



# Request for Quote

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
 ONE CAPITOL HILL  
 PROVIDENCE RI 02908

CREATION DATE : 09-JAN-20  
 BID NUMBER: 7599922  
 TITLE: CIGARETTE STAMPS - ( FY21- FY23) DOR  
 BID CLOSING DATE AND TIME: 24-FEB-2020 11:00:00

BUYER: Nadeau, Jonathan  
 PHONE #: 401-574-8133

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DOA CONTROLLER  
 ONE CAPITOL HILL, 4TH FLOOR  
 SMITH ST  
 PROVIDENCE, RI 02908  
 US

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DOR DIVISION OF TAXATION  
 ONE CAPITOL HILL, 1ST FLOOR  
 SMITH STREET  
 PROVIDENCE, RI 02908  
 US

**Requisition Number:**

Note to Bidders: Questions concerning this solicitation may be e-mailed to the Division of Purchases at jonathan.nadeau@purchasing.ri.gov no later than February 12th, 2020 at 5pm. Please reference the RFQ number on all correspondence. Questions should be submitted in a Microsoft word attachment. Answers to questions received, if any, will be posted on the internet as an addendum to this solicitation (www.ridop.ri.gov). It is the responsibility of all interested parties to download this information.

Line	Description	Quantity	Unit	Unit Price	Total
2	<p>ALL POTENTIAL BIDDERS ARE REQUIRED TO SUBMIT A BIDDER CERTIFICATION FORM FROM RIVIP WITH UPDATED CONTACT INFO IN THEIR PROPOSAL.            *****</p> <p>Potential Bidders should also register in Ocean State Procures (OSP) at www.ridop.ri.gov in order to be awarded a purchase order.            *****</p> <p>Provide Cigarette Tax Stamps and Application Systems in accordance with the attached specifications.</p> <p>Total Estimated Stamps: 45,000,000 per year. Stamps are typically ordered twice a year, in June and December, in a quantity of approximately one-half of total stamps.</p> <p>Blanket Requirements:            Three Year Period - With two options to renew for (1) one additional year at the sole discretion of the State of Rhode Island.            *****</p> <p>FY21 (07/01/2020 - 06/30/2021) CIGARETTE STAMPS - ESTIMATED USAGE 45,000,000 STAMPS PER YEAR</p>	1.00	Lot		
3	<p>FY22 (07/01/2021 - 06/30/2022) CIGARETTE STAMPS - ESTIMATED USAGE 45,000,000 STAMPS PER YEAR</p>	1.00	Lot		
4	<p>FY23 (07/01/2022 - 06/30/2023) CIGARETTE STAMPS - ESTIMATED USAGE 45,000,000 STAMPS PER YEAR</p>	1.00	Lot		

Delivery: \_\_\_\_\_

Terms of Payment: \_\_\_\_\_

It is the Vendor's responsibility to check and download any and all addenda from the RIVIP. This offer may not be considered unless a signed RIVIP generated Bidder Certification Cover Form is attached and the Unit Price column is completed. The signed Certification Cover Form must be attached to the front of the offer

## **Specification for Heat Applied 20& 25 Cigarette Tax Stamps and Application Systems**

1. **TYPE AND APPLICATION:** These stamps shall be heat applied fusion- type or pressure applied with either 5 or 10 digit serial numbers and shall be a layer built decal consisting of not less than four impressions produced by the lithograph and/or intaglio process or with a graphic quality as good or preferable better than the current stamp. This shall be finished in a continuous pinfeed roll format.

Stamps shall be suitable for machine application to be fused to the receiving surface by heat or pressure applied. They shall adhere to all grades of cellophane or paper.

Stamps must be suitable for current industry standard heat affixing stamping machines. The stamps shall consist of five impressions or layers, including safety tint lettering. The stamps shall be produced by the gravure process and be suitable for positive application with heat to the receiving surface such as cellophane and polypropylene. Bidders shall have contracts with a minimum of four (2) different states, and provide the contact information of the representative for each state to whom they sell cigarette stamps. The Division of Taxation may contact these representatives in regards to such items as quality of stamp, ordering procedures and timelines in filling an order, and overall customer service.

2. **PRICE:** Bidder shall submit net prices per thousand stamps, manufactured and packed according to specifications, f.o.b. destination. All shipments are to be made by bonded carrier, prepaid.
3. **SIZE, DESIGN AND COLORS:** Each stamp is to be of irregular shape and outline and shall contain not less than three distinctive colors. Half-tones, Ben-Day effects, shades, tints, or tones of a color will not be acceptable or considered as separate and distinctive colors. The safety tint lettering shall not be considered as one of the stamp colors.

Stamps shall measure approximately ½" x ½". Colors and design of stamps are subject to approval by the Division of Taxation.

Bidders shall submit with proposal, and without charge, suggested designs and colors.

4. **Lettering:** Each stamp must contain the name "Rhode Island" for identification purposes.
5. **SERIAL NUMBERING:** After primary printing, stamps will be commonly overprinted within each role with a legible code consisting of not less than five alphanumeric characters. The same alphanumeric code would not be repeated for any one roll during the life of the contract. This identification code will also appear on the roll and mailer box.

Rolls shall be coded in sequential order. Spoiled rolls shall be identified as "not in circulation." - The beginning and ending roll number shall be clearly indicated on the outside of the box of 25 stamp rolls. For example: "Roll #1 - Roll #26." A certified listing of all rolls "not in circulation" shall be provided to the State.

6. **PAPER:** Stamps shall be made on unique, safety tinted, mill controlled color paper furnished by the contractor. The name of the manufacturer of the paper stock is to be furnished with the bid and contractor shall render an accurate accounting of all paper used in the production of machine applied stamps, including spoilage, and verify such accounting records by affidavit to the State.

All paper shall be processed with a special safety tint. The safety tint lettering shall be so printed as to appear on the face of the stamp and also shall appear on the paper between the stamps. The safety tint shall transfer with the stamps and the lettering extending beyond the edges of the stamp shall also transfer with the stamps.

All spoiled paper and stamps are to be strictly accounted for and kept under lock and key and destroyed in the presence of a duly authorized agent of the State. After destruction, an affidavit will be rendered to that effect by the contractor.

7. **LAYOUT AND PACKING:** Heat Applied Serial Numbered "20" Cigarette Tax Stamps (15 per row) are to be furnished in rolls of 30,000 stamps with ascending and descending numbers at 300 stamp intervals to provide an exact count of stamps remaining and stamps used on the roll. Each roll will be packed in a serially numbered cardboard box. Twenty-five boxes are to be packed in a suitable corrugated container, with quantity of stamps, denomination, and first and last consecutive serial number clearly marked on one end of box.

8. **PROTECTION:** All stamps and paper shall contain proven protective features to guard against illegal reproduction. This will include security features that permit laboratory identification of inks. Bidder shall submit a separate confidential detailed statement to the Tax Administrator of the Division of Taxation, explaining fully their system for the protection of the State against unlawful reproduction and the method by which such reproduction can be detected by inspectors of the State. This confidential statement will not be included with the bid, but will be the primary consideration in the determination of award.

9. **PRODUCTION CONTROL:** This bid shall be accompanied by a full explanation of the precautions which the manufacturer proposes to observe within its plant and organization to protect the State against unlawful reproduction of stamps.

Bidder shall designate the measures which will prevent loss of stamps during the process of manufacture as well as during storage.

All work under this contract, including all coatings of the paper for heat applied fusion stamps shall be performed wholly within the premises of the contractor. No part of this contract may be sublet or performed in any other establishment. No

assignment of this contract in whole or in part may be made without the consent of the State. The successful bidder will establish to the satisfaction of the State that it possesses the necessary plant, equipment and facilities to properly and satisfactorily discharge the responsibility imposed by these specifications.

10. **ACCOUNTING:** Full and accurate account shall be made to the State for all spoiled paper, stamps, etc. Plates, designs, patterns, films, negatives, cylinders, and the like will be used solely for this order and subsequent orders if any. At the completion of this order, or at the termination of this contract, or at any time if the State so desires, all such plates, designs, films, etc., will be destroyed and disposed of as directed by the State. Complete and accurate accounting of each and every stamp and all special paper and any other material used in the production of these stamps shall be given to authorized representatives of the State upon demand at any time. Inspection of the plant and all records and books of account will be allowed by the contractor at any time upon demand of authorized representatives of the State. At all times the contractor will supervise closely the production of these stamps. Security measures should be employed to assure that all finished goods and production materials are properly accounted for. Every precaution will be taken to make certain that these stamps are not counterfeited or produced anywhere for any other purpose than the use of the State. All shipments shall be made by bonded carrier, insured and prepaid, and the contractor will be responsible for safe and proper delivery.
  
11. **STAMP APPLYING MACHINES:** Contractor shall warrant that, during the contract period, they will make available to authorized distributors by means of a lease or sale, machines designed to apply contractors' stamps, including related equipment such as carton openers, gluers, and closers, and that said machines and stamps will be designed and manufactured so as to assure proper adhesion and high speed application of stamps. Bidder shall list equipment they will lease, including accessory machines to further automate the cigarette stamping process. Machines and related equipment shall meet with the approval of the Division of Taxation and be acceptable to the tobacco distributors and operate satisfactorily at a minimum rate of 60 cartons per minute for a duration of 30 minutes. No bid will be considered unless the bidder is able to satisfactorily demonstrate his stamp applying machine to the Division of Taxation within five days of the bid opening.

During such period as the State shall utilize contractors' stamps for machine application, the contractor shall agree to make service and preventive maintenance for the machines available in such manner and upon such reasonable conditions that mechanical failure will not substantially disrupt stamping by the distributors and receipt of revenue by the State.

Contractor shall have sufficiently trained personnel to properly maintain, service and repair stamp applying machines. Servicemen shall be available during normal working hours and respond to a wholesaler's service call within twenty-four hours Monday through Friday.

Contractor must instruct the tobacco distributors' employees in the proper operation of the stamp applying machine for correct application of stamps during initial installation.

12. **SAMPLES:** Each bidder is required to submit 200 sample stamps with their bid.
13. **PAYMENT:** Each shipment of stamps shall be invoiced separately. Payment terms are net 30 days.
14. **PERFORMANCE BOND:** Successful bidder shall be required to furnish a performance bond in the amount of the contract, guaranteeing the State as to the faithful performance of the contract including installation and service of stamp applying equipment and against loss of stamps through or from any act of omission or commission by him contrary to the terms of the contract.
15. **AWARD:** Before an award is made, the Division of Taxation reserves the right to summon the bidder to appear before it and demonstrate and prove to its satisfaction the acceptability of his stamps to the Division of Taxation. The Division of Taxation also reserves the right to summon the bidder to demonstrate and prove the effectiveness of any and all protective features required.

The State reserves the right to waive technicalities, and to reject any and all bids. Proposals submitted are subject to the opinion of the state as to whether such proposal is in the best interest of the state. The price of the stamps will be given consideration, but the price is not the sole consideration.

**Contract Terms and Conditions**

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**Terms and Conditions**

**BID STANDARD TERMS AND CONDITIONS**

**TERMS AND CONDITIONS FOR THIS BID**

**PURCHASE AGREEMENT BID**

**BIDDING** (a) A single price shall be quoted for each item against which a proposal is submitted. This price will be the maximum in effect during the agreement period. Any price decline at the manufacturer's level shall be reflected in a reduction of the agreement price to the State. (b) Quantities, if any, are estimated only. The agreement shall cover the actual quantities ordering during the period. Deliveries will be billed at the single, firm, awarded unit price quoted regardless of the quantities ordered. (c) Bid price is net F.O.B. destination and shall include inside delivery at no extra cost. (d) Bids for single items and/or a small percentage of total items listed, may, at the State's sole option, be rejected as being non-responsive to the intent of this request. **ORDERING** (a) The User Agency(s) will submit individual orders for the various items and various quantities as may be required during the agreement period. (b) Exception - Regardless of any agreement resulting from this bid, the State reserves the right to solicit prices separately for any extra large requirements for delivery to specific destinations.

Mailing Address for Bid Proposals issued by the State of Rhode Island, Division of Purchases:

All Bid Proposals must be submitted to the following address:

State of Rhode Island  
Department of Administration  
Division of Purchases, 2nd Floor  
One Capitol Hill  
Providence, RI 02908

**MULTI YEAR AWARD**

THIS IS A MULTI-YEAR BID/CONTRACT. PER RHODE ISLAND STATE LAW 37-2-33, CONTRACT OBLIGATIONS BEYOND THE CURRENT FISCAL YEAR ARE SUBJECT TO AVAILABILITY OF FUNDS. CONTINUATION OF THE CONTRACT BEYOND THE INITIAL FISCAL YEAR WILL BE AT THE DISCRETION OF THE STATE. TERMINATION MAY BE EFFECTED BY THE STATE BASED UPON DETERMINING FACTORS SUCH AS UNSATISFACTORY PERFORMANCE OR THE DETERMINATION BY THE STATE TO DISCONTINUE THE GOODS/SERVICES, OR TO REVISE THE SCOPE AND NEED FOR THE TYPE OF GOODS/SERVICES; ALSO MANAGEMENT OWNER DETERMINATIONS THAT MAY PRECLUDE THE NEED FOR GOODS/SERVICES.

**DELIVERY PER AGENCY**

DELIVERY OF GOODS OR SERVICES AS REQUESTED BY AGENCY.

**INSURANCE REQUIREMENTS**

AN INSURANCE CERTIFICATE IN COMPLIANCE WITH PROVISIONS OF ITEM 31 (INSURANCE) OF THE GENERAL CONDITIONS OF PURCHASE IS REQUIRED FOR COMPREHENSIVE GENERAL LIABILITY, AUTOMOBILE LIABILITY, AND WORKERS' COMPENSATION AND MUST BE SUBMITTED BY THE SUCCESSFUL BIDDER(S) TO THE DIVISION OF PURCHASES PRIOR TO AWARD. THE INSURANCE CERTIFICATE MUST NAME THE STATE OF RHODE ISLAND AS CERTIFICATE HOLDER AND AS AN ADDITIONAL

INSURED. FAILURE TO COMPLY WITH THESE PROVISIONS MAY RESULT IN REJECTION OF THE OFFEROR'S BID. ANNUAL RENEWAL CERTIFICATES MUST BE SUBMITTED TO THE AGENCY IDENTIFIED ON THE PURCHASE ORDER. FAILURE TO DO SO MAY BE GROUNDS FOR CANCELLATION OF CONTRACT.

NOTE: IF THIS BID COVERS CONSTRUCTION, SCHOOL BUSING, HAZARDOUS WASTE, OR VESSEL OPERATION, APPLICABLE COVERAGES FROM THE FOLLOWING LIST MUST ALSO BE SUBMITTED TO THE DIVISION OF PURCHASES PRIOR TO AWARD: \* PROFESSIONAL LIABILITY INSURANCE (AKA ERRORS & OMISSIONS) - \$1 MILLION OR 5% OF ESTIMATED PROJECT COST, WHICHEVER IS GREATER. \* BUILDER'S RISK INSURANCE - COVERAGE EQUAL TO FACE AMOUNT OF CONTRACT FOR CONSTRUCTION. \* SCHOOL BUSING - AUTO LIABILITY COVERAGE IN THE AMOUNT OF \$5 MILLION. \* ENVIRONMENTAL IMPAIRMENT (AKA POLLUTION CONTROL) - \$1 MILLION OR 5% OF FACE AMOUNT OF CONTRACT, WHICHEVER IS GREATER. \* VESSEL OPERATION - (MARINE OR AIRCRAFT) - PROTECTION & INDEMNITY COVERAGE REQUIRED IN THE AMOUNT OF \$1 MILLION.