

**Request for Proposals**

**18-103**

**Cigarette Tax Stamps Manufacturing Solution**

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# Schedule of Events

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| --- | --- |
| Issuance of RFP | 12/6/2018 |
| Deadline for Filing “Offerer Understanding of, and Compliance with, Procurement Lobbying Guidelines” | 12/20/2018 |
| Deadline for Submission of Round One Questions  | 12/20/2018 |
| Department Response to Round One Questions | 1/3/2019 |
| Deadline for Submission of Round Two Questions | 1/24/2019 |
| Department Response to Round Two Questions | 2/7/2019  |
| Deadline for Submission of “Notification of Intent to Bid” | 2/21/2019 |
| Proposals Due | 3/7/2019 by 2pm ET |
| Notification of Intent to Award | 5/9/2019 |
| Deadline for Contract Signature | 6/10/2019 |
| Contract Start Date  | 9/15/2019 |

# Preface

## Procurement Lobbying – Offerer Understanding of, and Compliance with, Procurement Lobbying Guidelines

New York State Finance Law 139-j(6)(b) requires that the Department of Taxation and Finance seek written affirmation from all Offerers as to the Offerer’s understanding of, and agreement to comply with, the DTF procedures relating to permissible contacts during a Government Procurement. Information related to the Procurement Lobbying Law and DTF guidelines can be found on the Department’s website at: <http://www.tax.ny.gov/about/procure>.

All inquiries concerning this solicitation must be addressed to one of the following designated contacts:

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| DESIGNATED CONTACTS FOR INQUIRIES AND SUBMISSIONS |
| NYSDTF Bureau of Fiscal Services Procurement Unit Designated Contacts:Shirleen BarnesYafei CaoAmber AlexanderCatherine GoldenQuestions and inquiries related to the RFP must be submitted via e-mail to BFS.Contracts@tax.ny.gov or via fax to (518) 435-8413. **No other method of inquiry will be accepted.** **Administrative issues pertaining to sending/receiving e-mail through the designated mailbox may be reported to one of the designated contacts listed above at (518) 530-4484.****Procurement Website:** <https://www.tax.ny.gov/about/procure/current_bid_opportunities.htm> |

Contacting individuals other than the designated contacts listed above may result in the disqualification of the Bidder’s proposal – please refer to the Procurement Lobbying Law and the Department guidelines posted on the Department’s procurement website at: <http://www.tax.ny.gov/about/procure>, and additional requirements in **Section VI, Administrative Requirements**.

Offerers are requested to sign and submit **Attachment 2, Offerer Understanding of, and Compliance with, Procurement Lobbying Guidelines,** by the date specified in the **Schedule of Events**. This may be submitted in conjunction with Round One Questions.

## Proposal Questions/Inquiries

Prospective Bidders have two (2) opportunities to submit written questions and requests for clarification regarding this RFP. All questions must be submitted via e-mail (preferred) or fax and be received by the dates specified in the **Schedule of Events**. Questions must reference the relevant page and section of the RFP and must be directed to one of the designated contacts identified herein.

Questions submitted by Bidders should be in the following format:

| **#** | **RFP Section** | **RFP Page #** | **Bidder Name** | **Question** |
| --- | --- | --- | --- | --- |
| 1 |  |  |  |  |
| 2 |  |  |  |  |

All clarifications and exceptions, including those relating to the terms and conditions of the RFP, are to be resolved prior to the submission of a bid by utilizing the Question and Answer periods. Also, during the Question and Answer periods, Bidders should bring forward terms and conditions in the RFP and **Exhibit B, Preliminary Base Contract,** that would prohibit a Bidder from bidding. All objections, proposed changes, and/or additions to the terms and conditions (“Bidder-Proposed Changes”) relating to Contract language in **Exhibit B, Preliminary Base Contract**, must be submitted with their proposal. Bidders entering into a Contract with the State are expected to comply with all the terms and conditions contained herein.

## RFP Amendments/Announcements

All amendments, clarifications, and any announcements related to this RFP will be posted on the Department’s website at: <http://www.tax.ny.gov/about/procure>.

It is the responsibility of the Bidder to check the website for any amendments, clarifications or updates. All applicable amendment information must be incorporated into the Bidder’s proposal. Failure to include this information may result in the Bidder’s proposal being deemed non-responsive.

## Response to Bidder Questions and Requests for Clarification

The Department will provide a written response to all substantive questions and requests for clarification. Responses to Bidder questions and requests for clarifications will be posted on the Department’s website at: <http://www.tax.ny.gov/about/procure>.

## Notification of Intent to Bid

If your firm is submitting a proposal in response to the RFP, **Attachment 3, Notification of Intent to Bid,** should be completed and submitted by the date specified in the **Schedule of Events**. Contact information provided on this form may be used to notify Bidders of changes to the RFP.

## Submission of Proposals

Bidders must submit their proposals as instructed in **Section VII, Proposal Content and Submission Requirements.**

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## G. Contract Signing

**The Bidder must agree to sign a contract within thirty (30) days of Notification of Intent to Award. If the Bidder fails to do so, the Department/City reserves the right to begin negotiations with the next highest ranked Bidder.**

The **Preliminary Base Contract** is attached hereto as **Exhibit B**. Bidders should review **Exhibit B** and must be willing to enter into an Agreement **substantially in accordance** with the terms of **Exhibit B.**

Bidders may propose language amending **Exhibit B** that does not materially change the requirements of the RFP. Bidder-Proposed Change(s) to **Exhibit B must** be identified in the Bidder’s proposal. Therefore, if there are specific terms a Bidder wishes the Department/City to consider for inclusion in the final Base Contract, they **must** be submitted in response to **Section VI.B.18, Bidder-Proposed Changes to Preliminary Base Contract**.

**Note: The Department/City is under no obligation to include in the final Agreement any Bidder-Proposed Changes and will not negotiate from any Bidder-supplied documents. DTF/City reserves the right to require a Bidder to withdraw any and all such proposed terms or documents or parts thereof, as necessary.**

## H. Contract Term

The Department/City will award one Contract as a result of this RFP for a term of five (5) years commencing upon approval of the New York State Attorney General and Office of the State Comptroller.

# RFP Key Points

1. **Read the RFP in its entirety.** Note key items such as critical dates, services required, qualifying and mandatory requirements, and proposal submission requirements.
2. **RFP Glossary.** Definitions for certain terms in this document can be found in **RFP Glossary**.
3. **Note the name, address, phone numbers and e-mail address of the designated contacts.** These are the only individuals that you are permitted to contact regarding this RFP.
4. **Take advantage of the question and answer periods.** Submit your questions by one of the methods identified by the dates listed in the **Schedule of Events**. Responses to the questions will be posted on the Department’s website at: <http://www.tax.ny.gov/about/procure>.
5. **File a “Notification of Intent to Bid” form by the date listed in the Schedule of Events.**
6. **Provide complete answers/descriptions. Bidder proposals must completely address all qualifying and mandatory requirements.** To ensure you are not disqualified from bid evaluation, thoroughly read all proposal requirements and provide complete responses. Use **all** the forms provided to submit your response. Vague or incomplete responses to desirable requirements may result in a reduced technical score.
7. **Review the RFP document and your proposal.** Make sure all requirements are addressed and all copies are identical and complete.
8. **Package your proposal as required in the RFP.** Make sure your proposal conforms to the packaging requirements. Proposals not packaged accordingly may be deemed non-responsive.
9. **Submit your proposal on time.** Except as specified in **Section VI.A.16,** proposals received after the date and time in the **Schedule of Events** will not be considered for award and may be returned, unopened, to the sender.
10. **Review the DTF website prior to submission of a proposal.** Only the DTF website will contain all amendments and/or addenda to the RFP, including Responses to Written Questions. Note that all applicable amendments and/or addenda information must be incorporated into the Bidder’s proposal. Failure to include such information may result in disqualification or a reduced technical score.

# RFP Glossary

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| Agreement | The Contract C400717, which includes all documents identified in the Base Contract at Article II. Entirety of Agreement (also referred to as “Contract”), resulting from RFP 18-103.  |
| Attorney GeneralBase Contract  | The New York State Attorney General or his/her designee.That portion of the Agreement preceding the signature of the Parties.  |
| Bid or Bid Proposal  | An offer or proposal submitted by a Bidder to furnish a described product and/or service at a stated price for the stated Contract term.  |
| City  | The New York City Department of Finance. |
| Commissioner | The Commissioner of the New York State Department of Taxation and Finance. |
| Contractor  | The successful Bidder to whom a Contract has been awarded. |
| Department or DTF  | The New York State Department of Taxation and Finance. |
| Disaster Recovery Plan | The Contractor’s plan to deal with potential disasters so the effects will be minimized and the organization will be able to maintain or quickly resume mission critical functions. |
| Initial Order | The first Stamp order DTF places under the Agreement after DTF provides the Contractor with a written notice of acceptance of its Stamps after successful completion of testing.  |
| OSC  | The New York State Office of the State Comptroller. |
| Stamp(s)  | The Stamp(s) proposed by the Bidder in response to the requirements of the RFP, which must be heat-applied and include the following security features: Roll Numbering, Stamp Numbering, UV Watermark, Micro Imaging, Taggants, Variable Image and Reagent. |
| State  | The State of New York. |
| Subcontractor | Any individual or other legal entity including, but not limited to, sole proprietor, partnership, limited liability company, firm or corporation who is engaged by the Contractor or another to perform a portion of the Contractor’s obligation under the Agreement.  |

# I. Introduction

## Purpose

The Department of Taxation and Finance (“Department” or “DTF”) and the New York City Department of Finance (“City”) are jointly soliciting proposals from qualified entities to provide a Cigarette Tax Stamps Manufacturing Solution (“Solution”). The Solution will include, but not be limited to Stamps design, manufacture, delivery, laboratory services and witness services. The Department and the City jointly operate the Cigarette Tax Stamp program and will jointly execute the Agreement resulting from this Request for Proposals (RFP). For administrative purposes, DTF will manage the RFP and Contract.

## Program Overview

DTF is responsible for the collection of tax revenue and the provision of associated services in support of government operations in New York State (“NYS”). In fulfilling its responsibilities, the Department collects and accounts for approximately $72 billion in State taxes and $44 billion in local taxes; administers 35 state and ten local taxes, processes almost 25 million returns, registrations, and associated documents; and oversees the local property tax administration.

Article 20 of the New York State Tax Law (“Tax Law”) imposes a Cigarette Excise Tax on the possession for sale or use of cigarettes in New York State. Section 472 of the Tax Law authorizes the Commissioner to license cigarette stamping agents to purchase and affix Stamps to show proof of payment of applicable taxes. Section 1103 of Article 28 of the Tax Law mandates that Prepaid Sales Tax be imposed on cigarettes possessed for sale or use within New York State. The Prepaid Sales Tax must be paid at the same time, and in the same manner, as the Cigarette Excise Tax imposed by Article 20. The Stamp is used in New York State to show proof of payment of applicable state and local Cigarette Excise and Prepaid Sales Taxes and represents approximately $1.4 billion in tax revenue annually.

DTF’s Criminal Investigations Division (CID) conducts regulatory inspections and criminal investigations into the trafficking of illegal, untaxed or counterfeit stamped cigarettes and other tobacco products and related tax crimes, verifying and seizing all non-authorized cigarettes and tobacco products. In cases where illegal activity is discovered, CID makes arrests, issues appearance tickets and civil notices of violation, and assigns tax penalty assessments. CID will issue tax assessments for the collection of unpaid cigarette tax penalty assessments and seize cash or property of the delinquent taxpayer to satisfy the tax assessment.

The City of New York is authorized to impose its own Cigarette Excise Tax upon cigarettes possessed for sale or use within the city as set forth in Chapter 13 of Title 11 of the Administrative Code of the City of New York.

The Sheriff’s Office, as the agent of the New York City Commissioner of Finance, is responsible for administering and enforcing New York City’s cigarette tax law as well as cigarette wholesale dealers’ licensing, cigarette tax bonding (to allow stamping agents to purchase stamps on a 30-day credit) and approval of cigarette tax refunds. Stamping agents with a City license can purchase tax stamps from NYS/NYC and apply the stamps on the cigarette packs for sale. Cigarette tax is collected from selling the stamps to stamping agents. This function is administered by the NYS Department of Taxation and Finance.

Additionally, the Sheriff’s Office conducts regulatory inspections and criminal investigations into the trafficking of illegal, untaxed or counterfeit stamped cigarettes and other tobacco products and related tax crimes, verifying and seizing all non-authorized cigarettes and tobacco products. In cases where illegal activity is discovered, the Sheriff’s Office makes arrests, issues appearance tickets and civil notices of violation, and assigns tax penalty assessments. The Sheriff dockets tax warrants for the collection of unpaid cigarette tax penalty assessments and seizes cash or property of the delinquent taxpayer to satisfy the tax warrant in the same manner as an execution against property as prescribed by the Civil Practice Law and Rules.

Historical data indicates that New York City cigarette tax stamp sales revenue decreased 14 out of the last 15 fiscal years. With a new increased minimum retail price effective June 1, 2018, the City anticipates a continual drop in legitimate cigarette sales for fiscal year 2019, with a projected revenue of approximately $60 million.

## Implementation

The estimated Initial Order is 150,000,000 Stamps. The vendor must have the capacity to manufacture the test rolls for delivery within thirty (30) days of the Department’s design approval, and to manufacture the Initial Order for delivery within thirty (30) days after DTF places the Initial Order.

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## Testing and Acceptance of Contractor’s Stamps After Contract Award

Once the Agreement is approved by both the New York State Attorney General and Office of the State Comptroller, the Department will work with the Contractor to design the Stamps DTF/City requires. Upon Department/City approval of Stamp designs, the Contractor will prepare ten (10) rolls to be provided to the Department for testing. The specifics of the rolls for testing will be determined during the design process. Stamps consumed or rendered useless by testing will not be returned to the Contractor. All costs associated with testing of the rolls, including the cost of the Stamps, will be at the expense of the Contractor. Similar protocols and timeframes may be implemented for testing any additional stamp design(s).

The Contractor must securely transport and supply the ten (10) test rolls to the Department within thirty (30) days of design approval. Unless otherwise provided by mutual agreement of the Department/City and the Contractor, the Department/City shall have up to thirty (30) calendar days from the date of delivery of the test rolls to test and accept the product. Testing will be conducted at a stamping agent’s site(s). The Stamps will be tested on USI machines and REDSTAMP machines. The Contractor’s representatives are required to attend the testing. It is the Contractor's sole responsibility to ensure the stamping agents are properly instructed and stamping machines properly adjusted for the testing. It is within the Department's sole discretion to determine if a Stamp is transferred successfully and meets other RFP requirements. The Department will test to confirm that the Stamps meet the following requirements:

* Transfer accuracy of 95% - The rate of successful transfer of each individual Stamp to the cigarette pack and the rate of successful transfer of the Stamps on the roll. The 95% accuracy rate must be accomplished with the machines operating at a minimum of 82% of the speeds determined by stamping machine manufacturer specifications; and
* Authentication of the security features after transfer – 100%.

If the Department/City determines that the Stamps successfully meet the RFP and testing requirements, the Department/City will provide the Contractor with a written notice of acceptance of the Stamps and place the Initial Order. The Contractor shall ship the Initial Order of Stamps to the Department/City’s designated site within thirty (30) calendar days of receipt of the Initial Order.

If the Department/City determines that the Stamps fail to meet the RFP and testing requirements, the Department/City and the Contractor will work together to identify the area(s) of failure and, depending on the severity of the failure(s), DTF/City may terminate the Agreement for cause or, in DTF/City’s sole discretion, a second testing of Contractor’s Stamps may be undertaken. If a second testing is undertaken, and the Contractor’s Stamps fail to meet the requirements of the RFP during the second testing, DTF/City may terminate the Agreement for cause or, in DTF/City’s sole discretion, take such other action as DTF/City deems appropriate under the circumstances. In the event that DTF/City decides to terminate the Agreement, the Contractor will be provided with notification of termination as described in **Exhibit B, Preliminary Base Contract, Article XIV, Termination.**

The Department/City reserves the right to require or conduct testing on any Stamps supplied by the Contractor under the Agreement as and when any issue may arise concerning whether the Stamps fully conform to requirements.

All costs and liabilities associated with a failure of the Stamps to perform in accordance with the functionality tests or the Stamp specifications during any testing shall be borne fully by Contractor to the extent that said costs or liabilities shall not have been caused by negligent or willful acts or omissions of the Department/City’s agents or employees.

# II. Scope of Work

The Department is seeking a Contractor to provide a Solution which will include, but not be limited to, the design, manufacture, and delivery of heat-applied Stamps. The Stamps must be able to be affixed to the end surfaces of cigarette packages containing 20 or 25 cigarettes per package, utilizing either stamping machines or heat irons. The Contractor’s proposed Solution must also include laboratory services and witness testimony, as necessary and as requested by the Department.

In responding to **Section III, Qualifying Requirements,** of this RFP, the Bidder will be required to attest that it has read, understands and agrees to provide the services outlined in this Scope of Work.

The Stamps must have extensive security features that will allow tax enforcement agents to verify the authenticity of the Stamps utilizing field testing for the overt, semi-covert, and covert security features.

The Stamps to be provided will be for two (2) categories: State Only and Joint (State/City). The Department currently has four (4) unique Stamp types that are affixed by stamping agents.

The Current Stamp types are:

1. State 20s
2. State 25s
3. Joint 20s
4. Joint 25s

The Department reserves the right to procure additional Stamp categories and/or Stamp types during the term of the Agreement, with similar design and security features due to changes in legislative or administrative requirements. Any changes of the Stamps or services may need the prior approval of the New York State Attorney General and Office of the State Comptroller.

The Bidder must invoice the Department and the City separately for their respective portions of the amount due for the manufacture of the Stamps. The Department pays for the cost of the State Cigarette Tax Stamps in full while the Joint Cigarette Tax Stamps are currently invoiced at 73% to the Department and 27% to the City.

All Stamps will be manufactured and shipped to a location specified by the Department, currently in the Albany, NY area, for distribution to licensed stamping agents.

1. **Description of Stamps**

The Stamp(s) to be provided shall be a heat-applied Stamp to be affixed to the polypropylene or cellophane wrapping on packs of cigarettes for the purpose of indicating that appropriate Cigarette Excise and Prepaid Sales Taxes have been paid. The Department/City requires the Stamps to be provided on rolls.

All Stamp types must be heat-applied and consist of the following overt, semi-covert and covert security features, to guard against illegal reproduction or counterfeiting:

1. Roll Numbering;
2. Stamp Numbering;
3. UV Watermark;
4. Micro Imaging;
5. Taggants;
6. Variable Image; and
7. Reagent.

In addition, the Stamp types may have unique characteristics such as design, color, etc. The size of the Stamps shall be comparable to the Stamps currently in use by the Department/City on the date of issuance of this RFP (.47 inches square). The Department/City reserves the right to modify the Stamp size during the term of the Contract.

1. **Manufacturing Site**

Throughout the term of the Agreement, the Contractor must maintain and utilize a manufacturing site(s) located in the United States. The site(s) must comply with applicable building codes, regulations and laws. During the term of the Agreement, the Contractor shall continue to possess, control or be legally authorized to provide the necessary equipment and facilities to accurately and satisfactorily fulfill its responsibilities under the Agreement.

1. **Design Approval**

The Contractor must work with the Department and City to develop and finalize the design and security features of the Stamps. The Department and City will design four (4) unique Stamp types initially: State 20s, Joint 20s, State 25s and Joint 25s after award of the Contract. The Department and City may, at any time during the term of the Contract, require the Contractor to design any additional Stamp types not designed during the initial implementation, at no additional cost to the Department and City. Similar protocol and timeframes as outlined in **Section I.D, Testing and Acceptance of Contractor’s Stamps After Contract Award**, of this RFP will be implemented for any additional stamp design. Any changes to design, color, ink, security features or other material modifications to the Stamps will not be made until prior written approval or authorization from the Department/City has been provided to the Contractor.

1. **Stamp Quantities**

The Department/City projects the need for approximately 220,000,000 Stamps per year. The State Only Cigarette Tax Stamp volumes account for approximately 176,000,000 and the Joint Cigarette Tax Stamp volumes account for approximately 44,000,000. **(NOTE: These quantities are an approximation based upon past order experience; the actual amounts may fluctuate depending on multiple factors that may be beyond the Department/City’s control. No guarantee is made by the Department/City to procure specific quantities of any Stamp.)**

The Contractor shall produce and package the Stamps in quantities and types specified by the Department, including but not limited to, State 20s, State 25s, Joint 20s and Joint 25s. The Department/City anticipates ordering Stamps three (3) times in a two-year period. The standard quantity for manufacture and delivery of Stamps, on a per order basis, will be 150,000,000, inclusive of all Stamp types. This standard of 150,000,000 is subject to change at the Department/City’s sole discretion. The Department/City reserves the right to order Stamps in an emergency situation without any quantity restrictions or price increase. The determination of an emergency basis will be at the sole discretion of the Department/City.

The chart below sets forth the Department/City’s anticipated order volume (based upon past order experience). Bidders should be able to meet the order volumes presented in the chart.

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| Stamp Category | Stamp Type  | Layout of Stamps on Roll | Size of Roll  | Estimated Annual Volume of Stamps  |
| State  | 20s | 15 X 2,000 | 30,000 | 175,000,000 |
| Joint City/State | 20s | 15 X 2,000 | 30,000 | 43,000,000 |
| State | 25s | 10 X 1,200 | 12,000 | 625,000 |
| State | 25s | 10 X 720 | 7,200 | 375,000 |
| Joint City/State  | 25s | 10 X 1,200 | 12,000 | 625,000 |
| Joint City/State | 25s | 10 X 720 | 7,200 | 375,000 |

The Department/City reserves the right to change the quantity of Stamps per roll.

1. **Stamp Application and Performance**

The Stamps will be affixed utilizing heat application stamping machines or heat irons. The Stamps shall be of such design and material as to make the alteration, removal, and reuse thereof impossible after affixation to the polypropylene or cellophane wrapping without causing the destruction of the Stamps. The Contractor must manufacture Stamps which, at a minimum, will be affixed with the equipment utilized by Department’s licensed stamping agents (i.e., currently USI and REDSTAMP). The Contractor must provide Stamp roll specifications to stamping agents and application machine manufacturers to assist in proper machine setup and maintenance to ensure correct application of the Stamps to cigarette packages in accordance with the machines’ manufacturer specifications. The Contractor will work with the current manufacturers (i.e., USI and REDSTAMP), and will be expected to work with any additional manufacturers that enter the market, to ensure proper application. At DTF’s or the City’s request, the Contractor will be required to provide on-site support to any stamping agent(s) that cannot get Contractor supplied Stamps to adhere to cigarette packs in a satisfactory manner.

1. **Delivery and Packaging**

After the Initial Order, the Contractor should have the ability to make subsequent routine shipments within thirty (30) calendar days after the Contractor receives an order from the Department, and must make shipment no more than sixty (60) calendar days after receipt of a Department order. If, in the discretion of the Department, an emergency situation arises, the Stamps must be shipped within five (5) calendar days after the Contractor receives the order from the Department.

Stamp rolls must be printed and packaged to facilitate inventory control. No more than one type of Stamp will be packed in the same container or master container. The rolls will be packed into individual containers and then repacked into sealed master containers. Each roll must have a unique number affixed to the individual container and affixed on the rolls.

All shipments are to be prepaid to destination at the expense of the Contractor and must be made by secure transportation (in no case shall the USPS be used). The Contractor will be responsible for secure delivery of the finished Stamps and must ensure they are properly accounted for from the manufacturing site to the Department’s designated storage facility.  All risk of loss for Stamp shipments remains with the Contractor until the shipment has been inspected and accepted by authorized DTF personnel.  The Contractor shall notify the Department, in writing, at least forty-eight (48) hours in advance of the shipment so that necessary arrangements can be made for receipt and inspection.

The Department reserves the right to witness and inspect the loading of the Stamps at its discretion without prior notice to, or authorization from, the Contractor. In the event the Department is unable to (or chooses not to) witness and inspect the loading of the Stamps, the Stamps must be loaded in the presence of two (2) witnesses, provided by the Contractor. The two witnesses must certify via signed, dated Affidavits rendered to the Department by the Contractor attesting that the appropriate quantities, categories, and types of Stamps have been loaded and sealed with a secure lock prior to departing the Contractor’s site(s), and should state the time and date of such departure. The two signing witnesses provided by the Contractor must be identified in their respective Affidavits by full printed name, address, telephone number and title/position with the Contractor.

After the truck has been loaded, the truck must be padlocked, and then the padlock must be sealed. This seal is only to be broken by authorized DTF/City employees. The truck must come directly from the manufacturing facility to the location specified by the Department/City. If the truck arrives with the seal broken, DTF/City reserves the right to refuse acceptance of the delivery at no cost to the Department/City. In such an instance, the Contractor shall arrange for another secure delivery within three business days.

**All costs of shipping, distribution of the Stamps, and any other cost associated with providing the Stamps must be included in the price of the Stamps.**

1. **Destruction of Manufacturing Materials and Stamps**

The original artwork, manufacturing materials, and any other unique items developed for the Agreement shall be, and remain, the property of the Department/City and shall be securely maintained and, if necessary, destroyed or disposed of in a manner specified by the Department/City.

The Contractor is required to destroy and dispose of any Stamp production overrun; any Stamps deemed not sufficient for use; and any manufacturing material(s) that could not be used in a subsequent production run for the Department/City.

At the time of a request for a Stamp design change, at termination of the Agreement, and/or at any time that the Department/City requires, all artwork, manufacturing materials, and unique items developed for the Agreement (e.g., plates, designs, films, etc.) must be appropriately destroyed.

The destruction of Stamps and manufacturing material(s) shall be accomplished by burning, melting, chemical decomposition, pulping, mulching, pulverizing or other such mutilation which precludes recognition and/or reconstruction, thereby rendering useless the Stamps and other manufacturing material(s) used specifically in their production.

The Department/City reserves the right to witness the destruction of Stamps and all material(s) associated with the Stamp manufacturing process without prior notice to, or authorization from, the Contractor. In the event the Department/City is unable or unwilling to witness the destruction of the material(s), the Contractor must provide two (2) witnesses to certify via signed, dated Affidavit rendered to the Department/City as to the type(s) and quantity of Stamps and/or material(s) destroyed, the method(s) and manner in which the Stamps and/or material(s) were disposed of by the Contractor, and the date(s) such destruction occurred. The two signing witnesses provided by the Contractor must be identified in their respective Affidavits by full printed name, address, telephone number and title/position with the Contractor.

1. **Change Control Process**

Due to potential changes in areas such as policy, guidelines, rules, regulations, statutes, judicial interpretations, technology and industry standards, DTF/City may require changes to the Stamps and/or services after the Solution is operational. The changes may include, but are not limited to, Stamp type, Stamp design, testing equipment, and services in relation to the delivery, laboratory testing and witness testimony outlined in this RFP. The changes will be processed via a Change Control process. A Change Request can be proposed by DTF, the City or the Contractor. The Contractor will prepare a Change Analysis proposal and provide the associated costs, if any, for implementing the Change Control. Fees associated with the Change Control, if any, should be negotiated between DTF/City and the Contractor and should be consistent with the standard proposed by the Contractor in its financial proposal in response to this RFP. A Change Control must be reviewed and approved by DTF/City, and may also need to receive the approval of the Office of the State Comptroller prior to the change being performed. The associated fees, if any, will be paid upon completion and acceptance of the change by DTF/City.

1. **Cover/Substitute Services**

If Contractor’s failure to meet the requirements of the RFP or Agreement threatens timely Program implementation or results in the Program being materially interrupted or if Contractor materially breaches the Agreement as described in **Article XIV.A.** of **Exhibit B, Preliminary Base Contract**, and as a result thereof, the Department’s/City’s normal business operations as they relate to the Solution are materially interrupted, then DTF/City will be entitled to immediately seek and obtain cover from a third party, i.e., substitute Services at Contractor’s expense until Contractor’s failure/breach has been cured to the Department’s satisfaction. If the costs of such cover exceed the amount of the Agreement, the Contractor shall be liable to DTF/City for all excess costs.   The Contractor shall not be paid for services rendered pursuant to the Solution affected by the Material Breach if substitute services must be performed by a third party or the State must pay any additional costs for substitute services.

# III. Qualifying Requirements

Only qualified entities may submit a proposal in response to this RFP. A qualified entity is defined as one that meets **all the following qualifying requirements**. Entities not meeting these qualifying requirements should not submit a proposal.

## Attestation

The Bidder is required to certify that all information provided in connection with its proposal is true and accurate. The Bidder is required to attest it has read, understands and agrees to provide the Stamps and services as specified in RFP 18-103.

**Response Requirement**

The Bidder must complete **Attachment A, Attestation Response Form**.

## Experience

The Bidder must submit information and references for two (2) contracts that demonstrate experience with the design, manufacture, and delivery of heat-applied cigarette tax stamps.

The Bidder is solely responsible for providing references that are readily available to be contacted by the Department and will respond to reference questions. If the Department does not receive a response from a reference, the Bidder will be provided one opportunity, with a deadline, to assist in obtaining cooperation from those references that have not responded. If the Department is unable to confirm a qualifying reference, the Bidder may be deemed non-responsive and removed from further consideration.

 **Response Requirement**

The Bidder must complete **Attachment B, Qualifying Experience Response Form**, with the required information for each of the two contracts.

# IV. Technical Requirements

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This section sets forth the specific requirements and response criteria of the RFP. To facilitate preparation and evaluation of the proposals, the RFP technical response criteria are listed with the associated requirements.

There are Mandatory Requirements stated throughout this section, stipulated by the words “must,” “shall,” “will,” and “required.” Failure to provide or include the required information in the Technical Proposal will result in the Bidder being deemed non-responsive and removed from further consideration. Desired services and information are referenced in this section by the words “should,” “desired,” and “preferred.” While not mandatory, failure to provide the requested desired information will negatively impact the Bidder’s Technical Proposal score.

## Heat-Applied Stamps

The Bidder must provide Stamps, to be affixed to the polypropylene or cellophane type wrapping on packs of cigarettes as described in **Section II, Scope of Work,** indicating that appropriate Cigarette Excise and Prepaid Sales Taxes have been paid.

The Stamps must be counterfeit-resistant and include seven (7) distinct overt, semi-covert, and covert security features:

1. Roll Numbering;
2. Stamp Numbering;
3. UV Watermark;
4. Micro Imaging;
5. Taggants;
6. Variable Image; and
7. Reagent

**Response Requirement**

The Bidder must respond to the requirements of this section by completing **Attachment C, Heat-Applied Stamps Response Form.**

**Note:** Bidders must provide with its proposal a sample of twenty (20) stamps of its manufacture that have been affixed to cellophane or polypropylene, and a sample of twenty (20) stamps of its manufacture that are unaffixed. Any instructions/tools necessary for the Department/City to complete its testing of the Bidder’s sample stamps must also be submitted with the proposal for evaluation purposes.

## Stamp Types, Roll Layout, Inventory Control and Production

The Contractor must produce and package the Stamps in quantities and types specified by the Department.

* Each roll must have a non-collapsible hardcore center to allow the rolls to be easily installed on the stamping machines and to prevent the rolls from collapsing into the center core.
* Each roll must have ascending and descending numbers (size and lettering to be approved by the Department/City) that tracks the number of Stamps remaining on the roll. The ascending and descending numbering must be consistent and the same on each roll for each Stamp type. The ascending number at the beginning of the roll shall always be zero. The numbering system will use increments of three hundred to allow the Department/City’s licensed stamping agents to immediately ascertain the remaining quantities of Stamps on the roll. Numbers must at all times be completely legible. Any ascending and descending roll numbering system that does not comply with these specifications will cause an order/shipment to be rejected and require a replacement fulfillment by the Contractor at no cost to the Department/City.
* The Contractor must have an inventory control method to track all manufactured Stamps. This method must track all Stamps from the production run until they are received at the Department/City’s designated site, or destroyed in compliance with the requirements set forth at **Section II, Scope of Work**.
* The Contractor must supply the Department with a listing of missing serial numbers and those “not in circulation.”

The Department/City reserves the right to change the quantity of Stamps per roll.

**Response Requirement**

The Bidder must respond to the requirements of this section by completing **Attachment D, Stamp Types, Roll Layout, Inventory Control and Production Response Form**.

* 1. **Change in Stamp**

The Department/City may require, in its sole discretion, a Stamp change at any time. As background, the Department/City has changed the Stamp design ten (10) times in the past twenty (20) years. When the Department/City determines a change of Stamp design is necessary, the Contractor will be required to make those changes with ten (10) calendar days’ notice, or sooner if possible. However, if an emergency situation arises, the Contractor may have only two (2) calendar days’ notice to make changes to the Stamp. The colors, designs, and security features of the Stamp will be approved by the Department/City. No changes to Stamp design may be made without written authorization of the Department/City.

**Costs associated with the change in Stamp design must be included in the cost of the Stamp. Cost information must not be included in response to this section.**

**Response Requirement**

The Bidder must respond to the requirements of this section by completing **Attachment E, Change in Stamp Response Form**.

* 1. **Paper Stock**

The Stamp shall be printed on distinctive security paper which must contain identifiable security feature(s). The Department/City must be given instruction/tools by the Contractor to establish the authenticity of the paper. The Contractor must inspect and destroy all faulty or imperfect paper stock as well as maintain an accurate accounting of all paper utilized in the production of the Stamps, including spoilage. The Bidder shall furnish the accounting records and certifications to the Department/City upon request.

**Response Requirement**

The Bidder must respond to the requirements of this section by completing **Attachment F, Paper Stock Response Form.**

* 1. **Field Tests and Equipment**

Department/City personnel must be able to perform field tests on the
Stamps’ security features to determine their authenticity. The field tests must be designed so that they may be efficiently performed by Department/City personnel. The Contractor must provide equipment necessary to perform these field tests. **All costs associated with the equipment must be provided in response to Section V, Financial Requirements, of this RFP.**

**Response Requirement**

The Bidder must respond to the requirements of this section by completing **Attachment G, Field Tests and Equipment Response Form**.

* 1. **Laboratory Testing and Witness Testimony**

Upon the Department/City’s request, and at no additional charge to the Department/City, the Contractor must provide laboratory testing and written reports to the Department/City regarding the authenticity of any Stamps the Department/City provides to the Contractor for review and analysis. Reports shall be delivered to the Department/City within forty-eight (48) hours of the request and written in a manner that allows for ease of use and understanding.

Additionally, If the Department/City is engaged in litigation or a dispute that involves the authenticity of a Stamp, the Contractor, upon the Department/City’s request and at no additional charge to the Department/City, must provide a witness to testify in any administrative or judicial proceeding regarding the authenticity--or lack thereof—of any Stamps provided by the Department/City to the Contractor for analysis. The provisions of this section shall survive the termination or expiration of the Agreement.

**Response Requirement**

The Bidder must respond to the requirements of this section by completing **Attachment H, Laboratory Testing and Witness Testimony Response Form**.

* 1. **Production Control and Security of Manufacturing Site(s)**

The Contractor must have security in place to protect against alteration of, and unlawful and/or unauthorized access to the production, storage, and distribution of the Stamps.

The Contractor should have a Disaster Recovery Plan that meets industry standards, to ensure, to the extent possible, uninterrupted shipment of raw materials and uninterrupted manufacture and shipment of Stamps.

**Response Requirement**

The Bidder must respond to the requirements of this section by completing **Attachment I, Production Control and Security of Manufacturing Site(s) Response Form**.

* 1. **Technical Support**

The Contractor must provide appropriate instruction and support to the licensed stamping agents’ employees to ensure proper application and adhesion of the Stamps to the polypropylene or cellophane wrapping. If requested by DTF/City, the Contractor must provide on-site support to stamping agents experiencing Stamp adherence issues.

**Response Requirement**

The Bidder must respond to the requirements of this section by completing **Attachment J, Technical Support Response Form**.

1. **Testing Experience**

The Bidder should provide evidence of heat-applied cigarette tax stamp testing on USI and REDSTAMP machines completed by an outside entity (such as the Bidder’s customer). The test results should meet the transfer accuracy and authentication standard described in **Section I.D, Testing and Acceptance of Contractor’s Stamps After Contract Award**.

**Response Requirement:**

The Bidder must respond to the requirements of this section by completing **Attachment K, Testing Experience Response Form**.

1. **References**

The Bidder should submit three (3) client references from three (3) distinct contracts that demonstrate its capacity to design, manufacture, and securely deliver heat-applied cigarette tax stamps. The Bidder may utilize the two (2) qualifying contracts submitted in response to **Section III, Qualifying Requirements,** of this RFP, as part of its response to this requirement.

The Department/City is particularly interested in the Bidder’s prior experience with volumes of 100 million annually, or greater. The Department/City will also evaluate, but will give less weight to, other volumes.

The Bidder should select contracts that best meet the criteria to be evaluated.

**Response Requirements**

The Bidder should respond to the requirements of this section by completing **Attachment L, References Response Form.**

# V. Financial Requirements

In response to this section, the Bidder must complete **Attachment 18, Financial Response Form**. Bidders must use **Attachment 18** to present their pricing and must not modify or change the attachment. Pricing information must be completed as presented on **Attachment 18**. All costs associated with the requirements of this RFP must be incorporated into the Bidder’s financial response including, but not limited to, the manufacturing and design cost of the Stamp, Stamp design changes, shipping and delivery costs, laboratory testing, witness testimony (including travel), and technical support. No other add-on costs are permitted.

The rateswill not be increased during the initial two years of the five-year term. Thereafter, the rates may be increased for each of the subsequent annual periods of said term upon the anniversary of the Agreement, with sixty (60) days prior written notice to the Department. Such increases will be limited to the lesser of the Consumer Price Index for All Urban Customers (CPI-U), US City Average, All Items, as reported by the U.S. Department of Labor, Bureau of Statistics for the preceding twelve (12) months period or three percent (3%) per annum over the prior year’s rate. Additional payment information is in the **Administrative Requirements, Section VI.B.2, Payments,** of the RFP and **Article VI, Fees and Payment**, of the **Preliminary Base Contract, Exhibit B** hereto.

**Response Requirement**

Bidders must complete **Attachment 18, Financial Response Form**, with all financial proposal information pertaining to their Bid.

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# Administrative Requirements

1. **Administrative Proposal Conditions**

With the submission of a response to this RFP, the Bidder agrees to the proposal conditions outlined in this Section.

1. **Issuing Agency**

This RFP is issued by the New York State Department of Taxation and Finance and the New York City Department of Finance, who are jointly responsible for all criteria stated herein and for evaluation of all proposals submitted.

1. **Solicitation**

This RFP is a solicitation to bid, not an offer of a contract.

1. **Liability**

The State of New York is not liable for any costs incurred by a Bidder in the preparation and production of any proposal, or for any work performed prior to the approval of a formal contract.

1. **Proposal Ownership**

All proposals and accompanying documentation become the property of the State of New York and will not be returned. The Department reserves the right to use any portions of the Bidder’s proposal not specifically noted as proprietary.

1. **Proposal Security**

Each Bidder’s proposal will be held in strict confidence by Department staff and will not be disclosed except to the Office of the Attorney General and the Office of the State Comptroller as may be necessary to obtain approvals of those agencies for the final Agreement and except as required by law.

Public inspection of the bids is regulated by the Freedom of Information Law (Article 6 of the New York State Public Officers Law (“Public Officers Law”)). The bids are presumptively available for public inspection. If this would be unacceptable to Bidders, they should apply to the Department for trade secret protection for their bid.

Section 74 of the Public Officers Law contains the code of ethics which sets forth that no officer or employee of a State agency should disclose confidential information that he acquires during the course of his official duties. This code controls the confidentiality of a Bidder’s proposal unless the Department grants a petition for records access in accordance with the Freedom of Information Law.

Bidders should be advised that the confidentiality of their proposals is founded upon statute, as described above. A nondisclosure agreement, whether prescribed by the Department or the Bidder, would not alter the rights and responsibilities of either party under the Freedom of Information Law. Bidders should not propose a nondisclosure agreement for Department employees, for that would be legally ineffective to alter any legal responsibility under the Freedom of Information Law or the code of ethics.

The provisions of the Freedom of Information Law will also govern the confidentiality of any and all products or services supplied by the successful Bidder.

1. **Timely Submission**

The Bidders are solely responsible for timely delivery of their proposal to the location set forth by the stated bid due date/time and are solely responsible for delays in receipt, including but not limited to those due to third-party carriers.

1. **Proposal Effective Period**

The Bidder’s proposal must be firm and binding for a period of at least 180 days following the proposal due date.

1. **Proposal Opening**

Proposals will not be opened publicly. The Department reserves the right at any time to postpone or cancel a scheduled proposal opening.

1. **Bidder Proposal Clarification**

Prior to award, the Department reserves the right to seek clarifications, request proposal revisions, or to request any information deemed necessary for proper evaluation of proposals from all Bidders deemed to be eligible for Contract award. Failure of a Bidder to cooperate with the Department’s effort to clarify a proposal may result in the proposal being labeled as non-responsive and given no further consideration.

Additionally, the Department reserves the right to use information submitted by the Bidder in response to the Department’s request for clarifying information in the course of evaluation and selection under this RFP.

1. **Proposal Evaluation and Selection**

See **Section VIII, Proposal Evaluation,** regarding bid selection and evaluation methodology. Submitted proposals may be reviewed and evaluated by any personnel or agents of the Department, other than one associated with a competing Bidder.

1. **Contract Negotiations and Authorized Negotiators**

During contract negotiations, the Department must have direct access to Bidder personnel who have full authority to make commitments on behalf of the Bidder. Bidders must include, as part of their proposal, any restrictions under which their primary negotiators will operate.

1. **Bidder Notification of Intent to Award**

Upon completion of the evaluation process, the successful Bidder will be advised of selection by the Department through the issuance of a “Notification of Intent to Award” letter. Bidders who have not been selected by the Department in response to this RFP shall be notified of such non-selection.

1. **Proposal Review and Contract Approval**

Any Agreement resulting from this RFP will not be effective until approved by the Office of the Attorney General and the Office of the State Comptroller.

1. **Debriefing Sessions**

Bidders will be notified in writing and, within fifteen calendar days of such notification, may request the opportunity for a debriefing session. Such sessions will be limited to discussions of evaluation results as they apply to the Bidder receiving the debriefing.

1. **Bid Protest Policy**

The Department’s procedures for handling protests of bid awards are set forth in **Appendix B, Bid Protest Policy.**

1. **Reserved Rights**

The Department reserves the right to exercise the following:

1. Prior to the opening of proposals, amend the RFP specifications to correct errors or oversights, or to change any of the scheduled dates, or to supply additional information, as it becomes available. Modifications to this RFP shall be made by issuance of amendments and/or addenda.
2. Prior to the opening of proposals, direct Bidders to submit proposal modifications addressing subsequent RFP amendments.
3. Withdraw the RFP, in whole or in part.
4. Eliminate any mandatory, non-material specifications that cannot be complied with by all prospective Bidders.
5. Waive any requirement(s) that is not material.
6. Waive any immaterial deviation or defect in a proposal. A waiver of immaterial deviation or defect shall in no way modify the RFP documents or excuse a Bidder from full compliance with the RFP requirements.
7. Evaluate, accept and/or reject any and all proposals, in whole or in part, and to waive technicalities, irregularities, and omissions if, in the Department’s judgment, the best interests of the Department will be served.
8. In the event compliant bids are not received, the Department reserves the right to consider late or non-conforming bids as offers.
9. Require the Bidder to demonstrate, to the satisfaction of the Department, any information presented as a part of their proposal.
10. Require clarification at any time during the procurement process and/or require correction of arithmetic or other apparent errors for the purpose of assuring a full and complete understanding of a Bidder’s proposal and/or to determine a Bidder compliance with the requirements of the solicitation.
11. Seek revisions of proposals.
12. Correct any arithmetical errors or other apparent errors in any proposal and, in the event that the fees or costs in two or more proposals are not comparable, to make appropriate adjustments to render the fees and costs comparable.
13. Request an oral presentation from any or all responsive Bidders.
14. Disqualify any Bidder whose conduct and/or proposal fails to conform to the requirements of the solicitation.
15. Use information obtained through the Department’s investigation of a Bidder’s qualifications, experience, ability or financial standing, and any material or information submitted by the Bidder in response to the Department’s request for clarifying information in the course of evaluation and selection under this RFP.
16. Negotiate with the successful Bidder within the scope of the RFP to serve the best interests of the Department/City.
17. Conduct contract negotiations with the next ranked responsible Bidder should the Department be unsuccessful in negotiating an agreement with the selected Bidder.
18. Proceed to the next highest ranked Bidder in the event that a Bidder who had achieved best value prior to contract award cannot satisfy the requirements as stated in the RFP.
19. If an Agreement is terminated within 12 months of making award, the State reserves the right, with the approval of the New York State Attorney General, and the Office of the State Comptroller, to award a contract to the next highest ranked Bidder.
20. Utilize any and all ideas submitted in the proposals received.
21. Make an award under the RFP in whole or in part.
22. Rescind a contract award and begin negotiations with the next highest ranked Bidder if a signed contract substantially in accordance with **Exhibit B, Preliminary Base Contract,** is not executed within 30 days of Notification of Intent to Award.
23. **Administrative Contract Conditions**

**With the submission of a response to this RFP, the Bidder agrees to all contract conditions outlined in this Section except that Bidders may propose changes as allowable in VI.B.18, Bidder-Proposed Changes to Preliminary Base Contract.**

1. **Appendix A**

**Appendix A – Standard Clauses for NYS Contracts** will be incorporated, in its entirety, into any Agreement resulting from this RFP.

1. **Payments**

All payments will be made in accordance with Article XI-A of the New York State Finance Law.

1. **Public Announcements**

Public announcements or news releases relating to this RFP or the resulting Agreement shall not be made by any Bidder or its agent without the prior approval of the Department. All requests for public announcements should be directed to one of the designated contacts specified herein. Such request for approval shall not be considered until an approved Agreement is in place.

1. **New York State Vendor File**

Prior to being awarded a contract pursuant to this Solicitation, the Bidder(s) and any designated authorized resellers who accept payment directly from the State, must be registered in the New York State Vendor File (Vendor File) administered by the Office of the State Comptroller (OSC). This is a central registry for all vendors who do business with New York State Agencies and the registration must be initiated by a State Agency. Following the initial registration, unique New York State ten-digit vendor identification numbers will be assigned to your company and to each of your authorized resellers (if any) for usage on all future transactions with New York State. Additionally, the Vendor File enables vendors to use the Vendor Self-Service application to manage all vendor information in one central location for all transactions related to the State of New York.

If Bidder is already registered in the New York State Vendor File, list the ten-digit vendor ID number on the first page of the Proposal document. Authorized resellers already registered should list the ten-digit vendor id number along with the authorized reseller information.

If the Bidder is not currently registered in the Vendor File, complete the enclosed **Attachment 4, New York State Office of the State Comptroller Substitute Form W-9**, and submit it with your bid. In addition, if authorized resellers are to be used, an OSC Substitute W-9 form should be completed and filed by each of the designated authorized resellers. The Procurement Services Unit will initiate the vendor registration process for all Bidders recommended for Contract Award and their authorized resellers. Once the process is initiated, registrants will receive an e-mail from OSC that includes the unique ten-digit vendor identification number assigned to the company and instructions on how to enroll in the online Vendor Self-Service application.

For more information on the vendor file please visit the following website: <http://www.osc.state.ny.us/vendor_management/>.

**5. Contractor Requirements and Procedures for Participation by New York State-Certified Minority and Women-Owned Business Enterprises and Equal Employment Opportunities for Minority Group Members and Women**

**New York State Law**

Pursuant to New York State Executive Law Article 15-A and Parts 140-145 of Title 5 of the New York Codes, Rules and Regulations, the Department is required to promote opportunities for the maximum feasible participation of New York State-certified Minority and Women-owned Business Enterprises (“MWBEs”) and the employment of minority group members and women in the performance of the Department’s contracts.

**Business Participation Opportunities for MWBEs**

For purposes of this solicitation, the Department of Taxation and Finance hereby establishes an overall goal of 0% percent for MWBE participation, 0% percent for New York State-certified Minority-owned Business Enterprise (“MBE”) participation and 0% percent for New York State-certified Women-owned Business Enterprise (“WBE”) participation (based on the current availability of MBEs and WBEs).

1. **Equal Employment Opportunity Requirements**

By submission of a bid or proposal in response to this solicitation, the respondent agrees with all of the terms and conditions of **Appendix A, Standard Clauses for NYS Contracts** including Clause 12, Equal Employment Opportunities for Minorities and Women. The respondent is required to ensure that it and any subcontractors awarded a subcontract for the construction, demolition, replacement, major repair, renovation, planning or design of real property and improvements thereon (the "Work"), except where the Work is for the beneficial use of the respondent, undertake or continue programs to ensure that minority group members and women are afforded equal employment opportunities without discrimination because of race, creed, color, national origin, sex, age, disability or marital status. For these purposes, equal opportunity shall apply in the areas of recruitment, employment, job assignment, promotion, upgrading, demotion, transfer, layoff, termination, and rates of pay or other forms of compensation. This requirement does not apply to: (i) work, goods, or services unrelated to the Contract; or (ii) employment outside New York State.

The respondent will be required to submit **Exhibit C,** **Minority and Women-Owned Business Enterprises - Equal Employment Opportunity Policy Statement**, to the Department with its bid or proposal.

If awarded a Contract, the respondent shall submit **Exhibit D,** **Work Force Employment Utilization,** in such form as shall be required by the Department on a quarterly basis during the term of the Contract.

Pursuant to Executive Order #162, contractors and subcontractors are also required to report the gross wages paid to each of their employees for the work performed by such employees on the contract on a quarterly basis.

Further, pursuant to Article 15 of the Executive Law (the “Human Rights Law”), all other State and Federal statutory and constitutional non-discrimination provisions, the Contractor and sub-contractors will not discriminate against any employee or applicant for employment because of race, creed (religion), color, sex, national origin, sexual orientation, military status, age, disability, predisposing genetic characteristic, marital status or domestic violence victim status, and shall also follow the requirements of the Human Rights Law with regard to non-discrimination on the basis of prior criminal conviction and prior arrest.

**Please Note: Failure to comply with the foregoing requirements may result in a finding of non-responsiveness, non-responsibility and/or a breach of the Contract, leading to the withholding of funds, suspension or termination of the Contract or such other actions or enforcement proceedings as allowed by the Contract.**

1. **Participation Opportunities for New York State Certified Service-Disabled Veteran-Owned Business Enterprises**

Article 17-B of the New York State Executive Law provides for more meaningful participation in public procurement by certified Service-Disabled Veteran-Owned Businesses (“SDVOBs”), thereby further integrating such businesses into New York State’s economy. The Department of Taxation and Finance recognizes the need to promote the employment of service-disabled veterans and to ensure that certified service-disabled veteran-owned businesses have opportunities for maximum feasible participation in the performance of The Department of Taxation and Finance contracts.

In recognition of the service and sacrifices made by service-disabled veterans and in recognition of their economic activity in doing business in New York State, Bidders/Contractors are strongly encouraged and expected to consider SDVOBs in the fulfillment of the requirements of the Contract. Such participation may be as subcontractors or suppliers, as protégés, or in other partnering or supporting roles.

For purposes of this procurement, the Department conducted a comprehensive search and determined that the Contract does not offer sufficient opportunities to set specific goals for participation by SDVOBs as subcontractors, service providers, and suppliers to Contractor.  Nevertheless, the Bidder/Contractor is encouraged to make good faith efforts to promote and assist in the participation of SDVOBs on the Contract for the provision of services and materials. The directory of New York State Certified SDVOBs can be viewed at: <https://ogs.ny.gov/veterans/>.

The Bidder/Contractor is encouraged to contact the Office of General Services’ Division of Service-Disabled Veteran’s Business Development at 518-474-2015 or VeteransDevelopment@ogs.ny.gov to discuss methods of maximizing participation by SDVOBs on the Contract.

1. **Permission to Investigate**

In the event that the Department determines it necessary to investigate evidence relative to a possible or actual 1) crime or 2) breach of confidentiality or security, Contractor and its Subcontractors shall cooperate fully with the Department to the extent permitted by law to investigate and identify the responsible individuals. Contractor and its Subcontractors shall, to the extent permitted by law, make their employees and all relevant records, including personnel records and employee photographs, available to Department Investigators upon request by the Department.

1. **Workers’ Compensation and Disability Benefits Certifications**
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Sections 57 and 220 of the New York State Workers’ Compensation Law (WCL) provide that the State shall not enter into any contract unless proof of workers’ compensation and disability benefits insurance coverage is produced. Prior to entering into a contract with the State, Successful Proposers will be required to verify for the State, on forms authorized by the New York State Workers’ Compensation Board, the fact that they are properly insured or are otherwise in compliance with the insurance provisions of the WCL. The forms to be used to show compliance with the WCL are listed below. Any questions relating to either workers’ compensation or disability benefits coverage should be directed to the State of New York Workers’ Compensation Board, Bureau of Compliance at (518) 486-6307. Failure to provide verification of either of these types of insurance coverage by the time contracts are ready to be executed will be grounds for disqualification of an otherwise successful Proposal.

The Successful Bidder must submit the following documentation within 48 hours of notification of selection for award:

A. Proof of Workers’ Compensation Coverage:

Upon notification of award, the Successful Bidder will be requested to submit ONE of the following forms as Workers’ Compensation documentation:

* + - 1. Form C-105.2 – Certificate of Workers’ Compensation Insurance issued by private insurance carrier (or Form U-26.3 issued by the State Insurance Fund); or
			2. Form SI-12 – Certificate of Workers’ Compensation Self-Insurance (or Form GSI-105.2 Certificate of Participation in Workers’ Compensation Group Self-Insurance); or
			3. Form CE-200 – Certificate of Attestation of Exemption from New York State Workers’ Compensation and/or Disability Benefits Coverage.

B. Proof of Disability Benefits Coverage:

Upon notification of award, the Successful Bidder will be requested to submit ONE of the following forms as Disability documentation:

i. Form DB-120.1 – Certificate of Disability Benefits Insurance; or

ii. Form DB-155 – Certificate of Disability Benefits Self-Insurance; or

iii. Form CE-200 – Certificate of Attestation of Exemption from New York State Workers’ Compensation and/or Disability Benefits Coverage.

Further information is available at the Workers’ Compensation Board’s website, which can be accessed through this link: [http://www.wcb.ny.gov](http://www.wcb.ny.gov/).

Please note that although these forms are not required as part of the bid submissions, the State encourages Bidders to include them with their proposal submissions to expedite contract execution if the Bidder is awarded the contract.

**Note: An ACORD form is not acceptable proof of New York State Workers’ Compensation or Disability Benefits insurance coverage.**

1. **Cover Letter**

A cover letter transmitting the proposal must be signed by an official authorized to bind the Bidder to its provisions.

The cover letter must include the following:

* The complete name and address of the bidding entity;
* The Federal or Taxpayer Identification Number of the entity;
* The ten-digit Vendor File ID number (if available); and
* An affirmation that the proposal is binding for the required period as indicated in **Section VI.A.7**.
1. **Vendor Responsibility Questionnaire**

Article XI §163(4)(d) of the State Finance Law states that “service contracts shall be awarded on the basis of best value to a responsive and responsible offerer.”

Upon identification of the Bidder with the highest score, the Bidder’s Vendor Responsibility will be analyzed to ensure that the Bidder is responsible.

In the event that a Bidder is found to be not responsible, the Bidder may be disqualified.

**Response Requirement:**

Bidders must complete a Vendor Responsibility Questionnaire. Bidders are invited to file the required Vendor Responsibility Questionnaire online via the OSC New York State VendRep system or may choose to complete and submit a paper questionnaire. To enroll and use the New York State VendRep system, see the VendRep system instructions available at: [www.osc.state.ny.us/vendrep](http://www.osc.state.ny.us/vendrep) or go directly to the VendRep system online at: <https://portal.osc.state.ny.us>. For direct VendRep System user assistance, the OSC Help Desk may be reached at (866) 370-4672 or (518) 408-4672 or by e-mail at ciohelpdesk@osc.state.ny.us. Bidders opting to file a paper questionnaire can obtain the appropriate questionnaire from the VendRep website at [www.osc.state.ny.us/vendrep](http://www.osc.state.ny.us/vendrep) or may contact one of the Department’s designated contacts.

Bidders that have filed a Vendor Responsibility Questionnaire online that has been certified/updated within the last six (6) months or Bidders opting to file online must complete **Attachment 5, Vendor Responsibility Response Form**. If a Vendor Responsibility Questionnaire has been filed online and has not been certified within the last six months, the Bidder must either update/recertify the online questionnaire or submit a new paper Vendor Responsibility Questionnaire.

Bidders filing paper questionnaires must submit a copy of the completed questionnaire with its bid proposal.

Upon notification of award, the Contractor will be required to update/recertify the online questionnaire.

1. **Designation of Prime Contact**

The Bidder is required to designate an individual as the prime contact for the Bidder’s proposal. The designated individual must be authorized to respond on behalf of the Bidder. This designation will last for the entire evaluation process and contract negotiations. Any request for change in the designated contact must be submitted in writing to the issuing officer designated in this RFP and must be accompanied by an updated form.

**Response Requirement:**

The Bidder must complete and submit **Attachment 6, Designation of Prime Contact Form**.

1. **Non-Collusive Bidding Practices Certification**

A bid shall not be considered for award nor shall any award be made where the conditions of the Non-Collusive Bidding Certification have not been complied with; provided, however, that if in any case the Bidder cannot make the foregoing certification, the Bidder shall so state and shall furnish with the bid a signed statement which sets forth in detail the reasons therefore. Where the above conditions have not been complied with, the bid shall not be considered for award nor shall any award be made unless the head of the purchasing unit of the State, public department or agency to which the bid is made, or his designee, determines that such disclosure was not made for the purpose of restricting competition (Section 139-d of the State Finance Law).

**Response Requirement:**

The Bidder is responsible for reading, signing andsubmitting **Attachment 7, Non-Collusive Bidding Certification.**

1. **Procurement Lobbying**

Pursuant to State Finance Law §§139-j and 139-k, this solicitation includes and imposes certain restrictions on communications between the Department and an Offerer/Bidder during the procurement process. An Offerer/Bidder is restricted from making contacts from the earliest notice of intent to solicit offers/bids through final award and approval of the Procurement Contract by the Department and, if applicable, the Office of the State Comptroller (“restricted period”) to other than designated staff unless it is a contract that is included among certain statutory exceptions set forth in State Finance Law §139-j (3) (a). Designated staff, as of the date hereof, are identified in the Preface section of the Request for Proposal. DTF employees are also required to obtain certain information when contacted during the restricted period and make a determination of the responsibility of the Offerer/Bidder pursuant to these two statutes. Certain findings of non-responsibility can result in rejection for Contract award and in the event of two findings within a four-year period; the Offerer/Bidder is debarred from obtaining governmental Procurement Contracts. Information related to the Procurement Lobbying Law and the Department’s guidelines can be found on the Department’s Procurement website at: <http://www.tax.ny.gov/about/procure>.

Contacting individuals other than the designated contacts listed in the Preface Section of this document during the restricted period may result in disqualification of the Bidder’s proposal – please refer to the Procurement Lobbying Law and the Department’s guidelines posted on the Department’s website at: <http://www.tax.ny.gov/about/procure>.

1. Offerer Disclosure of Prior Non-Responsibility Determinations

New York State Finance Law §139-k(2) obligates a Governmental Entity to obtain specific information regarding prior non-responsibility determinations with respect to State Finance Law §139-j. This information must be collected in addition to the information that is separately obtained pursuant to State Finance Law §163(9). In accordance with State Finance Law §139-k, an Offerer must be asked to disclose whether there has been a finding of non-responsibility made within the previous four (4) years by any Governmental Entity due to: (1) a violation of State Finance Law §139-j to (2) the intentional provision of false or incomplete information to a Governmental Entity. The terms “Offerer” and “Governmental Entity” are defined in State Finance Law §139-k(1). State Finance Law §139-j sets forth detailed requirements about the restrictions on Contacts during the procurement process. A violation of State Finance Law §139-j includes, but is not limited to, an impermissible Contact during the restricted period (for example, contacting a person or entity other than the designated contact person, when such contact does not fall within one of the exemptions).

As part of its responsibility determination, State Finance Law §139-k(3) mandates consideration of whether an Offerer fails to timely disclose accurate or complete information regarding the above non-responsibility determination. In accordance with law, no Procurement Contract shall be awarded to any Offerer that fails to timely disclose accurate or complete information under this Section, unless a finding is made that the award of the Procurement Contract to the Offerer is necessary to protect public property or public health or safety, and that the Offerer is the only source capable of supplying the required Article of Procurement within the necessary timeframe. See State Finance Law §§139-j(10)(b) and 139-k(3).

A Governmental Entity must include a disclosure request regarding prior non-responsibility determinations in accordance with State Finance Law §139-k in its solicitation of proposals or bid documents or specifications or Contract documents, as applicable, for Procurement Contracts. The attached form is to be completed and submitted by the individual or entity seeking to enter into a Procurement Contract. It shall be submitted to the Governmental Entity conducting the Governmental Procurement.

**Response Requirement:**

The Bidder must complete and submit **Attachment 8, Offerer Disclosure of Prior Non-Responsibility Determinations.**

1. Offerer’s Certification of Compliance with State Finance Law 139-k(5)

New York State Finance Law 139-k(5) requires that every Procurement Contract Award subject to the provisions of State Finance Law 139-k or 139-j shall contain a certification by the Offerer that all information provided to the procuring Governmental Entity with respect to State Finance Law 139-k is complete, true and accurate.

The Department reserves the right to terminate any Contract award as a result of this RFP in the event it is found that the certification filed by the Offerer/Bidder in accordance with New York State Finance Law 139-k was intentionally false or intentionally incomplete.

**Response Requirement**

Each Bidder must complete and submit **Attachment 9, Offerer’s Certification of Compliance with State Finance Law 139-k(5).**

1. **Ethics Compliance**

All Bidders/Contractors and their employees must comply with Public Officers Law §§73 and 74 to the extent applicable, Chapter 1 of the Laws of 2005, the Procurement Lobbying Reform Act, and other State statutes, rules, regulations and executive orders establishing ethical standards for the conduct of business with New York State. In signing the bid, the Bidder certifies full compliance with those provisions for any present or future dealings, transactions, sales, Contracts, services, offers, relationships, etc., involving New York State and/or its employees. Failure to comply with those provisions may result in disqualification from the bidding process, termination of Contracts, and/or other civil or criminal proceedings as required by law.

**Response Requirement:**

Each Bidder must complete and submit **Attachment 10, Public Officers Law Form** and **Attachment 11, Public Officers Law – Post Employment Restrictions** which addresses business or professional activities by current or past state officers and employees and party officers. These forms shall be made part of the resultant Contract.

1. **Sales and Compensating Use Tax Documentation**

Pursuant to Tax Law Section 5-a, Bidders will be required to complete and sign, under penalty of perjury, **Exhibit A, Contractor Sales Tax Certification Forms.** Bidders must also submit a copy of the Certificate of Authority, if available, for itself, any affiliates, and any subcontractors required to register to collect state sales and compensating use tax. If Certificates of Authority are unavailable, the Contractor, affiliate, subcontractor or affiliate of subcontractor must represent that it is registered and that it has conferment of such status with the Department.

**Exhibit A** provides the Contractor Certification Forms and Instructions for completing the forms. ST-220-TD must be filed with and returned directly to the Department address provided on the form. Unless the information upon which the ST-220-TD is based changes, this form only needs to be filed once with the Department. If the information changes for the Contractor, its affiliate(s), or its subcontractor(s), a new form ST-220-TD must be filed with the Department. Completion of the form at the time of bid submission is not required; however, Form ST-220-TD must be filed and returned to the Department upon notification of Contract award.

Form ST-220-CA must be provided to the Department’s Office of Budget and Management Analysis upon notification of contract award certifying that the Contractor filed ST-220-TD. Proposed Contractors should complete and return the certification form within two business days of request.

Failure to make either of these filings may render a Bidder non-responsive and non-responsible. Bidders shall take the necessary steps to provide properly certified forms within a timely manner to ensure compliance with the law.

Vendors may call the Department at 1-518-485-2889 for any and all questions relating to Section 5-a of the Tax Law and relating to a company’s registration status with the Department. For additional information and frequently asked questions, please refer to the Department’s website: <http://www.tax.ny.gov>.

1. **Prime Contractors/Subcontractors**

The successful Bidder shall act as Prime Contractor under the contract, and shall be held solely responsible for contract performance by the Bidder, its partners, officers, employees, subcontractors and agents. The Bidder shall be responsible for payment of all subcontractors and suppliers, including all third-party service providers contracted by or through the Bidder in performance of the Contract.

Where services are supplied by or through the Contractor under the contract, it is mandatory for the Contractor to assume full integration responsibility for delivery, installation, maintenance, performance and support services for such items, as applicable. The Contractor shall also be responsible for payment of any license fees, rents or other monies due third parties for services or materials provided under this Contract.

**No subcontracting is allowed in the Stamp manufacturing under the Contract resulting from this RFP.**

1. **Bidder-Proposed Changes to Preliminary Base Contract**

Proposals must conform to the terms and conditions set forth in this RFP and the **Preliminary Base Contract, Exhibit B.** Any Bidder-Proposed Changes(s) to terms and conditions set forth in **Exhibit B, Preliminary Base Contract,** must be provided to the Department in the Bidder’s Administrative Proposal. Material deviations to required terms and conditions set forth in the RFP (including additional, inconsistent, conflicting or alternative terms) may render the bid non-responsive and may result in rejection.

**Response Requirement:**

The Bidder must attach any Bidder-Proposed Change(s) to the terms and conditions of **Exhibit B, Preliminary Base Contract.**

Only those Bidder-Proposed Change(s) that meet all the following requirements will be considered as having been submitted as part of the proposal:

* Each Bidder-Proposed Change (addition, counter-offer, deviation or modification) must be specifically enumerated in writing; and
* The writing enumerating the Bidder-Proposed Change must identify the particular term the Bidder objects to or proposes to modify, and the reasons therefore.

Bidder-Proposed Change(s) submitted on standard, pre-printed forms (product literature, order forms, contracts), whether or not deemed “material,” which are attached or referenced with submissions which do not meet the above requirements will not be considered part of the bid or resulting Contract, but rather will be deemed to have been included for informational or promotional purposes only.

Acceptance and/or processing of the bid proposal shall not constitute written acceptance of Bidder-Proposed Change(s) or a waiver of the Department’s right set forth in **Section** **VI.B.18**. Failure to object to any terms identified in **Section VI.B.18,** of this RFP and/or **Exhibit B, Preliminary Base Contract**, shall be deemed to constitute acceptance thereof by the Bidder.

1. **Request for Exemption from Disclosure**

The bids are presumptively available for public inspection. If this would be unacceptable to Bidders, they must apply to the Department for trade secret protection of their bid at the time of bid submission.

In applying for trade secret protection, it would be unacceptable to indiscriminately categorize the entire proposal as such. The Bidder must point out those sections of the proposal that are trade secrets and explain the reasons therefore. The Bidder may wish to review with its legal counsel Restatement of Torts, Section 757, comment b, and the cases under the Federal Freedom of Information Act, 5 USC Section 522, as well as the Freedom of Information Law. The Department will review applications and grant trade secret protection, if appropriate.

**Response Requirement:**

To obtain trade secret protections, the Bidder must submit with its proposal, a letter specifically identifying the page number, line or other appropriate designation of the information that is trade secret and explain in detail why such information is a trade secret and would be exempt from disclosure.

1.
2. **Encouraging use of New York State Business in Contract Performance**

New York State businesses have a substantial presence in State contracts and strongly contribute to the economies of the state and nation. In recognition of their economic activity and leadership in doing business in New York State, bidders/proposers for this contract for commodities, services or technology are strongly encouraged and expected to consider New York State businesses in the fulfillment of the requirements of the contract. Such partnering may be as subcontractors, suppliers, protégés or other supporting roles.

**Response Requirement:**

The Bidder must complete and submit **Attachment 12, Encouraging Use of New York State Businesses in Contract Performance.**

1. **Vendor Assurance of No Conflict of Interest**

The Bidder offering to provide services pursuant to this RFP as a contractor, joint venture contractor, subcontractor, or consultant, attests that its performance of the service outlined in this RFP does not and will not create a conflict of interest with nor position the Bidder to breach any other contract currently in force with the State of New York.

**Response Requirement:**

The Bidder must complete and submit **Attachment 13, Vendor Assurance of No Conflict of Interest or Detrimental Effect.**

1. **Executive Order No. 177 Certification**

In accordance with Executive Order No. 177, the Bidder must certify that it does not have institutional policies or practices that fail to address the harassment and discrimination of individuals on the basis of their age, race, creed, color, national origin, sex, sexual orientation, gender identity, disability, marital status, military status, or other protected status under the Human Rights Law.

**Response Requirement:**

The Bidder must complete and submit **Attachment 14, Certification of Non-Discrimination Practices.**

1. **New York City Tax Affirmation**

By submission of a bid or proposal in response to this solicitation, the Bidder/Contractor agrees with all the terms and conditions of **Attachment 15, New York City Tax Affirmation**. The Bidder affirms and declares that said Bidder is not in arrears to the City of New York upon debt, contract or taxes and is not a defaulter, as surety or otherwise, upon obligation to the City of New York, and has not been declared not responsible, or disqualified, by any agency of the City of New York, nor is there any proceeding pending relating to the responsibility or qualification of the proposer or bidder to receive public contract.

**Response Requirement:**

Each Bidder must complete and submit **Attachment 15, New York City Tax Affirmation.**

# VII. Proposal Content and Submission Requirements

The Bidder must provide a response that clearly and precisely provides all required information. Emphasis should be placed on conformance with the RFP instructions, responsiveness to the RFP requirements and clarity of the intent.

Proposals that do not comply with these instructions or do not meet the full intent of all of the requirements of this RFP may be subject to scoring reductions during the evaluation process or may be deemed non-responsive. To assist Bidders, the Department has provided **Attachment 1, Bidder’s Checklist**. A proposal that does not provide all the information requested may be subject to rejection.

The Department does not require, nor desire, any excessive promotional material which does not specifically address the response requirements of this RFP.

**Faxes or electronically transmitted proposals will not be accepted.**

## Proposal Content and Organization

To facilitate the evaluation process, the Bidder must organize the proposal into three (3) distinct volumes as follows:

Volume One: Qualifying and Technical Requirements

Volume Two: Administrative Requirements

Volume Three: Financial Requirements

* + 1. **Volume One format**

Volume One should contain a table of contents with page numbers and each section should be tabbed as follows:

* + - 1. Tab 1 – Executive Summary
			2. Tab 2 - Qualifying Requirements
			3. Tab 3 – Technical Requirements
		1. **Volume Two Format**
			1. Tab 1 – Cover Letter
				1. Bidder-Proposed Changes to Preliminary Base Contract (if applicable)
				2. Request for Exemption from Disclosure (if applicable)
			2. Tab 2 - Administrative Response Forms
		2. **Volume Three Format**

Volume Three must contain **Attachment 18, Financial Response Form.**

## Proposal Submission

The Bidder must submit three (3) originals and two (2) hard paper copies of:

**Volume One: Qualifying and Technical Requirements**

**Volume Two: Administrative Requirements**

**Volume Three: Financial Requirements**

All volumes must be bound separately, be clearly identified and should contain page numbers.

The Bidder must also submit Electronic Copies (CD/DVD/Flash Drive), as follows:

* Two (2) electronic copies of Volume One - Technical Requirements ONLY
* One (1) electronic copy of the Technical, Administrative, and Financial Proposals with any proprietary information redacted. This will be used to facilitate requests for information under the Freedom of Information Law (FOIL).

The electronic copies must be encrypted and password protected. The password should be submitted via e-mail to [bfs.contracts@tax.ny.gov](file:///%5C%5Cisilon%5Cdtf_shared%5CShare%5Cdtf_home%5CP39442%5Cbfs.contracts%40tax.ny.gov).

Proposals must be received by the date and time specified in the **Schedule of Events**.

Bidder proposals must be enclosed in sealed containers with the following visibly inscribed on the outside of all containers:

Attn: Catherine Golden, Director

New York State Department of Taxation and Finance

Office of Budget and Management Analysis

Procurement Services Unit

W. A. Harriman State Office Building Campus

Albany, NY 12227

All proposals must have a label on the outside of the package or shipping container outlining the following information:

“BID ENCLOSED”

RFP 18-103

Cigarette Tax Stamps Manufacturing Solution

Bid Due Date and time

**Please note: Deliveries by delivery services (e.g. UPS, FedEx, etc.) and/or requiring a signature of receipt should be addressed to the Department’s Campus address; however, the delivery service must be instructed to deliver the bid documents to the following address:**

90 Cohoes Avenue

Green Island, NY 12183

Only under circumstances identified in **Section VI.A.16, Reserved Rights** will the Department consider any proposals received after the time and date specified in the **Schedule of Events**. In the event a package is not labeled properly as described in this Section, the Department reserves the right to inspect the contents of the package(s) to determine the contents. The Bidder shall have no claim against the Department arising from such inspection and such inspection shall not affect the validity of the procurement. Notwithstanding the Department’s right to inspect the contents of the package(s), the Bidder assumes all risk of late delivery associated with the bid not being identified, packaged or labeled in accordance with the foregoing requirements.

# VIII. Proposal Evaluation

Pursuant to Article XI of the State Finance Law, the basis for contract award under this RFP will be “best value;” optimizing quality, cost and efficiency among responsive and responsible Bidders.

## Proposal Clarification

The Department reserves the right to require a Bidder to provide clarification and validation of its proposal through any means the Department deems necessary. Failure of a Bidder to cooperate with the Department efforts to clarify or validate proposal information may result in the proposal being labeled as non-responsive and given no further consideration.

## Evaluation Process Overview

There will be two (2) phases to the evaluation process. Proposals which pass Phase One of the evaluation will be further evaluated in Phase Two.

* + 1. **Phase One Evaluation**

All timely submitted proposals will be evaluated in Phase One. Proposals will be evaluated in the following areas:

* + - 1. Proposal Screening (Pass/Fail)

Each proposal will be screened for completeness and conformance with the Department requirements for proposal submission as specified in this RFP. Proposals which do not meet the requirements may be labeled as non-responsive and may not be given further consideration.

* + - 1. Qualifying Requirements

All proposals that pass the Proposal Screening will be evaluated to determine if the Bidder meets the Qualifying Requirements specified in **Section III, Qualifying Requirements**. If all Qualifying Requirements are not met, the Bidder’s proposal will be labeled non-responsive and will not be given further consideration.

All proposals that pass this stage of the evaluation process will be further evaluated in Phase Two.

* + 1. **Phase Two Evaluation**

Bidders who pass Phase One of the evaluation will be further evaluated as follows:

* + - 1. Technical Evaluation (60 points)
			2. Financial Evaluation (40 points)

Bidders’ cost proposals will be scored concurrently and separately from the technical evaluation.

At the completion of Phase Two, the technical and financial scores will be combined to determine the Bidder ranking.

## Final Ranking/Contract Award

The Contract will be awarded to the Bidder whose proposal obtains the highest aggregate score. In the event that any Bidders receive the same final score, the Department will use the following tie breaking mechanisms, in the order listed, to determine final ranking:

1. The Bidder’s Financial Score

2. Determination by the Commissioner, or his/her designee