

**ADDENDUM THREE  
QUESTIONS and ANSWERS  
6789 OF**

Date: 06/16/23

To: All Bidders

From: Julie Runge, Procurement Specialist  
AS Materiel State Purchasing Bureau (SPB)

RE: Addendum for Invitation to Bid (ITB) Number 6789 OF for Cigarette Tax Stamps to be opened on June 28, 2023 at 2:00 p.m. Central Time

Following are the questions submitted and answers provided for the above-mentioned ITB. The questions and answers are to be considered as part of the ITB.

**It is the Bidder's responsibility to check the SPB website for all Addenda or Amendments.**

<u>Question Number</u>	<u>ITB Section Reference</u>	<u>ITB Page Number</u>	<u>Question</u>	<u>State Response</u>
1			Can you please provide us with Pervious Bid Tabulation?	See ITB 6789 OF Attachment A on opportunity website for the previous Bid Tab.
2			What is the expected minimum order quantity per order?	Usual orders are for rolls, 134 cases of 10,050,000 stamps and for pads, two cases of 600,000 stamps.
3			What is the frequency of orders per year?	Once Annually
4			Can you please provide us with the Art work/ Logo to be imprinted?	There is not a specific logo. The stamp number is either the roll number or pad number. The stamp must indicate the quantity which is either 20 or 25 cigarettes. The stamp must include "Nebraska" and "Tax Paid"
5	VI.C.4	20	This point requires a security feature, such as fibers, in the base carrier paper. As these paper security features (typically security fibers), do not transfer with the Tax Stamp to the cigarette package this type of security feature is only able to be authenticated where Tax	VI.C.4. is hereby changed to be an optional requirement.

			<p>Stamps are stored by the State or within Distributor's facility. In both of these locations there are significant security features in the Tax Stamps themselves that can be authenticated by an Inspector to ensure only genuine Tax Stamps are being used. This type of security feature cannot be authenticated at a Retail location. Additionally, as the base paper stock is discarded in a non-secure manner by the Distributors after the Tax Stamps are transferred to packages of cigarettes any security contained in the base paper stock becomes available to potential counterfeiters and/or criminals who may search trash containers outside of a Distributor's facility. For these reasons will the State remove the mandatory use of security fibers and other identifiable protective features in the base paper, or at a minimum make this an optional requirement?</p>	
6	VI.G.1	22	<p>This point requires that the stamps must consist of five (5) impressions or layers. We believe this is a description of an existing product and limiting to the security of the cigarette tax stamp as more layers can generally provide additional features and enhance the overall security. We therefore request that this requirement be reworded to "consisting of at least five (5) impressions or layers, including safety tint lettering".</p>	<p>Section VI.G.1 is hereby deleted and replaced with the following:</p> <p>The stamp application method and safety tint lettering, must consist of at least five (5) impressions or layers, including safety tint lettering and suitable for high speed, positive application with heat to the receiving surface such as cellophane, polypropylene, aluminum foil, paper, etc.</p>
7	VI.G.1	22	<p>This point requires that the stamps be "die stamped utilizing the intaglio process or equivalent". We assume that the State means that the stamps "must be printed with the intaglio process or equivalent". We believe that specifying the type of printing press used restricts competition. If the tax stamps meet the functional and security requirements we believe that the type of printing press used is not relevant requirement. Will the State therefore remove the requirement to use a particular type of printing press?</p>	<p>See answer to #6 above.</p>

8	VI.I.1.f / g / i	23	These three sections indicate that the sheets, pads and stamps shall begin with "X1532" and shall then be consecutive with no missing or duplicate numbers. Is the first pad to be numbered X1532 and the second pad numbered X1533 and if so what are the numbers on the 10 sheets in that pad? What are the numbers on the 150 stamps on each sheet? Can the please clarify this with examples.	Correct. Each of the 1500 stamps in the same pad will have the number X1532. The next pad will have 1500 stamps with the number X1533.
9	VI.I.1.g	23	Due to potential spoilage during production will the State accept missing pad numbers if there is a report with each shipment of stamps that clearly indicates "Pads Not In Circulation" for the missing pad numbers as stated in Sections VI.I.3.g & h on page 24?	A certified listing of all pads not in circulation must be provided to the State.
10	VI.I.2.f / g / h	23	These three sections make it clear that all stamps in each pad will have the same number but can the State clarify each sheet in the pad will also have the same number as the pad?	Yes, each sheet in the pad will have the same number.
11	VI.I.2.g	23	Due to potential spoilage during production will the State accept missing pad numbers if there is a report with each shipment of stamps that clearly indicates "Pads Not In Circulation" for the missing pad numbers as stated in Sections VI.I.3.g & h on page 24?	A certified listing of all rolls not in circulation must be provided to the State.
12	VI.I.3.a	23	This section states that the rolls of stamps are to begin with the roll number 95591 and then continue consecutively with no missing or duplicate numbers. Is the roll number the only line of text printed on the stamps or is there also a stamp number printed beneath the roll number?	Only the roll number will be printed on the stamp.
13	VI.I.3.a	23	This section states that the rolls of stamps are to begin with the roll number 95591 and then continue consecutively with no missing or duplicate numbers. However Sections VI.I.3.g & h on page 24 allow for missing roll numbers to be identified as "Not In Circulation". Will the State therefore remove the requirement for roll (and pad) numbers to not have missing numbers?	Section VI.C.3.a. is hereby deleted and replaced with the following:  Each roll of thirty thousand (30,000) stamps shall begin with number 95591 and continue consecutively.
14	VI.I.3.c	23	This section requires that the roll numbers be overprinted after primary printing with a legible alpha-numeric identification code. This describes a process used by the State's current supplier and is an	Section VI.I.3.c. is hereby deleted and replaced with the following:  Stamp within each roll must contain a legible

			overly restrictive requirement. It is not important at what point in production the serial number is placed on the individual stamps but rather that each stamp has a unique serial number. Therefore, we request that State reword this requirement so it doesn't specify when the unique serial number is printed on the stamps.	alpha-numeric identification code consisting of no less than 5 (five) alpha-numeric characters.
15	No specific section	No specific page	Can the State please provide images of the tax stamps currently in use?	An attachment has been provided of the current image. <a href="#">See Attachment B for current tax stamp.</a>
16	<b>Section R, Q</b>	<b>27</b>	<p>Section R indicates that “performance testing will be performed”. However, Section Q indicates that “samples may be required for testing”</p> <p>Can NDOR provide clarifications related to samples and performance testing?</p> <p>If Samples are required does the state require samples to be provided pre or post award of this contract?</p> <p>If performance testing is required does the state intend to conduct testing pre or post award of this contract?</p>	Performance testing will be optional.
17	<b>Section R</b>	<b>27</b>	<p>Current vendors do not provide, manufacture, or maintain stamping machines.</p> <p>If NDOR, does require performance testing, we seek the following clarification:</p> <p>How does NDOR intend to test the stamping machines and what bearing will the stamp machine performance have on the vendor’s performance rating?</p>	<p>Multiple stamping agents will perform testing of samples provided at the stamping agent’s location.</p> <p>A significant difference between the vendors’ stamps will affect the performance rating.</p> <p>Factors would include the speed and error rate. A significant difference would include where a stamp has an error rate of 3% while the other stamp has an error rate of 30%</p>
18	<b>Section R</b>	<b>27</b>	<p>If NDOR, does require performance testing, we seek the following clarification:</p> <p>Will NDOR provide the definition of</p>	<p>60 – 75 degrees</p> <p>30 – 50% humidity</p>

			“normal room temperature and humidity” for the storage of the stamps prior to testing?	
19	<b>Section R</b>	27	<p>Limited test runs can be misleading when paper, quality, stamp adhesion and alignment are evaluated. Longer test runs provide a more robust sample size that will more closely mimic field use.</p> <p>If NDOR, does require performance testing, we seek the following clarification:</p> <p>Will NDOR consider an application test sample of a minimum of 35 feet to allow for more robust and less subjective performance testing?</p>	The sample size of six 15,000 is sufficient.
20	<b>Section R</b>	27	<p>If NDOR, does require performance testing, we seek the following clarification:</p> <p>Can the agency confirm that a stamping technician will be onsite to confirm that the stamping machines will be set to the manufacturer’s recommended dwelling time (DT) and temperature settings for this performance test?</p> <p>How will performance testing be proctored or observed to ensure consistent testing?</p>	Multiple stamping agents will be selected to test. If requested by vendor a DOR representative can be present at the stamping agent location.
21	<b>Section R</b>	27	<p>If NDOR, does require performance testing, we seek the following clarification:</p> <p>Performance testing for resilience can be very subjective. For example, a fingernail scratch test cannot account for pressure, nail thickness, or sharpness. Tape applied to test resilience is also a flawed method as it also depends on downward pressure of the tape applied, brand and quantity of tape used to test resilience.</p> <p>We suggest using an abrader that can be purchased commercially and provided at each test location to test stamp resilience.</p> <p>Can the agency describe how post application and resilience will be tested?</p>	Sample stamps will be observed at retailer locations. DOR Inspectors will be provided feedback on stamp resilience by taking images of the sample stamp at retail locations.

22	<b>C</b>	2	<p>Section C.4 invites vendors to a bid opening but the date and time are listed as June 1, 2023 (under activity) and June 21,2023 under Date/Time. It is our assumption that the bid opening will be on June 21, 2023, at 2pm central time.</p> <p>Will NDOR confirm the bid opening date and further confirm that the invitation will be valid for June 21, 2023, at 2pm central time?</p> <p>If a new invitation is required how will NDOR provide the new invitation to all vendors?</p>	<p>Amended Bid Opening for ITB 6789 OF is June 28, 2023 at 2:00 pm CT. See ITB 6789 OF Addendum Two on the bid opportunity website for revisions.</p> <p>Notification letter is posted to website if an Invitation to Bid is withdrawn. A new solicitation would then be posted to the website and an e-mail notification letter is sent out. The State of Nebraska doesn't guarantee that all potential bidders receive an e-mail notification. It is the responsibility of vendors to check the website frequently for any bid opportunities.</p>

This Addendum will become part of the ITB and should be acknowledged with the ITB.