsible will be rejected.

**1.21 VISA ACCEPTANCE**

- A. Awarded Contractor should have the capability of accepting the State's authorized VISA Procurement Card (p-card) as a method of payment.
- B. Price changes or additional fee(s) **must not** be levied against the State when accepting the p-card as a form of payment.
- C. VISA is not the exclusive method of payment.

**1.22 PUBLICITY**

- A. Do not discuss the Solicitation nor your Bid response, nor issue statements or comments, nor provide interviews to any public media during the Solicitation and award process.
- B. Failure to comply with this Requirement may be cause for a Prospective Contractor's Bid to be rejected.

**1.23 RESERVATION**

The State will not pay costs incurred in the preparation of a Bid.

## **SECTION 2 – REQUIREMENTS**

- **Do not provide responses to items in this section unless specifically and expressly required.**

### **2.1 INTRODUCTION**

The Office of State Procurement (OSP) issues this Invitation for Bid (IFB) on behalf of the Department of Finance Administration (DFA) Revenue Services to obtain pricing and a contract for providing Withholding and Excise Tax Packages and related vouchers, return labels, and envelopes (hereinafter collectively referred to as “Tax Packages”) as specified herein.

The Agency provides quantity estimates strictly as a courtesy to Prospective Contractors. Prospective Contractors **shall not** interpret any estimate provided in this IFB or on the *Official Bid Price Sheet* to be a guarantee of actual contract volume during the aggregate term of a resulting contract.

### **2.2 HISTORY AND CURRENT DISTRIBUTION**

Each year, Revenue Services mails Tax Packages to tax payers for various reporting, withholding, and sales and use taxes. At scheduled times throughout the year (see *Table A: Mailing Schedule*), Revenue Services completes mailings as part of the tax filing process and provides replacement Tax Packages to tax payers requesting replacements. The scope of providing Tax Packages under a resulting contract includes:

- Providing Tax Packages proofs.
- Printing Tax Packages.
- Addressing and sorting Tax Packages.
- Labeling and packaging Tax Packages.
- Mailing Tax Packages within Mailing Timeframes.

As a courtesy, the Agency has provided attachments that includes images of Tax Package samples currently in use. Prospective Contractors may use the attachments to familiarize themselves with the components of each of the Tax Packages. Text and designs on the Tax Packages may vary slightly throughout the aggregate term of a resulting contract.

The attachments are provided with the solicitation for informational purposes and are intended to supplement the written specifications and Requirements stated in this IFB and provide a visual representation of the Tax Packages currently in use, which include:

- *Attachment A: Employer's Withholding Wage Tax Packages* (semi-monthly and annually)
- *Attachment B: Annual Withholding Return Packages* (annually)
- *Attachment C: Excise Tax Packages* (semi-monthly, semi-annually, and annually)

### **2.3 PROSPECTIVE CONTRACTOR QUALIFICATIONS**

- A. Prospective Contractors **shall** have in place all facilities, equipment, inventory, staff, and all other operations necessary for serving the needs of the State specified in this IFB.
- B. Prospective Contractors **shall** have provided printing similar in size and scope as specified in this IFB to at least two (2) public entity clients.
- C. The State reserves the right to investigate as necessary to determine if an apparent successful Contractor meets the Requirements of this IFB.
  1. If the apparent successful Contractor is determined by the State not to meet the Requirements of this IFB, the Prospective Contractor's bid may be rejected.
  2. The State reserves the right to continue this process until a responsive Prospective Contractor has been determined.
  3. Upon request from OSP and for the purpose of investigation, the apparent successful Prospective Contractor **shall** provide clarification, information, documentation, and past work samples pertaining to the

apparent successful Prospective Contractor's experience, ability, and qualifications to meet the Requirements described in the IFB prior to contract award.

4. Should the apparent successful Prospective Contractors fail to provide the clarification, information, and documentation requested within the timeframe specified by OSP, the Prospective Contractor's bid may be rejected.

## 2.4 **GENERAL REQUIREMENTS**

- A. The Contractor **shall** perform all operations for providing Tax Packages in accordance with applicable State and federal laws and industry standards.
- B. With the exception of envelope manufacturing, the Contractor **shall** perform all operations for providing Tax Packages in-house in a single facility located within the Continental United States.
- C. The Contractor **shall** maintain all software, programming, internet access, printing plates, ink products, and other tools necessary to provide Tax Packages according to the Requirements of this IFB.
- D. The Contractor **shall** print and construct Tax Packages using the most current images and data provided by the Agency and **shall** make all file conversions, film separations, file finalization, and printing plate transfers applicable and necessary to print the Tax Packages according to the Requirements of this IFB.
  1. The Agency will provide all information that comprises each Tax Package to the Contractor after award.
- E. The Contractor **shall** receive artwork, portable document format (PDF) files, and data files via secure file transfer protocols (FTP) specified by the Agency after award.
  1. The Contractor **shall** print all personalized data to the Tax Packages as specified by the Agency, such as business names, mailing addresses, account identification numbers, and applicable barcodes.
  2. The Agency will provide personalized data to the Contractor via secure FTP at various times throughout the year for each Tax Package.
  3. The Contractor **shall** use font type and size on all Tax Package documents as specified by the Agency.
- F. The Contractor **shall** provide in-house customer service and technical support via phone and email from 8:00 a.m. to 5:00 p.m., Central Time, during Working Days.
  1. The Contractor **shall** provide a direct phone number and email address to the Agency for ongoing correspondence.
  2. Phone and email inquiries **must** be answered by live, English-speaking operators who are trained to answer product questions and issues and trained to mitigate order-related issues.
  3. The Contractor **shall** respond to and make every reasonable effort to resolve all customer service and technical support phone calls and emails within one (1) Working Day of contact by the Agency.
- G. Upon request from the Agency, the Contractor **shall** attend periodic phone or web-based contract review meetings to review Contractor performance, paper stock and ink brands, and other updates as determined by the Agency.
- H. The Contractor **shall not** print less than the specified quantity for each order placed by the Agency. Underruns are not permitted.

## 2.5 **TAX PACKAGE PRINTING REQUIREMENTS**

- A. The Contractor **shall** render and format all text, data, barcodes, and images on finished Tax Package documents as specified by the Agency.
- B. The Contractor **shall not** print the Contractor's name, logo, or other identifying marks on any of the Tax Package documents.
- C. Employer's Withholding Wage Tax Packages (semi-monthly and annually)
  1. *Attachment A: Employer's Withholding Wage Tax Packages* provides a visual representation of the Employer's Withholding Wage Tax Packages described herein.

2. The Contractor **shall** provide Employer's Withholding Wage Tax Packages containing the following items:
  - a. One (1) cover letter.
  - b. Perforated vouchers (quantity to be specified by the Agency upon order).
    - i. Voucher perforations **must** be positioned to create three (3) equal sized vouchers per page.
  - c. One (1) page of mailing labels.

D. Annual Withholding Return Packages

1. *Attachment B: Annual Withholding Return Packages* provides a visual representation of Annual Withholding Return Packages described herein.
2. The Contractor **shall** provide Annual Withholding Return Packages containing the following items:
  - a. One (1) Employer's Annual Report form with a perforated voucher.
  - b. One (1) page of instructions.
  - c. ARW-3 form.

E. Excise Tax Packages (semi-annually, semi-monthly, and annually)

1. *Attachment C: Excise Tax Packages* provides a visual representation of the Excise Tax Packages described herein.
2. The Contractor **shall** provide Excise Tax Packages containing the following items:
  - a. Excise Tax Return—ET-1 Form (quantity to be specified by the Agency upon order).
    - i. Semi-annual mailings will include two (2) quarterly ET-1 Forms or six (6) monthly ET-1 Forms per Tax Package.
    - ii. Annual mailings will include one (1) annual ET-1 Form per Tax Package.
    - iii. The quantity of ET-1 Forms per semi-monthly mailing will vary based on tax payer requests.
  - b. Instruction booklet made up of eight (8) front and back sheets, or sixteen (16) total pages.

F. Mailing Labels

1. Mailing labels for Employer's Withholding Wage Tax Packages and Annual Withholding Return Packages **must** be printed with perforations positioned to create twelve (12) equal sized mailing labels per page at approximately 3-7/16" x 3/4" each.
2. Mailing labels for Excise Tax Packages **must** be printed with perforations positioned to create seventeen (17) equal sized mailing labels per 8 1/2" x 11" sheet, along with instructions in the remaining space on the sheet.
3. The Contractor **shall** print the following address on all mailing labels for all Tax Packages requiring mailing labels, along with an Intelligent Mail barcode (IMb) postal barcode:

Arkansas Department of Finance & Administration  
PO Box 3566  
Little Rock, AR 72203-3566

G. Envelopes

1. The Contractor **shall** provide white window mailing envelopes that properly and accurately fit all contents of each Tax Package.
  - a. Windows **must** be positioned to clearly display all of the recipient's mailing address.
2. Envelopes **must** meet USPS mailing requirements.

3. Envelopes for Employer's Withholding Wage Tax Packages and Annual Withholding Return Packages **must** include:
  - a. The printed State seal.
  - b. Presort Standard class indicia.
  - c. The words "Employer's Report of Income Tax Withheld" highlighted in the center, positioned as specified by the Agency.
4. Envelopes for Excise Tax Packages **must** include:
  - a. The words "Excise Tax Reporting Forms" highlighted in the center, positioned as specified by the Agency.
  - b. The postal instructions "Address Service Requested".
  - c. First class indicia.
5. All envelopes **must** include the following return address, along with an IMb postal barcode:

Arkansas Department of Finance & Administration  
PO Box 3566  
Little Rock, AR 72203-3566

## 2.6 **QUALITY REQUIREMENTS**

- A. Finished Tax Packages **must** be of excellent quality that meet or exceed industry standards and the Requirements of this IFB.
- B. The Contractor **shall** provide precise Registration, consistent ink coverage and density, and accurate perforation, fastening, addressing, packaging, sorting, postage, and mailing of all Tax Packages throughout the aggregate term of the resultant contract.
- C. Finished Tax Packages **must** be free of press and production defects including but not limited to:
  1. Roller Marks, Hickeys, Hot Spots, and Set-off Smudges.
  2. Hairlines, Ghosting, Broken Serifs, Fluctuating Alignment.
  3. Hollow Type, Varying Density, Ink drops and other spots or imperfections.
- D. Finished Tax Packages **must** be accurately and evenly trimmed and free of jagged or torn edges.

## 2.7 **PAPER STOCK AND INK REQUIREMENTS**

- A. The Contractor **shall** utilize white high-quality paper and high-quality black ink to print Tax Packages.
  1. Finished Tax Package vouchers **must** be printed on high-quality, bright white optical character recognition (OCR) paper bond stock using high-quality black ink to be accurately processed by the OCR engine.
    - a. The Contractor **shall** utilize paper and ink that ensures high efficiency and minimal errors in OCR reading.
    - b. Voucher paper **must** be perforated as specified by each Tax Package Requirement and **must not** bend easily.
- B. The Contractor **shall** receive written approval from the Agency regarding paper stock and ink brands for Tax Packages prior to printing the Tax Packages.
  1. The Contractor **shall** obtain written approval from the Agency prior to substituting paper stock and/or ink brands for any reason.
    - a. All paper stock or ink product brand substitutions **must** be the same or higher quality as brands being substituted.

2. Upon the request of the Agency, the Contractor **shall** mail and deliver samples of specified documents for the Agency to test through the OCR engine.
  - a. The Contractor **shall** mail and deliver samples of specified documents within the timeframes and in the manner specified by the Agency at no cost to the Agency.
- C. Unless otherwise specified in the Requirements or upon Agency order, all Tax Packages **must** be printed on letter-sized paper.

## **2.8 TAX PACKAGE PROOFS AND APPROVAL**

- A. The Contractor **shall** provide Tax Package Proofs for each annual and semi-annual mailing timeframe and as otherwise requested by the Agency.
- B. The Agency will submit information, artwork, PDF file images, and/or personalized data for each Tax Package to the Contractor.
  1. Should a file provided by the Agency not be usable to produce printed Tax Packages as specified in this IFB, the Contractor **shall** notify the Agency in writing within two (2) Working Days of receiving the submitted files.
  2. The Agency anticipates providing personalized data for addressing Tax Packages approximately five (5) Working Days prior to the Mailing Date specified by the Mailing Schedule.
- C. Within the timeframe specified by the Agency, the Contractor **shall** provide Tax Package Proofs to the Agency via email or secure FTP site, whichever is specified by the Agency.
  1. Tax Package Proof quantities will be specified upon request, and the Contractor **shall** provide the quantity of Tax Package Proofs specified by the Agency.
  2. The Agency will provide primary Agency contact information upon contract award.
  3. Should the Agency request hard copy Tax Package Proofs from the Contractor, the Contractor **shall** print, package, and deliver Tax Package Proofs to the Agency in the manner and within the timeframes specified by the Agency.
- D. The Agency will review the Tax Package Proofs and notify the Contractor of any needed Author's Alterations and/or Printer's Errors via email.
  1. The Contractor **shall not** proceed with further production without written Agency approval.
  2. Prior to final approval, the Contractor **shall not** charge to correct revisions to the Tax Package Proofs.
  3. The Contractor **shall not** at any time charge to correct Printer's Errors.
- E. Should the Agency require revisions, the Contractor **shall** make revisions as specified by the Agency.
  1. Within the timeframes specified by the Agency, the Contractor **shall** provide additional Tax Package Proofs to the Agency.
- F. The Contractor **shall** repeat the process as outlined in IFB Item 2.8.E. until the Tax Package Proofs meet the final approval of the Agency.
  1. The Contractor **shall not** proceed with further processing without the final approval of the Agency.
- G. After receiving the final approval of the Tax Package Proofs from the Agency, the Contractor **shall** print, package, and deliver the full Tax Package order per the Requirements and Mailing Schedule of this IFB and as specified by the Agency.

## **2.9 PRESORT AND POSTAGE**

- A. The Contractor **shall** obtain all postage permits necessary to mail Tax Packages using the most economically advantageous method possible under a resulting contract.
  1. The Agency will reimburse exact postage costs for mailing Tax Packages to final recipients. (See *Payment and Invoice Provisions* for additional information about reimbursement.)

2. The Contractor **shall** presort Tax Packages whenever possible.
3. The Contractor **shall** bear postage costs incurred by the Contractor for failure to obtain the most economically advantageous method for mailing Tax Packages and/or for delays in mailing.
- B. The Contractor **shall** use the Coding Accuracy Support System (CASS) certification system from the USPS to standardize, verify, and validate mailing addresses provided by the Agency.
- C. The Contractor **shall** comply with the United States Postal Service (USPS) Move Update Standards for processing discounted mail pieces.

## 2.10 **DELIVERY: FOB DESTINATION**

- A. The Contractor **shall** mail Tax Packages directly to recipients specified by the Agency during the Mailing Timeframes specified in *Table A: Mailing Schedule* below:

**TABLE A: MAILING SCHEDULE**

Tax Package Type	Mailing Timeframe Each Year
Employer's Withholding Wage Tax Packages	<ul style="list-style-type: none"> <li>January 15 for initial packages</li> <li>10<sup>th</sup> &amp; 25<sup>th</sup> of each month for replacement package requests</li> </ul>
Annual Withholding Return Packages	Mid-month in December
Excise Tax Packages	<ul style="list-style-type: none"> <li>January 25<sup>th</sup> for Jan-Jun filing</li> <li>July 25<sup>th</sup> for Jul-Dec filing</li> <li>10<sup>th</sup> &amp; 25<sup>th</sup> of each month for replacement package requests</li> <li>Last Work Day of December for annual filing</li> </ul>

- B. All mailings **must** be made within the agreed upon number of days unless otherwise arranged and coordinated with the Agency.
  1. The Contractor **shall** give the Agency immediate notice of any anticipated delays or plant shutdowns that will affect the mailing requirement.
- C. The Contractor **shall** be responsible for all loss or damage that occurs during shipping prior to the Tax Package being received by the mail recipient.
  1. Tax Packages should be properly packaged to prevent damage during shipping.

## 2.11 **ACCEPTANCE STANDARDS**

- A. Inspection and acceptance/rejection of goods will be made within thirty (30) days of the Agency's receipt of Tax Package items.
- B. The State has the option to return any products within the thirty (30) day timeframe for any reason.
- D. Bid **must** include a "total satisfaction" return policy for all products and **must not** impose any liability on the State for such returns.

## 2.12 **CONFIDENTIALITY, DATA SECURITY, AND SYSTEM RECOVERY**

- A. The Contractor **shall** comply with all requirements of the Arkansas Personal Information Protection Act and all other State and Federal laws, regulations, rules, and policies regarding the security, privacy, and destruction of Personally Identifiable Information (PII) for the duration of a resulting contract and until the data has been destroyed from the Contractor's system, storage, and from any backups.
- B. The Contractor **shall not** utilize any portion of the data or deliverables for any other purpose outside of the performance of the resulting contract.
- C. The Contractor **shall** have in place a comprehensive disaster recovery plan and a business continuity plan that meets the approval of the Agency.

1. The disaster recovery plan **must** include backup and recovery procedures that provides for the complete recovery of all data and deliverables produced as a result of this IFB up to the moment of the disaster.
2. Prior to contract award and upon Agency request, the apparent successful Contractor **shall** submit the recovery plan to the Agency as specified by the Agency.
  - a. Should the Agency not approve the recovery plan, the Contractor **shall** revise the recovery plan as specified by the Agency and **shall** resubmit for Agency approval as specified by the Agency.
  - b. Should the apparent successful Contractor not submit the recovery plan to the Agency as specified by the Agency, the apparent successful Contractor's bid may be rejected.

### 2.13 **PROPERTY RIGHTS**

- A. All data and deliverables (intellectual and tangible) produced as a result of this solicitation **must** remain the sole property of the State and **must** not be used for any other purposes than described in this solicitation.
- B. The Contractor **shall** maintain but **shall not** hold ownership of, or intellectual property claim to, all data and deliverables produced as a result of this solicitation and **shall** transfer all such data and deliverables to the Agency within sixty (60) calendar days of the expiration or termination date of the resulting contract, or as otherwise specified by the Agency.

### 2.14 **PERFORMANCE STANDARDS**

- A. State law requires that all contracts for services include Performance Standards for measuring the overall quality of services provided that a Contractor **must** meet in order to avoid assessment of damages.
- B. The State may be open to negotiations of Performance Standards prior to contract award, prior to the commencement of services, or at times throughout the contract duration. *Table B: Performance Standards* identifies expected deliverables, performance measures, or outcomes; and defines the acceptable standards.
- C. The State has the right to modify, add, or delete Performance Standards throughout the term of the contract, should the State determine it is in its best interest to do so. Any changes or additions to performance standards will be made in good faith following acceptable industry standards and may include the input of the Contractor so as to establish standards that are reasonably achievable.
- D. All changes made to the Performance Standards will become an official part of the contract.
- E. Performance Standards will continue throughout the aggregate term of the contract.
- F. Failure to meet the minimum Performance Standards as specified will result in the assessment of damages.
- G. In the event a Performance Standard is not met, the Contractor will have the opportunity to defend or respond to the insufficiency. The State has the right to waive damages if it determines there were extenuating factors beyond the control of the Contractor that hindered the performance of services. In these instances, the State has final determination of the performance acceptability.
- H. Should any compensation be owed to the Agency due to the assessment of damages, Contractor **shall** follow the direction of the Agency regarding the required compensation process.

**TABLE B: PERFORMANCE STANDARDS**

Criteria	Performance Standard	Damages
Quality	Quality Requirements are maintained as specified in the IFB.	<ul style="list-style-type: none"> <li>Free reprint of all Tax Package documents failing to meet Quality Requirements</li> <li>20% credit on invoice for each instance whereby Tax Packages fail to meet Quality Requirements</li> </ul>



## **SECTION 3 – GENERAL CONTRACTUAL ITEMS**

- **Do not provide responses to items in this section.**

### **3.1 PAYMENT AND INVOICE PROVISIONS**

- A. Forward invoices to:
- Department of Finance and Administration  
Attn: Accounts Payable  
P.O. Box 2485  
Little Rock, AR 72203
- B. Payment will be made in accordance with applicable State accounting procedures upon acceptance of goods and services by the Agency.
- C. The Contractor **shall** invoice the Agency after each mailing by an itemized list of charges and **shall** include, at minimum, the following information:
1. Agency purchase order number
  2. Contract number.
  3. Quantity of total Tax Packages mailed.
  4. Cost of each mailing.
  5. Other information as requested by the Agency.
- D. The Contractor **shall** follow Agency instructions on establishing a process to cover the cost of mailing Tax Packages and **shall** submit all documentation specified by the USPS and the Agency in order to establish this process.
- E. The Contractor **shall** invoice the postal permit cost only once per contract year as instructed by the Agency.
- F. Do not invoice the State in advance of delivery and acceptance of any goods or services.
- G. Payment will be made only after the Contractor has successfully satisfied the Agency as to the reliability and effectiveness of the goods or services purchased as a whole.
- H. Other sections of this *Bid Solicitation* may contain additional Requirements for invoicing.

### **3.2 GENERAL INFORMATION**

- A. The State will not:
1. Lease any equipment or software for a period of time which continues past the end of a fiscal year unless the contract allows for cancellation by the State Procurement Official upon a thirty (30) day written notice to the Contractor/lessor in the event funds are not appropriated.
  2. Contract with another party to indemnify and defend that party for any liability and damages.
  3. Pay damages, legal expenses or other costs and expenses of any other party.
  4. Continue a contract once any equipment has been repossessed.
  5. Agree to any provision of a contract which violates the laws or constitution of the State of Arkansas.
  6. Enter a contract which grants to another party any remedies other than the following:
    - a. The right to possession.
    - b. The right to accrued payments.
    - c. The right to expenses of de-installation.

- d. The right to expenses of repair to return the equipment to normal working order, normal wear and tear excluded.
- e. The right to recover only amounts due at the time of repossession and any unamortized nonrecurring cost as allowed by Arkansas Law.

- B. Any litigation involving the State **must** take place in Pulaski County, Arkansas.
- C. The laws of the State of Arkansas govern this contract.
- D. A contract is not effective prior to award being made by a State Procurement Official.

### 3.3 **CONDITIONS OF CONTRACT**

- A. Observe and comply with federal and State of Arkansas laws, local laws, ordinances, orders, and regulations existing at the time of, or enacted subsequent to the execution of a resulting contract which in any manner affect the completion of the work.
- B. Indemnify and save harmless the Agency and all its officers, representatives, agents, and employees against any claim or liability arising from or based upon the violation of any such law, ordinance, regulation, order or decree by an employee, representative, or subcontractor of the Contractor.

### 3.4 **STATEMENT OF LIABILITY**

- A. The State will demonstrate reasonable care but will not be liable in the event of loss, destruction or theft of Contractor-owned equipment or software and technical and business or operations literature to be delivered or to be used in the installation of deliverables and services. The Contractor will retain total liability for equipment, software and technical and business or operations literature. The State will not at any time be responsible for or accept liability for any Contractor-owned items.
- B. The Contractor's liability for damages to the State will be limited to the value of the contract or \$5,000,000, whichever is higher. The foregoing limitation of liability will not apply to claims for infringement of United States patent, copyright, trademarks or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the contract. The Contractor and the State will not be liable to each other, regardless of the form of action, for consequential, incidental, indirect, or special damages. This limitation of liability will not apply to claims for infringement of United States patent, copyright, trademark or trade secrets; to claims for personal injury or damage to property caused by the gross negligence or willful misconduct of the Contractor; to claims covered by other specific provisions of the contract calling for damages; or to court costs or attorney's fees awarded by a court in addition to damages after litigation based on the contract.
- C. Language in these terms and conditions **must not** be construed or deemed as the State's waiver of its right of sovereign immunity. The Contractor agrees that any claims against the State, whether sounding in tort or in contract, will be brought before the Arkansas Claims Commission as provided by Arkansas law and governed accordingly.

### 3.5 **RECORD RETENTION**

- A. Maintain all pertinent financial and accounting records and evidence pertaining to the contract in accordance with generally accepted principles of accounting and as specified by the State of Arkansas Law. Upon request, grant access to State or Federal Government entities or any of their duly authorized representatives.
- B. Make financial and accounting records available, upon request, to the State of Arkansas's designee(s) at any time during the contract period and any extension thereof, and for five (5) years from expiration date and final payment on the contract or extension thereof.
- C. Other sections of this *Bid Solicitation* may contain additional Requirements regarding record retention.

### 3.6 **PRICE ESCALATION**

- A. Price increases will be considered at the time of contract renewal.
- B. The Contractor **must** provide to OSP a written request for the price increase.
  - 1. The request **must** include supporting documentation demonstrating that the increase in contract price is based on an increase in market price.

2. Should OSP require additional information pertaining to the requested increase, the Contractor **shall** provide the additional information within the timeframe specified in the request.

C. Increases will not be considered to increase profit or margins.

D. OSP has the right to approve or deny the request.

### 3.7 **CONFIDENTIALITY**

A. The Contractor, Contractor's subsidiaries, and Contractor's employees will be bound to all laws and to all Requirements set forth in this *Bid Solicitation* concerning the confidentiality and secure handling of information of which they may become aware of during the course of providing services under a resulting contract.

B. Consistent and/or uncorrected breaches of confidentiality may constitute grounds for cancellation of a resulting contract, and the State has the right to cancel the contract on these grounds.

C. Previous sections of this *Bid Solicitation* may contain additional confidentiality Requirements.

### 3.8 **CONTRACT INTERPRETATION**

Should the State and Contractor interpret specifications differently, either party may request clarification. However, if an agreement cannot be reached, the determination of the State is final and controlling.

### 3.9 **CANCELLATION**

A. For Cause. The State may cancel any contract resulting from this Solicitation for cause when the Contractor fails to perform its obligations under it by giving the Contractor written notice of such cancellation at least thirty (30) days prior to the date of proposed cancellation. In any written notice of cancellation for cause, the State will advise the Contractor in writing of the reasons why the State is considering cancelling the contract and provide the Contractor with an opportunity to avoid cancellation for cause by curing any deficiencies identified in the notice of cancellation for cause prior to the date of proposed cancellation. To the extent permitted by law and at the discretion of the parties, the parties may agree to minor amendments to the contract and avoid the cancellation for cause upon mutual agreement.

B. For Convenience. The State may cancel any contract resulting from the Solicitation by giving the Contractor written notice of such cancellation sixty (60) days prior to the date of cancellation.

C. If upon cancellation the Contractor has provided commodities or services which the State has accepted, and there are no funds legally available to pay for the commodities or services, the Contractor may file a claim with the Arkansas Claims Commission under the laws and regulations governing the filing of such claims.

### 3.10 **SEVERABILITY**

If any provision of the contract, including items incorporated by reference, is declared or found to be illegal, unenforceable, or void, then both the Agency and the Contractor will be relieved of all obligations arising under such provision. If the remainder of the contract is capable of performance, it will not be affected by such declaration or finding and **must** be fully performed.

## **SECTION 4 – STANDARD TERMS AND CONDITIONS**

- **Do not provide responses to items in this section.**
- 1. **GENERAL:** Any special terms and conditions included in this Solicitation **shall** override these Standard Terms and Conditions. The Standard Terms and Conditions and any special terms and conditions **shall** become part of any contract entered into if any or all parts of the Bid are accepted by the State of Arkansas.
- 2. **ACCEPTANCE AND REJECTION:** The State **shall** have the right to accept or reject all or any part of a Bid or any and all Bids, to waive minor technicalities, and to award the Bid to best serve the interest of the State.
- 3. **BID SUBMISSION:** Original *Bid Response Packets* **must** be submitted to the Office of State Procurement on or before the date and time specified for Bid opening. The *Bid Response Packet* **must** contain all documents, information, and attachments as specifically and expressly required in the *Bid Solicitation*. Bids **must** be signed. Unsigned Bids **shall** be rejected. The person signing the Bid should show title or authority to bind his firm in a contract. Multiple Bids **must** be placed in separate packages and should be completely and properly identified. Late Bids **shall not** be considered under any circumstances.
- 4. **PRICES:** Bid unit price F.O.B. destination. In case of errors in extension, unit prices **shall** govern. Prices **shall** be firm and **shall not** be subject to escalation unless otherwise specified in the *Bid Solicitation*. Unless otherwise specified, the Bid **must** be firm for acceptance for thirty days from the Bid opening date. "Discount from list" Bids are not acceptable unless requested in the *Bid Solicitation*.
- 5. **QUANTITIES:** Quantities stated in a *Bid Solicitation* for term contracts are estimates only and are not guaranteed. Contractor **must** Bid unit price on the estimated quantity and unit of measure specified. The State may order more or less than the estimated quantity on term contracts. Quantities stated on firm contracts are actual Requirements of the ordering Agency.
- 6. **BRAND NAME REFERENCES:** Unless otherwise specified in the *Bid Solicitation*, any catalog brand name or manufacturer reference used in the *Bid Solicitation* is descriptive only, not restrictive, and used to indicate the type and quality desired. Bids on brands of like nature and quality will be considered. If bidding on other than referenced specifications, the Bid **must** show the manufacturer, brand or trade name, and other descriptions, and should include the manufacturer's illustrations and complete descriptions of the product offered. The State **shall** have the right to determine whether a substitute offered is equivalent to and meets the standards of the item specified, and the State may require the Contractor to supply additional descriptive material. The Contractor **shall** guarantee that the product offered will meet or exceed specifications identified in this *Bid Solicitation*. Contractors not bidding an alternate to the referenced brand name or manufacturer **shall** be required to furnish the product according to brand names, numbers, etc., as specified in the Solicitation.
- 7. **GUARANTY:** All items Bid **shall** be newly manufactured, in first-class condition, latest model and design, including, where applicable, containers suitable for shipment and storage, unless otherwise indicated in the *Bid Solicitation*. The Contractor hereby guarantees that everything furnished hereunder **shall** be free from defects in design, workmanship and material, that if sold by drawing, sample or specification, it **shall** conform thereto and **shall** serve the function for which it was furnished. The Contractor **shall** further guarantee that if the items furnished hereunder are to be installed by the Contractor, such items **shall** function properly when installed. The Contractor **shall** guarantee that all applicable laws have been complied with relating to construction, packaging, labeling and registration. The Contractor's obligations under this paragraph **shall** survive for a period of one year from the date of delivery, unless otherwise specified herein.
- 8. **SAMPLES:** Samples or demonstrators, when requested, **must** be furnished free of expense to the State. Each sample should be marked with the Contractor's name and address, Bid or contract number and item number. If requested, samples that are not destroyed during reasonable examination will be returned at Contractor's expense. After reasonable examination, all demonstrators will be returned at Contractor's expense.
- 9. **TESTING PROCEDURES FOR SPECIFICATIONS COMPLIANCE:** Tests may be performed on samples or demonstrators submitted with the Bid or on samples taken from the regular shipment. In the event products tested fail to meet or exceed all conditions and Requirements of the specifications, the cost of the sample used and the reasonable cost of the testing **shall** be borne by the Contractor.
- 10. **AMENDMENTS:** Contractor's Bids cannot be altered or amended after the Bid opening except as permitted by regulation.
- 11. **TAXES AND TRADE DISCOUNTS:** Do not include State or local sales taxes in the Bid price. Trade discounts should be deducted from the unit price and the net price should be shown in the Bid.
- 12. **AWARD:** Term Contract: A contract award will be issued to the successful Contractor. It results in a binding obligation without further action by either party. This award does not authorize shipment. Shipment is authorized by the receipt of a purchase order from the ordering Agency. Firm Contract: A written State purchase order authorizing shipment will be furnished to the successful Contractor.
- 13. **DELIVERY ON FIRM CONTRACTS:** This Solicitation shows the number of days to place a commodity in the ordering Agency's designated location under normal conditions. If the Contractor cannot meet the stated delivery, alternate delivery schedules may become a factor in an award. OSP **shall** have the right to extend delivery if reasons appear valid. If the date is not acceptable, the Agency may buy elsewhere, and any additional cost **shall** be borne by the Contractor.

14. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of OSP. Delivery **shall** be made during Agency work hours only 8:00 a.m. to 4:30 p.m. Central Time, unless prior approval for other delivery has been obtained from the Agency. Packing memoranda **shall** be enclosed with each shipment.
15. **STORAGE:** The ordering Agency is responsible for storage if the Contractor delivers within the time required and the Agency cannot accept delivery.
16. **DEFAULT:** All commodities furnished **shall** be subject to inspection and acceptance of the ordering Agency after delivery. Back orders, default in promised delivery, or failure to meet specifications **shall** authorize OSP to cancel this contract or any portion of it and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting Contractor. The Contractor **must** give written notice to the Office of State Procurement and ordering Agency of the reason and the expected delivery date. Consistent failure to meet delivery without a valid reason may cause removal from the Contractors list or suspension of eligibility for award.
17. **VARIATION IN QUANTITY:** The State assumes no liability for commodities produced, processed or shipped in excess of the amount specified on the Agency's purchase order.
18. **INVOICING:** The Contractor **shall** be paid upon the completion of all of the following: (1) submission of an original and the specified number of copies of a properly itemized invoice showing the Bid and purchase order numbers, where itemized in the *Bid Solicitation*, (2) delivery and acceptance of the commodities and (3) proper and legal processing of the invoice by all necessary State agencies. Invoices **must** be sent to the "Invoice To" point shown on the purchase order.
19. **STATE PROPERTY:** Any specifications, drawings, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the Contractor hereunder or in contemplation hereof or developed by the Contractor for use hereunder **shall** remain property of the State, **shall** be kept confidential, **shall** be used only as expressly authorized, and **shall** be returned at the Contractor's expense to the F.O.B. point provided by the Agency or by OSP. Contractor **shall** properly identify items being returned.
20. **PATENTS OR COPYRIGHTS:** The Contractor **must** agree to indemnify and hold the State harmless from all claims, damages and costs including attorneys' fees, arising from infringement of patents or copyrights.
21. **ASSIGNMENT:** Any contract entered into pursuant to this Solicitation **shall not** be assignable nor the duties thereunder delegable by either party without the written consent of the other party of the contract.
22. **DISCRIMINATION:** In order to comply with the provision of Act 954 of 1977, relating to unfair employment practices, the Contractor agrees that: (a) the Contractor **shall not** discriminate against any employee or applicant for employment because of race, sex, color, age, religion, handicap, or national origin; (b) in all Solicitations or advertisements for employees, the Contractor **shall** state that all qualified applicants **shall** receive consideration without regard to race, color, sex, age, religion, handicap, or national origin; (c) the Contractor will furnish such relevant information and reports as requested by the Human Resources Commission for the purpose of determining compliance with the statute; (d) failure of the Contractor to comply with the statute, the rules and regulations promulgated thereunder and this nondiscrimination clause **shall** be deemed a breach of contract and it may be cancelled, terminated or suspended in whole or in part; (e) the Contractor **shall** include the provisions of above items (a) through (d) in every subcontract so that such provisions **shall** be binding upon such subcontractor or Contractor.
23. **ANTITRUST ASSIGNMENT:** As part of the consideration for entering into any contract pursuant to this Solicitation, the Contractor named on the *Bid Signature Page* for this Solicitation, acting herein by the authorized individual or its duly authorized agent, hereby assigns, sells and transfers to the State of Arkansas all rights, title and interest in and to all causes of action it may have under the antitrust laws of the United States or this State for price fixing, which causes of action have accrued prior to the date of this assignment and which relate solely to the particular goods or services purchased or produced by this State pursuant to this contract.
24. **DISCLOSURE:** Failure to make any disclosure required by Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, **shall** be a material breach of the terms of this contract. Any Contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy **shall** be subject to all legal remedies available to the Agency.