



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-20-0024	Solicitation Issued:	September 20, 2019
Description:	Arkansas Individual Income Tax Booklets		
Agency:	Arkansas Department of Finance and Administration		

SUBMISSION DEADLINE FOR RESPONSE			
Bid Opening Date:	October 10, 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 7th 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. Prospective Contractors assume all risk for timely, properly submitted deliveries.</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">• Bid number• Date and time of bid opening• Prospective Contractor's name and return address

OFFICE OF STATE PROCUREMENT CONTACT INFORMATION			
OSP Buyer:	Julia Shackelford	Buyer's Direct Phone Number:	501-371-6079
Email Address:	Julia.shackelford@dfa.arkansas.gov	OSP's Main Number:	501-324-9316
OSP Website:	http://www.dfa.arkansas.gov/offices/procurement/Pages/default.aspx		

SECTION 1 - GENERAL INSTRUCTIONS AND INFORMATION

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

1.1 PURPOSE

This Invitation for Bid (IFB) is issued by the Office of State Procurement (OSP) on behalf of the Arkansas Department of Finance and Administration's Revenue Division to obtain pricing and a contract for the yearly printing, packaging, and delivery of Arkansas's Individual Income Tax Booklets, associated envelopes, and labels (hereinafter collectively referred to as "Tax Booklets") for the 2019 tax year and each subsequent tax year thereafter for the aggregate term(s) of the resultant contract.

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 calendar months. By submitting a signed bid in response to the IFB, the Prospective Contractor represents and warrants that it will honor its bid 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 **must** unconditionally accept all Requirements in the Requirements Section 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 of this IFB.

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. "Author's Alteration" means a mark-up correction made by the agency to a Proof that is usually the result of an error in the high-definition, portable document format (PDF) file images the agency provides to the Contractor, or a change the agency wishes to make to the Tax Booklets after the Contractor has printed the Proof. Author's Alterations do not include any Printer's Errors.
- D. "Bid Submission Requirement" means a task a Prospective Contractor **must** complete when submitting a bid response. These requirements will be distinguished by using the term "**shall**" or "**must**" in the requirement.
- E. "Bleed" means a printed image extending beyond the trim edge of the sheet or page.

- F. "Broken Serif" means the broken short lines stemming from and at an angle to the upper and lower ends of the strokes of a letter.
- G. "Contractor" means a person who sells or contracts to sell commodities and/or services.
- H. "Fluctuating Alignment" means changing frequently and uncertainly the proper positioning or state of adjustment of parts or print in relation to each other.
- I. "Ghosting" means an unwanted faint image of a design in solid printing areas that is not intended to receive that portion of the image.
- J. "Hairline" means unwanted tiny or fine lines that appear in the final printed product.
- K. "Halftone" means a printing method that emphasizes the use of shading with tiny dots.
- L. "Hickey" means an unwanted spot or imperfection caused by debris on the printing plate, blanket, gravure cylinder, or other image-carrying surface.
- M. "Hollow or Pitted Type" means the misdistribution of ink that appears as partially printed letters in type.
- N. "Hot Spot" means unwanted weak ink coverage or visible dot gain caused by an air bubble or debris on the printing plate.
- O. "Ink Spot" means inappropriate and unintended spots of ink throughout the printed document that are not supposed to be there.
- P. "Inside Delivery" means delivery of an order to a specified location that may or may not have an accessible loading dock, breaking open the pallet, and hand delivering individual boxes to a specified room(s) or area(s).
- Q. The terms "Invitation for Bid," "IFB," "Bid Solicitation," and "Solicitation" are used synonymously in this document.
- R. "Overrun" means additional printed forms over the quantity ordered.
- S. "Printer's Error" means a mark-up correction made by the agency to a Proof that is a result of any error in design, printing, quality, or fold made by the Contractor as determined by the agency. Printer's Errors do not include Author's Alterations.
- T. "Proof" means a high-definition, digitally-printed, prestige quality sample of the Arkansas Individual Income Tax Booklets supplied to the Arkansas Department of Finance and Administration's Revenue Division by the Contractor that represents a near-exact model of how the finished Tax Booklets will appear in all aspects possible, except that it is printed digitally rather than on the printing press.
- U. "Prospective Contractor" means a person who submits a bid in response to this solicitation.
- V. "Recycled Paper", as it applies to coated stock, means any paper that contains not less than 10 percent (10%) post-consumer material by fiber weight. As it applies to uncoated stock, it means any paper that contains not less than 20 percent (20%) post-consumer material by fiber weight.
- W. "Registration" means the intended alignment and placement of all aspects and elements of the Tax Booklets.
- X. "Requirement" means a specification that a Contractor's product and/or service **must** perform during the term of the contract. These specifications will be distinguished by using the term "**shall**" or "**must**" in the requirement.
- Y. "Responsive bid" means a bid submitted in response to this solicitation that conforms in all material respects to this IFB.
- Z. "Reverse" means any text, logo, or graphic that is produced using ink for form its outline, allowing the underlying paper color to form the actual image.
- AA. "Roller Mark" means the unwanted transfer of ink from equipment to a printed sheet or page.
- BB. "Screen" means a series of Halftone dots. The screen size is designated by the number of Halftone dots in one linear inch of perpendicular or horizontal ruling.

- CC. "Set-off Smudges" means the unwanted transfer of ink from one printed sheet or page to another before the ink has set.
- DD. "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 State agency using such a contract.
- EE. "Throat", as it applies to envelopes, means the space between the top fold and top of the bottom flap that forms the opening where the envelope contents are inserted.
- FF. "Underrun" means less forms printed than the quantity ordered.
- GG. "Varying Density" means variations in the degree of color or darkness in print or an image.
- HH. "Business Day" means a day occurring Monday through Friday, excluding State Holidays. A current listing of State Holidays can 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 the Prospective Contractor to a resultant contract **must** 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 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 response **must** be in the English language.
 - b. One (1) original 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*, preferably on a flash drive and in PDF format.
 - a. One (1) copy of the *Official Bid Price Sheet*.
 - b. EO 98-04 Disclosure Form. (See *Standard Terms and Conditions*, #25. *Disclosure*.)
 - c. Copy of Prospective Contractor's *Equal Opportunity Policy*. (See *Equal Opportunity Policy*.)
 - d. Proposed Subcontractors Form. (See Subcontractors.)
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. Prospective Contractor should notify the OSP buyer of any term, condition, etc., that precludes the Prospective Contractor from submitting a compliant, responsive proposal. 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.

- B. Prospective Contractors may contact the OSP buyer with non-substantive questions at any time prior to the bid opening.
- C. An oral statement by OSP will not be part of any contract resulting from this solicitation and may not reasonably be relied on by any Prospective Contractor as an aid to interpretation unless it is reduced to writing and expressly adopted by OSP. Prospective Contractors entering into a contract with the State **shall** comply with all the terms and conditions contained herein.

1.9 **SUBCONTRACTORS**

- A. Prospective Contractor should complete, sign and submit the *Proposed Subcontractors Form* included in the *Bid Response Packet*.
- B. **Do not** attach any additional information to the *Proposed Subcontractors Form*.
- C. The utilization of any proposed subcontractor is subject to approval by the State agency.

1.10 **PRICING**

- A. Prospective Contractors **shall** include all pricing on the *Official Bid Price Sheet(s)* 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 including but not limited to mailing and distribution costs.
- C. The *Official Bid Price Sheet* is provided as a separate electronic file posted with this *Bid Solicitation* and includes three (3) tables for the purposes described below.
 - 1. Table 1: *Set-Up and Printing* includes all costs associated with printing the Tax Booklets as specified in this IFB. Table 1 will be used to determine lowest cost.
 - a. Item 1: The Prospective Contractor **shall** enter the production set-up cost for the Tax Booklets.
 - i. The production set-up cost **must** include all supplies and actions necessary to begin printing the Tax Booklets as specified herein including but not limited to the following:
 - Making necessary file conversions, separations, and finalizing files.
 - Creating printing plates and providing all supplies and tools necessary to print the Tax Booklets
 - Printing, packaging, shipping, and delivering required Tax Booklet Proofs to the agency, including applicable Author's Alterations and Printer's Errors revisions. (*Proofs and Approval Process*.)
 - b. Item 2: The Contractor **shall** enter the cost per Tax Booklet to print, package, ship, and deliver an estimated annual quantity of 97,000 taxpayer addressed Tax Booklets as required by this IFB.
 - c. Item 3: The Contractor **shall** enter the cost per Tax Booklet to print, package, ship, and deliver an estimated annual quantity of 48,900 unaddressed Tax Booklets to Individual Income Tax, Central Office as required by this IFB.
 - d. Item 4: The Contractor **shall** enter the cost per Tax Booklet to print, package, ship, and deliver an estimated annual quantity of 29,100 unaddressed Tax Booklets to Revenue Offices located throughout the State as required by this IFB.
 - e. Item 5: The Contractor **shall** enter the cost per Overrun for the allowable three thousand five hundred (3,500) Overruns annually.
 - 2. Table 2: Other Costs – Table 2 will not be used for determining lowest cost.
 - a. Item 1: The Contractor **shall** enter the cost for each Author's Alteration revision after the final approval of the Proofs has been given by the agency.
 - 3. Table 3: Ink and Paper Stock Brand Information – Table 3 will not be used for determining lowest cost.

- a. The Contractor **shall** enter the brand of soybean ink to be utilized under a resultant contract.
- b. The Contractor **shall** enter the brand, weight, and brightness of the paper stock to be utilized for each of the following:
 - Tax Booklet's perforated and detachable text pages containing the Individual Income Tax forms specified in this IFB
 - Envelopes inserted into the Tax Booklets
 - Tax Booklet's text pages that are not perforated and detachable including the front and back cover as specified in this IFB
 - Labels (Refund/Credit, Tax Due, No Refund/No Tax Due) inserted into the Tax Booklets
- D. Prospective Contractors **shall** enter pricing for all items on the *Official Bid Price Sheet*, filling in the blue-shaded cells only.
- E. The amounts entered will be totaled in 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*.

1.11 **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.

1.12 **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.

1.13 **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).
- 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 the Statutes and Rules set forth above, 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 the Rules and Statutes set forth above.

- 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*. A CD is also acceptable. 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 the Freedom of Information Act (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 the Arkansas Freedom of Information Act (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 response to OSP.
- 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.

1.16 AWARD PROCESS

- A. Successful Contractor Selection
 - 1. Award will be made to the lowest-bidding, responsible Prospective Contractor.

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.
2. The anticipated award will be posted for a period of fourteen (14) days prior to the issuance of a contract. 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-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 91st 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 in the solicitation response.

- C. Contractors are responsible for providing updates or changes to their respective policies, and for supplying *EO Policies* upon request to other State agencies that must also comply with this statute.

- D. Prospective Contractors who are not required by law to have an *EO Policy* **must** 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 **shall not** 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 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

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". 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 fees **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

This Invitation for Bid (IFB) is issued by the Office of State Procurement (OSP) on behalf of the Arkansas Department of Finance and Administration's Revenue Division to obtain pricing and a contract for the yearly printing, packaging, and delivery of Arkansas's Individual Income Tax Booklets and associated envelopes and labels (hereinafter collectively referred to as "Tax Booklets") for the 2019 tax year and each subsequent tax year thereafter for the aggregate term(s) of the resultant contract.

The Contractor **shall** print, package, address, and mail Tax Booklets to Arkansas taxpayers and **shall** also print, package, and mail *unaddressed* Tax Booklets to the Individual Income Tax Section's Central Office and to individual Revenue Offices throughout the State.

The State is strictly providing estimated quantities in this IFB and on the Official Bid Price Sheet as a courtesy to Prospective Contractors. Prospective Contractors **shall not** interpret any estimated quantities provided to be a guarantee of actual contract volume existing during the aggregate term of a resulting contract. Actual contract volume may vary according to the State's needs during the contract terms.

2.2 ANTICIPATED DISTRIBUTION

A. For 2019, the State anticipates a total of 175,000 Tax Booklets will be needed for distribution as follows:

1. Approximately 97,000 Tax Booklets individually addressed and mailed to Arkansas taxpayers.
 - a. The State anticipates being able to provide the Contractor with the exact number of individually addressed Tax Booklets along with the applicable mailing addresses in December 2019.
 - b. The State will provide the Contractor with taxpayer address information on CDs using Fixed Length ASCII file.
2. Approximately 48,900 unaddressed Tax Booklets to the Individual Income Tax Section, Central Office delivered to the following location:

DFA – Revenue Division, Individual Income Tax Section
Attn: Kimberly Dyson
1816 W 7th Street, Joel Y. Ledbetter Building
Room 2300
Little Rock, AR 72201
3. Approximately 29,100 unaddressed Tax Booklets to individual Revenue Offices located throughout the State. A list of Revenue Offices and their corresponding addresses and distribution quantities are posted as Attachment A to this IFB.

B. The State will provide updated distribution quantities and addresses for subsequent contract terms as those become finalized, anticipated to be December of each year.

2.3 PROSPECTIVE CONTRACTOR QUALIFICATIONS

- A. Upon bid response submission, the Prospective Contractor **shall** have an open and operational commercial printing facility with the resources available to produce and distribute Tax Booklets as specified in this IFB.
- B. Prospective Contractor **shall** have the capability to go direct to film using files provided by the State.
- C. Upon bid response submission, the Prospective Contractor **shall** have a current United States Postal Service (USPS) mailing permit. The Contractor **shall** maintain a USPS mailing permit throughout the aggregate terms of a resulting contract. The Contractor **shall** bear all costs associated with the USPS mailing permit and costs for any additional permits required to fulfill its obligations under a resulting contract.

- D. The State reserves the right to make whatever investigation is necessary to determine whether the apparent successful Contractor meets the minimum qualifications in this IFB.

2.4 **GENERAL REQUIREMENTS**

- A. Contractor **shall** print Tax Booklets in accordance with applicable State and Federal laws and industry standards.
- B. Contractor **shall not** make any paper stock substitutions without prior written approval from the State. Substituted paper stock **must** be the same or higher grade and quality, and possess all other essential characteristics of the original paper stock.
- C. Contractor may bid any paper stock that meets or exceeds the Requirements of this IFB. When requested by the State, the Contractor **shall** provide the specification sheet of the paper stock being bid from the most recent annual edition of the "*The Competitive Grade Finder*", published by Grade Finders, Inc.
- D. Contractor **shall** obtain final approval of Proofs from the State prior to production of Tax Booklets.
- E. Upon award, the Contractor **shall** provide a point of contact, whom the State will utilize for all matters under a resulting contract including but not limited to Tax Booklet Proofs. The State will provide the Contractor with contact information of the agency's main point of contact to be used under a resultant contract.

2.5 **SAMPLE TAX BOOKLETS REQUESTS**

- A. To obtain a hard copy of the 2018 Tax Booklets to use as a representative sample and supplement to the written Requirements contained herein, the Prospective Contractor **shall** make a request in writing to the OSP buyer.
1. Email, fax, or hard copy deliveries of requests are acceptable.
 2. Upon receipt of the request and necessary shipping information, the Prospective Contractor will be notified by email that the 2018 Tax Booklets will be shipped within one (1) Business Day.
 3. Standard shipping will be through the U.S. Postal Service. If requested, shipment can also be made through UPS or FedEx. If the Prospective Contractor requests delivery via UPS or FedEx, the Prospective Contractor **shall** provide a FedEx pre-paid account number or a UPS shipping label to cover costs for these deliveries.
 4. To request the 2018 Tax Booklets:
 - a. By mail: Office of State Procurement
1509 West Seventh Street, Room 300
Little Rock, AR 72201-4222
Attn: Julia Shackelford
 - b. By email: Julia.Shackelford@dfa.arkansas.gov
 - c. By fax: 501-371-6079
Attn: Julia Shackelford
 - d. In the request, the Prospective Contractor **shall** provide:
 - i. Prospective Contractor name and shipping address.
 - ii. Contact name, address, email, and phone number.
 - iii. Desired method of shipment: USPS, FedEx, Or UPS.
 - iv. If FedEx or UPS:
 - State desired shipping time (standard, 2-day, overnight, etc.).
 - Provide pre-paid FedEx account number or UPS shipping label to cover cost of shipping.
 - Provide physical shipping address (not a PO Box).

2.6 QUALITY REQUIREMENTS

- A. Contractor **shall** provide Tax Booklets and envelopes that meet or exceed industry standards and the Requirements of this IFB.
- B. Contractor **shall** provide precise Registration, consistent ink coverage and density, and the accurate, quality packaging of all Tax Booklets throughout the aggregate term(s) of the resultant contract.
- C. Finished Tax Booklets **must** be evenly trimmed and free of jagged or torn edges.
- D. Finished Tax Booklets **must** be free of press and production defects including but not limited to:
 - 1. Bleeds.
 - 2. Broken Serifs.
 - 3. Fluctuating Alignments.
 - 4. Ghosting.
 - 5. Hairlines.
 - 6. Hickeys.
 - 7. Hollow or Pitted Type.
 - 8. Hot Spots.
 - 9. Ink Spots.
 - 10. Registration.
 - 11. Roller Marks.
 - 12. Set-off Smudges.
 - 13. Varying Density.
 - 14. Ink drops and other spots or imperfections.

2.7 PRODUCTION MATERIALS

- A. The State will provide the Contractor with laser print production materials samples for the Tax Booklets, associated envelopes, and labels including artwork, in one (1) of the three (3) formats listed below. The State anticipates having the ability to provide the sample production materials to the Contractor by November 15, 2019.
 - 1. Compact Disc (CD).
 - 2. Digital Versatile Disc (DVD) in InDesign CS5.5 v.7.5.3.
 - 3. Portable Document Format (PDF).
- B. The Contractor **shall** provide the State with a written production schedule via email or USPS mail as requested by the State within one (1) Business Day after receipt of the production materials by the Contractor.
- C. Contractor **shall** output to film using the production materials provided by the State and **shall** provide all required stripping, flattening, plates, and all other elements, tools, and supplies required for the production of the Tax Booklets.

- D. Within one (1) Business Day of receipt, the Contractor **shall** inspect and determine the usability of agency provided production materials, including any flash drives.
 - 1. The Contractor **shall** report issues encountered with the production materials to the agency immediately. If the Contractor fails to comply with this Requirement, the State will not consider any claim made by the Contractor that a failure to meet the delivery schedule Requirements as stated herein was caused by the production materials provided by the agency.
- E. The State anticipates being able to provide the Contractor with test data for the Tax Booklets, including any final layout, formatting, and other finalized information and graphics applicable to the 2019 Tax Booklets, by November 8, 2019.

2.8 **PROOFS AND APPROVAL PROCESS**

- A. Within seven (7) Business Days of the Contractor's receipt of the production materials, the Contractor **shall** print, package, and deliver two (2) Tax Booklet Proofs to the Individual Income Tax Section, Central Office to the following address:

DFA – Revenue Division, Individual Income Tax Section
1816 W 7th Street, B270 Ledbetter Building
Little Rock, AR 72201
- B. Contractor **shall** provide Proofs on comparable paper stock and color ink as specified within this IFB.
- C. The agency will review the Proofs provided and make note of any needed revisions or alterations by notating Author's Alterations (noted as AAs) and/or Printer's Error (noted as PE) in the margin of the Proof.
 - 1. The agency will ship one (1) revised Tax Booklets Proof back to the Contractor and will keep one (1) Tax Booklets Proof for archival purposes.
 - 2. The Contractor **shall** provide the agency with a minimum of ten (10) Business Days to review Proofs and notate any needed revisions.
 - a. The time the Proofs are out of the Contractor's hands for agency review **will not** count against production time.
- D. The Contractor **shall** make revisions as indicated on the Proof by the AA or PE notations, using blue, non-reproducing pencil and **shall** print, package, and deliver two (2) revised Tax Booklets Proofs to the agency within seven (7) Business Days of receiving the reviewed Proofs back from the agency.
- E. The Contractor **shall** repeat the approval process as described in this section until the Tax Booklets Proofs meet the final approval of the agency.
 - 1. The agency anticipates no more than two (2) rounds of proofing.
 - 2. The Contractor **shall** assemble the final Proof in the exact layout of the printed Tax Booklets to show pagination.
- F. Within seven (7) Business Days of receiving the final approval of the Tax Booklets Proof from the agency, the Contractor **shall** print, package, and deliver the full Tax Booklets order per the Requirements of this IFB.
- G. The Contractor **shall** follow the procedures for Tax Booklets Proofs required and specified herein as determined necessary by the agency for each year the contract is in place.
- H. Prior to the Contractor's receipt of the agency's final approval of the Proof, the Contractor **shall** provide AA revisions at no cost to the agency and **shall not** invoice the agency for such revisions.
- I. Contractor **shall** provide the agency with printed samples of the address labels, in address format, using the test data supplied to the Contractor by the agency. Printed address label samples **must** follow the same approval process as described herein for the Tax Booklets Proofs.

- J. Both the agency and the Contractor will be responsible for keeping accurate records regarding the time and date Proofs are mailed and received in order to calculate the final delivery date of the finished product. As such, the Contractor **shall** provide a proofing document along with the Tax Booklets Proof that includes sufficient space and necessary fields whereby the information below can be completed by the applicable party. The Contractor **shall** provide information pertaining to the informational items 1, 6, 7, 8 and 9 below each time the Proofs are turned.
1. Date the Contractor mails the initial Proofs to the agency.
 2. Date the agency receives the Proofs from the Contractor
 3. The date the agency completes the review of the Proofs.
 4. The signature of the agency personnel reviewing the Proofs.
 5. The date the agency returns the Proofs to the Contractor.
 6. Date the Contractor receives the Proofs back from the agency
 7. Date the Contractor completes the revisions notated on the Proofs
 8. Signature of the Contractor acknowledging the Author's Alteration (AA) or Printer's Error (PE) revisions contained on the Tax Booklets Proof have been completed.
 9. Date the Contactor mails the revised Proofs to the agency
 10. Date the agency receives the revised Proofs from the Contractor
 11. Date the agency provides final approval of the Proofs
- K. Contractor **shall not** proceed with the production of the Tax Booklets without a signed proofing document indicating final approval of the Proofs from the agency.

2.9 **ARKANSAS INDIVIDUAL INCOME TAX BOOKLET**

- A. The previous year's (2018) Tax Booklets consisted of fifty-two (52) pages containing text, inclusive of the Tax Booklets front and back covers and the perforated and detachable Arkansas Individual Income Tax forms (AR1000F, AR1000NR, AR1000ADJ, etc.). The State anticipates a similar number of pages in a similar format for the 2019 Tax Booklets.
- B. Attachment B: *Example Individual Income Tax Booklets* to this IFB provides a visual representation of the Tax Booklets described herein. Although minor discrepancies exist between the 2018 and 2019 Tax Booklets, Attachment B is meant to serve as an example and supplement to the written Requirements specified in this IFB. Prospective Contractors should reference Attachment B as needed to gain a better understanding of the written descriptions and Requirements stated in this IFB.
- C. The Contractor **shall** provide 2019 Tax Booklets containing the following:
1. A middle section consisting of approximately twenty-two (22) perforated and detachable Individual Income Tax forms. The detachable Individual Income Tax forms that were included in the 2018 Tax Booklets are listed below. The 2018 and 2019 Tax Booklets forms are expected to remain consistent.
 - AR1000F – Full Year Resident (2 Copies)
 - AR1000NR – Nonresident and Part Year Resident (2 Copies)
 - AR3 – Itemized Deductions
 - AR1000ADJ – Schedule of Adjustments
 - AR1000D – Capital Gains
 - AR1000TC – Tax Credits
 - AR1000-CO – Check-Off Contributions
 - Consumer Tax Form
 - Arkansas Voter Registration Application

- a. The Contractor **shall** provide a vertical perforation down the 11-inch dimension, 8 1/4-inches from the outside edge for each page of the middle section containing the Individual Income Tax forms.
 - b. Detached page size **must** measure 8-1/4 inches by 11-inches.
 - c. Perforations **must** be slit or slot type perforations only and **must not** be pinhole type perforations and **must** allow for easy "no tear" separation of pages to prevent accidental detachment during normal shipping and handling, mailout, and delivery.
- D. Tax Booklets may contain Reverses, Screens, and Halftones. However, regardless of the printing method utilized, the Tax Booklets **must** meet or exceed the Quality Requirements specified in this IFB.
- E. The Tax Booklets' outside back cover **must** be printed with "US Postage *PAID*" per the USPS mailing permit.
- F. Contractor **shall** print Tax Booklets on 8-1/2-inch by 11-inch white paper stock.
- G. The middle section of the Tax Booklets containing the detachable Individual Income Tax forms **must** be printed utilizing:
1. Paper: virgin or recycled
 2. Paper stock with 20-pound Bond or 50-pound Offset weight
 3. Paper stock containing a minimum brightness of 80
- H. An estimated thirty (30) text pages which includes all other text pages contained in the Tax Booklets (with the exception of the detachable Individual Income Tax forms) including the outside cover **must** be printed with the following specifications:
1. Virgin or Recycled paper
 2. Paper stock with 30-pound weight or 32-pound Newsprint
 3. Paper stock containing a minimum brightness of 57
- I. Contractor **shall** utilize soybean oil ink using Black and PMS 200 colors to print the Tax Booklets.
- J. Contractor **shall** use saddle-stitched binding using two (2) wire staples along the 11-inch length of the Tax Booklets.
- K. For each year's Tax Booklets, the State anticipates minimal deviation beyond what is stated in this IFB. However, the Contractor **shall** print and package each subsequent year's Tax Booklets as instructed by the agency.

2.10 **LABEL SPECIFICATIONS**

A. Taxpayer Address Labels for Tax Booklets

1. The Contractor **shall** address and mail approximately 97,000 Tax Booklets to taxpayers using addresses provided by the agency (See *Anticipated Distribution*).
2. The font size used on the labels **must** be a fourteen-point (14 pt.) font.
3. Contractor **shall** image/print the taxpayer's name and address on the upper back cover of each Tax Booklets and **shall** mail the Tax Booklets to taxpayers.
4. The Contractor **shall** image/print a 1-1/4-inch by 4-inch color, pressure sensitive, piggyback label that allows the taxpayer to easily remove the label and affix it onto their tax return.
5. USPS **must** be able to read the address label in order to deliver the Tax Booklets to the appropriate taxpayer's address.

B. Labels for Taxpayers to Mail Tax Returns

1. Contractor **shall** provide three (3) white, pressure sensitive labels on a separate 8 ½ by 11-inch sheet and **shall** saddle-stitch the sheet inside each Tax Booklets.
 - a. The labels **must** be 7/8 of an inch tall by 3 ¼ inches wide.
 2. On the sheet containing the labels, the Contractor **shall** print instructions regarding the use of the labels as instructed by the agency.
 3. The Contractor **shall** print a USPS barcode on all three (3) labels.
- C. The State anticipates providing the Contractor with the label addresses, instructional language, and other test data by November 4, 2019.

2.11 ENVELOPE SPECIFICATIONS

- A. Contractor **shall** provide envelopes that can be machine inserted and that meet Federal Postal Regulations.
- B. Contractor **shall** use Black ink for the printing of the text on the front and back of the envelopes.
- C. Envelopes **must** maintain the Quality Requirements as specified herein (See *Quality Requirements*).
- D. Contractor **shall** provide envelopes with a Facing Identification Mark in accordance with USPS guidelines and regulations.
- E. Contractor **shall** insert a folded envelope between each of the Tax Booklet's saddle-stitch binding. The Contractor **shall** include an envelope with each Tax Booklets.
- F. Contractor **shall** position folding, cutting, and gluing in a manner that maintains the width and strength of the envelopes.
- G. Envelopes **must not** deviate more than plus or minus (+/-) 1/16 of an inch from the dimensions listed below:
1. Overall dimensions: 5 ½ inches by 9 ½ inches
 2. Inside dimensions: 4 1/8 inches by 9 ½ inches
 3. Seal flap length: 1 ¼ inches
 4. Throat: 5/8 of an inch
- H. Contractor **shall** use envelope paper stock that meets or exceeds the Requirements below.
1. Paper: virgin or recycled
 2. Paper stock weight: 20-pound Bond paper or 50-pound Offset paper
 3. Paper stock color: white
 4. Paper stock brightness: 80
- I. The Contractor may produce a diagonal or double side seam envelope.

2.12 OVERRUNS AND UNDERRUNS REQUIREMENTS

- A. The Contractor **shall not** print less than the quantities specified herein without express, written request from the agency. Underruns without written request from the agency are not allowable.
- B. The agency will allow for an up to two percent (2%) Overrun per order. The Contractor **shall not** invoice the agency for more than a two percent (2%) Overrun without written approval from the agency.

2.13 PACKAGING REQUIREMENTS FOR NON-ADDRESSED INCOME TAX BOOKLETS

- A. Contractor **shall** pack Tax Booklets in corrugated shipping cartons in quantities of one hundred (100) Tax Booklets per carton.
 - 1. Cartons **must not** exceed 35-pounds.
- B. Contractor **shall** seal each carton with string-reinforced tape that will not break open in order to prevent damage to the Tax Booklets during shipping and handling.
- D. Contractor **shall** affix a shipping label to each carton that indicates the following information:
 - 1. The purchase order number.
 - 2. The name of the contents identified as AR Individual Income Tax Booklets and the applicable year.
 - 3. The number of Tax Booklets contained within each carton.

2.14 DELIVERY REQUIREMENTS

- A. Contractor **shall** deliver Tax Booklets as specified below:
 - 1. Taxpayer Addressed Tax Booklets
 - a. Contractor **shall** deliver Tax Booklets addressed to taxpayers to a First-Class, United States Post Office (USPO) for mail out on January 2, 2020.
 - b. Contractor **shall** provide a receipt to the agency that confirms the January 2, 2020 delivery date.
 - 2. Non-addressed Tax Booklets
 - a. Contractor **shall** deliver the specified number non-addressed Tax Booklets in corrugated cartons to Revenue Offices located throughout the State of Arkansas by the first week of January 2020 using a form of transportation similar to United Parcel Service (UPS) or FedEx (See *Anticipated Distribution*).
 - b. Contractor **shall** provide a receipt to the agency that confirms the first week of January 2020 delivery date.
- B. Contractor **shall** deliver the specified number of Tax Booklets (See *Anticipated Distribution*) to the Individual Income Tax Section, Central Office by the first week of January 2020 using a form of transportation similar to United Parcel Service (UPS) or FedEx to the address below.

DFA-Revenue Division, Individual Income Tax Section
Attention: Kimberly Dyson
Joel Y. Ledbetter Bldg., Rm. 2300
1816 W 7th St.
Little Rock, AR 72203
- C. Contractor **shall** give the agency immediate notice of any anticipated delays or plant shutdowns that will affect the delivery Requirements.
- D. Contractor **shall** bear the cost of all loss or damage that occurs during shipping, prior to the Tax Booklets being received by the agency.
- E. The Contractor **shall** provide shipping via FOB Destination, freight paid, and with Inside Delivery to Revenue Offices and Individual Income Tax, Central Office.
- F. The Contractor **shall** utilize the most economical shipping method in accordance with the Requirements of this IFB.

2.15 ACCEPTANCE STANDARDS

- A. Receipt of the merchandise does not necessarily constitute acceptance.
- B. The agency will be granted a minimum of thirty (30) Business Days in which to inspect and accept or reject the merchandise to determine if its quality meets the Requirements or standards of the contract.
- C. The agency has the option to return any products within the thirty (30) Business 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.

2.16 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. *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 State agency due to the assessment of damages, Contractor **shall** follow the direction of the State agency regarding the required compensation process.

CRITERIA	PERFORMANCE STANDARD	DAMAGES
Quality	Precise Registration, consistent ink coverage and density, and all other Quality Requirements including packaging are maintained as stated in the IFB.	20% credit on invoice for any instance whereby the Contractor fails to provide Tax Booklets meeting the Quality Requirements stated in the IFB.
Timeliness	Tax Booklets are delivered to the locations on or before the specified delivery dates as specified in the IFB.	5% credit on total invoice amount for each Business Day past the specified delivery date whereby the Tax Booklets are not received by the agency.
Delivery	Deliveries are made using FOB Inside Delivery as stated in the IFB.	20% credit on the first invoice generated after the Contractor receives notification from the State for each instance whereby the Contractor fails to provide Inside Delivery as specified in the IFB.

SECTION 3 – GENERAL CONTRACTUAL ITEMS

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

3.1 PAYMENT AND INVOICE PROVISIONS

A. Forward invoices to:

Arkansas Department of Finance and Administration
Administrative Services
P.O. Box 2485
Little Rock, AR 72203

- B. Payment will be made in accordance with applicable State of Arkansas accounting procedures upon acceptance of goods and services by the agency.
- C. Do not invoice the State in advance of delivery and acceptance of any goods or services. Orders placed against any resultant contract will be in the form of a purchase order from DFA-Revenue.
- D. 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.
- E. The Contractor should invoice the agency by an itemized list of charges. The agency's Purchase Order Number and/or the Contract Number should be referenced on each invoice as well as the number of income Tax Booklets mailed and/or delivered to each location as specified in the IFB.
- F. Other sections of this *Bid Solicitation* may contain additional Requirements for invoicing.
- G. Contractor **must** be registered to receive payment and future *Bid Solicitation* notifications. Contractors may register on-line at <https://www.ark.org/vendor/index.html>.
- H. Contractor **shall** provide a separate itemized invoice to DFA-Revenue for postage costs which must include USPS documentation showing the amount charged for postage.
- I. DFA-Revenue will only reimburse the Contractor for First-Class domestic postage costs.

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 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 \$100,000.00 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 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 only be considered at the time of contract renewal.
- B. The Contractor **shall** provide to OSP a written request for the price increase. The request **must** include supporting documentation demonstrating that the increase in contract price is based on an increase in market price. OSP has the right to require additional information pertaining to the requested increase.
- 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 of Arkansas 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 Packets **must** be submitted to the Office of State Procurement on or before the date and time specified for bid opening. The Bid Packet **must** contain all documents, information, and attachments as specifically and expressly required in the *Bid Solicitation*. The bid **must** be typed or printed in ink. The signature **must** be in ink. 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. The Office of State Procurement **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 the Office of State Procurement. 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 the Office of State Procurement 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. **CONTINGENT FEE:** The Contractor guarantees that he has not retained a person to solicit or secure this 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.
24. **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.
25. **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.