

State of Nebraska - INVITATION TO BID CONTRACT

Date	5/23/23	Page	1 of 2
Solicitation Number	6789 OF		
Opening Date and Time	06/21/23	2:00 pm	
Buyer	JULIE RUNGE (AS)		

DESTINATION OF GOODS
 NE DEPT OF REVENUE
 501 BLDG
 501 S 14TH ST RM 39 LWER LEVEL
 LINCOLN NE 68508

Per Nebraska's Transparency in Government Procurement Act, DAS is required to collect statistical information regarding the number of contracts awarded to Nebraska contractors. This information is for statistical purposes only and will not be considered for contract award purposes.

____ NEBRASKA CONTRACTOR AFFIDAVIT: Bidder hereby attests that bidder is a Nebraska Contractor. "Nebraska Contractor" shall mean any bidder who has maintained a bona fide place of business and at least one employee within this state for at least the six (6) months immediately preceding the posting date of this ITB.

____ I hereby certify that I am a Resident disabled veteran or business located in a designated enterprise zone in accordance with Neb. Rev. Stat. §73-107 and wish to have preference, if applicable, considered in the award of this contract.

Contract to supply and deliver Cigarette Tax Stamps to the State of Nebraska as per the attached specifications for a one (1) year period from date of award. The contract may be renewed for four (4) additional one (1) year periods when mutually agreeable to the vendor and the State of Nebraska.

BT 05/23/23

INVITATION

Line	Description	Quantity	Unit of Measure	Unit Price	Extended Price
1	CIGARETTE TAX STAMPS 20 COUNT CIGARETTE PACKAGES 150 STAMPS PER SHEET 5-209-1994 PAPER STOCK NAME: <u>Tax Stamp Base</u> PAPER STOCK MANUFACTURER: <u>Bomarko</u>	2,750.0000	M	<u>\$0.69</u>	<u>\$1,897.50</u>

BIDDER MUST COMPLETE THE FOLLOWING

DISCOUNT PAYMENT TERMS: _____% _____ DAYS

By signing this Invitation to Bid form, the bidder guarantees compliance with the provisions stated in this Invitation to Bid, agrees to the terms and conditions unless otherwise agreed to and certifies that bidder maintains a drug free work place environment. Vendor will furnish the items requested within _____ days after receipt of order. Failure to enter Delivery Date may cause quotation to be REJECTED.

Sign Here

(Authorized Signature Mandatory – Form must be signed manually in ink or by DocuSign)

Enter Contact Information Below

VENDOR# _____
 Obtain upon award

VENDOR: Ashton Potter (USA) Ltd

Address: 10 Curtwright Drive
Williamsville, NY 14221

Contact Garth Zambory

Telephone 571-276-3930

Email gzambory@ashtonpotter.com

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 LINCOLN NE 68508

INVITATION

Line	Description	Quantity	Unit of Measure	Unit Price	Extended Price
2	CIGARETTE TAX STAMPS 20 COUNT CIGARETTE PACKAGES 30,000 STAMPS PER ROLL 5-210-1994 PAPER STOCK NAME: <u> Tax stamp base </u> PAPER STOCK MANUFACTURER: <u> Bomarko </u> _____ OPTIONAL ITEM: _____	502,500.0000	M	<u> \$0.69 </u>	<u> \$346,725.00 </u>
3	CIGARETTE TAX STAMPS 25 COUNT CIGARETTE PACKAGES 150 STAMPS PER SHEET 5-174-1986 PAPER STOCK NAME: <u> Tax stamp base </u> PAPER STOCK MANUFACTURER: <u> Bomarko </u> _____	150.0000	M	<u> \$0.69 </u>	<u> \$103.50 </u>

**Proposal
for the
State of Nebraska
Department of Revenue
Invitation To Bids (ITB)
6789 OF
Cigarette Tax Stamps**

Ashton-Potter (USA) Ltd.
10 Curtwright Drive
Williamsville, New York 14221-7072 USA



Contact: Mr. Garth Zambory, Director of Sales, Government Documents
Phone: +1 (571) 276-3930
Fax: +1 (716) 633-2525
Email: gzambory@ashtonpotter.com

Restriction: This Proposal includes data that may not be duplicated, used, or disclosed outside the State of Nebraska and may not be duplicated – in whole or in part – for any purpose other than to evaluate this Proposal. If, however, a contract is awarded to this tenderer as a result of – or in conjunction with – the submission of such data, the State of Nebraska will have the right to duplicate, use, or disclose the data to the extent provided in the resulting contract. This restriction does not limit the State of Nebraska’s right to use information contained in the data if it is obtained from another source without restriction. The data subject to this restriction is identified with the restriction clause on each applicable sheet.



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1. Introduction

Ashton-Potter (USA) Ltd. (“Ashton Potter”) is pleased to have the opportunity to respond to the Invitation To Bid (“ITB”) #6789 OF for Cigarette Tax Stamps (“Tax Stamps”) for the State of Nebraska Department of Revenue (“State” and/or “Agency”).

Ashton Potter acknowledges Addendums #1, #2 and #3 that were issued for this solicitation.

Ashton Potter was formed in the 1920’s and over the past 50 years has become one of the world's largest high-quality secure stamp and label manufacturers and produces a wide range of security printing products and support services. Ashton Potter’s core specializations include:

- High security printing solutions for:
 - Excise, fiscal, revenue and tax stamps for governments worldwide
 - Fusion (also known as heat applied) and pressure-sensitive (“PSA”) formats
 - Secure vital record documents
 - Postage stamps and related products for postal Administrative Services
 - Security printed products for government and industry
 - *ProLinc*®, an advanced SaaS-based software solution for track and trace and MES applications

Since 1991, Ashton Potter has been a key supplier for the United States Postal Service’s (“USPS”) Stamp Program. This is the largest stamp program in the world with a high standard of baseline technical requirements for its products and services which includes past performance, Quality Assurance, security and accountability, a broad range of production capabilities and capacities, management and organizational skills, technical prowess and support and training. It is worth noting that during the COVID-19 pandemic, Ashton Potter was classified as an essential business by its government customers and the State of New York. This enabled Ashton Potter to make all client deliveries on schedule.

Ashton Potter operates two highly secure state-of-the-art facilities in Williamsville, New York where all production is performed and virtually all purchased materials are sourced from US owned and/or based companies. At these facilities, over 12 billion PSA stamps and secure labels are produced annually with capacity for over 20 billion annually. Ashton Potter supplies 50% of the postage stamps in the United States and collectively with international customers produce 25% of the world’s total postage stamp volumes. In addition, several foreign government security documents including tax stamps are produced at these facilities.



10 Curtwright, Williamsville, New York, USA



40 Curtwright, Williamsville, New York, USA



The decision to enter the United States heat applied tax stamp market follows Ashton Potter's traditional approach of robust business development, capital investment and long-term commitment and has resulted in a tax stamp product which meets or exceeds the performance of other tax stamps currently available. Ashton Potter's Tax Stamps have been tested and certified by both leading manufacturers of cigarette tax stamp application machines. In short, Ashton Potter is fully committed to bringing existing knowledge and expertise to this market. We are committed to working with government agencies to provide the best quality product and superior customer support. Since entering the market, Ashton Potter has distinctively become the fastest growing supplier of heat applied tax stamps in the United States.

Ashton Potter is fully committed to this market, unlike some previous suppliers who ceased supply after a few years.

Ashton Potter firmly believes that once a stamp is transferred from the carrier paper to a package of cigarettes that's where it should securely stay to be validated in the field by trained inspectors. To this end our stamps have been designed with an aggressive adhesive to do just that; keep the Tax Stamp adhering to the cigarette package and not flaking off in the field after application.

Ashton Potter's strength lies in the ability to cost effectively manage large, single-award, multi-year, multi-product contracts and programs for a range of customers worldwide. Encompassing a commitment to investment and considerable printing and finishing capacity, has enabled production levels to continually grow, customer base to broaden and product offerings to develop and expand into adjacent high security markets.

Ashton Potter has considerable printing experience and capabilities related to the manufacturing of security products and its high security manufacturing facilities offers a broad range of print methods including web offset, intaglio, flexography, gravure, rotary screen and digital in roll/coil, sheet and booklet formats. In addition, Ashton Potter offers its customers state-of-the-art digital prepress, in-house platemaking, a wide range of finishing technologies, secure technology manufacturing, automated processes, 100% electronic inspection, modern security and accountability systems and secure material destruction.

Since 1998, Ashton Potter has produced billions of excise, revenue and tax stamps for a number of foreign governments and most recently the addition of Fusion tax stamps for US state and local governments. In addition to Fusion tax stamps, Ashton Potter's experience includes intaglio, intaglio-offset combination and all offset printed which are used on a range of tobacco and alcohol products as well as soda, beer, and water. Current offerings have established extensive experience with different substrates including water activated gum ("WAG"), PSA, dry and formats including rolls and sheets which must be compatible with a variety of different surfaces (plastic, glass, cellophane etc.) and environmental conditions. Further, many existing contracts require support with supply chain track and trace software using QR codes making these stamps significantly more complex than Fusion tax stamps to produce. Given the range and large volume of stamps of all types produced over the years it is worth noting Ashton Potter has not received any material complaints from any of its customers for these tax stamp products.



Ashton Potter takes security and quality very seriously. Ashton Potter operates a Quality Management System which is certified to ISO 9001:2015 (re-certified in 2022) and both of its facilities are ISO 14298 and NASPO International (“NASPO”) Class II certified for security printing management (re-certified in 2023). Currently, Ashton Potter is the only manufacturer of heat applied tax stamps for the US market with these certificates while also holding facility security approvals from several Federal Government agencies and departments which are audited annually.

Ashton Potter’s current client list for heat transfer Tax Stamps along with reference letters from Redstamp, USI and the Virginia Wholesaler and Distributor Association are included as an Attachment to this Proposal.

Ashton Potter currently holds contracts with several States for heat transfer Tax Stamps where we ship both to the State and Direct-To-Distributors.

Ashton Potter is currently under contract and providing heat applied Tax Stamps to the Commonwealths of Pennsylvania and Kentucky, the States of Texas, Maine, Kansas and New Mexico as well as over 45 counties and municipalities in the Commonwealth of Virginia and the State of Alabama. A current list of our clients can be found in an Attachment to this Proposal. All work is performed in our two state-of-the-art secure facilities which are ISO 9001:2015, NASPO ISO 14298, NASPO Class II Surveillance and USPS Standard 22 certified, without the use of subcontractors. Ashton Potter is a leading, high-technology security printer that designs, manufactures, and implements combinations of overt, covert and forensic security solutions. Its products are used by U.S. Federal and State agencies, foreign governments and large corporations to combat counterfeiting, protect their brands, comply with regulatory agencies and ensure product safety. It then leverages its multiple presses and capabilities in all major printing methodologies.





ATTACHMENT A – Ashton Potter Client List for Heat Applied Tax Stamps

Fusion Heat Applied Cigarette Tax Stamp Clients

US STATE GOVERNMENTS

- State of Kansas (Direct to Distributor shipping)
- Commonwealth of Kentucky
- State of Maine
- State of New Mexico (split contract with Meyercord Revenue)
- Commonwealth of Pennsylvania
- State of Texas

COUNTIES WITHIN THE COMMONWEALTH OF VIRGINIA

Caroline County	James City County	King George County
Montgomery County	Page County	Tazewell County

CITIES WITHIN THE COMMONWEALTH OF VIRGINIA

Bristol	Franklin	Hampton
Harrisonburg	Lexington	Lynchburg
Newport News	Norton	Petersburg
Portsmouth	Radford	Roanoke
Salem	Suffolk	Virginia Beach
Waynesboro	Williamsburg	

TOWNS WITHIN THE COMMONWEALTH OF VIRGINIA

Amherst	Big Stone Gap	Blacksburg
Blackstone	Bluefield	Christiansburg
Clifton Forge	Crewe	Elkton
Gate City	Gordonsville	Goshen
Grundy	Honaker	Lebanon
Luray	Pound	Rich Creek
Richlands	Rocky Mount	South Hill
Stanley	Stephens City	Tappahannock
Tazewell	Weber City	Windsor
Wise	Woodstock	

JURISDICTIONS WITHIN THE STATE OF ALABAMA

Alabaster	Baldwin County	Citronelle
Daleville	Greenville	Lauderdale County
Millry		



ATTACHMENT B – References from Industry



3800 Patterson Ave SE, Grand Rapids, MI 49512
616-878-7771
www.redstampinc.com

April 13, 2023

To whom it may concern,

Redstamp Inc. is a leading manufacturer of cigarette tax stamping equipment that is used by authorized wholesalers across the country to, among other things, apply excise tax stamps to packs of cigarettes.

Redstamp and Ashton Potter have worked cooperatively to ensure that the Ashton Potter excise tax stamps and Redstamp tax stamping solutions are compatible. In addition, Redstamp has certified that the Ashton Potter stamps tested perform at or above industry standards for application and quality.

In addition, Ashton Potter has proven to be a diligent and cooperative partner in supporting the State's and authorized distributors engaged in excise tax stamping.

I appreciate your consideration of this letter and would welcome an opportunity to directly answer any questions regarding our endorsement of Ashton Potter.

Tim Vetter
President and CEO
Redstamp Inc.



4/17/2023

To Whom It May Concern,

United Silicone Inc builds sales and services thermal cigarette tax stamp machines for the application of thermal and digital stamps being affixed to cigarette tobacco products. Our equipment is throughout North America in both large and small distributors.

Ashton Potter Thermal Stamps, currently on the market, have been tested and are being used with highly favorable results for adhesion, transfer, and durability onto cigarette packs at multiple locations in NA.

Ashton Potter Thermal Stamps are compatible with all United Silicones Thermal Tax Stamp Machines.

Please feel free to contact me if you have any questions, are concerns.

Sincerely,

Lee Humphries

Lee Humphries
NA Sales and Service Manager
United Silicone Inc.
919-842-7643
lhumphries@itwids.com



Trusted Partner for Your Product Decorating Needs

United Silicone 4471 Walden Avenue, Lancaster, NY 14086

Tel +1 (716) 681 8222 **Fax** +1 (716) 681 8789

Email info@unitedsilicone.com

www.unitedsilicone.com www.itwids.com

A MEMBER OF



IDS

A Division
of ITW

*Virginia Wholesalers
and Distributors
Association*
INCORPORATED

4907 AUGUSTA AVENUE
RICHMOND, VIRGINIA 23230
PHONE (804) 254-9170
FAX (804) 355-8986

March 2022

To Whom it May Concern

The Virginia Wholesalers & Distributors Association (VWDA) represents member distributors and wholesalers in Virginia representing over 86% of the tobacco market. These members are active in the application of cigarette tax stamps from over 150 local jurisdictions and 4 regional tax boards.

In 2020, a number of members brought to the attention of VWDA, a new entrant into the heat applied cigarette tax stamp industry named Ashton-Potter (USA) Ltd. (Ashton Potter) headquartered in Williamsville, NY. VWDA reached out to Ashton Potter and from the outset, Ashton Potter has shown full support for VWDA initiatives and its members and as an Associate member has been a valuable resource for local tax stamping issues.

On the rare occasion when one of our members experienced difficulty with Ashton Potter's tax stamps, they have taken a very proactive and timely approach to support and rectify the problem and minimize the impact of any potential stamping disruption to our members, which is of paramount importance. Ashton Potter keeps both our members and VWDA informed of their actions, plans for resolution which, if necessary, include an on-site visit.

We are looking forward to continuing our relationship with Ashton Potter and the valuable contributions they make to VWDA as an Associate Member.

Regards

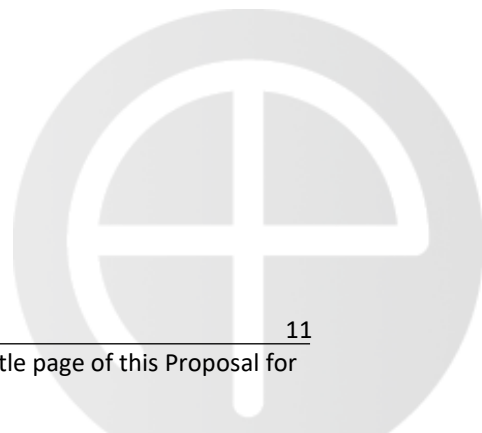
Jeff D. Smith, III

Executive VP

Virginia Wholesalers and Distributors Association



ATTACHMENT C – Sections 2 through 5 of the ITB



**INVITATION TO BID
6789 OF**

II. TERMS AND CONDITIONS

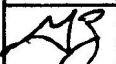
Bidders should complete Section II through VII as part of their bid. Bidder is expected to read the Terms and Conditions and must initial either accept, reject, or reject and provide alternative language for each clause. The Bidder should also provide an explanation of why the Bidder rejected the clause or rejected the clause and provided alternate language using "Track Changes". Upon request an electronic copy of the bid with "Track Changes" must be submitted in an editable Word format. **By signing the solicitation, Bidder is agreeing to be legally bound by all the accepted Terms and Conditions, and any proposed alternative Terms and Conditions submitted with the bid.** The State reserves the right to negotiate rejected or proposed alternative language. If the State and Bidder fail to agree on the final Terms and Conditions, the State reserves the right to reject the bid. The State is soliciting bids in response to the solicitation. The State reserves the right to reject bids that attempt to substitute the Bidder's commercial contracts and/or documents for this solicitation.

The Bidder should submit with their bid any license, user agreement, service level agreement, or similar documents that the Bidder wants incorporated in the Contract. Upon notice of Intent to Award, the Bidder must submit a copy of these documents in an editable Word format. The State will not consider incorporation of any document not submitted with the Bidder's bid. These documents shall be subject to negotiation and will be incorporated as addendums if agreed to by the Parties.

If a conflict or ambiguity arises after the addendums have been negotiated and agreed to, the addendums shall be interpreted as follows:

1. If only one (1) Party's document has a particular clause, then that clause shall control;
2. If both Party's documents have a similar clause, but the clauses do not conflict, the clauses shall be read together;
3. If both Party's documents have a similar clause, but the clauses conflict, the State's clause shall control.

A. GENERAL


Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

The contract resulting from this solicitation shall incorporate the following documents:

1. ITB and Addenda;
2. Amendments to the solicitation;
3. Questions and Answers;
4. Bidder's bid response;
5. The executed Contract and any Addenda, if applicable, and properly submitted documents; and,
6. Amendments to the Contract

Unless otherwise specifically stated in a future contract amendment, in case of any conflict between the incorporated documents, the documents shall govern in the following order of preference with number one (1) receiving preference over all other documents and with each lower numbered document having preference over any higher numbered document: 1) Amendment to the executed Contract with the most recent dated amendment having the highest priority, 2) executed Contract and any attached Addenda, 3) Amendments to bid and any Questions and Answers, 4) the original bid document and any Addenda, and 5) the Bidder's submitted Bid. Any ambiguity or conflict in the contract discovered after its execution, not otherwise addressed herein, shall be resolved in accordance with the rules of contract interpretation as established in the State.

B. NOTIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

Communication regarding the executed contract shall be given in writing and deemed to have been delivered via email to the specified Contract Contact information provided on the submitted ITB form with the submitted bid(s). The Vendor should send written notice to the SPB. The State will send notices to the authorized contact provided on the ITB form. Either party may change its address for notification purposes by giving notice of the change and setting forth the new address and an effective date.

**INVITATION TO BID
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C. PCO REPRESENTATIVE

The State reserves the right to appoint a PCO's Representative to manage [or assist the PCO in managing] the contract on behalf of the State. The PCO's Representative will be appointed in writing, and the appointment document will specify the extent of the PCO's Representative authority and responsibilities. If a PCO's Representative is appointed, the Bidder will be provided a copy of the appointment document and is expected to cooperate accordingly with the PCO's Representative. The PCO's Representative has no authority to bind the State to a contract, amendment, addendum, or other change or addition to the contract.

D. GOVERNING LAW (Statutory)

Notwithstanding any other provision of this contract, or any amendment or addendum(s) entered into contemporaneously or at a later time, the parties understand and agree that, (1) the State of Nebraska is a sovereign state and its authority to contract is therefore subject to limitation by the State's Constitution, statutes, common law, and regulation; (2) this contract will be interpreted and enforced under the laws of the State of Nebraska; (3) any action to enforce the provisions of this contract must be brought in the State of Nebraska per state law; (4) the person signing this contract on behalf of the State of Nebraska does not have the authority to waive the State's sovereign immunity, statutes, common law, or regulations; (5) the indemnity, limitation of liability, remedy, and other similar provisions of the final contract, if any, are entered into subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity; and, (6) all terms and conditions of the final contract, including but not limited to the clauses concerning third-party use, licenses, warranties, limitations of liability, governing law and venue, usage verification, indemnity, liability, remedy or other similar provisions of the final contract are entered into specifically subject to the State's Constitution, statutes, common law, regulations, and sovereign immunity. The Parties must comply with all applicable local, state, and federal laws, ordinances, rules, orders, and regulations.

E. AMENDMENT

This Contract may be amended in writing, within scope, upon the agreement of both parties.

F. SUBSTITUTIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
AB			

NDOR reserves the right to alter the stamp design and/or colors at any time during the contract term, including Renewals, Amendments and Extension, which will be considered a substitution. The substitution may or may not include a price increase. The price increase for the substitution will only include the elements of the change of stamp design and/or colors. The substitution and the possible price increase will not go into effect until a written agreement is made between the State and the Vendor and an Amendment has been signed and posted with the current contract.

If the Vendor requests to substitute any contracted item and the substitute meets or exceeds the original specifications, the State may accept or reject the substitution.

If the Vendor requests to substitute any contracted item, which meets or exceeds the original specifications, and the cost of the substitute is higher, the State may accept or reject the substitution and price change.

If the State and the Vendor do not agree to the requested substitution and price change, the Contract may be terminated immediately by the State.

In the event any product is discontinued or replaced upon mutual consent and prior to delivery during the Contract Period the State reserves the right to amend the contract or purchase order to include the alternate product at the expense of the awarded bidder.

*****Bidder will not substitute any item that has been awarded without prior written approval of SPB*****


G. VENDOR PERFORMANCE REPORT(S)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
AB			

The State may document any instance(s) of products or services delivered or performed which exceed or fail to meet the terms of the purchase order, contract, and/or ITB specifications. The SPB may contact the Vendor regarding any such report. Vendor performance report(s) will become a part of the permanent record of the Vendor.


**INVITATION TO BID
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H. NOTICE OF POTENTIAL BIDDER BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

If Bidder breaches the contract or anticipates breaching the contract, the Bidder shall immediately give written notice to the State. The notice shall explain the breach or potential breach, a proposed cure, and may include a request for a waiver of the breach if so desired. The State may, in its discretion, temporarily or permanently waive the breach. By granting a waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

I. BREACH


Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

Either Party may terminate the contract, in whole or in part, if the other Party breaches its duty to perform its obligations under the contract in a timely and proper manner. Termination requires written notice of default and a thirty (30) calendar day (or longer at the non-breaching Party's discretion considering the gravity and nature of the default) cure period. Said notice shall be delivered by Email or Certified Mail, Return Receipt Requested, or in person with proof of delivery. Allowing time to cure a failure or breach of contract does not waive the right to immediately terminate the contract for the same or different contract breach which may occur at a different time.

In case of breach by the Bidder, the State may, without unreasonable delay, make a good faith effort to make a reasonable purchase or contract to purchased goods in substitution of those due from the Bidder. The State may recover from the Bidder as damages the difference between the costs of covering the breach. Notwithstanding any clause to the contrary, the State may also recover the contract price together with any incidental or consequential damages defined in UCC Section 2-715, but less expenses saved in consequence of Bidder's breach OR in case of default of the Bidder, the State may contract the service from other sources and hold the Bidder responsible for any excess cost occasioned thereby.

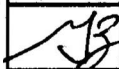
The State's failure to make payment shall not be a breach, and the Bidder shall retain all available statutory remedies. (See Indemnity - Self-Insurance and Payment)

J. NON-WAIVER OF BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

The acceptance of late performance with or without objection or reservation by a Party shall not waive any rights of the Party nor constitute a waiver of the requirement of timely performance of any obligations remaining to be performed.


K. SEVERABILITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

If any term or condition of the contract is declared by a court of competent jurisdiction to be illegal or in conflict with any law, the validity of the remaining terms and conditions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the provision held to be invalid or illegal.

**INVITATION TO BID
6789 OF**

L. INDEMNIFICATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			


1. GENERAL

The Bidder agrees to defend, indemnify, and hold harmless the State and its employees, volunteers, agents, and its elected and appointed officials ("the indemnified parties") from and against any and all claims, liens, demands, damages, liability, actions, causes of action, losses, judgments, costs, and expenses of every nature, including investigation costs and expenses, settlement costs, and attorney fees and expenses ("the claims"), sustained or asserted against the State for personal injury, death, or property loss or damage, arising out of, resulting from, or attributable to the willful misconduct, negligence, error, or omission of the Bidder, its employees, Subcontractors, consultants, representatives, and agents, resulting from this contract, except to the extent such Bidder liability is attenuated by any action of the State which directly and proximately contributed to the claims.

2. SELF-INSURANCE (Statutory)


The State is self-insured for any loss and purchases excess insurance coverage pursuant to Neb. Rev. Stat. § 81-8,239.01 (Reissue 2008). If there is a presumed loss under the provisions of this contract, Bidder may file a claim with the Office of Risk Management pursuant to Neb. Rev. Stat. §§ 81-8,829 through 81-8,306 for review by the State Claims Board. The State retains all rights and immunities under the State Miscellaneous (Section 81-8,294), Tort (Section 81-8,209), and Contract Claim Acts (Section 81-8,302), as outlined in Neb. Rev. Stat. § 81-8,209 et seq. and under any other provisions of law and accepts liability under this contract to the extent provided by law.

M. ATTORNEY'S FEES

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

In the event of any litigation, appeal, or other legal action to enforce any provision of the contract, the Parties agree to pay all expenses of such action, as permitted by law and if ordered by the court, including attorney's fees and costs, if the other party prevails.

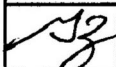
N. ASSIGNMENT, SALE, OR MERGER

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

Either party may assign the contract upon mutual written agreement of the other party. Such agreement shall not be unreasonably withheld.

The Bidder retains the right to enter into a sale, merger, acquisition, internal reorganization, or similar transaction involving Bidder's business. Bidder agrees to cooperate with the State in executing amendments to the contract to allow for the transaction. If a third party or entity is involved in the transaction, the Bidder will remain responsible for performance of the contract until such time as the person or entity involved in the transaction agrees in writing to be contractually bound by this contract and perform all obligations of the contract.

O. CONTRACTING WITH OTHER POLITICAL SUB-DIVISIONS OF THE STATE OR ANOTHER STATE


Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

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The Bidder may, but shall not be required to, allow agencies, as defined in Neb. Rev. Stat. § 81-145, to use this contract. The terms and conditions, including price, of the contract may not be amended. The State shall not be contractually obligated or liable for any contract entered into pursuant to this clause.


The Bidder may, but shall not be required to, allow other states, agencies or divisions of other states, or political subdivisions of other states to use this contract. The terms and conditions, including price, of this contract shall apply to any such contract, but may be amended upon mutual consent of the Parties. The State of Nebraska shall not be contractually or otherwise obligated or liable under any contract entered into pursuant to this clause. The State shall be notified if a contract is executed based upon this contract.

P. FORCE MAJEURE

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

Neither party shall be liable for any costs or damages, or for default resulting from its inability to perform any of its obligations under the contract due to a natural or man-made event outside the control and not the fault of the affected party ("Force Majeure Event"). The Party so affected shall immediately make a written request for relief to the other party, and shall have the burden of proof to justify the request. The other Party may grant the relief requested; relief may not be unreasonably withheld. Labor disputes with the impacted party's own employees will not be considered a Force Majeure Event.

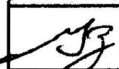
Q. CONFIDENTIALITY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

All materials and information provided by the Parties or acquired by a Party on behalf of the other Party shall be regarded as confidential information. All materials and information provided or acquired shall be handled in accordance with federal and state law, and ethical standards. Should said confidentiality be breached by a Party, the Party shall notify the other Party immediately of said breach and take immediate corrective action.

It is incumbent upon the Parties to inform their officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a (i)(1), which is made applicable by 5 U.S.C. 552a (m)(1), provides that any officer or employee, who by virtue of his/her employment or official position has possession of or access to Agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established thereunder, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or Agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

R. EARLY TERMINATION

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

The contract may be terminated as follows:

1. The State and the Bidder, by mutual written agreement, may terminate the contract at any time.
2. The State, at its sole discretion, may terminate the contract for any reason upon thirty (30) calendar day's written notice to the Bidder. Such termination shall not relieve the Bidder of warranty or other service obligations incurred under the terms of the contract. In the event of termination, the Bidder shall be entitled to payment, determined on a pro rata basis, for products or services satisfactorily performed or provided.

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- 3.** The State may terminate the contract immediately for the following reasons:
- a.** if directed to do so by statute;
 - b.** Bidder has made an assignment for the benefit of creditors, has admitted in writing its inability to pay debts as they mature, or has ceased operating in the normal course of business;
 - c.** a trustee or receiver of the Bidder or of any substantial part of the Bidder's assets has been appointed by a court;
 - d.** fraud, misappropriation, embezzlement, malfeasance, misfeasance, or illegal conduct pertaining to performance under the contract by its Bidder, its employees, officers, directors, or shareholders;
 - e.** an involuntary proceeding has been commenced by any party against the Bidder under any one of the chapters of Title 11 of the United States Code and (i) the proceeding has been pending for at least sixty (60) calendar days; or (ii) the Bidder has consented, either expressly or by operation of law, to the entry of an order for relief; or (iii) the Bidder has been decreed or adjudged a debtor;
 - f.** a voluntary petition has been filed by the Bidder under any of the chapters of Title 11 of the United States Code;
 - g.** Bidder intentionally discloses confidential information;
 - h.** Bidder has or announces it will discontinue support of the deliverable; and,
 - i.** In the event funding is no longer available.

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III. BIDDER DUTIES

A. INDEPENDENT BIDDER / OBLIGATIONS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

It is agreed that the Bidder is an independent bidder and that nothing contained herein is intended or should be construed as creating or establishing a relationship of employment, Agency, or a partnership.

The Bidder is solely responsible for fulfilling the contract. The Bidder or the Bidder's representative shall be the sole point of contact regarding all contractual matters.

The Bidder shall secure, at its own expense, all personnel required to perform the services under the contract. The personnel the Bidder uses to fulfill the contract shall have no contractual or other legal relationship with the State; they shall not be considered employees of the State and shall not be entitled to any compensation, rights, or benefits from the State, including but not limited to, tenure rights, medical and hospital care, sick and vacation leave, severance pay, or retirement benefits.

By-name personnel commitments made in the Bidder's bid shall not be changed without the prior written approval of the State. Replacement of these personnel, if approved by the State, shall be with personnel of equal or greater ability and qualifications.

The Bidder warrants that all persons assigned to the project shall be employees of the Bidder or a Subcontractor and shall be fully qualified to perform the work required herein. Personnel employed by the Bidder or a subcontractor to fulfill the terms of the contract shall remain under the sole direction and control of the Bidder or the subcontractor respectively.

With respect to its employees, the Bidder agrees to be solely responsible for the following:

1. Any and all pay, benefits, and employment taxes and/or other payroll withholding;
2. Any and all vehicles used by the Bidder's employees, including all insurance required by state law;
3. Damages incurred by Bidder's employees within the scope of their duties under the contract;
4. Maintaining Workers' Compensation and health insurance that complies with state and federal law and submitting any reports on such insurance to the extent required by governing law;
5. Determining the hours to be worked and the duties to be performed by the Bidder's employees; and,
6. All claims on behalf of any person arising out of employment or alleged employment (including without limit claims of discrimination alleged against the Bidder, its officers, agents, or subcontractors or subcontractor's employees).

If the Bidder intends to utilize any subcontractor, the Subcontractor's level of effort, tasks, and time allocation must be clearly defined in the Bidder's bid. The Bidder shall agree that it will not utilize any Subcontractors not specifically included in its bid in the performance of the contract without the prior written authorization of the State.

The State reserves the right to require the Bidder to reassign or remove from the project any Bidder or Subcontractor employee.

Bidder shall insure that the terms and conditions contained in any contract with a sub-contractor does not conflict with the terms and conditions of this contract.

The Bidder shall include a similar provision, for the protection of the State, in the contract with any Subcontractor engaged to perform work on this contract.

B. EMPLOYEE WORK ELIGIBILITY STATUS

The Bidder is required and hereby agrees to use a federal immigration verification system to determine the work eligibility status of employees physically performing work within the State. A federal immigration verification system means the electronic verification of the work authorization program authorized by the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, 8 U.S.C. 1324a, known as the E-Verify Program, or an equivalent federal program designated by the United States Department of Homeland Security or other federal Agency authorized to verify the work eligibility status of an employee.

If the Bidder is an individual or sole proprietorship, the following applies:

1. The Bidder must complete the United States Citizenship Attestation Form, available on the DAS website at <http://das.nebraska.gov/materiel/purchasing.htm>

The completed United States Attestation Form should be submitted with the ITB response.

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2. If the Bidder indicates on such attestation form that he or she is a qualified alien, the Bidder agrees to provide the U.S. Citizenship and Immigration Services documentation required to verify the Bidder's lawful presence in the United States using the Systematic Alien Verification for Entitlements (SAVE) Program.
3. The Bidder understands and agrees that lawful presence in the United States is required, and the Bidder may be disqualified, or the contract terminated if such lawful presence cannot be verified as required by Neb. Rev. Stat. § 4-108.

C. COMPLIANCE WITH CIVIL RIGHTS LAWS AND EQUAL OPPORTUNITY EMPLOYMENT / NONDISCRIMINATION (Statutory)

The Bidder shall comply with all applicable local, state, and federal statutes and regulations regarding civil rights laws and equal opportunity employment. The Nebraska Fair Employment Practice Act prohibits Bidders of the State, and their Subcontractors, from discriminating against any employee or applicant for employment, with respect to hire, tenure, terms, conditions, compensation, or privileges of employment because of race, color, religion, sex, disability, marital status, or national origin (Neb. Rev. Stat. §§ 48-1101 through 48-1125). The Bidder guarantees compliance with the Nebraska Fair Employment Practice Act, and breach of this provision shall be regarded as a material breach of contract. The Bidder shall insert a similar provision in all Subcontracts for goods or services to be covered by any contract resulting from this ITB.

D. COOPERATION WITH OTHER BIDDERS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
[Signature]			

Bidder may be required to work with or in close proximity to other bidders or individuals that may be working on the same or different projects. The Bidder shall agree to cooperate with such other bidders or individuals and shall not commit or permit any act which may interfere with the performance of work by any other bidder or individual. Bidder is not required to compromise Bidder's intellectual property or proprietary information unless expressly required to do so by this contract.

E. DISCOUNTS

Prices quoted shall be inclusive of ALL trade discounts. Cash discount terms of less than thirty (30) days will not be considered as part of the bid. Cash discount periods will be computed from the date of receipt of a properly executed claim voucher or the date of completion of delivery of all items in a satisfactory condition, whichever is later.

F. PRICES

Prices quoted shall be net, including transportation and delivery charges fully prepaid by the bidder, FOB destination named in the ITB. No additional charges will be allowed for packing, packages, or partial delivery costs. When an arithmetic error has been made in the extended total, the unit price will govern.

All prices, costs, and terms and conditions submitted in the bid shall remain fixed and commencing on the opening date of the bid and shall remain firm for the first one hundred twenty (120) days of the contract award.

Requests for an increase must be submitted in writing to SPB. SPB has a minimum of thirty (30) days to review and award any Price increase or decrease (after documentation is approved). Documentation will be required by the State to support the price increase. The State reserves the right to deny any requested price increase.

No price increases are to be billed to the State prior to an Amendment to the Contract, which has been signed and completed by both the State and the awarded bidder, the Amendment is posted to the SPB website and written notice has been given to both the State and the awarded bidder.


The State will be given full proportionate benefit of any decreases for the term of the contract.

G. COST CLARIFICATION

The State reserves the right to review all aspects of cost for reasonableness and to request clarification of any bid where the cost component shows significant and unsupported deviation from industry standards or in areas where detailed pricing is required.


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H. PERMITS, REGULATIONS, LAWS

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			


The contract price shall include the cost of all royalties, licenses, permits, and approvals, whether arising from patents, trademarks, copyrights or otherwise, that are in any way involved in the contract. The Bidder shall obtain and pay for all royalties, licenses, and permits, and approvals necessary for the performance of the contract. The Bidder must guarantee that it has the full legal right to the materials, supplies, equipment, software, and other items used to execute this contract.

I. NOTICE OF POTENTIAL BIDDER BREACH

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			


If Bidder breaches the contract or anticipates breaching the contract the Bidder shall immediately give written notice to the State. The notice shall explain the breach or potential breach and may include a request for a waiver of the breach if so desired. The State may, at its discretion, temporarily or permanently waive the breach. By granting a temporary waiver, the State does not forfeit any rights or remedies to which the State is entitled by law or equity, or pursuant to the provisions of the contract. Failure to give immediate notice, however, may be grounds for denial of any request for a waiver of a breach.

J. ANTITRUST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

The Bidder hereby assigns to the State any and all claims for overcharges as to goods and/or services provided in connection with this contract resulting from antitrust violations which arise under antitrust laws of the United States and the antitrust laws of the State.

K. CONFLICT OF INTEREST

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

By submitting a bid, bidder certifies that no relationship exists between the bidder and any person or entity which either is, or gives the appearance of, a conflict of interest related to this ITB or project.

Bidder further certifies that bidder will not employ any individual known by bidder to have a conflict of interest nor shall bidder take any action or acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of its contractual obligations hereunder or which creates an actual or appearance of conflict of interest.

If there is an actual or perceived conflict of interest, bidder shall provide with its bid a full disclosure of the facts describing such actual or perceived conflict of interest and a proposed mitigation plan for consideration. The State will then consider such disclosure and proposed mitigation plan and either approve or reject as part of the overall bid evaluation..

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L. ADVERTISING

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
JB			

The Bidder agrees not to refer to the contract award in advertising in such a manner as to state or imply that the company or its goods and services are endorsed or preferred by the State. Any publicity releases pertaining to the project shall not be issued without prior written approval from the State.

M. NEBRASKA TECHNOLOGY ACCESS STANDARDS (Statutory)

Bidder shall review the Nebraska Technology Access Standards, found at <http://nitc.nebraska.gov/standards/2-201.htm> and ensure that products and/or goods provided under the contract are in compliance or will comply with the applicable standards to the greatest degree possible. In the event such standards change during the Bidder's performance, the State may create an amendment to the contract to request the contract comply with the changed standard at a cost mutually acceptable to the parties.

N. DISASTER RECOVERY/BACK UP PLAN

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
JB			

The Bidder shall have a disaster recovery and back-up plan, of which a copy should be provided upon request to the State, which includes, but is not limited to equipment, personnel, facilities, and transportation, in order to continue delivery of goods and services as specified under the specifications in the contract in the event of a disaster.

O. DRUG POLICY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
JB			

Bidder certifies it maintains a drug free workplace environment to ensure worker safety and workplace integrity. Bidder agrees to provide a copy of its drug free workplace policy at any time upon request by the State.

P. WARRANTY

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
JB			

Despite any clause to the contrary, the Bidder represents and warrants that its services hereunder shall be performed by competent personnel and shall be of professional quality consistent with generally accepted industry standards for the performance of such services and shall comply in all respects with the requirements of this Contract. For any breach of this warranty, the Bidder shall, for a period of ninety (90) days from performance of the service, perform the services again, at no cost to Customer, or if Bidder is unable to perform the services as warranted, Bidder shall reimburse Customer the fees paid to Bidder for the unsatisfactory services. The rights and remedies of the parties under this warranty are in addition to any other rights and remedies of the parties provided by law or equity, including, without limitation actual damages, and, as applicable and awarded under the law, to a prevailing party, reasonable attorneys' fees, and costs.

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IV. PAYMENT

A. PROHIBITION AGAINST ADVANCE PAYMENT (Statutory)

Neb. Rev. Stat. § 81-2403 states, "[n]o goods or services shall be deemed to be received by an Agency until all such goods or services are completely delivered and finally accepted by the Agency."


B. TAXES (Statutory)

The State is not required to pay taxes and assumes no such liability as a result of this ITB. The Bidder may request a copy of the Nebraska Department of Revenue, Nebraska Resale or Exempt Sale Certificate for Sales Tax Exemption, Form 13 for their records. Any property tax payable on the Bidder's equipment which may be installed in a state-owned facility is the responsibility of the Bidder.

C. INVOICES

Invoices for payments must be submitted by the Bidder to the Agency requesting the services with sufficient detail to support payment. The terms and conditions included in the Bidder's invoice shall be deemed to be solely for the convenience of the parties. No terms or conditions of any such invoice shall be binding upon the State, and no action by the State, including without limitation the payment of any such invoice in whole or in part, shall be construed as binding or estopping the State with respect to any such term or condition, unless the invoice term or condition has been previously agreed to by the State as an amendment to the contract.

D. INSPECTION AND APPROVAL

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative Response (Initial)	NOTES/COMMENTS:
			

Final inspection and approval of all work required under the contract shall be performed by the designated State officials.

The State and/or its authorized representatives shall have the right to enter any premises where the Bidder or Subcontractor duties under the contract are being performed, and to inspect, monitor or otherwise evaluate the work being performed. All inspections and evaluations shall be at reasonable times and in a manner that will not unreasonably delay work.

E. PAYMENT (Statutory)

Payment will be made by the responsible Agency in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. § 81-2403). The State may require the Bidder to accept payment by electronic means such as ACH deposit. In no event shall the State be responsible or liable to pay for any goods and services provided by the Bidder prior to the Effective Date of the contract, and the Bidder hereby waives any claim or cause of action for any such services.


F. LATE PAYMENT (Statutory)

The Bidder may charge the responsible Agency interest for late payment in compliance with the State of Nebraska Prompt Payment Act (See Neb. Rev. Stat. §§ 81-2401 through 81-2408).

G. SUBJECT TO FUNDING / FUNDING OUT CLAUSE FOR LOSS OF APPROPRIATIONS (Statutory)

The State's obligation to pay amounts due on the Contract for a fiscal year following the current fiscal year is contingent upon legislative appropriation of funds. Should said funds not be appropriated, the State may terminate the contract with respect to those payments for the fiscal year(s) for which such funds are not appropriated. The State will give the Bidder written notice thirty (30) calendar days prior to the effective date of termination. All obligations of the State to make payments after the termination date will cease. The Bidder shall be entitled to receive just and equitable compensation for any authorized work which has been satisfactorily completed as of the termination date. In no event shall the Bidder be paid for a loss of anticipated profit.

H. RIGHT TO AUDIT (First Paragraph is Statutory)

Accept (Initial)	Reject (Initial)	Reject & Provide Alternative (Initial)	NOTES/COMMENTS:
			

The State shall have the right to audit the Bidder's performance of this contract upon a thirty (30) day written notice. Bidder shall utilize generally accepted accounting principles, and shall maintain the accounting records, and other records and information relevant to the contract (Information) to enable the State to audit the contract. (Neb. Rev. Stat. § 84-304 et seq.) The State may audit, and the Bidder shall maintain the information during the term of the contract and for a period of five (5) years after the completion of this contract or until all issues or litigation are resolved, whichever is later. The Bidder shall make the Information

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available to the State at Bidder's place of business or a location acceptable to both Parties during normal business hours. If this is not practical or the Bidder so elects, the Bidder may provide electronic or paper copies of the Information. The State reserves the right to examine, make copies of, and take notes on any Information relevant to this contract, regardless of the form or the Information, how it is stored, or who possesses the Information. In no circumstances will bidder be required to create or maintain documents not kept in the ordinary course of bidder's business operations, nor will bidder be required to disclose any information, including but not limited to product cost data, which is confidential or proprietary to bidder.

The Parties shall pay their own costs of the audit unless the audit finds a previously undisclosed overpayment by the State. If a previously undisclosed overpayment exceeds three percent (3%) of the total contract billings, or if fraud, material misrepresentations, or non-performance is discovered on the part of the Bidder, the Bidder shall reimburse the State for the total costs of the audit. Overpayments and audit costs owed to the State shall be paid within ninety (90) days of written notice of the claim. The Bidder agrees to correct any material weaknesses or condition found as a result of the audit.

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V. SCOPE OF WORK

The Bidder must provide the following information in response to this ITB.

A. SCOPE

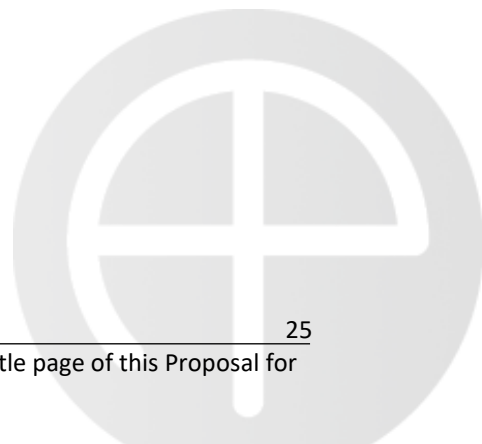
It is the intent of this bid to establish a contract to supply **Cigarette Tax Stamps** per the attached specifications from date of award for a period of One (1) year with the option to renew for an additional four (4) One (1) year periods when mutually agreeable to the Bidder and the State. The State reserves the right to extend the period of this contract beyond the end date when mutually agreeable to the Bidder and the State.

All items proposed shall be of the latest manufacture in production as of the date of the solicitation and be of proven performance and under standard design complete as regularly advertised and marketed. All necessary materials for satisfactory performance of the supplies shall be incorporated into the **Cigarette Tax Stamps** whether or not they may be specifically mentioned below.

Complete specifications, manufacturer's current descriptive literature and/or advertising data sheets with cuts or photographs must be included with the bid for the IDENTICAL items proposed. Any information necessary to show compliance with these specifications not given on the manufacturer's descriptive literature and/or advertising data sheets must be supplied in writing on or attached to the bid document. If manufacturer's information necessary to show compliance with these specifications is not attached to the bid document, the Bidder may be required to submit requested information within three (3) business days of a written request. Failure to submit requested descriptive literature or advertising data sheets may be grounds to reject the bid.



ATTACHMENT D – Section 6 of the ITB



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VI. TECHNICAL SPECIFICATIONS

A. BIDDER INSTRUCTIONS

Bidder must respond to each of the following statements. Specifications listed are minimum conditions that must be met in order for a Bidder to qualify for the award.

“YES” response means the Bidder guarantees they can meet this condition.

“NO” response means the Bidder cannot meet this condition and will not be considered.

“NO & PROVIDE ALTERNATIVE” responses should be used only with a narrative response in the “NOTES/COMMENTS” section explaining in detail any deviation from the Bidder’s ability to meet the condition, and an explanation of how this would be determined to be an acceptable alternative to meeting the condition. **Alternatives must be detailed in such a way that allows such deviations to be fully evaluated. The State shall determine at its sole discretion whether or not the Bidder’s alternative is an acceptable alternative.**

B. NON-COMPLIANCE STATEMENT

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Read these specifications carefully.
Y			2. Any and all exceptions to these specifications must be written on or attached to solicitation response.
Y			3. Any noncompliance may void your bid. Non-compliance to any single specification can void your bid.
Y			4. It is the responsibility of Bidders to obtain information and clarifications as provided below.
Y			5. The State is not responsible for any erroneous or incomplete understandings or wrongful interpretations of this solicitation by any Bidder.
NOTES/COMMENTS:			

C. CIGARETTE STAMP PAPER

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Stamps shall be made on safety-tinted, mill-controlled paper.
Y			2. The paper shall be the proper weight and tensile strength for use in cigarette tax stamping machines during common commercial use.
Y			3. Bidder must render an accurate report of all paper used in the production of stamps, including spoilage, and verify such report by affidavit to the NDOR.
Y			4. The base paper of the stamps must contain identifiable protective features such as containing fibers which, under ordinary daylight, are not distinguishable from the remainder of the fibers of the base paper but shall become brightly fluorescent when exposed to ultra-violet light rays which will at once permit analysis to establish its authenticity. The fluorescence of the base paper fibers shall be a permanent effect whenever tests are made.
Y			5. The State shall determine at its sole discretion whether alternative submissions of any other type of paper not outlined in these specifications are an acceptable alternative.
Y			6. All paper must be so arranged and printed so that it cannot be reproduced fraudulently.
Y			7. The safety tint lettering must be printed as to appear on the face of the stamp and must appear on the paper between the stamps.
Y			8. The safety tint shall transfer with the stamps and the lettering extending beyond the edge of the stamp must also transfer with the stamp.

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NOTES/COMMENTS:

D. STAMP SIZE, DESIGN, AND COLORS FOR TWENTY (20) COUNT CIGARETTE PACKAGES

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Stamp size shall measure one half inch (1/2") by one half inch (1/2").
Y			2. The stamp colors are to be reflex blue, and black at one hundred percent (100%).
Y			3. The entire field of the stamp will have reflex blue as the background color and black will be used for the shield and all text on the stamp, including the five-digit number.
Y			4. The color of the safety tint lettering shall not be Reflex Blue, or equivalent, or black as mentioned above.

NOTES/COMMENTS:

E. STAMP AND ROLL CONFIGURATION

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. The placement and distance between each stamp must meet all processing requirements for hand or mechanical application with current industry machinery.

NOTES/COMMENTS:

F. STAMP SIZE, DESIGN, AND COLORS FOR TWENTY-FIVE (25) COUNT CIGARETTE PACKAGES (OPTIONAL)

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Stamp size shall measure one half inch (1/2") by one half inch (1/2").
Y			2. The stamp colors are to be red, white, and black at one hundred percent (100%).
Y			3. The field of the stamp will have a black serial number and text, white background with a red shield, and a white border outside the red shield.
Y			4. The color of the safety tint lettering shall not be red or black (at one hundred percent (100%) as mentioned above.

NOTES/COMMENTS:

G. STAMP TYPE AND APPLICATION

YES	NO	NO & PROVIDE	

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		ALTERNATIVE	
Y			1. The stamp application method and safety tint lettering, including safety tint lettering must consist of five (5) impressions or layers, be die stamped utilizing the intaglio process or equivalent, and suitable for high speed, positive application with heat to the receiving surface such as cellophane, polypropylene, aluminum foil, paper, etc.
N/A			2. Upon request from the State, the awarded Bidder must provide training in the proper operation of the stamp-application machine or heat iron process for correct application of the stamps for the Nebraska licensed stamping agents.
			a. The location(s) shall be determined upon mutual agreement between NDOR, the awarded Bidder and Nebraska licensed stamping agents.
NOTES/COMMENTS: As modified by Addendum #3.			

H. SECURITY

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. The stamps must have built in security features which will safeguard the State against counterfeiting. This shall be accomplished by incorporating a secret mark and chemical indicator into the design. The chemical indicator will only be known to the Manufacturer and authorized personnel of NDOR.
Y			2. The Manufacturer/Bidder shall submit the “Proprietary” documentation describing the security features for item bid, at the same time as the Bid Documents, under separate cover, by the Bid Opening Date, utilizing the following “Proprietary” steps:
Y			a. If “Proprietary” documentation describing the security features for the item bid is not submitted by the Bid Opening date the documentation must be supplied within five (5) days upon request from the State.
Y			b. Submit the “Proprietary Information” titled “6789 OF PROPRIETARY INFORMATION from <<BIDDER NAME>>” to the following ShareFile Link: https://nebraska.sharefile.com/d-sb06bb7fb7c1645b6872c7ef2baf88e98
Y			c. Make sure you send the “Proprietary Information” to the link above. If the “Proprietary Information” gets sent to the “Questions” or “Bids” ShareFile links it could become public knowledge.
Y			d. Mark every page of the “Proprietary” documentation “ PROPRIETARY INFORMATION ”.
Y			e. The mere assertion that information is “Proprietary” or that a speculative Business advantage might be gained is not sufficient. (See Attorney General Opinion No. 92068, April 27, 1992).
Y			f. The Bidder may not assert that the entire bid is proprietary. Cost will not be considered “Proprietary” and is a public record subject to disclosure.
Y			3. The State may require a Bidder to submit additional information, including, but not limited to, a detailed explanation as to how and why the designated information is “Proprietary”.
NOTES/COMMENTS:			

I. NUMBERING – SHEETS AND ROLLS

YES	NO	NO & PROVIDE	
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		ALTERNATIVE	
			1. TWENTY (20) COUNT CIGARETTE PACKAGE SHEETS:
Y			a. There are to be one hundred fifty (150) stamps per sheet.
Y			b. There are to be ten (10) Sheets per Pad and stapled ¼ inch from the top in the center of the pad.
Y			c. There are to be fifteen hundred (1,500) stamps contained in a single pad.
Y			d. There are to be twenty (20) pads per box.
Y			e. There are to be twenty (20) boxes per case.
Y			f. Sheets shall begin with number X1532 and continue consecutively with no missing or duplicate numbers.
Y			g. Pads shall begin with number X1532 and continue consecutively with no missing or duplicate numbers.
Y			h. Each pad of one thousand five hundred (1,500), which consists of ten (10) sheets of stamps, has the same serial number on each stamp. The number changes for each pad and is numbered consecutively with no missing or duplicate numbers.
Y			i. Each stamp shall begin with number X1532 and shall be consecutive with no missing or duplicate numbers.
			2. TWENTY-FIVE (25) COUNT CIGARETTE PACKAGE SHEETS (OPTIONAL):
Y			a. There are one hundred fifty (150) stamps per sheet.
Y			b. There are to be ten (10) Sheets per Pad and stapled ¼ inch from the top in the center of the pad.
Y			c. There are to be one thousand five hundred (1,500) stamps contained in a single pad.
Y			d. There are to be twenty (20) pads per box.
Y			e. There are to be twenty (20) boxes per case.
Y			f. Sheets shall begin with number 00102 and continue consecutively with no missing or duplicate numbers.
Y			g. Pads shall begin with number 00102 and continue consecutively with no missing or duplicate numbers.
Y			h. Each pad of one thousand five hundred (1,500), which consists of ten (10) sheets of stamps, has the same serial number on each stamp. The number changes for each pad and is numbered consecutively with no missing or duplicate numbers.
			3. TWENTY (20) COUNT CIGARETTE PACKAGE ROLLS:
Y			a. Each roll of thirty thousand (30,000) stamps shall begin with number 95591 and continue consecutively with no missing or duplicate numbers.
Y			b. Ascending and descending numbers at three hundred (300)-stamp intervals to provide an exact count of stamps remaining and stamps used on the roll.
Y			c. After primary printing, stamps will be overprinted within each roll with a legible alpha-numeric identification code consisting of no less than five (5) alpha-numeric characters.
Y			d. Each Sheet and Roll identification number shall be clear, legible, and consecutive with no missing or duplicate alpha-numeric characters.
Y			e. The alpha-numeric identification code will appear on the Roll and Mailer Box.
Y			f. Roll number shall be labeled and placed on the lid of each roll box of thirty thousand (30,000) stamps.
Y			i. For example: STATE OF NEBRASKA

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			20 CIG 30000 STAMPS ROLL NO: XXXXX SERIAL NUMBER IF FOUND CALL: <<AWARDED BIDDER PHONE #>>
Y			g. Spoiled rolls shall be identified as "not in circulation".
Y			h. A certified listing of all rolls and pads "not in circulation" shall be provided to NDOR from the Vendor with each new order received.
NOTES/COMMENTS:			

J. ACCEPTABLE BRANDS

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Products bid must be as specified on each line included in the specifications of this ITB.
N/A			2. Equipment bid shall be the latest current model(s) in production as of the date of the ITB, be of proven performance, under standard design, complete as regularly advertised and marketed, and shall be delivered complete with all necessary parts, specified accessories, tools, and special features, whether or not they may be specifically mentioned below.
N/A			3. Used, demonstrator, prototype, or discontinued equipment is not acceptable.
N/A			4. Complete specifications, manufacturer's descriptive literature and/or advertising data sheets with cuts or photographs may be required prior to an award and should be included with the bid on the IDENTICAL equipment proposed.
N/A			5. Literature should be complete and the latest published.
N/A			6. Any information necessary to show compliance with these specifications not given on the manufacturer's descriptive literature and/or advertising data sheets should be supplied in writing on or attached to the bid document.
NOTES/COMMENTS: Current stamp vendors do not provide, manufacture, or maintain stamping machines as per Addendum #3.			

K. PACKAGING

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Each Roll of 30,000 stamps will be packed in corrugated cardboard boxes.
Y			2. Each case must be clearly labeled on at least one (1) side with the following:
Y			a. Nebraska Department of Revenue 301 Centennial Mall South, Room 39 Lower Level Lincoln, NE 68509
Y			b. The quantity of stamps.
Y			c. The first and last consecutive serial number enclosed.
Y			d. The stamp title and form control number.
Y			3. Cases are to be delivered on two (2)-way pallets.

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Y			4. Cases are to have protective covering to prevent the Cases from being damaged by banding and inclement weather conditions.
NOTES/COMMENTS:			

L. ANNUAL USAGE, ESTIMATED

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Annual usage figures provided are estimates and are not to be construed as either a minimum or maximum purchase quantity.
Y			2. The orders shall be for the actual quantities of each item ordered by or for any Agency during the life of the contract.
Y			3. Annual Usage:
Y			a. Twenty (20) count cigarette package sheets of one hundred fifty (150) = 2,430 sheets per twelve (12) month period.
Y			b. Twenty (20) count cigarette package rolls of thirty-thousand (30,000) = 2,536 rolls per twelve (12) month period.
Y			c. Twenty-five (25) count cigarette package sheets of one hundred fifty (150) = 0 per twelve (12) month period.
NOTES/COMMENTS:			

M. DELIVERY ARO

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Delivery desired within forty-two (42) days (6 weeks) days ARO.
Y			2. If the ARO will be different than forty-two (42) days ARO please specify alternative ARO in the "NOTES/COMMENTS" section below.
Y			3. Not meeting the desired ARO, stated in line one (1) of this section, can be an award consideration.
Y			4. At the time of delivery, a designated State employee will sign the "invoice/packing slip."
Y			a. This signature will only indicate that the order has been received and that the items actually delivered agree with the delivery invoice.
Y			b. This signature does not indicate all items were received in good condition and/or that there is not possible hidden damage.
NOTES/COMMENTS: Typical delivery is less than forty-two days.			

N. DELIVERY LOCATIONS / INSTRUCTIONS (BIDDER AGREES THAT THEY CAN MEET THE DELIVERY LOCATIONS/INSTRUCTIONS)

YES	NO	NO & PROVIDE ALTERNATIVE	
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Y			<p>1. Stamps will be delivered to the dock at:</p> <p>Nebraska Department of Revenue 301 Centennial Mall South, Room 39 Lower Level Lincoln, NE 68509</p>
Y			<p>2. Receiving hours are between 9:00 A.M. and 4:00 P.M., Monday through Friday (excluding State holidays and federally observed holidays or as otherwise directed).</p>
Y			<p>3. The awarded bidder must contact NDOR twenty-four (24) hours to give advance notice of delivery to 402-471-5614.</p>
Y			<p>4. Per Neb. Rev. Stat. 81-2403 Goods or service; payment in full; when required (3) "no goods or services shall be deemed to be received by an agency until all such goods or services are completely delivered and finally accepted by the agency....". Thus, payment will not be made until the unit and all required documents are received.</p>
Y			<p>5. The Delivery location may be subject to change.</p>
Y			<p>a. If the location is changed or added by NDOR during the life of the contract NDOR will give the awarded bidder sixty (60) days advance notice.</p>
<p>NOTES/COMMENTS:</p>			

O. ORDERS

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			<p>1. Orders will be placed by e-mail to the awarded bidder.</p>
Y			<p>2. All orders must reference a purchase order number.</p>
Y			<p>3. The purchase order number must be referenced on the packing slip, and invoice.</p>
Y			<p>4. Invoices are to be sent to the "Invoice to" address on the purchase order.</p>
<p>NOTES/COMMENTS:</p>			

P. QUALITY

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			<p>1. Product quality must meet specifications and be consistent for the term of the contract. All materials must be of first quality, under standard production by the manufacturer and be of standard design, complete as regularly advertised and marketed and be of proven performance.</p>
Y			<p>2. A guarantee of satisfactory performance by the bidder and meeting delivery dates are considered to be an integral part of the purchase contract resulting from this ITB.</p>
Y			<p>3. Products are to be fully guaranteed and may be returned for full credit or replacement (at the State's option) for any reason during the initial warranty period with no additional charges for shipping or restocking.</p>
<p>NOTES/COMMENTS:</p>			

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Q. SAMPLES

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Samples of Cigarette Tax Stamps may be required for testing prior to an award, or at any time during the term of the contract.
Y			2. If requested by the State, samples are to be provided within ten (10) business days of a written request and at no cost to the State.
Y			3. Failure to provide samples or samples not meeting the specifications may void the bid or constitute a breach of the contract resulting from this ITB.
Y			4. Upon written request from the State, sample(s) shall be shipped to the dock at: Nebraska Department of Revenue 301 Centennial Mall South, Room 39 Lower Level Lincoln, NE 68509
Y			5. Receiving hours are between 9:00 A.M. and 4:00 P.M., Monday through Friday (excluding State holidays and federally observed holidays or as otherwise directed).
Y			6. "Sample" Cigarette Tax Stamps must be material and construction as bid and meet the specifications.
Y			7. "Sample" Cigarette Tax Stamps provided must consist of six (6) rolls of fifteen thousand (15,000) stamps.
Y			8. The Bidder may be responsible for lost production time during the testing and evaluation of equivalent products.
Y			9. An authorized manufacturer representative must be available for on-site assistance within forty-eight (48) hours of a request at no additional charge.
Y			10. The Bidder may be responsible for costs to repair damage to equipment/systems attributable to products being tested.
NOTES/COMMENTS:			

R. PERFORMANCE TESTING OF THE "SAMPLE" CIGARETTE TAX STAMPS AND THE STAMPING MACHINES

YES	NO	NO & PROVIDE ALTERNATIVE	
Y			1. Performance Testing will be performed at one (1) or more locations to establish conformance to the specifications.
Y			2. Both the "Sample" Cigarette Tax Stamp(s) and the Stamping Machines will be included in the Performance Testing.
Y			3. NDOR will have approximately fifteen (15) days to contact the "Stamping Agent(s)" and provide them with the "Sample" Cigarette Tax Stamp(s) .
Y			4. The "Stamping Agent(s)" will test the "Sample" Cigarette Tax Stamp(s) and the Stamping Machines and provide feedback to NDOR approximately thirty (30) days after the "Stamping Agent(s)" have received the "Sample" Cigarette Tax Stamp(s) .
Y			5. Performance Testing of "Sample" Cigarette Tax Stamp will consist of the following:
Y			a. The "Sample" Cigarette Tax Stamp is adhered to a new package of cigarettes by using a Stamping Machine.
Y			b. The current "Valid" Cigarette Tax Stamp is then adhered to the same package of cigarettes next to the "Sample" Cigarette Tax Stamp by using the same Stamping Machine (If the "Stamping Agent(s)" has a

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			Dual Head Stamping Machine both stamps can be adhered concurrently).
Y			c. The cigarette package will be stored in an environment which is of normal room temperature and humidity.
Y			6. Performance of the Stamping Machine will consist of the following:
Y			a. How well the Stamping Machine adheres the "Sample" Cigarette Tax Stamp(s) to the cigarette pack.
Y			i. Does the "Stamp(s)" tear when being adhered by the Stamping Machine?
Y			b. How timely the Stamping Machine adheres the "Sample" Cigarette Tax Stamp(s) to the cigarette pack.
Y			i. Does the Stamping Machine have to be adjusted when adhering the "Stamp(s)" and how often?
Y			c. How securely the Stamping Machine adheres the "Sample" Cigarette Tax Stamp(s) to the cigarette pack.
Y			i. Did the "Stamp(s)"flake or detach from the cigarette package?
Y			d. How precisely the Stamping Machine adheres the "Sample" Cigarette Tax Stamp(s) to the cigarette pack.
Y			i. Does the Stamping Machine have to be adjusted for alignment of the "Stamp(s)" when adhering the "Stamp(s)", and how often?
Y			7. Samples of Cigarette Tax Stamps will not be returned to the Bidder upon completion of testing conducted by NDOR.
Y			8. Samples provided for Performance Testing must conform to the specifications and must accurately represent the end product the Bidder(s) propose to provide to the State, including printing process, paper, coatings on the paper, inks, and security features.
Y			9. Failure to supply samples and/or sample(s) that do not meet specifications and/or fail any of the protocols/tests as outlined below, may be grounds to reject the bid.
Y			10. Bids may be rejected based on the quality of samples provided and the performance of the Stamping Machines.
Y			11. Bids may be rejected or the subsequent contract(s) may be cancelled if it is discovered, during the bid process, after contract award, or at any time during the lifetime of the contract, that the end product is not equivalent to the samples provided during evaluation.

NOTES/COMMENTS:

Stamps are designed to function within stamping machine nominal settings. Constant adjustments are not required.