



Request for Proposal 14-X-22340 (T-2836)

For: Printing Production Print Services (NJOIT)

Event	Date	Time
Bidder's Electronic Question Due Date (Refer to RFP Section 1.3.1 for more information.)	1/17/2014	5:00 PM
Mandatory Pre-Proposal Conference (Refer to RFP Section 1.3.4 for more information.)	1/9/2014	9:00 AM
Mandatory/Optional Site Visit (Refer to RFP Section 1.3.5 for more information.)	1/9/2014	Following the Pre- Proposal Conference
Proposal Submission Date (Refer to RFP Section 1.3.2 for more information.)	2/12/2014	2:00 PM

Dates are subject to change. All changes will be reflected in Addenda to the RFP posted on the Division of Purchase and Property website.

Small Business Set-Aside	Status	Category
	☐ Not Applicable	☐ I
	☐ Entire Contract	☐ II
	☐ Partial Contract	☐ III
	☒ Subcontracting Only	

RFP Issued By
State of New Jersey
Department of the Treasury
Trenton, New Jersey 08625-0230

Using Agency
New Jersey -OIT
Division of Purchase and Property

Date: 11/29/2013

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1.0 INFORMATION FOR BIDDERS

1.1 PURPOSE AND INTENT

This Request for Proposal (RFP) is issued by the Purchase Bureau, Division of Purchase and Property, Department of the Treasury on behalf of New Jersey Office of Information Technology (NJOIT). The purpose of this RFP is to solicit proposals for Printing: Production Print Services (NJOIT).

The initiative of NJOIT is to outsource the current print operations performed at the Hub centralized print facility (the "Hub Outsourcing Initiative"). The Hub Outsourcing Initiative will replace the printing services currently performed by NJOIT while maintaining or improving current service levels, reducing costs, and eliminating any single points of failure. The Bidder's proposal must include the use of Bidder's facilities and equipment.

The State will award this contract to a single Bidder. It is the intent that the State will assign jobs to the chosen Bidder within 90 days after contract award or as soon as practically possible.

The intent of this RFP is to award a contract to that responsible Bidder whose proposal, conforming to this RFP is most advantageous to the State, price and other factors considered. The State, however, reserves the right to separately procure individual requirements that are the subject of the contract during the contract term, when deemed by the Director to be in the State's best interest.

The State of NJ Standard Terms and Conditions will apply to all contracts or purchase agreements made with the State of New Jersey. These terms are in addition to the terms and conditions set forth in this RFP and should be read in conjunction with them unless the RFP specifically indicates otherwise.

1.2 BACKGROUND - (BRAND NEW TERM CONTRACT)

Hub Operations Outsourcing (Hub Outsourcing Initiative)

NJOIT Hub Operations is a part of the Infrastructure Support Services Division, which provides high-speed printer operations that include but are not limited to the printing, sealing, insertion and USPS regular and certified mail, preparation of reports and documents including checks, licenses, registrations, notices, permits, summonses, vehicle titles and registrations, and other transaction based documents for the State. With the exception of impact printing, all Hub printing is in the Advanced Function Presentation/Intelligent Printer Data Stream (AFP/IPDS) format. Impact printing is delivered through Time Sharing Option (TSO).

In FY 2012 the operation produced over 70 million pages of output including 7 million checks and 21 million non-check Pressure Sealed documents – 2 million of which include a single nested insert or business reply envelope (BRE). It is important to note that NJOIT is receptive to innovative business practices that may result in the reduction of printing paper-based documents such as checks, letters, and other transaction-based print jobs. Legislative mandate or direction by the State could change the projected volumes. There are approximately 1,500 unique (transaction-based) application programs that generate a total monthly volume of approximately 16,000 print jobs. Please note: previous output levels are not an indication or promise of said volume for the selected Bidder of the proposed work.

This is the current process to create new jobs:

1. The requesting customer contacts the Enterprise Application Development Information (EADI) team. The EADI team interacts with the customer requesting transaction-based print services from Hub Operations once they receive a service or change request. Service requests are new jobs and change requests are to modify existing jobs. These teams work closely with the customer to do the following:
 - a. Create a draft of the document to be printed;
 - b. Identify the data source; and
 - c. Perform development and testing of the software needed to generate the variable data to be printed on the document;
2. EADI works with the customer to gather requirements, which include but are not limited to job frequency, data sources, scope, processing requirements, output requirements, other special requirements, and Service Level Requirement (SLR) information when applicable;
3. The Output Support team designs, codes and tests the overlays to be printed and the data mapping routines used to populate the overlay with the variable data generated by the application programs;
4. The EADI team creates the Job Control Language (JCL), application programs, print record layouts, etc. needed to create the requested outputs. The JCL is a scripting language used on IBM mainframe operating systems to instruct the system on how to run a batch job or start a subsystem. The Output Support Team provides the JCL parameters needed to invoke and merge the overlays and mapped variable data;
5. Upon review and confirmation from the customer, the JCL is moved to the production library; and
6. Production Management schedules recurring jobs using CA7 or HAPS8 scheduling control software.

The current job execution flow is:

1. The vast majority of print files are created on the z/OS mainframe with centrally developed print resources and application generated variable data, and then the files are sent to the Automated Document Factory (ADF) server, which is used to address the unique problems encountered in high volume document production environments. Additionally checks and impact print files are instead routed through the JES spooler to print directly on local MICR and impact printers;
2. In some cases print data from department and agency servers is routed to the mainframe where the data is merged with print resources via Program Services Facility (PSF) for printing. In the vast majority of cases, data is created directly on the mainframe;

Note: Some jobs may be classified as a “unique case” that is a variation of the job execution flow in which the data is sent to the ADF server from the customer server as a fully composed Advanced Function Presentation (AFP) print stream in which issuers can control formatting. Using the ADF server, the print image files are sent to the appropriate print device after the appropriate stock is loaded for that job; and

3. Post production processing (if needed) is performed on the printed output. The output is delivered as job specifications mandate.

The two primary types of output are laser and impact print jobs. Please note: Previous output levels are not an indication or promise of said volume for the selected Bidder of the proposed work.

Some print jobs generate output on Pressure Seal stock which is then processed to form mail-ready mail pieces. Printed jobs that contain less than 15,000 mail pieces are currently sent to

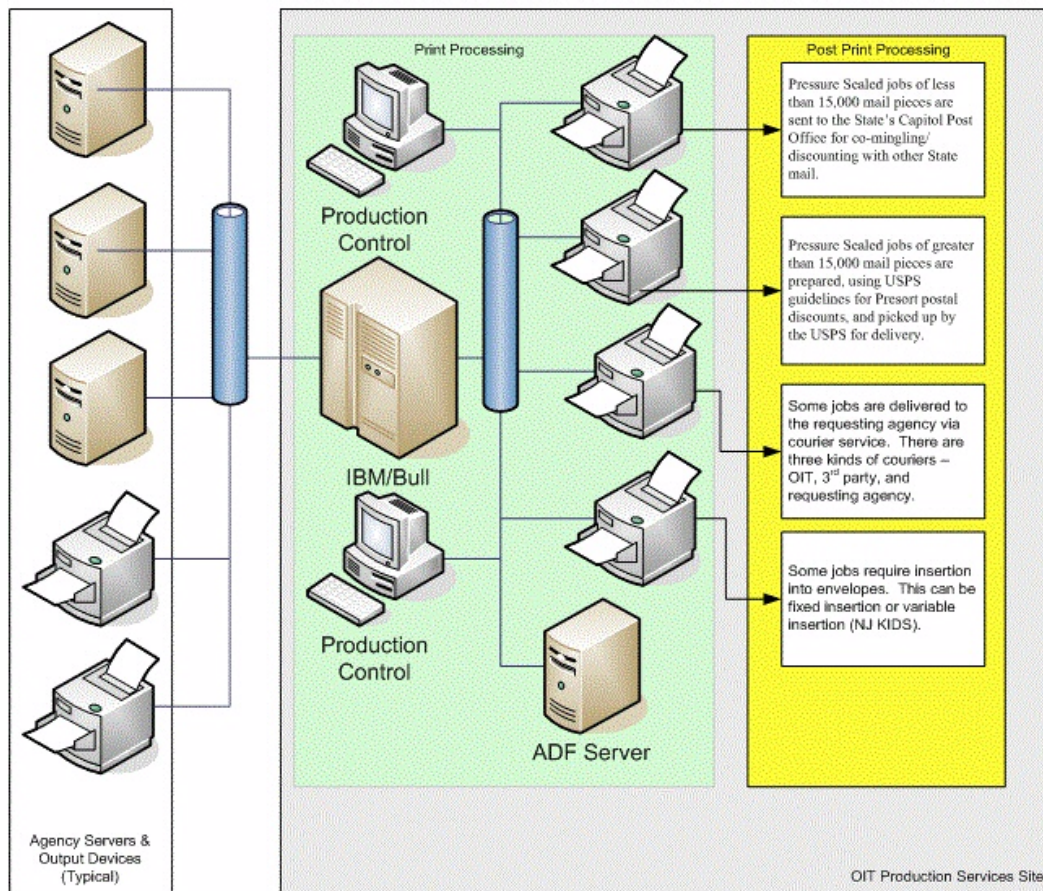
the State's internal Capitol Post Office for co-mingling. Print jobs that consist of batches greater than 15,000 mail pieces are electronically presorted using Pitney Bowes Finalist and Mail Stream presort software prior to printing. The printed and sealed pieces are then placed into postal trays by Zip Code, the trays are sleeved, banded, and tray labels are affixed before tendering to USPS with proper paperwork.

Some jobs are sent by courier service to the customers. There are three types of couriers used today:

- OIT Courier Service;
- 3rd Party (private) Bonded Courier Service contracted by the user Department; and
- Department or Agency Courier Service.

Some print jobs (NJKids) require intelligent inserting of varying numbers of sheets into individual envelopes. The ADF generates a Mail Run Data File (MRDF) that is sent to Pitney Bowes Direct Connect server connected to the inserter for File Based reconciliation of every sheet into every envelope. The Direct Connect server sends a Results file back to the ADF for generation of any needed Reprints. A subset of these intelligently inserted workloads is Certified Mail. USPS Certified Mail requires further processing, including sending electronic tracking data to the USPS Bulk Proof of Delivery system using Pitney Bowes SendSuite software. The USPS then returns updated Status codes for outstanding Certified pieces and digitally captured signatures for delivered pieces to SendSuite which then passes the information back to the customer. This is done via Secure File Transfer Protocol (SFTP) between the three servers (USPS, Hub's Pitney Bowes SendSuite, and the customer.) Pressure seal stock, special cut sheet stock, and stock for impact printers are supplied to Hub Operations by the requesting department. Currently, Hub Operations reviews the inventories of these stocks on a weekly basis, advising the customer when more stock needs to be ordered. Default (generic white 20#) roll and default cut paper stock is supplied internally by Hub Operations. The diagram below outlines the current architecture for the OIT Hub Operations.

Hub Operations - Current State Architecture



All jobs are printed using Intelligent Print Data Stream (IPDS) and AFP. IPDS provides an attachment-independent interface for controlling and managing all-points-addressable (APA) printers that allow the presentation of pages containing an architecturally unlimited mixture of different data types, including text, image, graphics, bar code, and object container.

Data access is currently managed using Access Control Facility 2 (ACF2). ACF2 is a commercial discretionary access control software security system developed for Multiple Virtual Storage (MVS) (z/OS), VSE and VM (z/VM). Unique to ACF2 was the concepts of "Protection by Default" and resource pattern masking.

1.3 KEY EVENTS

1.3.1 ELECTRONIC QUESTION AND ANSWER PERIOD

The Division will electronically accept questions and inquiries from all potential Bidders via the web at <http://ebid.nj.gov/QA.aspx>.

- Questions should be directly tied to the RFP and asked in consecutive order, from beginning to end, following the organization of the RFP.
- Each question should begin by referencing the RFP page number and section number to which it relates.
- Questions regarding the State of New Jersey Standard Terms and Conditions and exceptions to mandatory requirements must be posed during this Electronic Question and Answer Period and should also contain the vendor suggested changes. Bidders must not contact the Using Agency directly, in person, by telephone or by e-mail, concerning this RFP.

The cut-off date for electronic questions and inquiries relating to this RFP is indicated on the cover sheet. Addenda to this RFP, if any, will be posted on the Division's website after the cutoff date. (See RFP Section 1.4.1 for further information.)

1.3.2 SUBMISSION OF PROPOSAL

In order to be considered for award, the proposal must be received by the Procurement Bureau of the Division of Purchase and Property at the appropriate location by the required time. **ANY PROPOSAL NOT RECEIVED ON TIME AT THE LOCATION INDICATED BELOW WILL BE REJECTED. THE DATE AND TIME ARE INDICATED ON THE COVER SHEET. THE LOCATION IS AS FOLLOWS:**

PROPOSAL RECEIVING ROOM – 9TH FLOOR
PROCUREMENT BUREAU
DIVISION OF PURCHASE AND PROPERTY
DEPARTMENT OF THE TREASURY
33 WEST STATE STREET, P.O. BOX 230
TRENTON, NJ 08625-0230

Directions to the Division are available on the web at <http://www.state.nj.us/treasury/purchase/directions.shtml>.

Note: Bidders using U.S. Postal Service regular or express mail services should allow additional time since the U.S. Postal Service does not deliver directly to the Purchase Bureau.

Procedural inquiries concerning this RFP may be directed to RFP.procedures@treas.state.nj.us. This e-mail address also may be used to submit requests to review proposal documents. The State will not respond to substantive questions related to the RFP or any other contract via this e-mail address.

To submit an RFP or contract related question, go to the Current Bidding Opportunities webpage or to <http://eBid.nj.gov/QA.aspx>.

1.3.3 ELECTRONIC BIDDING (EBID)

The Division is pleased to announce its electronic procurement modernization process. This RFP provides to the Bidder the opportunity to electronically submit its proposal. A new electronic bidding – “eBid” – application is being made available to Contractors to promote an

easier, more efficient method to submit proposals. See section 4.3.1 for instructions that pertain to this RFP.

On-line Electronic Bid Training Sessions:

Online electronic bid training for the eBid process is available on the web at <https://wwwnet1.state.nj.us/treasury/dpp/ebid/>. The Bidder is strongly encouraged to utilize the on-line training session before attempting to submit an eBid. It will be the Bidder's responsibility to ensure that the eBid has been properly submitted.

1.3.4 MANDATORY PRE-PROPOSAL CONFERENCE

The date and time of the Mandatory Pre-Proposal Conference as indicated on the cover sheet. The location of the Mandatory Pre-Proposal Conference will be as follows:

PHEAL Auditorium
3 Schwarzkopf Drive
West Trenton, NJ 08628

A proposal will be automatically rejected from any Bidder that was not represented or failed to properly register at the Mandatory Pre-Proposal Conference.

An attendee may represent no more than one potential bidding entity.

The purpose of the Mandatory Pre-Proposal Conference is to provide a structured and formal opportunity for the State to accept questions from potential bidders regarding this RFP.

1.3.5 MANDATORY SITE VISIT

A Mandatory Site Visit is required and will follow the Mandatory Pre-Proposal Conference. A proposal will be automatically rejected from any Bidder that was not represented or failed to properly register at the Mandatory Site Visit.

The location of the Mandatory Site Visit will be as follows:

NJOIT - Hub
1 Schwarzkopf Drive
West Trenton, NJ 08628

1.3.6 PRE-PROPOSAL DOCUMENT REVIEW

Documents that Bidders need to review in order to prepare and submit accurate and comprehensive proposals will be available for review as Attachments on the web page: <http://www.state.nj.us/treasury/purchase/bid/summary/14-X-22340.shtml>.

A partial list is as follows:

Attachment 1: Exceptions to 1 Day SLR Job List.xls
Attachment 2: First Class Certified Mail Intel Insert Process.doc
Attachment 3: Intel Insert Mail MRDF File Layout.xls
Attachment 4: FY12 User Billing Codes.xlsx
Attachment 5: Proposed File Transfer to Vendor.pptx
Attachment 6: ADF Bandwidth Utilization Stats.docx
Attachment 7: Check Print Log.pdf
Attachment 8: Check Reprint Request Form.pdf
Attachment 9: Historical Matrix and Pricing Sheet
Attachment 10: Pressure Seal Self Mailer Specifications & Pressure Seal Check Specifications
Attachment 11: Directions to the NJOIT Hub and the PHEAL Auditorium
Attachment 12: Map of Campus

1.4 ADDITIONAL INFORMATION

1.4.1 ADDENDA: REVISIONS TO THIS RFP

In the event that it becomes necessary to clarify or revise this RFP, such clarification or revision will be by addendum. Any addendum to this RFP will become part of this RFP and part of any contract awarded as a result of this RFP.

ALL RFP ADDENDA WILL BE ISSUED ON THE DIVISION OF PURCHASE AND PROPERTY WEB SITE. TO ACCESS ADDENDA, THE BIDDER MUST SELECT THE PROPOSAL NUMBER ON THE WEB PAGE AT

<http://www.state.nj.us/treasury/purchase/bid/summary/14-X-22340.shtml>

There are no designated dates for release of addenda. Therefore interested Bidders should check the Division's "Bidding Opportunities" website on a daily basis from time of RFP issuance through proposal opening.

It is the sole responsibility of the Bidder to be knowledgeable of all addenda related to this procurement.

1.4.2 BIDDER RESPONSIBILITY

The Bidder assumes sole responsibility for the complete effort required in submitting a proposal in response to this RFP. No special consideration will be given after proposals are opened because of a Bidder's failure to be knowledgeable as to all of the requirements of this RFP.

1.4.3 COST LIABILITY

The State assumes no responsibility and bears no liability for costs incurred by a Bidder in the preparation and submittal of a proposal in response to this RFP.

1.4.4 CONTENTS OF PROPOSAL

Your proposal can be released to the public during the protest period established pursuant to N.J.A.C. 17:12-3.3, or under the New Jersey Open Public Records Act, N.J.S.A. 47:1A-1 et seq., (OPRA) or the common law right to know. As provided in N.J.A.C. 17:12-1.2(b):

Subsequent to bid opening, all information submitted by Bidders in response to a bid solicitation is considered public information, notwithstanding any disclaimers to the contrary submitted by a Bidder, except as may be exempted from public disclosure by OPRA and the common law.

Any proprietary and/or confidential information in your proposal will be redacted by the State. A Bidder may designate specific information as not subject to disclosure pursuant to the exceptions to OPRA found at N.J.S.A. 47:1A-1.1, when the Bidder has a good faith legal and or factual basis for such assertion. The State reserves the right to make the determination as to what is proprietary or confidential, and will advise the Bidder accordingly. The location in the proposal of any such designation should be clearly stated in a cover letter. **The State will not honor any attempt by a Bidder to designate its entire proposal as proprietary, confidential and/or to claim copyright protection for its entire proposal.** In the event of any challenge to the Bidder's assertion of confidentiality with which the State does not concur, the Bidder shall be solely responsible for defending its designation.

By signing the cover sheet of this RFP, the Bidder waives any claims of copyright protection set forth within the manufacturer's price list and/or catalogs. The price lists and/or catalogs must be accessible to State Using Agencies and cooperative purchasing partners and thus have to be made public to allow all eligible purchasing entities access to the pricing information.

1.4.5 PROPOSAL OPENING

On the date and time that the proposals are due under the RFP, all information concerning the proposals submitted may be publicly announced. Those proposals, except for information appropriately designated as proprietary and/or confidential, shall be available for inspection and copying. In those cases where negotiation is contemplated, only the names and addresses of the Bidders submitting proposals will be announced and the contents of the proposals shall remain confidential until the Notice of Intent to Award is issued by the Director.

1.4.6 PRICE ALTERATION IN HARD COPY PROPOSALS

Proposal prices must be typed or written in ink. Any price change (including "white-outs") must be initialed. Failure to initial price changes shall preclude a contract award from being made to the Bidder.

1.4.7 PROPOSAL ERRORS

In accordance with N.J.A.C. 17:12-2.11, "Proposal Errors," the Bidder may withdraw its proposal as described below.

The Bidder may request that its proposal be withdrawn prior to proposal opening. Such request must be made, in writing, to the Supervisor of the Proposal Review Unit. If the request is granted, the Bidder may submit a revised proposal as long as the proposal is received prior to the announced date and time for proposal opening and at the place specified.

If, after proposal opening but before contract award, the Bidder discovers an error in its proposal, the Bidder may make a written request to the Supervisor of the Proposal Review Unit for authorization to withdraw its proposal from consideration for award. Evidence of the Bidder's good faith in making this request shall be used in making the determination. The factors that will be considered are that the mistake is so significant that to enforce the contract resulting from the proposal would be unconscionable; that the mistake relates to a material feature of the contract; that the mistake occurred notwithstanding the Bidder's exercise of reasonable care; and that the State will not be significantly prejudiced by granting the withdrawal of the proposal. After proposal opening, while pursuant to the provisions of this section, you may request to withdraw your proposal and the Director may, in her discretion allow you to withdraw it, the Division also may take notice of repeated or unusual requests to withdraw by the Bidder and take those prior requests to withdraw into consideration when evaluating the Bidder's future bids or proposals.

All proposal withdrawal requests must include the proposal identification number and the final proposal opening date and be sent to the following address:

Department of the Treasury
Procurement Bureau
PO Box 230
33 West State Street – 9th Floor
Trenton, New Jersey 08625-0230
Attention: Supervisor, Proposal Review Unit

If during a proposal evaluation process, an obvious pricing error made by a potential contract awardee is found, the Director shall issue written notice to the Bidder. The Bidder will have five (5) days after receipt of the notice to confirm its pricing. If the Vendor(s) fails to respond, its proposal shall be considered withdrawn, and no further consideration shall be given it.

If it is discovered that there is an arithmetic disparity between the unit price and the total extended price, the unit price shall prevail. If there is any other ambiguity in the pricing other than a disparity between the unit price and extended price and the Bidder's intention is not readily discernible from other parts of the proposal, the Director may seek clarification from the Bidder to ascertain the true intent of the proposal.

1.4.8 JOINT VENTURE

If a joint venture is submitting a proposal, the agreement between the parties relating to such joint venture should be submitted with the joint venture's proposal. Authorized signatories from each party comprising the joint venture must sign the proposal. A separate Ownership Disclosure Form, Disclosure of Investigations and Actions Involving Bidder Form, and Affirmative Action Employee Information Report must be supplied for each party to a joint venture. NOTE: Each party comprising the joint venture must also possess a valid Business Registration Certificate ("BRC") issued by the Department of Treasury, Division of Revenue prior to the award of a contract. Refer to Section 4.4.2.1 of this RFP.

1.4.9 RECIPROCITY FOR JURISDICTIONAL BIDDER PREFERENCE

In accordance with N.J.S.A. 52:32-1.4 and N.J.A.C. 17:12-2.13, the State of New Jersey will invoke reciprocal action against an out-of-State Bidder whose state or locality maintains a preference practice for its Bidders. For states having preference laws, regulations, or practices, New Jersey will use the annual surveys compiled by the Council of State Governments, National Association of State Purchasing Officials, or the National Institute of Governmental Purchasing to invoke reciprocal actions. The State may obtain additional information as it deems appropriate to supplement the stated survey information.

The Bidder may submit information related to preference practices enacted for a local entity outside the State of New Jersey. This information may be submitted in writing as part of the proposal response, including name of the locality having the preference practice, as well as identification of the county and state, and should include a copy of the appropriate documentation, i.e., resolution, regulation, law, notice to Bidder, etc. It is the responsibility of the Bidder to provide documentation with the proposal or submit it to the Director, Division of Purchase and Property within five (5) working days of the public proposal opening. Written evidence for a specific procurement that is not provided to the Director within five (5) working days of the public proposal opening will not be considered in the evaluation of that procurement, but will be retained and considered in the evaluation of subsequent procurements.

1.4.10 PROPOSAL ACCEPTANCES AND REJECTIONS

The Director's right to waive minor elements of non-compliance with bid specifications and N.J.A.C. 17:12-2.2, which defines causes for automatic bid rejection, apply to all proposals. In addition, pursuant to N.J.S.A. 52:34-12(a) and N.J.S.A. 52:18A-19 the Director retains the right to reject all bids if it is in the public interest.

2.0 DEFINITIONS

2.1 GENERAL DEFINITIONS

The following definitions will be part of any contract awarded or order placed as result of this RFP.

Addendum – Written clarification or revision to this RFP issued by the Division of Purchase and Property.

Amendment – A change in the scope of work to be performed by the Contractor. An amendment is not effective until it is signed by the Director, Division of Purchase and Property.

Bidder – An individual or business entity submitting a proposal in response to this RFP.

Contract – This RFP, any addendum to this RFP, and the Bidder's proposal submitted in response to this RFP, as accepted by the State.

Contractor – The Bidder awarded a contract resulting from this RFP.

Director – Director: Division of Purchase and Property, Department of the Treasury. By statutory authority, the Director is the Chief Contracting Officer for the State of New Jersey.

Division – The Division of Purchase and Property.

Evaluation Committee – A committee established by the Director to review and evaluate proposals submitted in response to this RFP and to recommend a contract award to the Director.

Firm Fixed Price – A price that is all-inclusive of direct cost and indirect costs, including, but not limited to, direct labor costs, overhead, fee or profit, clerical support, equipment, materials, supplies, managerial (administrative) support, all documents, reports, forms, travel, reproduction and any other costs. No additional fees or costs shall be paid by the State unless there is a change in the scope of work.

Joint Venture – A business undertaking by two or more entities to share risk and responsibility for a specific project.

May – Denotes that which is permissible, not mandatory.

Project – The undertaking or services that are the subject of this RFP.

Request for Proposal (RFP) – This document which establishes the bidding and contract requirements and solicits proposals to meet the purchase needs of the Using Agencies as identified herein.

Service Level Requirement (SLR) - Establishes job delivery requirements and turnaround time for print jobs referred to in this RFP.

Shall or Must – Denotes that which is a mandatory requirement. Failure to meet a mandatory material requirement will result in the rejection of a proposal as non-responsive.

Should – Denotes that which is recommended, not mandatory.

State – State of New Jersey.

State Contract Manager – The individual responsible for the approval of all deliverables, i.e., tasks, sub-tasks or other work elements in the Scope of Work, as set forth in Sections 8.1, 8.1.1 and 8.1.2.

Subtasks – Detailed activities that comprise the actual performance of a task.

Sub-Contractor – An entity having an arrangement with a State Contractor, where by the State Contractor uses the products and/or services of that entity to fulfill some of its obligations under its State contract, while retaining full responsibility for the performance of all of its [the Contractor's] obligations under the contract, including payment to the Sub-Contractor. The Sub-Contractor has no legal relationship with the State, only with the Contractor.

Task – A discrete unit of work to be performed.

Using Agencies – OIT's Client Entities. The awarded Vendor will provide the service requirements to these Using Agencies through OIT for which the Division has issued this RFP. These Using Agencies are also referred to throughout this document as: State Agencies and Departments.

2.2 CONTRACT-SPECIFIC DEFINITIONS

ABA Standards - American Bankers Association Standards.

ACF2- Access Control Facility 2:

A commercial discretionary access control software security system developed for MVS (z/OS), VSE and VM (z/VM). Unique to ACF2 was the concepts of "Protection by Default" and resource pattern masking.

ADF – Automated Document Factory:

An architecture developed by Gartner Inc. to address the unique problems encountered in high volume document production environments especially but not limited to printing and mailing operations. Enterprises use the ADF architecture to provide the foundation for document production operations, such as transaction printing (bills, checks, policies, etc.) and/or marketing collateral (brochures, literature, etc.). Hardware and software technology providers use the ADF 2.0 architecture to frame the products and features they offer to the print operations.

AFP – Advanced Function Presentation:

A presentation architecture and family of associated printer software and hardware that provides for document and information presentation independent of specific applications and devices. Using AFP, users can control formatting, the form of paper output, whether a document is to be printed or viewed online, and manage document storage and access in a distributed network across multiple operating system platforms. AFP is primarily used in large enterprises for production variable data printing (VDP). AFP applications allow users or print room operators to distribute print jobs among a group of printers and to designate backup printers when one fails. AFP is considered to be a "cornerstone" of electronic document management (EDM) applications such as print-and-view, archive and retrieval, and Enterprise Report Management (ERM). AFP was originally developed as the general purpose document and information presentation architecture of IBM. The first specifications and products go back to 1984. The major concepts of object-driven structures, print integrity, resource management, and support for high print speeds have been preserved ever since.

CHECK MASTER - The individual designated by the State Contract Manager who will validate check related documents.

CONTROLLED DOCUMENTS – All checks and other documents as determined by the State of New Jersey that require a high level of security measures and accountability.

CUSTOMER – The use of customer within this document refers to various State agencies, departments and entities.

CPAD – Check Processing Authorization Document.

DOCUMENT PULLS – The physical removal of specified printed documents from a print job.

EADI – Enterprise Application Development Information:

EADI is a staff component and is the customer-facing part of the Hub Operations. They interact with the customer to create the form that will be printed, identify the data source, and develop and test the software needed to execute the job.

Hub – The term used to describe the current facility at which the State of New Jersey prints the documents described in this RFP.

INTELLIGENT INSERTING – Process that nests varying number of pages into envelopes based on 2 D bar code and an inserter reconciliation file, (MRDF).

IPDS – Intelligent Printer Data Stream:

Ricoh-InfoPrint Solution Company's Systems Application Architecture host-to-printer data stream for Advanced Function Presentation subsystems. It provides an attachment-independent interface for controlling and managing all-points-addressable (APA) printers that allow the presentation of pages containing an architecturally unlimited mixture of different data types, including text, image, graphics, bar code, and object container. It is used by a variety of Ricoh-InfoPrint and OEM print servers that drive all-points-addressable (APA) page printers. Generally these printers are at the medium to high end of the print speed and volume spectrum. The IPDS architecture allows for both spooled data and print job management to flow bi-directionally between the print server (or print driver) and the Printer Controller.

JCL – Job Control Language:

A scripting language used on IBM mainframe operating systems to instruct the system on how to run a batch job or start a subsystem

JES – IBM Job Entry Subsystem:

A job entry subsystem to receive jobs into the operating system, schedule them for processing by MVS or z/OS, and to control their output processing

MRDF – Mail Run Data File:

A file used by an intelligent inserter system to control and reconcile inserting of individual mail pieces with varying numbers of pages

MVS – Multiple Virtual Storage: (MVS) was the most commonly used operating system on the System 370/ and System 390 IBM mainframe computers.

OIT – Office of Information Technology.

OMB – Office of Management and Budget.

RACI – Responsible, Accountable, Consulted, Informed:

A Responsibility Assignment Matrix (R.A.M.), also known as RACI matrix or Linear Responsibility Chart (LRC), describes the participation by various roles in completing tasks or deliverables for a project or business process. It is especially useful in clarifying roles and responsibilities in cross-functional/departmental projects and processes. RACI is an acronym derived from the four key responsibilities most typically used: Responsible, Accountable, Consulted, and Informed.

SELECTIVE INSERTING – The process by which a single document is inserted into an envelope and based upon the content of a 2-D bar code, pull different pre-printed, non-individualized “inserts” from various hoppers.

SONJ – State of New Jersey.

SFTP – Secure File Transfer Protocol or Secure FTP is a network protocol that provides file access, file transfer, and file management functionalities over any reliable data stream.

TSO – Time Sharing Option (TSO) is an interactive time-sharing environment for IBM mainframe operating systems, including OS/360 MVT, OS/VS2 (SVS), MVS, OS/390, and z/OS.

WASTE STOCK / SCRAPS – Documents that have been damaged or rendered useless, leader, trailer, waste, and unusable blanks at the center core. These waste/stock scraps must be compliantly disposed of under the guidelines set forth within the IRS Publication 1075.

3.0 SCOPE OF WORK

3.1 HUB OUTSOURCING INITIATIVE

NJOIT Hub Operations is a part of the Infrastructure Support Services Division, which provides high-speed printer operations, including, but not limited to, development and production applications including checks, licenses, registrations, USPS Regular and Certified Mail and other transaction based documents for New Jersey State Agencies. It also includes application generated reports, ledgers, summaries and other output used by Client Agency staff in the performance of their job duties.

3.2 CONTRACTOR LOCATION REQUIREMENTS

The awarded Contractor will be required to maintain its production facility(s) within a distance that will enable that Contractor to meet the Service Level Requirements (SLR) set forth in Section 3.3.6. The location must be at a site agreeable to the State.

3.2.1 JOB DELIVERY

There are two principal types of job delivery after processing that the Contractor must accommodate. These two job types are listed below as (3.2.2 Mailed and 3.2.3 Courier).

3.2.2 MAILED

Large pressure sealed print jobs to be mailed will be electronically presorted prior to the print file being sent to the Contractor. The Contractor shall tray, sleeve and bind these jobs in accordance with USPS requirements and deliver them to the USPS bulk mail facility (Robbinsville) located at: 680 Highway 130, Trenton, NJ 08650. The Contractor shall file all electronic paperwork required by the USPS and fax or e-mail the accompanying 3600-FCM to the NJ State Capitol Post Office.

Smaller pressure sealed print jobs of less than 15,000 shall be delivered by the Contractor via bonded courier to the New Jersey State Capitol Post Office at: 930 Lower Ferry Rd, Bldg. 6&8, Ewing NJ 08628 for mailing. (See 3.3.6 for delivery time frame).

Contractor must use Intelligent Inserting to nest varying number of pages into envelopes based on 2 D bar code and an inserter reconciliation file, (MRDF). The envelopes used are # 10 Window, 6" x 9" Window, Windowed Flats, 6" x 9" Dual Window, Certified Envelopes and Flat Certified Envelopes. Envelope specifications can be found by clicking on the envelope name within the pricing page of the Excell spreadsheet, **(Attachment 9 – Historical Matrix and Pricing Sheet)** under RFP Documents on the web page associated with this RFP. Print jobs inserted into envelopes shall be delivered within the schedule set forth under Section 3.3.6 Service Level Requirements, by the Contractor's bonded courier to the NJ State Capitol Post Office at: 930 Lower Ferry Rd, Bldg. 6&8, Ewing NJ 08628. (See 3.3.6 for delivery time frame).

3.2.3 COURIER

The Contractor shall deliver Cut Sheet output (Reports and Documents, printed on 20# (3 hole drilled or non-drilled) and 70# white paper) and Impact Print work to:

NJOIT - Hub
1 Schwarzkopf Drive
West Trenton, NJ 08628

3.2.4 MANIFESTING

The Contractor shall provide a manifest of all print jobs that are in each container. Some boxes will contain multiple print jobs and some print jobs will span multiple boxes.

3.2.5 SPECIAL PROCESSING

Currently, print jobs containing Certified Mail pieces that are to be inserted into envelopes are run through a process that sends a confirmation record for each successfully inserted piece back to the State's Pitney Bowes SendSuite software for processing within the USPS' Bulk Proof of Delivery system. The USPS then returns the delivery confirmations to Hub Operations,

who passes the information back to the customer. These jobs employ intelligent inserting where the number of pages in each envelope varies based on the data. The Contractor must, on a daily basis, transmit a confirmation file containing the Certified Mail Piece ID number of each piece of Certified Mail that was successfully processed that day. Confirmation files must be sent to a Certified Mail System designated by the State Contract Manager. In the event that no certified mail was processed that day, a zero count report file must still be transmitted. See spec. for “**First Class Certified Mail Intel Insert Process.doc**” - **Attachment 2**, under RFP Documents on the web page associated with this RFP.

3.3 STATE & CONTRACTOR REQUIREMENTS

NJOIT will transition / implement live jobs with the chosen Contractor within 120 days after contract award, or as soon as practically possible. Jobs will be incrementally transitioned to the Contractor during these 120 days, **as test work only**. These test jobs will be run in parallel with the State’s print operation. The State output will be the live work distributed until implementation with the chosen Contractor is complete. This test work shall be fully produced within the job specifications’ turnaround time. The Contractor will only be paid for successfully completed print jobs.

The implementation timeframe is a target. Individual jobs may be fully implemented into production after successful testing, which may be before the targeted 120 days. During testing the State Contract Manager will instruct the Contractor to either deliver the test output to the State or destroy it in accordance with IRS Publication 1075 based upon the content of the test output or the nature of the errors. The State retains the right to adjust the Contractor’s production

There are State processes that the Contractor must follow after being selected. These processes include, but are not limited to, data security, IRS Publication 1075 compliance, HIPPA compliance, delivery SLRs, handling of controlled inventory (such as check stock), and handling of waste.

3.3.1 SERVICES ARCHITECTURE

The printing system shall be constructed to meet all requirements of the Scope of Work.

3.3.2 PRINT PROTOCOLS

The Contractor shall utilize Advanced Function Presentation Data Stream (AFPDS) print streams. However, as Agency systems evolve or are replaced during the term of the contract, other print streams may become part of the Print Jobs inventory and those jobs will also have to be printed. The Contractor must have the capability to accept the following alternate print streams: PCL, Postscript or PDF format. The printing prices for these alternate print streams shall be consistent with AFP printing prices.

3.3.3 INVENTORY CONTROL

All stock shall be supplied by the Contractor. Contractor shall manage all stock inventory, which includes adjusting the inventory levels based upon projected annual demand and actual usage with special consideration given to any additional special project needs. Using Agencies will provide as much advance notice as possible to the Contractor via the State Contract Manager

of special projects to try and ensure inventory availability. Contractor shall provide the State Contract Manager with a weekly inventory balance notification report broken down by using agencies.

Some stock will be provided by the Agency for specific identified jobs. The Contractor shall identify the quantity of stock that the Agency will be allowed to store. Contractor storage levels must take into account true stock usage, peaks/valleys, swings in usage due to special projects and an overage factor to recover from any production errors. These levels must be documented by the Contractor and approved by the State Contract Manager.

3.3.4 POST-PRINT DISPOSITION SERVICES

The Contractor shall provide all of the services currently supplied by the Hub Operations unit. These services categories include the following types of documents:

LASER PRINT

- **Pressure Sealed**
 - Electronically presorted jobs shall be couriered to the USPS bulk mail facility: Trenton P&DC, 680 Hwy 130 Trenton NJ 08650;
 - USPS electronic paperwork shall be submitted online;
 - Physically prepare presorted mail for mailing (traying, sleeving, banding,...);
 - 3600-FCM shall be faxed or e-mailed to the Capitol Post Office;
 - Non-electronically presorted jobs shall be couriered to the Capitol Post Office, 930 Lower Ferry Rd, Bldg. 6 & 8, Ewing NJ 08628; and
 - Checks (see section 3.3.12).
- **Continuous Forms** – Documents shall be couriered to the OIT Hub.
- **Cut Sheet**
 - Jobs inserted into envelopes shall be couriered to the Capitol Post Office, 930 Lower Ferry Rd, Bldg. 6 & 8, Ewing NJ 08628; and
 - All other cut sheet output shall be couriered to the OIT Hub.

IMPACT PRINT

- Multi-Part Blank and Preprinted Continuous Forms shall be couriered to the OIT Hub; and
- Labels shall be couriered to the OIT Hub.

The following is the list of departments that are currently scheduled to utilize Contractor's services. This list does not exclude other State Agencies from future utilization.

- AGRICULTURE
- BANKING & INSURANCE
- CHILDREN & FA.M.ILY SERVICES
- COMMUNITY AFFAIRS
- CORRECTIONS
- ENVIRONMENTAL PROTECTION

- HEALTH
- HUMAN SERVICES
- LABOR & WORKFORCE DEVELOPMENT
- LAW AND PUBLIC SAFETY
- TRANSPORTATION
- TREASURY
- MVC (Motor Vehicle Commission)

3.3.5 JOB INSTRUCTIONS

Over 1,500 unique jobs have varying levels of demands including but not limited to specific time constraints on when documents are printed and postmarked.

Document Printing is segmented into (3) three Print Categories.

1. Demand Print

This print category represents the vast majority of work tendered to the Contractor and shall be produced within the requirements set forth under Section 3.3.6 Service Level Requirements.

2. Print /Hold (To be segregated into a specific output class.)

Identified print jobs that require advance printing but then are held on site by Contractor for a specific target mail date to be relayed by the State Contract Manager to the Contractor.

3. Hold/Print (To be segregated into a specific output class.)

Identified print jobs that require information/files submitted by the Using Agency to be held by the Contractor for a specific target print/processing date to be relayed by the State Contract Manager to the Contractor.

Specific identified print jobs shall require Contractor to provide actual print run (“one-off”) print sample proofs via PDF to agency contact prior to full print run being executed.

Specific identified print jobs within the Print/Hold class will require Document Pulls be done prior to mailing.

3.3.6 SERVICE LEVEL REQUIREMENTS (SLR)

The majority of the daily print work is generated between 6:00 p.m. and 11:00 p.m. each night. Output transmitted to the Contractor between 10 a.m. and 11 p.m. must be either delivered to the OIT Hub by 5:45 a.m. the following work day, as defined by the most current State of NJ holiday calendar or tendered to the USPS/Capitol Post Office the following work day. Output transmitted to the Contractor after 11:00 p.m. and before 6:00 a.m. must be either delivered to the OIT Hub by 10:00 a.m. or to the USPS/Capitol Post Office the same day. Output transmitted to the Contractor between 6:00 a.m. and 10:00 a.m. must be printed and delivered to the Hub via the Contractor’s bonded courier by 2:00 p.m. or to the USPS/Capitol Post Office the same day.

It should be noted that since State offices are not open on weekends, delivery of printed output will not be required on Saturdays or Sundays even though output will be generated and transmitted on weekends. Any output transmitted to the Contractor after 10:00 a.m. on Friday and before 11:00 p.m. Sunday must be delivered by 5:45 a.m. on Monday via the Contractor's bonded courier.

Also, since State offices are not open on State holidays (as defined by the most current State of NJ holiday calendar), delivery of printed output is not required on those holidays even though output will be generated and transmitted on holidays. Any output transmitted to the Contractor after 10:00 a.m. on the last work day before a holiday and before 11:00 p.m. on the holiday must be delivered by 5:45 a.m. on the next business day via the Contractor's bonded courier.

Exceptions to these service level requirements are found under file name: **"Exceptions to 1 Day SLR Job List.xls", (Attachment 1)**, under RFP Documents on the web page associated with this RFP.

It is not uncommon for ad hoc or one off print files up to 100,000 pages to be generated, typically before 4:00 p.m. The Contractor must complete, deliver or mail these documents in accordance with the above service level requirements.

The following performance measurements shall be maintained as a part of the service level requirement. These metrics shall be reviewed monthly.

- Completeness;
- Accuracy;
- Timeliness;
- Spoilage;
- Image quality;
- MICR quality;
- Document integrity (which may be Accuracy and/or Completeness); and
- Adherence to Postal and other requirements (including remittance processing, if that is appropriate).

A scorecard will be developed jointly between the State and the selected Contractor that provides an overview of Contractor performance. The Contractor must maintain an acceptance / satisfaction rate of greater than 99% for above-mentioned metric categories. The scorecard shall be developed between the NJOIT State Contract Manager and the Awarded Vendor within thirty (30) days of the contract award date.

3.3.7 QUALITY CONTROL

The Contractor shall conduct a Quality Control Process prior to delivery. Quality control shall include, but not be limited to, the following criteria:

- Darkness / readability of print;
- Readability of MICR characters;
- Alignment of print;
- Correctness of the requested form / stock used;
- Timeliness of production;

- Verification and documenting of control and check numbers, for controlled check stock work;
- For pressure-seal work:
 - o If all seals are even and holding;
 - o If the recipient's address is properly placed;
- A consistent, mutually agreed upon methodology for packing and identifying delivery boxes couriered to the State of New Jersey, to include identical page orientation within the box;
- Proper external labeling and manifesting of boxes being delivered to the State of New Jersey; and
- Print Class "5" is for High Priority jobs. All output for Class "5" must be boxed and manifested separately and clearly marked as "Priority".

Failure to continually comply with quality control standards for a period of three (3) months in a calendar year may result in termination of this contract.

3.3.8 REPRINTS

Some pieces may be damaged in the printing process due to jamming, tearing, end of roll, etc. These damaged, non-check pieces, shall be reprinted and provided at no additional cost to the State. The Contractor must identify, separate and reprint these damaged documents. The State will not pay for stock used for threading, or for damaged stock caused by Contractor error. Damaged documents must be disposed of under the guidelines set forth within IRS Publication 1075, and Section 3.3.15 of this RFP.

OIT will regenerate and transmit all check data that is to be re-printed. The State of New Jersey will not pay for stock or imprinting of checks that fail to meet the quality control standards set forth in Section 3.3.12 Quality Control on this RFP. **The Contractor is NOT to generate Check reprints from their own internal system.**

3.3.9 STORAGE OF STOCK /PRINTED MATERIALS

The Contractor shall store all unused stock in a secure location onsite at the Contractor's location so as to fully prevent the tampering with or removal of any stock. The Contractor must submit an updated Storage Plan for State Contract Manager approval within 30 days after the contract effective date that details the physical security at its facilities to be used in this contract. The submitted plan will require the approval of the State Contract Manager before its final implementation. All printed material that is to be held prior to mailing must be stored in a secure area on site so as to fully prevent tampering.

3.3.10 COMMUNICATION OF CRITICAL JOB IDENTIFICATION INFORMATION

The State uses three types of white paper stocks (#20, #20 3 hole drilled and #70), over 30 types of labels and impact stocks and over 15 types of Pressure Seal stock for the 16,000 print jobs generated each month. The OIT generated output is in support of different State Departments, Agencies and Offices and that output is picked up or couriered by the State to multiple delivery points in Trenton NJ and the USPS. Contractor must follow the process (as detailed in its Technical Proposal Section 4.4.3) by which the State can securely communicate

to the Contractor critical job identification information including the print Job Name, Form/Stock Name, delivery destination and State entity to be billed (15 digit account number) for each of the 16,000 print jobs per month. The State utilizes a three-tiered architecture (Public, Application and Core

3.3.11 CONFIRMATION OF JOBS COMPLETED

The Contractor must confirm to the State Contract Manager when individual print jobs have been completed. Contractor must also provide the Using Agencies with an on-line database of near real-time jobs status. In order for Using Agencies to track jobs, the database must contain the following information:

- Job Name;
- Job Number;
- File Receipt Time;
- Output Print Class;
- Stock/Form;
- Near Real-Time Job Status;
- Completion Time;
- Container Manifest & Delivery Status; and
- Charge Code.

3.3.12 CHECK PROCESSING & RECONCILIATION

The following is a summary of the State's required process to control the printing and reconciliation of State checks. After contract award the State may consider the use of other "Best Practices" processes recommended by the Contractor. For each check print job, the Contractor must reconcile the total number of checks printed, the total dollar amount of the checks printed and the stock used to print the checks, including leader, trailer, waste and unusable blanks at the center core, referred to as (waste stock/scraps). After reconciliation, these waste/stock scraps shall be destroyed by the Contractor under the guidelines set forth within IRS Publication 1075.

When all State check applications have completed processing, Using Agencies, including the Office of Management and Budget (OMB), initiate the Check Processing Authorization Document (CPAD) and include the check type, starting and ending check numbers, number of checks, total dollar amount of checks and check date. OIT Production Control completes its section of the CPAD with job name, run date and run identifier (unique for each check run) and compares that to the Payment Voucher. The OMB-OIT Check-Master will complete the OMB Check Summary Sheet for all ready-to-print check jobs and transmit that to OMB for final approval to print. OMB will notify the Check-Master and Production Control, who will spool the approved checks for transmission to the Contractor for printing and will transmit the CPAD to the Contractor.

The Contractor shall fill out the **Check Print Log**. "**Check Print Log.pdf**", **Attachment 7**, is found on the web page associated with this RFP under RFP Documents. The CPAD and Check Print Log shall stay with the documents as they are printed and sealed. As the checks are being pressure sealed, the sealing equipment must scan the Check Reconciliation Bar Code that is on the address panel of every check. This 3 of 9 bar code contains a zero-filled six digit Sequence Number and a nine byte unedited Amount field (no punctuation). These two fields shall be

captured for every successfully sealed check. The sealing equipment shall stop when it detects either a duplicate or missing Sequence Number. At the end of the sealing process, the Contractor must reconcile the total number of checks and the total dollar amount against the CPAD. OIT has produced hundreds of millions of checks. Of these in which the scanned amounts did not match the expected amounts, in every instance but two, the problem was due to a scanner misread of the dollar amount. In the event of an Out of Balance situation, the Contractor is to contact OIT Production Control and OIT will transmit a Detailed Reconciliation file containing every Sequence Number and its accompanying Amount to the Contractor. The Contractor shall compare this file against the captured Sealer file to identify the misread. The Contractor shall rescan the suspect document and verify the correct amount. The Contractor shall then balance the check run against the CPAD. **No check is to be released unless the entire batch is completely reconciled.**

When checks are damaged in the printing and/or sealing operation the Contractor shall complete a **Check Reprint Request Form**. "**Check Reprint Request Form.pdf**", **Attachment 8**, is found on the web page associated with this RFP under RFP Documents and transmit that to OIT's Production Control Section. The Request for Check Reprints document contains the Name of the checks, the Series/Fund (optional), the Check Date, and the Sequence Number (singles or series) and the Check Numbers of the documents that must be reprinted. The completed Request for Check Reprints form shall be transmitted to the Check-Master and OIT Production Control. **OIT will regenerate and transmit all print files for all checks that are to be re-printed, the Contractor SHALL NOT generate check reprints from its own internal system.**

The completed CPAD and Inventory Control Sheet shall be transmitted to the Check-Master.

Atypical Check Processing

By default, all checks are to be mailed by the USPS/Capitol Post Office except Payroll/Supplemental Payroll checks, pulled checks and "Replacement" Checks.

Every two weeks the State generates a run of "standard" Payroll checks that follow all normal check production processes except they **cannot** be mailed. The Contractor shall have the check run transported to the State via a bonded courier service. On non-Payroll weeks a file of "supplemental" Payroll checks will be sent to the Contractor for printing. The Contractor shall courier the output to the State within the timeframe set forth in Section 3.3.6.

Also, a small volume series of checks titled Replacement Checks are printed each day by the Contractor and they, too, cannot be mailed and must be returned by the Contractor to the Using Agency via bonded courier. Replacement Checks are an actual series of checks and should not be confused with "Reprinted Checks" or "Check Reprints". The combined daily volume of Pulled Checks and Replacement Checks is approximately 100 – 300 documents with occasional spikes in the 1,500 document range. These pulled checks must be returned to the State Contract Manager on the same day that the balance of the run is delivered to the USPS/Capitol Post Office.

Check Pulls for instances of Fraudulent Returns, Error Records

Check Pulls: After checks have been printed and sealed, the Using Agency, through the State Contract Manager, will provide the Contractor with a list of checks to be pulled and returned to the State via bonded courier. These checks must be returned to the State Contract Manager on the same day that the balance of the run is delivered to the USPS/Capitol Post Office, rather than being mailed to the recipient. The list of pulls will be made available on or before the check date.

The requesting Using Agency reserves the right to disapprove the mailing of individual checks or complete check runs. Said documents must be destroyed in accordance with IRS Publication 1075, if not returned to the State via bonded courier. The disposition of the individual checks or check runs as to their destruction or if they will be couriered back to the State will be made by and conveyed to the Contractor by the State Contract Manager. It shall be understood that any costs associated with requested services performed in the procedure above shall be included in the overall prices submitted.

Quality Control

For every check printed, the Contractor shall meet or exceed all ANSI X9 and ABA standards for MICR Printing as detailed within Section 4.4.3 of its Technical Proposal.

MICR Testing

The Contractor must conduct a MICR test once per shift to assure that all State checks are produced in accordance with all ABA Standards. At a minimum, analysis must include signal levels, character dimensions, spacing, formatting, extraneous MICR ink, and waveform analysis.

Test results must be retained by Contractor by time and date of test for a period of ninety (90) days. In the event of high MICR read rejection the State may request the Contractor to provide the complete set of test samples.

Storage of Stock/ Materials/ Printed Checks & Notices

All unused check stock must be stored in a secure location onsite at the Contractor's location so as to fully prevent the tampering with or removal of any check stock. Contractor must describe the security aspects of its secure location. All printed material that is to be held prior to mailing must be stored in a secure area on site so as to fully prevent tampering.

3.3.13 INTELLIGENT INSERTING

The State currently performs intelligent inserting, with varying number of pages in each envelope. OIT's ADF generates print files for First Class Mail, Foreign Mail and Certified Mail with Bulk Proof of Delivery (electronic Return Receipt) and segregates the work based upon the type of document and size of the envelope to be used. The ADF is configured to interact and reconcile with an intelligent inserter using Pitney Bowes Direct Connect inserter software and the standard Mail Run Data File (MRDF with several added User Defined Fields).

Please refer to: **"First Class Certified Mail Intel Insert Process.doc" - Attachment 2**, for a detailed explanation of the State's requirements for intelligent inserting. Please refer to the file named: **"Intel Insert Mail MRDF File Layout.xls"- Attachment 3**. Both files will be found on the web page associated with this RFP under RFP Documents, for the record layouts of the files that will pass between OIT's ADF and the Contractor.

The State also has a need for Selective Inserting. The Contractor shall insert a single document into an envelope and, based upon the content of a 2-D bar code, pull different pre-printed, non-

individualized “inserts” from various hoppers. This type of work will not include an MRDF file. The selection of which hoppers to pull from shall be based solely upon the content of the 2-D bar code.

3.3.14 PROJECT BILLING

The State of New Jersey utilizes a twelve (12) digit billing code to charge back Using Agencies. There are approximately 40 Using Agencies that currently use in-house services, although this number may fluctuate. A current list of these Using Agencies is found on the web page associated with this RFP under RFP Documents named, **“FY 12 User Billing Codes.xlsx” – Attachment 4.**

The Contractor shall provide the State with a (calendar) monthly summary invoice and a detailed monthly invoice for each Using Agency. Details shall include all attributes of the job contributing to its final costs, including postage and associated PO Box, as well as the chargeback billing code, completion date, and State Job Name and Job Number. These invoices shall be submitted in both paper and electronic formats.

Prompt payment standard for the State is 60 days. The monthly invoice(s) must be received by the 5th **business day** of the following month.

3.3.15 DESTRUCTION OF PAPER

All print jobs have the potential to include Federal Tax Information (FTI) and/or Personal Identifiable Information (PII). All damaged documents, jams, scrap and waste from any print job must be shredded and rendered unreadable and pulped as follows: To make reconstruction more difficult, the standard for paper physical destruction is to destroy paper using cross cut shredders which produce particles that are 1 x 5 millimeters in size (reference devices on the NSA paper Shredder EPL), or to pulverize/disintegrate paper materials using disintegrator devices equipped with 3/32 inch security screen (reference NSA Disintegrator EPL).

NIST SP 800-88 Guidelines for Media Sanitization

http://csrc.nist.gov/publications/nistpubs/800-88/NISTSP800-88_with-errata.pdf

Leader, trailer, waste and unusable blanks at the center core are referred to as waste stock/scraps. **The Contractor shall be responsible for the IRS Publication 1075 compliant destruction of all waste stock/scraps.** At the State’s discretion, in instances when large amounts of waste stock/scraps have been generated (as when an entire run is bad), the Contractor shall securely deliver the waste stock/scraps back to the Hub upon the request of the State Contract Manager.

3.3.16 ELECTRONIC IMAGE APPROVAL

Many of the print jobs each month have changes to the overlay or data mapping onto the overlay. The Contractor shall provide an electronic mechanism for agencies to view and approve the changes prior to printing. Jobs requiring electronic review prior to being printed will be isolated into a specific Print Class. Currently, less than 1% of all print jobs will require this review before printing.

3.3.17 MANAGEMENT REPORTING

In addition to the print services, the Contractor shall provide regular reporting and tracking of both financial and operational performance, including customer satisfaction, to the State Contract Manager. Furthermore, because the Print costs are charged/allocated back to the Using Agencies, the Contractor must provide volume and financial tracking to enable the charge back process.

The Contractor shall provide the reports detailed below in the frequencies in which they are required by the State. Ad hoc reports may also be requested from time to time and shall be provided at no additional cost to State of New Jersey.

- Monthly tracking and reporting (trends and volume analysis);
 - o Activity reporting (by site, by job types, by suppliers, by customers);
 - o “Chargeback” reporting;
 - o Customer satisfaction reporting (feedback survey results);
 - o Performance tracking (cost reduction realized versus goals);
 - Job Tracking/Job Log maintenance (providing proof of job delivery when requested);
 - Policy and procedures maintenance (when requested); and
 - Customer satisfaction measurement program (when requested).
-
- **Other Reporting**
Other reports to be provided on a monthly, quarterly and annual basis include, but are not limited to:
 - o Total pages produced;
 - o Total number of jobs produced;
 - o Turnaround time;
 - o Reporting by lines v. sheets, by customer, by job type;
 - o Count of each type of binding (if applicable);
 - o Reporting on non-standard jobs;
 - o Reporting on “Urgent” or “Priority” jobs;
 - o Reporting on consumables usage (e.g., paper usage, including lead and trailer usage);
 - o Reporting on quality assurance (e.g., jobs redone); and
 - o Reporting on extended hours and over-time, if required.
 - o Operational and financial reports.

3.3.18 OIT PRINT PRODUCTION EMPLOYEES

NJOIT will provide the Contractor with a list of the NJOIT Print Shop “Hub” Employees as of the contract effective date (“The Existing Print Shop “Hub” Employees”). During the Transition, the Contractor shall (i) provide each Existing Print Shop “Hub” Employee with the opportunity to apply for a position with the Contractor and (ii) interview and consider for employment any such Existing Print Shop “Hub” Employee who applies for a position with the Contractor for which such Existing Print Shop “Hub” Employee is qualified.

3.3.19 ELECTRONIC REFERENCE FILES

A partial list of files referenced as Attachments are listed under Section **1.3.6 PRE-PROPOSAL DOCUMENT REVIEW**. For the complete list of Attachments go to the web page associated with this RFP under RFP Documents.

3.4 TECHNICAL PLANS AND ENVIRONMENT

3.4.1 SYSTEM DESIGN DOCUMENT

Within 30 days after the contract effective date, the Contractor shall provide a detailed system design document showing Security Plan, Disaster Recovery Plan and Contingency Plan. Logical and physical diagrams are required.

3.4.1.1 SECURITY PLAN

The Contractor must provide a security plan for the proposed solution. The document shall describe the administrative, physical, technical and systems controls to be used by the system and/or services. The Contractor's security plan must, at a minimum, provide security measures for the following areas:

- Facilities Physical Security and Environmental Protection
- System Security
- System Data Security
- Network Security
- Administrative and Personnel Security

The security plan shall provide for review of the Contractor's operations and control system for the proposed solution. The Contractor shall have the capability to detect and report attempted unauthorized entries into the facility and system. All security requirements for the Contractor apply to development, testing, production and backup systems.

In addition, the security plan the Contractor shall identify, address and/or define:

- Certification: The Contractor is required to complete and have on file an up to date ANSI/NASPO-SA-2008 Class 1 Certification.
- Regulations and security requirements – how the Contractor will address security requirements such as PCI, HIPAA, FISMA and etc.
- System, Administrative and Personnel Security - the security responsibilities of and supervision required for information owned and / or operated by the Contractor. Security responsibilities include responsibilities for administration of the infrastructure, implementing or maintaining security and the protection of the confidentiality, integrity, and availability of information systems or processes.
- Workforce Security - the control process for hiring and terminating of Contractor's employees, and method used for granting and denying access to the Contractor's network, systems and applications. Identify and define audit controls when employment of the employee terminates. Identify rules of behavior.
- Role-based security access – the products and methods provides role-based security, access enforcement and least privilege.

- Account Management – the products and methods identify and control the account types to meet defined regulation and security requirements.
 - Password Management – the appropriate password management controls to meet defined regulation or security requirements.
 - Logging / Auditing controls – the Contractor's audit control methods and requirements. The controls must address but not limited to all user access and user identification linked to any changes to the system and data, and provide an audit process that will make all audit data accessible to state and federal audit staff. The audit trail of all transactions should track date, time, user, and end-user device that initiated the transaction. The audit data must be protected, non-repudiated and restricted to authorized staff. Retention of the audit records will be retained online for at least ninety days and further preserve offline for a period of the contract or required State and Federal laws and regulations.
 - Incident Management – the methods for detecting, reporting and responding to an incident, vulnerabilities and threats. The methods are tested and exercised.
 - Vulnerability / Security Assessment – the products and methods used for scanning for vulnerabilities and remediation of the vulnerabilities. Identify and define methods used for initiating and completing security assessments. All systems and applications shall be subject to vulnerability assessment scans by an independent and accredited third party on an annual basis.
 - Application Security – where the Contractor is providing application hosting or development services, the Contractor at a minimum shall run application vulnerability assessment scans during development and system testing. Vulnerabilities shall be remediated prior to production release.
 - Application Partitioning – where the Contractor is providing application hosting or development services, the Contractor will have a separate and unique (single tenant) partition.
 - Anti-virus / malware controls – the products and methods for anti-virus and malware controls that meet industry standards. It shall include policy statements that require periodic anti-viral software checks of the system to preclude infections and set forth its commitment to periodically upgrade its capability to maintain maximum effectiveness against new strains of software viruses.
- Network Security – Where the Contractor has access to State confidential data, and that data will traverse the Contractor's network, the Contractor shall maintain the Contractor's network security to include, but not be limited to: network firewall provisioning, intrusion detection and prevention, denial of service protection, annual independent and accredited third party penetration testing, and maintain a hardware inventory including name and network address. The Contractor shall maintain network security that conforms to current standards set forth and maintained by the National Institute of Standards and Technology (NIST), including those at:
<http://web.nvd.nist.gov/view/ncp/repository>.
- Database – the products and methods for safeguarding the database(s).
 - Data Integrity – the products and methods on the integrity of all stored data and the electronic images, and the security of all files from unauthorized access. The Contractor must be able to provide reports on an as-needed basis on the access or change for any file within the system.
 - Server and infrastructure – the products and methods for "hardening" of the hardware' operating systems and software.
 - Wireless, Remote and Mobile Access – where the Contractor has access to State confidential data, and that data traverses the Contractor's network, the Contractor shall

have security controls for provisioning accounts, authorization, account/credential verification, audit/logging, VPN, and TCP/UDP ports restrictions.

- Transmission - the products and methods on how its system addresses security measures regarding communication transmission, access and message validation.
- Continuous Monitoring – where the Contractor has access to State confidential data, and that data will traverse the Contractor's network, the Contractor shall have products and methods for monitoring malicious activity, malware, intrusions and audit records within the Contractor's network.
- Security Audit – the Contractor must allow State assigned staff full access to all operations for security inspections and audits which may include reviews of all issues addressed in description of the security approach and willingness to enter into good faith discussions to implement any changes.
- Change / Configuration Management and Security Authorization – the Contractor has established a change / configuration methodology, establish a baseline configuration and track changes to the configuration. Identify and maintain a list of software programs authorized to execute on a system. When the Contractor has a major change to the system or application, the State's project manager is notified and a security reauthorization must be approved.
- Risk Management – the Contractor has established a risk management plan, technical and security risks are identified, reported and mitigated.
- Confidentiality and Non-Disclosure Agreements – when requested, the Contractor and all project staff including its subcontractor(s) must complete and sign confidentiality and non-disclosure agreements provided by the State. The Contractor may be required to view yearly security awareness and confidentiality training modules provided by the State. Where required, it shall be the Contractor's responsibility to ensure that any new staff sign the confidentiality agreement and complete the security awareness and confidentiality training modules within one month of the employees' start date.

The State reserves the right to obtain, or require the Contractor to obtain, criminal history background checks from the New Jersey State Police for all Contractor and project staff (to protect the State of New Jersey from losses resulting from contractor employee theft, fraud or dishonesty) when requested. If the State exercises this right, the results of the background check(s) must be made available to the State for consideration before the employee is assigned to work on the State's project. Prospective employees with positive criminal backgrounds for cyber-crimes will not be approved to work on State Projects. Refer to the National Institute of Standards and Technology (NIST) Special Publication (SP) 800-12, An Introduction to Computer Security: The NIST Handbook, Section 10.1.3, Filling the Position – Screening and Selecting.

3.4.1.2 DISASTER RECOVERY PLAN

The Contractor is required to submit its Disaster/Recovery plans and procedures prior to the project's implementation, which are to include timelines for restoration of operations, locations and equipment as to ensure that it shall continue to satisfy all RFP requirements within 24 hours in the event its primary location is rendered unusable. The plan must detail how the Contractor shall ensure that the supply of blank and pre-printed forms destroyed in such a disaster will be replaced so as to meet the 24 hour time frame.

3.4.1.3 CONTINGENCY PLAN

The Contractor is required to have a contingency plan identifying key personnel, organization units and alternate sites with telecommunications and computers. The plan is tested. The plan is reviewed and updated annually.

Reference:

NIST Special Publication 800-53A - Guide for Assessing the Security Controls in Federal Information Systems and Organizations (http://csrc.nist.gov/publications/nistpubs/800-53-Rev3/sp800-53-rev3-final_updated-errata_05-01-2010.pdf)

3.4.2 TECHNICAL ENVIRONMENT

3.4.2.1 STATE TECHNOLOGY REQUIREMENTS AND STANDARDS

The Contractor shall be subject to the same security and infrastructure review processes that are required by NJOIT and its Using Agencies. The Contractor shall submit relevant documentation and participate in the System Architecture Review (SAR) process. Additional information on this process can be found at: <http://www.nj.gov/it/reviews/>.

3.4.2.2 HOSTING AND BACKUP SERVICES

For “outsourced hosting services”, the Contractor must demonstrate the ability to not only secure the physical application infrastructure utilizing the above mentioned security requirements, but also control and secure physical access to the application hosting facilities, the racks supporting network infrastructure and processing server equipment, web, application and database servers.

If the Contractor is not supplying “dedicated” hardware resources to host State of New Jersey applications and data, the Contractor must demonstrate its strategy to maintain application and/or stack isolation using commercially available security devices to maintain security zones, routing isolation and access control to infrastructure devices and access/security logging (AAA) within its infrastructure.

3.4.2.3 EXTRANET PLAN

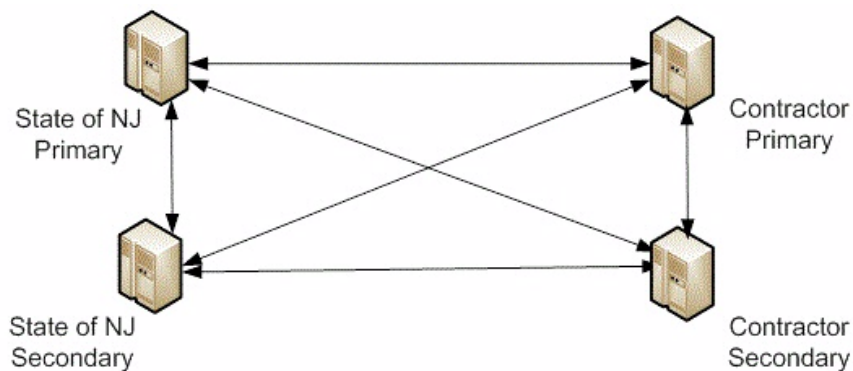
The communication links between the State of New Jersey and the Contractor shall be based upon the business requirements and security requirements of the State of New Jersey and the Contractor system. Options include a MPLS cloud or IPSEC tunnel.

The Contractor shall provide and maintain two (2) extranet communication links into the State of New Jersey. One of these links will be active and one will be a "hot" spare. These links shall terminate as follows:

- Link 1 – Ethernet speed or greater communication circuit shall be established from the Contractor's data or communication center to the State of New Jersey's Primary Data Center at OIT Hub, 1 Schwarzkopf Drive, West Trenton, NJ to operate as the primary data path. This data circuit shall provide the primary path and should terminate on the

State of New Jersey side into the Contractor-owned and maintained equipment, which in turn would provide an Ethernet connection to the State's Extranet Partner access point at OIT Hub (firewall).

- Link 2 – Ethernet speed or greater communication circuit shall be established from the Contractor's data or telecommunication center to the State of New Jersey's SAC Data Center - River Road PO Box 7068 W. Trenton, NJ 08628 to operate as the secondary data path. This data circuit will provide a secondary backup path and should terminate on the State of New Jersey side into the Contractor-owned and maintained equipment, which in turn would provide an Ethernet connection to the State's Extranet access point at SAC (firewall).



Once the communication links are established and testing is completed, the OIT Hub will be the primary link to the Contractor.

The Contractor must work with the sponsoring agency and OIT to establish an Extranet Partner relationship. This would require completion of an Extranet Partner agreement and supporting documentation; reference the State of New Jersey's extranet policy 09-11-NJOIT (<http://nj.gov/it/ps/security>). In addition, the Contractor must work with OIT network group to establish the appropriate routing protocols based on the system requirements and OIT security group to establish appropriate firewall rule sets to accomplish necessary business data flow.

The communication links must connect to a MPLS cloud or IPSEC tunnel over the Internet based upon the connectivity requirements and cost constraints. Once the communication links are established and testing is completed, the OIT Hub will be the primary link to the Contractor.

The State of New Jersey supports multiple methods for data transfers internally within the Garden State Network or external to an extranet or business partner. The transmission of all files between the Contractor and the State system must be transferred securely using the State file transfer methodology. The State will work with the Contractor in the implementation of the file transfer process. The secure file transfer must meet the State and Federal security guidelines and standards.

The State of New Jersey provides both asynchronous and synchronous file transfer methodologies.

Synchronous:

- 1) Connect: Direct Secure ++ is a supported option for file exchange with the State of New Jersey IBM mainframe.
- 2) FTPS over SSL (Explicit – port 21) is a supported option for file exchange for connections originating from the State of New Jersey IBM Mainframe. Must support RFC2228.
- 3) SFTP (FTP over SSHv2 or greater) is a supported option for file exchange with State of New Jersey distributed servers (non-IBM Mainframe).

Asynchronous:

- 1) The State of New Jersey's Datamotion or Tumbleweed are a supported option for non-automated or "ad-hoc" file exchange with State of New Jersey. A client license is required.
- 2) The State of New Jersey's Datamotion-DataBridge is a supported option for automated file exchange with the State of New Jersey.

A diagram of the proposed high level process flow can be found within the file named: **"Proposed File Transfer to Vendor.pptx", Attachment 5**, on the web page associated with this RFP under RFP Documents.

The Contractor shall test the file transfer with the State system on all file transfers prior to full implementation.

During the life of the contract, the State may revise or change the file transfer method and/or format for the transmission of files to accommodate real time processing, and use case specific information and the Contractor shall be required to conform to all requirements.

Reference:

NIST Special Publication 800-53A - Guide for Assessing the Security Controls in Federal Information Systems and Organizations (<http://csrc.nist.gov/publications/nistpubs/800-53A-rev1/sp800-53A-rev1-final.pdf>)

NIST Special Publication 800-47 - Security Guide for Interconnecting Information Technology Systems (<http://csrc.nist.gov/publications/nistpubs/800-47/sp800-47.pdf>)

For a snapshot of current network band width usage see the file named: **ADF Bandwidth Utilization Print Stats. docx, Attachment 6**, on the web page associated with this RFP under RFP Documents.

4.0 PROPOSAL PREPARATION AND SUBMISSION

4.1 GENERAL

The Bidder is advised to thoroughly read and follow all instructions contained in this RFP, including the instructions on the RFP's signatory page, in preparing and submitting its proposal.

Use of URLs in a proposal should be kept to a minimum and may not be used to satisfy any material term of an RFP. If a preprinted or other document included as part of the proposal contains a URL, a printed (or if a bid is submitted electronically, electronic) copy of the URL page shall be provided and will be considered as part of the proposal. Additional URLs on the copy of the URL page shall not be considered as part of the proposal unless, a copy of those URL pages are also provided.

The forms discussed herein and required for submission of a proposal in response to this RFP are available on the web at
<http://www.state.nj.us/treasury/purchase/bid/summary/14-X-22340.shtml>
unless noted otherwise.

4.2 PROPOSAL DELIVERY AND IDENTIFICATION

In order to be considered, a proposal must arrive at the Division in accordance with the instructions on the RFP signatory page accompanying this RFP. Bidders are cautioned to allow adequate delivery time to ensure timely delivery of proposals. **State regulation mandates that late proposals are ineligible for consideration. THE EXTERIOR OF ALL PROPOSAL**

PACKAGES ARE TO BE LABELED WITH THE PROPOSAL IDENTIFICATION NUMBER AND THE FINAL PROPOSAL OPENING DATE OR RISK NOT BEING RECEIVED IN TIME.

4.3 EBID VS. NON-EBID SUBMISSION INSTRUCTION

4.3.1 EBID SUBMISSION OF PROPOSAL

No E-Bids will be accepted for this proposal.

4.3.2 NON-EBID SUBMISSION

The Bidder must submit the following proposal copies bound in binders:

One (1) complete ORIGINAL proposal, clearly marked as the "ORIGINAL" proposal.
Fifteen (15) complete and exact copies, clearly marked "COPY".

One (1) unbound, complete and exact copy of the original, clearly marked "COPY"

One (1) complete and exact ELECTRONIC copy of the original proposal in PDF file format on disc (CD or DVD) to be viewable and "read only" by State evaluators using Adobe Acrobat Reader software

One (1) complete and exact ELECTRONIC copy of the original proposal in an editable and "writable" PDF file format on disc (CD or DVD) for redaction

Copies are necessary in the evaluation of the proposal and for record retention purposes. A Bidder failing to provide the requested number of copies will be charged the cost incurred by the State in producing the requested number of copies. The Bidder should make and retain a copy of its proposal.

4.4 PROPOSAL CONTENT

The proposal should be submitted in two volumes with the content of each volume as indicated below.

Volume 1

Section 1 - Forms (Sections 4.4.1 and 4.4.2)

Section 2 - Technical Proposal (Section 4.4.3) – **NOTE: This section of the Bidder's submission is limited to 25 pages or fewer, with no smaller than a 12 point font.**

Section 3 - Organizational Support and Experience (Section 4.4.4)

Volume 2

Section 4 – Price Schedule (Section 4.4.5)

4.4.1 FORMS, REGISTRATIONS AND CERTIFICATIONS REQUIRED WITH PROPOSAL

4.4.1.1 SIGNATORY PAGE

The Bidder shall complete, including signature of an authorized representative of the Bidder, and submit the Signatory Page accompanying this RFP. If the Bidder is a limited partnership,

the Signatory Page must be signed by a general partner. If the Bidder is a joint venture, the Signatory Page must be signed by a principal of each party to the joint venture. Failure to comply will result in rejection of the proposal.

4.4.1.2 MACBRIDE PRINCIPLES CERTIFICATION

The Bidder must certify pursuant to N.J.S.A. 52:34-12.2 that it is in compliance with the MacBride principles of nondiscrimination in employment as set forth in N.J.S.A. 52:18A-89.5 and in conformance with the United Kingdom's Fair Employment (Northern Ireland) Act of 1989, and permit independent monitoring of their compliance with those principles. Please refer to Section 2.5 of the State of NJ Standard Terms and Conditions and N.J.S.A. 52:34-12.2 for additional information about the McBride principles.

By signing the RFP Signatory Page, or by entering its PIN if submitting an eBid proposal, the Bidder/Offeror is automatically certifying that either:

- a. The Bidder has no operations in Northern Ireland; or
- b. The Bidder has business operations in Northern Ireland and is committed to compliance with the MacBride principles.

A Bidder/Offeror electing not to certify to the MacBride Principles must nonetheless sign the RFP Signatory Page AND must include, as part of its proposal, a statement indicating its refusal to comply with the provisions of this Act.

4.4.1.3 CERTIFICATION OF NON-INVOLVEMENT IN PROHIBITED ACTIVITIES IN IRAN

Pursuant to N.J.S.A. 52:32-58, the Bidder must certify that neither the Bidder, nor one of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in N.J.S.A. 52:32-56(f). If the Bidder is unable to so certify, the Bidder shall provide a detailed and precise description of such activities.

4.4.1.4 SMALL BUSINESS SUBCONTRACTING SET-ASIDE CONTRACTS

This is a contract with set-aside subcontracting goals for New Jersey Small Business Enterprises. If the Bidder intends to subcontract, it must submit a Subcontractor Utilization Plan. If the Bidder intends to Subcontract, the Bidder should take the following actions to achieve the set-aside subcontracting goal requirements:

1. Attempt to locate eligible small businesses in Categories I, II, and III appropriate to the RFP;
2. Request a listing of small businesses by Category from the New Jersey Division of Revenue, Small Business Enterprise Unit;
3. Record efforts to locate eligible businesses, including the names of businesses contacted and the means and results of such contacts;
4. Provide all potential Subcontractors with detailed information regarding the specifications;

5. Attempt, whenever possible, to negotiate prices with potential Subcontractors submitting higher than acceptable price quotes;
6. Obtain, in writing, the consent of any proposed Subcontractor to use its name in response to the RFP; and,
7. Maintain adequate records documenting efforts to achieve the set-aside subcontracting goals.

Proposals should also contain a copy of the New Jersey of Revenue, Small Business Enterprise Unit's proof of registration as a small business for any business proposed as a Subcontractor; and documentation of the Bidder's good faith effort to meet the targets of the set-aside subcontracting requirement in sufficient detail to permit the Bid Review Unit of the Division to effectively assess the bidder's efforts to comply if the bidder has failed to attain the statutory goals.

If the Bidder chooses to use Subcontractors and fails to meet the small business subcontracting targets set forth above, the bidder must submit documentation demonstrating its good faith effort to meet the targets with its proposal or within seven (7) business days upon request.

NOTE A BIDDER'S FAILURE TO SATISFY THE SMALL BUSINESS SUBCONTRACTING TARGETS OR PROVIDE SUFFICIENT DOCUMENTATION OF ITS GOOD FAITH EFFORTS TO MEET THE TARGETS WITH THE PROPOSAL OR WITHIN SEVEN (7) DAYS UPON REQUEST SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.

If awarded the contract, the Bidder shall notify each Subcontractor listed in the Plan, in writing.

Each Bidder awarded a contract for a procurement which contains the set-aside subcontracting goal requirement shall fully cooperate in any studies or surveys which may be conducted by the State to determine the extent of the Bidder's compliance with N.J.A.C. 17:13-1.1 et seq., and this RFP.

4.4.1.5 NO SUBCONTRACTOR CERTIFICATION

For a proposal that does NOT include the use of any Subcontractor, by signing the RFP Signatory Page, or by entering a PIN if submitting an e-Bid proposal, the Bidder is *automatically* certifying that:

1. In the event the award is granted to Bidder's' firm and the Bidder later determines at any time during the term of the Contract to engage Subcontractor to provide certain goods and/or services, pursuant to Section 5.8 of the State of NJ Standard Terms and Conditions, the Bidder will submit a Subcontractor Utilization Plan form for approval to the Division of Purchase and Property in advance of any such engagement of Subcontractor.
2. If the contract is a small business subcontracting set-aside, the Bidder certifies that in engaging Subcontractor, it will make a good faith effort to achieve the subcontracting set-aside goals, and will attach to the Subcontractor Utilization Plan documentation of such efforts in accordance with N.J.A.C. 17:13-4 et seq.

4.4.1.6 NON-COLLUSION

By submitting a proposal, the Bidder certifies as follows:

- a. The price(s) and amount of its proposal have been arrived at independently and without consultation, communication or agreement with any other Contractor, Bidder or potential Bidder.
- b. Neither the price(s) nor the amount of its proposal, and neither the approximate price(s) nor approximate amount of this proposal, have been disclosed to any other firm or person who is a Bidder or potential Bidder, and they will not be disclosed before proposal opening.
- c. No attempt has been made or will be made to induce any firm or person to refrain from bidding on this contract, or to submit a proposal higher than this proposal, or to submit any intentionally high or noncompetitive proposal or other form of complementary proposal.
- d. The proposal of the firm is made in good faith and not pursuant to any agreement or discussion with, or inducement from, any firm or person to submit a complementary or other noncompetitive proposal.
- e. The Bidder, its affiliates, subsidiaries, officers, directors, and employees are not currently under investigation by any governmental agency and have not in the last four (4) years been convicted or found liable for any act prohibited by state or federal law in any jurisdiction, involving conspiracy or collusion with respect to bidding on any public contract.

4.4.1.7 NEW JERSEY BUSINESS ETHICS GUIDE CERTIFICATION

The Treasurer has established a business ethics guide to be followed by State Contractors in their dealings with the State. The guide provides further information about compliance with Section 2.8 of the State of New Jersey Standard Terms and Conditions. The guide can be found at:

http://www.state.nj.us/treasury/purchase/ethics_guide.shtml

BY SIGNING THE RFP SIGNATORY PAGE, OR BY ENTERING A PIN IF SUBMITTING AN E-BID PROPOSAL, THE BIDDER IS AUTOMATICALLY CERTIFYING THAT IT HAS READ THE GUIDE, UNDERSTANDS ITS PROVISIONS AND IS IN COMPLIANCE WITH ITS PROVISIONS.

4.4.1.8 OWNERSHIP DISCLOSURE FORM

Pursuant to N.J.S.A. 52:25-24.2, in the event the Bidder is a corporation, partnership or sole proprietorship, the Bidder must complete the attached Ownership Disclosure Form. A current completed Ownership Disclosure Form must be received prior to or accompany the proposal. Failure to submit the form will preclude the award of a contract.

4.4.1.9 DISCLOSURE OF INVESTIGATIONS AND ACTIONS INVOLVING BIDDER

The Bidder shall provide a detailed description of any investigation, litigation, including administrative complaints or other administrative proceedings, involving any public sector clients during the past five (5) years including the nature and status of the investigation, and, for any litigation, the caption of the action, a brief description of the action, the date of inception, current

status, and, if applicable, disposition. The Bidder shall use the Disclosure of Investigations and Actions Involving Bidder form for this purpose.

4.4.1.10 SUBCONTRACTOR UTILIZATION PLAN

All bidders intending to use a Subcontractor must submit a completed Subcontractor Utilization Plan. Please see the State of New Jersey, Division of Purchase and Property's Subcontractor Forms which includes the Subcontractor Utilization Plan form.

4.4.1.11 BID SECURITY

Not applicable to this procurement.

4.4.1.12 PRICING

The Bidder must submit its pricing on the State supplied Excel Price Sheet(s) and supply any additional pricing information as directed in RFP Section 4.4.5.

4.4.2 FORMS REQUIRED BEFORE CONTRACT AWARD THAT SHOULD BE SUBMITTED WITH THE PROPOSAL

4.4.2.1 BUSINESS REGISTRATION

In accordance with N.J.S.A. 52:32-44(b), a Bidder and its named Subcontractor must have a valid Business Registration Certificate ("BRC") issued by the Department of Treasury, Division of Revenue prior to the award of a contract. To facilitate the proposal evaluation and contract award process, the Bidder should submit a copy of its valid BRC and those of any named Subcontractor with its proposal. Refer to Section 2.1 of the State of NJ Standard Terms and Conditions.

Any Bidder, inclusive of any named Subcontractor who does not have a valid business registration at the time of proposal opening or whose BRC was revoked prior to the submission of the proposal should proceed immediately to register its business or seek re-instatement of a revoked BRC. Bidders are cautioned that it may require a significant amount of time to secure the re-instatement of a revoked BRC. The process can require actions by both the Division of Revenue and the Division of Taxation. For this reason, a Bidder's early attention to this requirement is highly recommended. The Bidder and its named Subcontractor may register with the Division of Revenue, obtain a copy of an existing BRC or obtain information necessary to seek re-instatement of a revoked BRC online at <http://www.state.nj.us/treasury/revenue/busregcert.shtml>.

A Bidder otherwise identified by the Division as a responsive and responsible Bidder, inclusive of any named Subcontractor but that was not business registered at the time of submission of its proposal must be so registered and in possession of a valid BRC by a deadline to be specified in writing by the Division.. A Bidder who fails to comply with this requirement by the deadline specified by the Division will be deemed ineligible for contract award. Under any circumstance, the Division will rely upon information available from computerized systems

maintained by the State as a basis to verify independently compliance with the requirement for business registration.

A Bidder receiving a contract award as a result of this procurement and any Subcontractor named by that Bidder will be required to maintain a valid business registration with the Division of Revenue for the duration of the executed contract, inclusive of any contract extensions.

4.4.2.2 SERVICES SOURCE DISCLOSURE CERTIFICATION FORM

Pursuant to N.J.S.A. 52:34-13.2, prior to an award of contract, the Bidder is required to submit a completed source disclosure form. The Bidder's inclusion of the completed Services Source Disclosure Form with the proposal is requested and advised. Refer to RFP Section 7.1.2 for additional information concerning this requirement.

4.4.3 TECHNICAL PROPOSAL

In this section, the Bidder shall describe its approach and plans for accomplishing the work outlined in the Scope of Work section, i.e., Section 3.0. The Bidder must set forth its understanding of the requirements of this RFP and its ability to successfully complete the contract.

4.4.3.1 SECURITY AND CONFIDENTIALITY

Bidder shall submit in its proposal its plan to meet the Security and Confidentiality requirements along with all applicable certifications and other documentation required under Section 5.9 Data Confidentiality and Security and Section 3.4.1.1 Security Plan of this RFP.

Bidder shall submit in its proposal the process by which the State can securely communicate to the Contractor critical job identification information including the print Job Name, Form/Stock Name, Delivery Destination and Using Agency to be billed (15 digit account number) for each of the 16,000 print jobs per month. The Bidder must describe in its proposal how the print files and associated critical information will pass securely through the Public Tier to the Contractor (See Section 3.3.10).

Bidder shall submit in its proposal the process by which it will identify and confirm when the individual print jobs have been completed by use of an on-line database of near real-time job status. (See Section 3.3.11)

4.4.3.2 MANAGEMENT OVERVIEW

The Bidder shall set forth its overall technical approach and plans to meet the requirements of the RFP in a narrative format. This narrative should demonstrate to the State that the Bidder understands the objectives of the contract, the nature of the required work and the level of effort necessary to successfully complete the contract. This narrative should demonstrate to the State that the Bidder's general approach and plans to undertake and complete the contract are appropriate to the tasks and subtasks involved.

Mere reiterations of RFP tasks and subtasks are strongly discouraged, as they do not provide insight into the Bidder's ability to complete the contract. The Bidder's response to this section

should be designed to demonstrate to the State that the Bidder's detailed plans and approach proposed to complete the Scope of Work are realistic, attainable and appropriate and that the Bidder's proposal will lead to successful contract completion.

4.4.3.3 CONTRACT MANAGEMENT

The Bidder shall describe its specific plans to manage, control and supervise the contract to ensure satisfactory contract completion according to the required schedule. The plan should include the Bidder's approach to communicate with the State Contract Manager including, but not limited to, status meetings, status reports, etc.

4.4.3.3.1 CONTRACT REPORTING

The Bidder shall provide specific details, plans, samples and capabilities as to its ability to customize report and billing formats, as to best meet the needs of the State. The Bidder shall indicate the turnaround time for report requests, provide samples of standard and customized reports and provide details on the capability of producing ad hoc reports.

4.4.3.3.2 REPRINTS

The Bidder shall provide within the technical proposal details on how it will identify, separate and reprint documents damaged in the printing process due to jamming, tearing, end of roll, etc., at no additional cost to the State.

4.4.3.4 FUTURE WORK

NJOIT does not currently have the ability to print post cards (standard or two-way), nor does it have the ability to print PDF documents. The Bidder should elaborate on its ability to provide either or both future needs. Post cards should meet all USPS requirements and Bidder must include all technical details, including specifications for stock and process details for two-way post cards. The printing of PDF documents will be on standard 20# paper, unless otherwise specified. The response to this section should be submitted with the proposal in a sealed envelope. Responses to this section will not be revealed until after an intent to award a contract is made. All responses to this section, like the proposals themselves, will be considered public information in accordance with RFP Section 1.4.4 regardless of the Bidder receiving an award.

4.4.3.5 CONTRACT SCHEDULE

Not applicable to this procurement.

4.4.3.6 MOBILIZATION AND IMPLEMENTATION PLAN

It is essential that the State move forward quickly to have the Hub Outsourcing Initiative in place. Therefore, the Bidder must include as part of its proposal a mobilization and implementation plan beginning with the date of notification of contract award as described in Section 3.3 State & Contractor Requirements.

Such mobilization and implementation plan shall include the following elements:

- a. A detailed timetable for the mobilization and implementation period of a targeted 120 days, as described in Section 3.3 State & Contractor Requirements. This timetable shall be designed to demonstrate how the Bidder will have the contract up and operational from the date of notification of award;
- b. The Bidder's plan for the deployment and use of management, supervisory or other key personnel during the mobilization and implementation period. The plan shall show all management, supervisory and key personnel that will be assigned to manage, supervise and monitor the Bidder's mobilization and implementation plan as described in Section 3.3 State & Contractor Requirements;

NOTE: The Bidder shall clearly identify management, supervisory or other key staff that will be assigned only during the mobilization and implementation period;

- c. The Bidder's plan for recruitment of staff necessary to provide all services required by the RFP on the contract start date as well as at the end of the mobilization and implementation period as described in Section 3.3 State & Contractor Requirements;
- d. The Bidder shall provide a comprehensive description of its quality control program. Include relevant samples of surveys and internal assessments (such as quality control management reports) that the Bidder proposes to establish, track and maintain quality standards;
- e. The Bidder's plan for the purchase and distribution of equipment, inventory, supplies, materials, etc. that will be required to fully implement the contract on the required start date;
- f. The Bidder's plan for the use of Subcontractors, if any, on this contract with an emphasis on how any Subcontractor identified will be involved in the mobilization and implementation plan; and
- g. The Bidder's plan to provide each existing OIT Print Production Employee with the opportunity to apply for a position with the Contractor and to interview and consider for employment any such existing OIT Print Production Employee who applies for a position with the Contractor for which such Existing Print Shop Employee is qualified.

The Bidder shall identify the contract scheduling and control methodology to be used and should provide the rationale for choosing such methodology. The use of Gantt, PERT or other charts is at the option of the Bidder.

4.4.3.7 DRAFT SYSTEM DESIGN DOCUMENT

The bidder shall provide in its proposal a draft System Design Document to include a Security Plan, Disaster Recovery Plan and Contingency Plan as per RFP Section 3.4. The draft plans should provide sufficient detail to demonstrate the Bidders understanding of the requirements of RFP Section 3.4 including a description of its technical environment.

4.4.3.8 STORAGE OF STOCK / PRINTED MATERIALS

The Bidder must submit within its proposal its draft Storage Plan for the Storage of Stock / Printed Materials in accordance with RFP section 3.3.9.

4.4.3.9 COMMUNICATION OF CRITICAL JOB IDENTIFICATION INFORMATION

The Bidder must describe within its proposal the process by which the State can communicate critical job information, print files and associated information securely to the Bidder in accordance with RFP section 3.3.10.

4.4.3.10 ELECTRONIC IMAGE APPROVAL

The Bidder must describe how it shall provide electronic proofing / approval capability in accordance with RFP section 3.3.16.

4.4.3.11 POTENTIAL PROBLEMS

The Bidder shall set forth a summary of any and all problems that the Bidder anticipates during the term of the contract. For each problem identified, the Bidder shall provide its proposed solution.

4.4.4 ORGANIZATIONAL SUPPORT AND EXPERIENCE

The Bidder shall include information relating to its organization, personnel, and experience, including, but not limited to, references, together with contact names and telephone numbers, evidencing the Bidder's qualifications, and capabilities to perform the services required by this RFP. This section of the proposal must minimally contain the information identified below.

4.4.4.1 LOCATION

The Bidder shall include the address of the Bidder's office where responsibility for managing the contract will take place. The Bidder shall include the telephone number and name of the individual to contact.

4.4.4.2 ORGANIZATION CHARTS

a. **Contract-Specific Chart.** The Bidder shall include a contract organization chart, with names showing management, supervisory and other key personnel (including Subcontractor management, supervisory or other key personnel) to be assigned to the contract. The chart shall include the labor category and title of each such individual.

b. **Chart for Entire Firm.** The Bidder shall include an organization chart showing the Bidder's entire organizational structure. This chart shall show the relationship of the individuals assigned to the contract to the Bidder's overall organizational structure.

4.4.4.3 RESUMES

Detailed resumes shall be submitted for all management, supervisory and key personnel to be assigned to the contract. Resumes shall emphasize relevant qualifications and experience of these individuals in successfully completing contracts of a similar size and scope to those required by this RFP. Resumes shall include the following:

- The individual's previous experience in completing each similar contract.
- Beginning and ending dates for each similar contract.
- A description of the contract demonstrating how the individual's work on the completed contract relates to the individual's ability to contribute to successfully providing the services required by this RFP.
- With respect to each similar contract, the name and address of each reference together with a person to contact for a reference check and a telephone number.

The bidder shall provide detailed resumes for each subcontractor's management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the subcontractor is designated to perform. When a bidder submits resumes pursuant to this paragraph, the bidder shall redact the social security numbers, home addresses, personal telephone numbers and any other personally identifying information other than the individual's name from the resume.

4.4.4.4 BACKUP STAFF

The Bidder should include a list of backup staff that may be called upon to assist or replace primary individuals assigned. Backup staff must be clearly identified as backup staff.

In the event the Bidder must hire management, supervisory and/or key personnel if awarded the contract, the Bidder should include, as part of its recruitment plan, a plan to secure backup staff in the event personnel initially recruited need assistance or need to be replaced during the contract term.

4.4.4.5 EXPERIENCE WITH CONTRACTS OF SIMILAR SIZE AND SCOPE

The Bidder shall provide a comprehensive listing of contracts of similar size and scope that it has successfully completed, as evidence of the Bidder's ability to successfully complete the services required by this RFP. Emphasis should be placed on contracts that are similar in size and scope to the work required by this RFP. A description of all such contracts shall be included and shall show how such contracts relate to the ability of the firm to complete the services required by this RFP. For each such contract, the Bidder shall provide two names and telephone numbers of individuals for the other contract party, along with the beginning and ending dates for each contract.

The Bidder shall provide documented experience to demonstrate that each Subcontractor has successfully performed work on contracts of a similar size and scope to the work that the Subcontractor is designated to perform in the Bidder's proposal. The Bidder must provide a detailed description of services to be provided by each Subcontractor.

4.4.4.6 FINANCIAL CAPABILITY OF THE BIDDER

In order to provide the State with the ability to judge the Bidder's financial capacity and capabilities to undertake and successfully complete the contract, the Bidder should submit certified financial statements which include a balance sheet, income statement and statement of cash flow, and all applicable notes for the most recent calendar year or the Bidder's most recent fiscal year. If certified financial statements are not available, the Bidder should provide either a reviewed or compiled statement from an independent accountant setting forth the same information required for the certified financial statements, together with a certification from the Chief Executive Officer and the Chief Financial Officer, that the financial statements and other information included in the statements fairly present in all material respects the financial condition, results of operations and cash flows of the Bidder as of, and for, the periods presented in the statements. In addition, the Bidder should submit a bank reference.

If the information is not supplied with the proposal, the State may still require the Bidder to submit it. If the Bidder fails to comply with the request within seven (7) business days, the State may deem the proposal non-responsive.

A Bidder may designate specific financial information as not subject to disclosure when the Bidder has a good faith legal/factual basis for such assertion. A Bidder may submit specific financial documents in a separate, sealed package clearly marked "Confidential-Financial Information" along with the proposal.

The State reserves the right to make the determination to accept the assertion and shall so advise the Bidder.

4.4.5 PRICE SCHEDULE/SHEET

The Bidder must submit its pricing using the format set forth in the State-supplied Excel Price Sheet(s) accompanying this RFP. Failure to submit all information required will result in the proposal being considered non-responsive. Each Bidder is required to hold its prices firm through issuance of contract.

4.4.5.1 PAPER PRICE ESCALATION

Due to the volatility of the paper market, price escalations – for paper only – are allowable under this contract. The successful Bidder will be required to keep prices firm for the first (24) months. After this initial period, the contractor may submit to the Director of the Division of Purchase and Property, a request for a price adjustment if the Contractor's price for the paper has been increased by the paper merchant. This increase will only be considered after the Contractor has determined that no comparable source of supply is available. The Contractor must document its efforts in this regard. The Contractor must make good faith effort to secure the required amount of paper from alternate sources before applying for any increase(s). Such effort must be documented. The Contractor must also submit a letter from the paper merchant and paper mill documenting the increase. After the initial (24) month period of firm pricing, the Contractor may apply for an annual paper price increase on the anniversary of the contract award date.

4.4.5.2 BENCHMARK PAPER PRICING REQUIREMENTS

Each request to increase prices must be done by adhering to these specifications and provisions as follows:

- 1). Increases will be based solely on the increased cost of the paper needed to produce the job therefore, no built-in profit on paper is allowed (markup);
- 2). As part of the bid proposal, the Bidder is to provide a "BENCHMARK" cost of paper which goes into the printed piece;
- 3). THE BENCHMARK COST WILL BE:
The price per hundredweight (CWT.) and the number of pounds (# of lbs.) needed to produce each ordering quantity as indicated by the pricing lines;

Both components of the "BENCHMARK" (the price per CWT. and the number of LBS.) must be provided. These BENCHMARK costs for each pricing line, as applicable, must be submitted with the bid proposal. Bid proposals submitted without BENCHMARK COST(S) will not be eligible for any price increase(s);

- 4). The BENCHMARK costs are SUBMITTALS which are part of the bid. They will remain on file and will be used by the Purchase Bureau Printing Unit to evaluate all paper price increase request(s). An Excel file is provided as a separate attachment titled "BENCHMARK PAPER PRICING FORM" to be completed printed out and also supplied on a CD for Bureau use; and
- 5). All noted requests must be made in writing to the Director, through the Purchase Bureau Printing Unit. The Director reserves the right to either accept or reject the increase, or to terminate the contract, re-bid and re-award all items.

4.4.5.3 DELIVERY COSTS

Unless otherwise noted elsewhere in the RFP, all prices for items in proposals shall be submitted F.O.B. Destination. Proposals submitted other than F.O.B. Destination may not be considered. Regardless of the method of quoting shipments, the Contractor shall assume all costs, liability and responsibility for the delivery of merchandise in good condition to the State's using agency or designated purchaser.

F.O.B. Destination does not cover "spotting" but does include delivery on the receiving platform of the ordering agency at any destination in the State of New Jersey unless otherwise specified. No additional charges will be allowed for any additional transportation costs resulting from partial shipments made at Contractor's convenience when a single shipment is ordered. The weights and measures of the State's using agency receiving the shipment shall govern.

4.4.5.4 C.O.D. TERMS

C.O.D. terms are not acceptable as part of a proposal and will be cause for rejection of a proposal.

4.4.5.5 CASH DISCOUNTS

Bidders are encouraged to offer cash discounts based on expedited payment by the State. The State will make efforts to take advantage of discounts, but discounts will not be considered in determining the lowest proposal.

- a. Discount periods shall be calculated starting from the next business day after the using agency has accepted the goods or services, received a properly signed and executed invoice and, when required, a properly executed performance security, whichever is latest.
- b. The date on the check issued by the State in payment of that invoice shall be deemed the date of the State's response to that invoice.

4.4.6 COOPERATIVE PURCHASING

Not applicable to this procurement.

5.0 SPECIAL CONTRACTUAL TERMS AND CONDITIONS

5.1 PRECEDENCE OF SPECIAL CONTRACTUAL TERMS AND CONDITIONS

The contract awarded as a result of this RFP shall consist of this RFP, addenda to this RFP, the Contractor's proposal, any best and final offer and the Division's Notice of Award.

Unless specifically stated within this RFP, the Special Contractual Terms and Conditions of the RFP take precedence over the State of NJ Standard Terms and Conditions accompanying this RFP.

In the event of a conflict between the provisions of this RFP, including the Special Contractual Terms and Conditions and the State of NJ Standard Terms and Conditions, and any addendum to this RFP, the addendum shall govern.

5.2 CONTRACT TERM AND EXTENSION OPTION

The term of the contract shall be for a period of **Three (3) years**. The anticipated "Contract Effective Date" is provided on the signatory page accompanying this RFP. If delays in the procurement process result in a change to the anticipated Contract Effective Date, the Bidder agrees to accept a contract for the full term of the contract.

The contract may be extended for all or part of **Three (3) one-year periods**, by the mutual written consent of the Contractor and the Director at the same terms, conditions, and pricing at the rates in effect in the last year of the contract or rates more favorable to the State.

5.3 CONTRACT TRANSITION

In the event that a new contract has not been awarded prior to the contract expiration date, as may be extended herein, it shall be incumbent upon the Contractor to continue the contract under the same terms and conditions until a new contract can be completely operational. At no time shall this transition period extend more than **120 days** beyond the expiration date of the contract.

5.4 CONTRACT AMENDMENT

Any changes or modifications to the terms of the contract shall be valid only when they have been reduced to writing and signed by the Contractor and the Director.

5.5 CONTRACTOR RESPONSIBILITIES

The Contractor shall have sole responsibility for the complete effort specified in the contract. Payment will be made only to the Contractor. The Contractor shall have sole responsibility for all payments due any Subcontractor.

The Contractor is responsible for the professional quality, technical accuracy and timely completion and submission of all deliverables, services or commodities required to be provided under the contract. The Contractor shall, without additional compensation, correct or revise any errors, omissions, or other deficiencies in its deliverables and other services. The approval of deliverables furnished under this contract shall not in any way relieve the Contractor of responsibility for the technical adequacy of its work. The review, approval, acceptance or payment for any of the services shall not be construed as a waiver of any rights that the State may have arising out of the Contractor's performance of this contract.

5.6 SUBSTITUTION OF STAFF

If it becomes necessary for the contractor to substitute any management, supervisory or key personnel, the contractor shall identify the substitute personnel and the work to be performed. The contractor must provide detailed justification documenting the necessity for the substitution. Resumes must be submitted evidencing that the individual(s) proposed as substitute(s) have qualifications and experience equal to or better than the individual(s) originally proposed or currently assigned.

The contractor shall forward a request to substitute staff to the State Contract Manager for consideration and approval. No substitute personnel are authorized to begin work until the contractor has received written approval to proceed from the State Contract Manager.

5.7 SUBSTITUTION OR ADDITION OF SUBCONTRACTOR

This Subsection serves to supplement but not to supersede Sections 5.8 and 5.9 of the State of NJ Standard Terms and Conditions accompanying this RFP.

The Contractor shall forward a written request to substitute or add a Subcontractor or to substitute its own staff for a Subcontractor to the State Contract Manager for consideration. If the State Contract Manager approves the request, the State Contract Manager will forward the request to the Director for final approval. No substituted or additional Subcontractor is authorized to begin work until the Contractor has received written approval from the Director.

If it becomes necessary for the Contractor to substitute a Subcontractor, add a Subcontractor or substitute its own staff for a Subcontractor, the Contractor will identify the proposed new Subcontractor or staff member(s) and the work to be performed. The Contractor must provide detailed justification documenting the necessity for the substitution or addition.

The Contractor must provide detailed resumes of its proposed replacement staff or of the proposed Subcontractor management, supervisory and other key personnel that demonstrate knowledge, ability and experience relevant to that part of the work which the Subcontractor is to undertake.

The qualifications and experience of the replacement(s) must equal or exceed those of similar personnel proposed by the Contractor in its proposal.

5.8 OWNERSHIP OF MATERIAL

All data, technical information, materials gathered, originated, developed, prepared, used or obtained in the performance of the contract, including, but not limited to, all reports, surveys, plans, charts, literature, brochures, mailings, recordings (video and/or audio), pictures, drawings, analyses, graphic representations, software computer programs and accompanying documentation and print-outs, notes and memoranda, written procedures and documents, regardless of the state of completion, which are prepared for or are a result of the services required under this contract shall be and remain the property of the State of New Jersey and shall be delivered to the State of New Jersey upon thirty (30) days notice by the State. With respect to software computer programs and/or source codes developed for the State, the work shall be considered "work for hire", i.e., the State, not the Contractor or Subcontractor, shall have full and complete ownership of all software computer programs and/or source codes developed. To the extent that any of such materials may not, by operation of the law, be a work made for hire in accordance with the terms of this Contract, Contractor or Subcontractor hereby assigns to the State all right, title and interest in and to any such material, and the State shall have the right to obtain and hold in its own name and copyrights, registrations and any other proprietary rights that may be available.

Should the Bidder anticipate bringing pre-existing intellectual property into the project, the intellectual property must be identified in the proposal. Otherwise, the language in the first paragraph of this section prevails. If the Bidder identifies such intellectual property ("Background IP") in its proposal, then the Background IP owned by the Bidder on the date of the contract, as well as any modifications or adaptations thereto, remain the property of the Bidder. Upon contract award, the Bidder or Contractor shall grant the State a non-exclusive, perpetual royalty free license to use any of the Bidder/Contractor's Background IP delivered to the State for the purposes contemplated by the contract.

5.9 DATA CONFIDENTIALITY AND SECURITY

5.9.1 DATA CONFIDENTIALITY

All financial, statistical, personnel, customer and/or technical data supplied by the State to the Contractor are confidential. The Contractor must secure all data from manipulation, sabotage, theft or breach of confidentiality. The Contractor is prohibited from releasing any financial, statistical, personnel, customer and/or technical data supplied by the State that is deemed

confidential. Any use, sale, or offering of this data in any form by the Contractor, or any individual or entity in the Contractor's charge or employ, will be considered a violation of this contract and may result in contract termination and the Contractor suspension or debarment from State contracting. In addition, such conduct may be reported to the State Attorney General for possible criminal prosecution.

The Contractor shall assume total financial liability incurred by the Contractor associated with any breach of confidentiality.

If confidential data is given to the Contractor, the Contractor and all project staff including its Subcontractor must complete and sign confidentiality and non-disclosure agreements provided by the State and require all staff to view yearly security awareness and confidentiality training modules provided by the Contractor. It shall be the Contractor responsibility to ensure that any new staff sign the confidentiality agreement and complete the security awareness and confidentiality training modules within one month of the employees' start date.

The State requires a level 1 security clearance; background check and fingerprinting of all Contractors and project staff. The Contractors must obtain and provide to the State (to protect the State of New Jersey from losses resulting from Contractor employee theft, fraud or dishonesty) records and supporting documentation to determine if the Contractors' employees either directly or indirectly involved in the issuance or processing of State of New Jersey's records or documents. The State of New Jersey is hereby authorized to exchange fingerprint data with, and receive criminal history record information from, the Federal Bureau of Investigation and the Division of State Police. Refer to the National Institute of Standards and Technology (NIST) Special Publication (SP) 300-12, An Introduction to Computer Security: The NIST Handbook, Section 10.1.3, Filling the Position – Screening and Selecting.

5.9.2 DATA SECURITY STANDARDS

1. Data Security: The Contractor at a minimum shall protect and maintain the security of data traveling its network in accordance with generally accepted industry practices.NJOIT.
 - Any Personally Identifiable Information must be protected. All data must be classified in accordance with the State's Asset Classification and Control policy, 08-04-NJOIT (www.nj.gov/it/ps). Additionally, data must be disposed of in accordance with the State's Information Disposal and Media Sanitation policy, 09-10-NJOIT (www.nj.gov/it/ps).
 - Data usage, storage, and protection is subject to all applicable federal and state statutory and regulatory requirements, as amended from time to time, including, without limitation, those for Health Insurance Portability and Accountability Act of 1996 (HIPAA), Personally Identifiable Information (PII), Tax Information Security Guidelines for Federal, State, and Local Agencies (IRS Publication 1075), New Jersey State tax confidentiality statute, N.J.S.A. 54:50-8, New Jersey Identity Theft Prevention Act, N.J.S.A. 56:11-44 et. seq., the federal Drivers' Privacy Protection Act of 1994, Pub.L.103-322, and the confidentiality requirements of N.J.S.A. 39:2-3.4. Contractor shall also conform to Payment Card Industry (PCI) Data Security Standard.

2. **Data Transmission:** The Contractor shall only transmit or exchange State of New Jersey data with other parties when expressly requested in writing and permitted by and in accordance with requirements of the State of New Jersey. The Contractor shall only transmit or exchange data with the State of New Jersey or other parties through secure means supported by current technologies. The Contractor shall encrypt all data defined as personally identifiable or confidential by the State of New Jersey or applicable law, regulation or standard during any transmission or exchange of that data.
3. **Data Storage:** All data provided by the State of New Jersey or gathered by the Contractor on behalf of the State of New Jersey must be stored, processed, and maintained solely in accordance with a project plan and system topology approved by the State Contract Manager. No State data shall be processed on or transferred to any device or storage medium including portable media, smart devices and/or USB devices, unless that device or storage medium has been approved in advance in writing by the State Project Manager.
4. **Data Scope:** All provisions applicable to data include data in any form of transmission or storage, including but not limited to: database files, text files, backup files, log files, XML files, and printed copies of the data.
5. **Data Re-Use:** All State provided data shall be used expressly and solely for the purposes enumerated in the contract. Data shall not be distributed, repurposed or shared across other applications, environments, or business units of the Contractor. No State data of any kind shall be transmitted, exchanged or otherwise passed to other Contractors or interested parties except on a case-by-case basis as specifically agreed to in writing by the State Contract Manager.
6. **Data Breach: Unauthorized Release Notification:** The Contractor shall comply with all applicable State and Federal laws that require the notification of individuals in the event of unauthorized release of personally-identifiable information or other event requiring notification. In the event of a breach of any of the Contractor's security obligations or other event requiring notification under applicable law ("Notification Event"), the Contractor shall assume responsibility for informing the State Contract Manager and all such individuals in accordance with applicable law and to indemnify, hold harmless and defend the State of New Jersey and its officials, and employees from and against any claims, damages, or other harm related to such Notification Event.
7. **End of Agreement Data Handling:** Upon termination of this Contract the Contractor shall erase, destroy, and render unreadable all Contractor copies of State data according to the standards enumerated in accordance with the State's Information Disposal and Media Sanitation policy, 09-10-NJOIT (www.nj.gov/it/ps) and certify in writing that these actions have been complete within thirty (30) days of the termination of this contract or within seven (7) days of the request of an agent of the State whichever shall come first.
8. **Security Audit:** The Contractor must allow State assigned staff full access to all operations for security inspections and audits which may include reviews of all issues addressed in description of the security approach and willingness to enter into good faith discussions to implement any changes.

5.9.3 FEDERAL TAX INFORMATION SECURITY

Tax Information Security Guidelines for Federal, State, and Local Agencies (IRS Publication 1075))

GENERAL SERVICES

I. PERFORMANCE

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by its employees with the following requirements:

- (1) All work will be performed under the supervision of the Contractor or the Contractor's responsible employees.
- (2) Any Federal tax returns or return information (hereafter referred to as returns or return information) made available shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone other than an authorized officer or employee of the Contractor is prohibited.
- (3) All returns and return information shall be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output and products shall be given the same level of protection as required for the source material.
- (4) No work involving returns and return information furnished under this contract shall be subcontracted without prior written approval of the IRS.
- (5) The Contractor shall maintain a list of employees authorized access. Such list shall be provided to the agency and, upon request, to the IRS reviewing office.
- (6) The agency shall have the right to terminate the contract if the Contractor fails to provide any of the safeguards described above.

II. CRIMINAL/CIVIL SANCTIONS

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee can be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as five years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized future disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC Sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.

- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000.00 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee [United States for Federal employees] in an amount equal to the sum of the greater of \$1,000.00 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. The penalties are prescribed by IRC Sections 7213A and 7431.
- (3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of 1974, 5 U.S.C.552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to Contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there-under, and who knowing that disclosure of the specific material is so prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.
- (4) Granting Contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractors must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, Contractors should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information* and Exhibit 5, *IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the Contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION

The IRS and the State shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with contract safeguards.

TECHNOLOGY SERVICES

I. PERFORMANCE

In performance of this contract, the Contractor agrees to comply with and assume responsibility for compliance by its employees with the following requirements:

- (1) All work shall be done under the supervision of the Contractor or the Contractor's employees.
- (2) Any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of this contract. Disclosure to anyone other than an officer or employee of the Contractor is prohibited.
- (3) All returns and return information shall be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output shall be given the same level of protection as required for the source material.
- (4) The Contractor certifies that the data processed during the performance of this contract will be completely purged from all data storage components of its computer facility, and no output shall be retained by the Contractor at the time the work is completed. If immediate purging of all data storage components is not possible, the Contractor certifies that any IRS data remaining in any storage component will be safeguarded to prevent unauthorized disclosures.
- (5) Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data will be given to OIT or its designee. When this is not possible, the Contractor shall be responsible for the destruction of the spoilage or any intermediate hard copy printouts, and shall provide the OIT or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.

Any spoilage or any intermediate hard copy printout that may result during the processing of IRS data must be destroyed under the requirements set forth within IRS Publication 1075. The Contractor shall be responsible for the IRS Publication 1075 compliant destruction of the spoilage or any intermediate hard copy printouts, and shall provide the OIT or its designee with a statement containing the date of destruction, description of material destroyed, and the method used.

- (6) All computer systems receiving, processing, storing, or transmitting Federal tax information must meet the requirements defined in IRS Publication 1075. To meet functional and assurance requirements, the security features of the

environment must provide for the managerial, operational, and technical controls. All security features must be available and activated to protect against unauthorized use of and access to Federal tax information.

- (7) No work involving Federal tax information furnished under this contract shall be subcontracted without prior written approval of the IRS.
- (8) The Contractor shall maintain a list of employees authorized access. Such list shall be provided to the State and, upon request, to the IRS reviewing office.
- (9) The State shall have the right to terminate the contract if the Contractor fails to provide the safeguards described above.

II. CRIMINAL/CIVIL SANCTIONS:

- (1) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that returns or return information disclosed to such officer or employee shall be used only for a purpose and to the extent authorized herein, and that further disclosure of any such returns or return information for a purpose or to an extent unauthorized herein constitutes a felony punishable upon conviction by a fine of as much as \$5,000 or imprisonment for as long as 5 years, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized further disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount not less than \$1,000 with respect to each instance of unauthorized disclosure. These penalties are prescribed by IRC sections 7213 and 7431 and set forth at 26 CFR 301.6103(n)-1.
- (2) Each officer or employee of any person to whom returns or return information is or may be disclosed shall be notified in writing by such person that any return or return information made available in any format shall be used only for the purpose of carrying out the provisions of this contract. Information contained in such material shall be treated as confidential and shall not be divulged or made known in any manner to any person except as may be necessary in the performance of the contract. Inspection by or disclosure to anyone without an official need to know constitutes a criminal misdemeanor punishable upon conviction by a fine of as much as \$1,000 or imprisonment for as long as 1 year, or both, together with the costs of prosecution. Such person shall also notify each such officer and employee that any such unauthorized inspection or disclosure of returns or return information may also result in an award of civil damages against the officer or employee in an amount equal to the sum of the greater of \$1,000 for each act of unauthorized inspection or disclosure with respect to which such defendant is found liable or the sum of the actual damages sustained by the plaintiff as a result of such unauthorized inspection or disclosure plus in the case of a willful inspection or disclosure which is the result of gross negligence, punitive damages, plus the costs of the action. These penalties are prescribed by IRC section 7213A and 7431.
- (3) Additionally, it is incumbent upon the Contractor to inform its officers and employees of the penalties for improper disclosure imposed by the Privacy Act of

1974, 5 U.S.C. 552a. Specifically, 5 U.S.C. 552a(i)(1), which is made applicable to Contractors by 5 U.S.C. 552a(m)(1), provides that any officer or employee of a Contractor, who by virtue of his/her employment or official position, has possession of or access to agency records which contain individually identifiable information, the disclosure of which is prohibited by the Privacy Act or regulations established there-under, and who knowing that disclosure of the specific material is prohibited, willfully discloses the material in any manner to any person or agency not entitled to receive it, shall be guilty of a misdemeanor and fined not more than \$5,000.

- (4) Granting a Contractor access to FTI must be preceded by certifying that each individual understands the agency's security policy and procedures for safeguarding IRS information. Contractor must maintain their authorization to access FTI through annual recertification. The initial certification and recertification must be documented and placed in the agency's files for review. As part of the certification and at least annually afterwards, Contractor should be advised of the provisions of IRC Sections 7431, 7213, and 7213A (see Exhibit 6, *IRC Sec. 7431 Civil Damages for Unauthorized Disclosure of Returns and Return Information* and Exhibit 5, *IRC Sec. 7213 Unauthorized Disclosure of Information*). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedure for reporting unauthorized disclosures and data breaches. (See Section 10) For both the initial certification and the annual certification, the Contractor should sign, either with ink or electronic signature, a confidentiality statement certifying their understanding of the security requirements.

III. INSPECTION:

The IRS and the Agency shall have the right to send its officers and employees into the offices and plants of the Contractor for inspection of the facilities and operations provided for the performance of any work under this contract. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with contract safeguards.

5.10 NEWS RELEASES

The Contractor is not permitted to issue news releases pertaining to any aspect of the services being provided under this contract without the prior written consent of the Director.

5.11 ADVERTISING

The Contractor shall not use the State's name, logos, images, or any data or results arising from this contract as a part of any commercial advertising without first obtaining the prior written consent of the Director.

5.12 LICENSES AND PERMITS

The Contractor shall obtain and maintain in full force and effect all required licenses, permits, and authorizations necessary to perform this contract. The Contractor shall supply the State

Contract Manager with evidence of all such licenses, permits and authorizations. This evidence shall be submitted subsequent to the contract award. All costs associated with any such licenses, permits and authorizations must be considered by the Bidder in its proposal.

5.13 CLAIMS AND REMEDIES

5.13.1 CLAIMS

All claims asserted against the State by the Contractor shall be subject to the New Jersey Tort Claims Act, N.J.S.A. 59:1-1, et seq., and/or the New Jersey Contractual Liability Act, N.J.S.A. 59:13-1, et seq.

5.13.2 REMEDIES

Nothing in the contract shall be construed to be a waiver by the State of any warranty, expressed or implied, of any remedy at law or equity, except as specifically and expressly stated in a writing executed by the Director.

5.13.3 REMEDIES FOR FAILURE TO COMPLY WITH MATERIAL CONTRACT REQUIREMENTS

In the event that the Contractor fails to comply with any material contract requirements, the Director may take steps to terminate the contract in accordance with the State of NJ Standard Terms and Conditions, authorize the delivery of contract items by any available means, with the difference between the price paid and the defaulting Contractor's price either being deducted from any monies due the defaulting Contractor or being an obligation owed the State by the defaulting Contractor as provided for in the State administrative code, or take any other action or seek any other remedies available at law or in equity.

5.14 LATE DELIVERY

The Contractor must immediately advise the State Contract Manager of any circumstance or event that could result in late completion of any task or subtask called for as outlined in Section 3.3.6 Service Level Requirement (SLR).

5.15 RETAINAGE

The amount of retainage is noted on the RFP signatory page accompanying this RFP. NJOIT shall retain the stated percentage of each monthly invoice submitted. At the end of each three (3) month period, the NJOIT Contract Manager shall review the contractor's performance for the preceding three (3) month period as measured in accordance with the agreed upon scorecard developed pursuant to the requirements of RFP Section 3.3.6. Following certification by the State Contract Manager that all services have been satisfactorily performed for that time period, the State Contract Manager shall release the amount retained from the earliest month of the accumulated retainage. This cycle shall remain in place throughout the initial term and any extensions of the contract.

5.16 ADDITIONAL WORK AND/OR SPECIAL PRODUCTS

The Contractor shall not begin performing any additional work or special projects without first obtaining written approval from both the State Contract Manager and the Director.

In the event of additional work and/or special projects, the Contractor must present a written proposal to perform the additional work to the State Contract Manager. The proposal should provide justification for the necessity of the additional work. The relationship between the additional work and the base contract work must be clearly established by the Contractor in its proposal.

The Contractor's written proposal must provide a detailed description of the work to be performed broken down by task and subtask. The proposal should also contain details on the level of effort, including hours, labor categories, etc., necessary to complete the additional work.

The written proposal must detail the cost necessary to complete the additional work in a manner consistent with the contract. The written price schedule must be based upon the hourly rates, unit costs or other cost elements submitted by the Contractor in the Contractor's original proposal submitted in response to this RFP. Whenever possible, the price schedule should be a firm, fixed price to perform the required work. The firm fixed price should specifically reference and be tied directly to costs submitted by the Contractor in its original proposal. A payment schedule, tied to successful completion of tasks and subtasks, must be included.

Upon receipt and approval of the Contractor's written proposal, the State Contract Manager shall forward same to the Director for the Director's written approval. Complete documentation from the Using Agency, confirming the need for the additional work, must be submitted. Documentation forwarded by the State Contract Manager to the Director must include all other required State approvals, such as those that may be required from the State of New Jersey's Office of Management and Budget and NJOIT.

No additional work and/or special project may commence without the Director's written approval. In the event the Contractor proceeds with additional work and/or special projects without the Director's written approval, it shall be at the Contractor's sole risk. The State shall be under no obligation to pay for work performed without the Director's written approval.

5.17 MODIFICATIONS AND CHANGES TO THE STATE OF NJ STANDARD TERMS AND CONDITIONS

5.17.1 INDEMNIFICATION

Section 4.1 of the State of NJ Standard Terms and Conditions is supplemented with the following:

4.1 Indemnification

The Contractor's liability to the State for actual, direct damages resulting from the Contractor's performance or non-performance, or in any manner related to the contract, for any and all claims, shall be limited in the aggregate to 500 % of the value of the contract, except that such limitation of liability shall not apply to the following:

1. The Contractor's obligation to indemnify the State of New Jersey and its employees from and against any claim, demand, loss, damage or expense relating to bodily injury or the death of any person or damage to real property or tangible personal property, incurred from the work or

materials supplied by the Contractor under the contract caused by negligence or willful misconduct of the Contractor;

3. The Contractor's breach of its obligations of confidentiality; and,
4. Contractor's liability with respect to intellectual property indemnification.

The Contractor's indemnification obligation is not limited by but is in addition to the insurance obligations contained in Section 4.2 of the State of NJ Standard Terms and Conditions.

The Contractor shall not be liable for special, consequential, or incidental damages.

5.17.2 INSURANCE - PROFESSIONAL LIABILITY INSURANCE

Section 4.2 of the State of NJ Standard Terms and Conditions regarding insurance is modified with the addition of the following section regarding Professional Liability Insurance.

d. Professional Liability Insurance: The Contractor shall carry Errors and Omissions, Professional Liability Insurance and/or Professional Liability Malpractice Insurance sufficient to protect the Contractor from any liability arising out the professional obligations performed pursuant to the requirements of the contract. The insurance shall be in the amount of not less than \$5,000,000 and in such policy forms as shall be approved by the State. If the Contractor has claims-made coverage and subsequently changes carriers during the term of the contract, it shall obtain from its new Errors and Omissions, Professional Liability Insurance and/or Professional Malpractice Insurance carrier an endorsement for retroactive coverage.

5.18 CONTRACT ACTIVITY REPORT

Contractor must provide, on a calendar quarter basis, to the assigned Division representative, a record of all purchases made under the contract resulting from this RFP. This reporting requirement includes sales to State using agencies, political sub-divisions thereof and, if permitted under the terms of the contract, sales to counties, municipalities, school districts, volunteer fire departments, first aid squads and rescue squads, independent institutions of higher education, state and county colleges and quasi-state agencies. Quasi-state agencies include any agency, commission, board, authority or other such governmental entity which is established and is allocated to a State department or any bi-state governmental entity of which the State of New Jersey is a member.

This information must be provided in a tabular format such that an analysis can be made to determine the following:

- Contractor total sales volume to each purchaser under the contract, subtotaled by product, including, if applicable, catalog number and description, price list with appropriate page reference and/or contract discount applied.

- Total dollars paid to Subcontractor.

Submission of purchase orders, confirmations, and/or invoices do not fulfill this contract requirement for information. Failure to report this mandated information may be a factor in future award decisions.

Contractor must submit the required information in Microsoft Excel format.

5.19 ELECTRONIC PAYMENTS

With the award of this contract, the successful Contractor will be required to receive their payment(s) electronically. In order to receive your payments via automatic deposit from the State of New Jersey, complete and return the "Credit Authorization Agreement for Automatic Deposits (ACH Credits)" Form with an **original voided check or bank letter**. The form must include ABA number (routing or transit number), bank account number and if the bank account is a checking or savings account. The form and instructions are located on the Office of Management & Budget's website at: <http://www.state.nj.us/treasury/omb/forms/index.shtml>. The completed form along with the required voided check or bank letter should be mailed or faxed to: Department of the Treasury, Office of Management and Budget, PO Box 221, 6TH Floor – Room 674, Trenton, N.J. 08625-0221; fax: (609)-984-5210. To assist in identifying payments, the State offers Contractors access to the Contractor Payment Inquiry web application (VPI) which offers check stub information online. Contact the State of New Jersey at AAIUNIT@treas.state.nj.us to request access to this application.

5.20 PROGRAM EFFICIENCY ASSESSMENT

The State Using Agencies shall be charged an assessment equal to one-quarter of one percent (.025%) of the value of all transactions under this contract. This assessment is authorized by N.J.S.A. 52:27B-56 and N.J.A.C. 17:12-1.5, to maintain the State's procurement system at a level to meet industry standards of efficiency.

6.0 PROPOSAL EVALUATION

6.1 RIGHT TO WAIVE

The Director reserves the right to waive minor irregularities. The Director also reserves the right to waive a requirement provided that:

- (1) the requirement is not mandated by law;
- (2) all of the otherwise responsive proposals failed to meet the requirement; and
- (3) in the sole discretion of the Director, the failure to comply with the requirement does not materially affect the procurement or the State's interests associated with the procurement.

6.2 DIRECTOR'S RIGHT OF FINAL PROPOSAL ACCEPTANCE

The Director reserves the right to reject any or all proposals, or to award in whole or in part if deemed to be in the best interest of the State to do so. The Director shall have authority to award orders or contracts to the Contractor or Contractors best meeting all specifications and conditions in accordance with N.J.S.A. 52:34-12. Tie proposals will be awarded by the Director in accordance with N.J.A.C.17:12-2.10.

6.3 STATE'S RIGHT TO INSPECT BIDDER'S FACILITIES

The State reserves the right to inspect the Bidder's establishment before making an award, for the purposes of ascertaining whether the Bidder has the necessary facilities for performing the contract.

The State may also consult with clients of the Bidder during the evaluation of bids. Such consultation is intended to assist the State in making a contract award which is most advantageous to the State.

6.4 STATE'S RIGHT TO REQUEST FURTHER INFORMATION

The Director reserves the right to request all information which may assist him or her in making a contract award, including factors necessary to evaluate the Bidder's financial capabilities to perform the contract. Further, the Director reserves the right to request a Bidder to explain, in detail, how the proposal price was determined.

6.5 PROPOSAL EVALUATION COMMITTEE

Proposals may be evaluated by an Evaluation Committee composed of members of affected departments and agencies together with representative(s) from the Division. Representatives from other governmental agencies may also serve on the Evaluation Committee. On occasion, the Evaluation Committee may choose to make use of the expertise of outside consultant(s) in an advisory role.

6.6 ORAL PRESENTATION AND/OR CLARIFICATION OF PROPOSAL

After the submission of proposals, unless requested by the State as noted below, Contractor contact with the State is still not permitted.

After the proposals are reviewed, one, some or all of the Bidders may be asked to clarify certain aspects of their proposals. A request for clarification may be made in order to resolve minor ambiguities, irregularities, informalities or clerical errors. Clarifications cannot correct any deficiencies or material omissions or revise or modify a proposal, except to the extent that correction of apparent clerical mistakes results in a modification.

The Bidder may be required to give an oral presentation to the State concerning its proposal.

Bidders may not attend the oral presentations of their competitors.

It is within the State's discretion whether to require the Bidder to give an oral presentation or require the Bidder to submit written responses to questions regarding its proposal. Action by

the State in this regard should not be construed to imply acceptance or rejection of a proposal. The Division will be the sole point of contact regarding any request for an oral presentation or clarification.

6.7 EVALUATION CRITERIA

The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process.

6.7.1 TECHNICAL EVALUATION CRITERIA

Each responsive bid proposal will receive a Technical Evaluation Score which will be the average of each voting member's Technical Evaluation Score for the proposal. The following evaluation criteria categories, not necessarily listed in order of significance, will be used to evaluate bid proposals received in response to this RFP. The evaluation criteria categories may be used to develop more detailed evaluation criteria to be used in the evaluation process:

- a. Personnel: The qualifications and experience of the bidder's management, supervisory, and key personnel assigned to the contract, including the candidates recommended for each of the positions/roles required.
- b. Experience of firm: The bidder's documented experience in successfully completing contracts of a similar size and scope in relation to the work required by this RFP.
- c. Ability of firm to implement and perform the Scope of Work based on the presentation in its Technical Proposal: The overall ability of the bidder to undertake and successfully perform the technical requirements of the Scope of Work as demonstrated by its presentation in the Technical Proposal.

6.7.2 BIDDER'S PRICE SCHEDULE

For evaluation purposes, Bidders will be ranked according to the evaluated cost bid price located on the Price Sheet accompanying this RFP.

For evaluation purposes, Bidders will be ranked according to the formula:

Evaluated Cost Proposal Score = predetermined points x (lowest evaluated cost proposal/evaluating cost proposal)

The proposal with the highest score will be ranked the highest.

The cost proposal ranked will be the lowest acceptable cost proposal between the original cost proposal and the Best and Final Offer proposal.

6.7.3 TOTAL PROPOSAL SCORE

Each evaluated proposal will receive a Total Proposal Score based on the following formula: Technical Evaluation Score + Evaluated Cost Proposal Score = Total Proposal Score. The Technical Evaluation Score used will be the average of the combined Technical Evaluation Score (sum of each voting member technical evaluation score divided by the number of voting members).

The responsible Bidder receiving the highest Total Proposal Score will be recommended for contract award. In the event of a tie, the proposal with the highest technical score amongst the tied proposals will be recommended for contract award.

6.7.4 PROPOSAL DISCREPANCIES

In evaluating proposals, discrepancies between words and figures will be resolved in favor of words. Discrepancies between unit prices and totals of unit prices will be resolved in favor of unit prices. Discrepancies in the multiplication of units of work and unit prices will be resolved in favor of the unit prices. Discrepancies between the indicated total of multiplied unit prices and units of work and the actual total will be resolved in favor of the actual total. Discrepancies between the indicated sum of any column of figures and the correct sum thereof will be resolved in favor of the correct sum of the column of figures.

6.7.5 EVALUATION OF THE PROPOSALS

After the Evaluation Committee completes its evaluation, it recommends to the Director for award the responsible Bidder whose proposal, conforming to this RFP, is most advantageous to the State, price and other factors considered. The Evaluation Committee considers and assesses price, technical criteria, and other factors during the evaluation process and makes a recommendation to the Director. The Director may accept, reject or modify the recommendation of the Evaluation Committee. Whether or not there has been a negotiation process as outlined in Section 6.8 below, the Director reserves the right to negotiate price reductions with the selected Bidder.

6.8 NEGOTIATION AND BEST AND FINAL OFFER (BAFO)

After evaluating proposals, the Division may enter into negotiations with one Bidder or multiple Bidders. The primary purpose of negotiations is to maximize the State's ability to obtain the best value based on the mandatory requirements, evaluation criteria, and cost. Multiple rounds of negotiations may be conducted with one Bidder or multiple Bidders. Negotiations will be structured by the Division to safeguard information and ensure that all Bidders are treated fairly.

Similarly, the Division may invite one Bidder or multiple Bidders to submit a best and final offer (BAFO). Said invitation will establish the time and place for submission of the BAFO. Any BAFO that is not equal to or lower in price than the pricing offered in the Bidder's original proposal will be rejected as non-responsive and the State will revert to consideration and evaluation of the Bidder's original pricing.

If required, after review of the BAFO(s), clarification may be sought from the Bidder. The Division may conduct more than one round of negotiation and/or BAFO in order to attain the best value for the State.

After evaluation of proposals and as applicable, negotiation(s) and/or BAFO(s), the Division will recommend, to the Director, the responsible Bidder whose proposal(s), conforming to the RFP, is/are most advantageous to the State, price and other factors considered. The Director may accept, reject or modify the recommendation of the Division. The Director may initiate additional negotiation or BAFO procedures with the selected Bidder.

Negotiations will be conducted only in those circumstances where they are deemed by the Division or Director to be in the State's best interests and to maximize the State's ability to get the best value. Therefore, the Bidder is advised to submit its best technical and price proposal in response to this RFP since the State may, after evaluation, make a contract award based on the content of the initial submission, without further negotiation and/or BAFO with any Bidder.

All contacts, records of initial evaluations, any correspondence with Bidders related to any request for clarification, negotiation or BAFO, any revised technical and/or price proposals, the Evaluation Committee Report and the Award Recommendation, will remain confidential until a Notice of Intent to Award a contract is issued.

NOTE: If the Division contemplates negotiation, proposal prices will not be publicly read at proposal opening. Only the name and address of each Bidder will be publicly announced at proposal opening.

6.9 COMPLAINTS

A Bidder with a history of performance problems as demonstrated by formal complaints and/or contract cancellations for cause pursuant to Section 5.7.b of the State of NJ Standard Terms and Conditions accompanying this RFP may be bypassed for an award issued as a result of this RFP.

7.0 CONTRACT AWARD

7.1 DOCUMENTS REQUIRED BEFORE CONTRACT AWARD

7.1.1 REQUIREMENTS OF PUBLIC LAW 2005, CHAPTER 51, N.J.S.A. 19:44A-20.13 - N.J.S.A. 19:44A-20.25 (FORMERLY EXECUTIVE ORDER NO.134) AND EXECUTIVE ORDER NO. 117 (2008)

a) The State shall not enter into a contract to procure from any Business Entity services or any material, supplies or equipment, or to acquire, sell or lease any land or building, where the value of the transaction exceeds \$17,500, if that Business Entity has solicited or made any contribution of money, or pledge of contribution, including in-kind contributions, to a candidate committee and/or election fund of any candidate for or holder of the public office of Governor or Lieutenant Governor, to any State, county, municipal political party committee, or to any legislative leadership committee during certain specified time periods

b) Prior to awarding any contract or agreement to any Business Entity, the Business Entity proposed as the intended awardee of the contract shall submit the Certification and Disclosure

form, certifying that no contributions prohibited by either Chapter 51 or Executive Order No. 117 have been made by the Business Entity and reporting all contributions the Business Entity made during the preceding four years to any political organization organized under 26 U.S.C.527 of the Internal Revenue Code that also meets the definition of a “continuing political committee” within the means of N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.7. The required form and instructions, available for review on the Division’s website at <http://www.state.nj.us/treasury/purchase/forms.shtml#eo134>, shall be provided to the intended awardee for completion and submission to the Division with the Notice of Intent to Award. Upon receipt of a Notice of Intent to Award a Contract, the intended awardee shall submit to the Division, in care of the Division Procurement Specialist, the Certification and Disclosure(s) within five (5) business days of the State’s request. Failure to submit the required forms will preclude award of a contract under this RFP, as well as future contract opportunities.

c) Further, the Contractor is required, on a continuing basis, to report any contributions it makes during the term of the contract, and any extension(s) thereof, at the time any such contribution is made. The required form and instructions, available for review on the Division’s website at <http://www.state.nj.us/treasury/purchase/forms.shtml#eo134>, shall be provided to the intended awardee with the Notice of Intent to Award.

7.1.2 SOURCE DISCLOSURE REQUIREMENTS

Pursuant to N.J.S.A. 52:34-13.2, all contracts primarily for services awarded by the Director shall be performed within the United States, except when the Director certifies in writing a finding that a required service cannot be provided by a Contractor or Subcontractor within the United States and the certification is approved by the State Treasurer. Also refer to Section 3.6 Service Performance Within U.S. of the State of NJ Standard Terms and Conditions.

Pursuant to the statutory requirements, the intended awardee of a contract primarily for services with the State of New Jersey must disclose the location by country where services under the contract, including subcontracted services, will be performed. The Source Disclosure Certification form accompanies the subject RFP. FAILURE TO SUBMIT SOURCING INFORMATION WHEN REQUESTED BY THE STATE SHALL PRECLUDE AWARD OF A CONTRACT TO THE BIDDER.

If any of the services cannot be performed within the United States, the Bidder shall state with specificity the reasons why the services cannot be so performed. The Director shall determine whether sufficient justification has been provided by the Bidder to form the basis of his or her certification that the services cannot be performed in the United States and whether to seek the approval of the Treasurer.

7.1.2.1 BREACH OF CONTRACT

A SHIFT TO PROVISION OF SERVICES OUTSIDE THE UNITED STATES DURING THE TERM OF THE CONTRACT SHALL BE DEEMED A BREACH OF CONTRACT. If, during the term of the contract, the Contractor or Sub-Contractor, who had on contract award declared that services would be performed in the United States, proceeds to shift the performance of any of the services outside the United States, the Contractor shall be deemed to be in breach of its contract. Such contract shall be subject to termination for cause pursuant to Section 5.7b.1 of the State of NJ Standard Terms and Conditions, unless such shift in performance was previously approved by the Director and the Treasurer.

7.1.3 AFFIRMATIVE ACTION

The intended awardee must submit a copy of a New Jersey Certificate of Employee Information Report, or a copy of Federal Letter of Approval verifying it is operating under a federally approved or sanctioned Affirmative Action program. Intended awardee(s) not in possession of either a New Jersey Certificate of Employee Information Report or a Federal Letter of Approval must complete the Affirmative Action Employee Information Report (AA-302) located on the web at http://www.nj.gov/treasury/purchase/forms/AA_%20Supplement.pdf.

7.1.4 BUSINESS REGISTRATION

In accordance with N.J.S.A. 52:32-44(b), a Bidder and its named Subcontractor must have a valid Business Registration Certificate ("BRC") issued by the Department of Treasury, Division of Revenue prior to the award of a contract. (Refer to Section 4.4.2.1 of this RFP for further information.)

7.2 FINAL CONTRACT AWARD

Contract award shall be made with reasonable promptness by written notice to that responsible Bidder, whose proposal, conforming to this RFP, is most advantageous to the State, price, and other factors considered. Any or all proposals may be rejected when the State Treasurer or the Director determines that it is in the public interest to do so.

7.3 INSURANCE CERTIFICATES

The Contractor shall provide the State with current certificates of insurance for all coverage required by the terms of this contract, naming the State as an Additional Insured. Refer to Section 4.2 of the State of NJ Standard Terms and Conditions accompanying this RFP.

7.4 PERFORMANCE SECURITY

The successful Contractor shall furnish performance security in the amount noted on the RFP signatory page. See N.J.A.C. 17:12-2.5. Acceptable forms of performance security are as follows:

1. The Contractor shall be required to furnish an irrevocable security in the amount listed in the RFP payable to the Treasurer, State of New Jersey, binding the Contractor to provide faithful performance of the contract.
2. The performance security shall be in the form of a properly executed individual or annual performance bond issued by an insurance or security company authorized to do business in the State of New Jersey, a certified or cashier's check to the order of the Treasurer, State of New Jersey, or an irrevocable letter of credit drawn naming the Treasurer, State of New Jersey as beneficiary issued by a federally insured financial institution.

The Performance Security must be submitted to the State within thirty (30) days of the effective date of the contract award and cover the period of the contract and any extensions thereof. Failure to submit performance security may result in cancellation of contract for cause pursuant

to Section 5.7(b)(1) of the State of NJ Standard Terms and Conditions, and nonpayment for work performed.

Within thirty (30) days of the anniversary of the contract effective date, the Contractor shall provide proof to the Director that the performance bond in the required amount is in effect. Failure to provide such proof may result in the suspension of payment to the Contractor until such time as the Contractor complies with this requirement.

Although the performance bond is required for the full term of the contract, the Director recognizes that the industry practice of sureties is to issue a one year performance bond for goods and services contracts. Thus, the Contractor is required to submit a one year performance bond for the amount required under the contract and, on each succeeding anniversary date of the contract, provide a continuation or renewal certificate to evidence that the bond is in effect for the next year of the contract. This procedure will remain in place for each year of the contract thereafter until the termination of the contract. Failure to provide such proof on the anniversary date of the contract shall result in suspension of the contract, and possibly, termination of the contract.

For performance bonds based on a percentage of the total estimated contract price, the performance bond requirement is calculated as follows. For the first year of the contract, the performance bond percentage on the RFP signatory page is applied to the estimated total contract amount for the full term of the contract. On each anniversary of the effective date of the contract, the amount of the required performance bond, unless otherwise noted, is calculated by applying the established RFP performance bond percentage to the outstanding balance of the estimated amount of the contract price to be paid to the Contractor.

In the event that the contract price is increased by amendment to the contract, the Contractor may be required to provide, within thirty (30) days of the effective date of the amendment, performance bond coverage for the increase in contract price. The required increase in the performance bond amount is calculated by applying the established bond percentage set forth on the RFP signatory page to the increase in contract price. Failure to provide such proof to the Director of this required coverage may result in the suspension of payment to the Contractor until such time the Contractor complies with this requirement.

8.0 CONTRACT ADMINISTRATION

8.1 CONTRACT MANAGER

The State Contract Manager is the State employee responsible for the overall management and administration of the contract.

The State Contract Manager for this project will be identified at the time of execution of contract. At that time, the Contractor will be provided with the State Contract Manager's name, department, division, agency, address, telephone number, fax phone number, and e-mail address.

8.1.1 STATE CONTRACT MANAGER RESPONSIBILITIES

For an agency contract where only one State office uses the contract, the State Contract Manager will be responsible for engaging the Contractor, assuring that Purchase Orders are issued to the Contractor, directing the Contractor to perform the work of the contract, approving

the deliverables and approving payment vouchers. The State Contract Manager is the person that the Contractor will contact **after the contract has been executed**, for answers to any questions and concerns about any aspect of the contract. The State Contract Manager is responsible for coordinating the use of the Contract and resolving minor disputes between the Contractor and any component part of the State Contract Manager's Department.

If the contract has multiple users, then the State Contract Manager shall be the central coordinator of the use of the contract for all Using Agencies, while other State employees engage and pay the Contractor. All persons and agencies that use the contract must notify and coordinate the use of the contract with the State Contract Manager.

8.1.2 COORDINATION WITH THE STATE CONTRACT MANAGER

Any contract user that is unable to resolve disputes with a Contractor shall refer those disputes to the State Contract Manager for resolution. Any questions related to performance of the work of the contract by contract users shall be directed to the State Contract Manager. The Contractor may contact the State Contract Manager if the Contractor cannot resolve a dispute with contract users.