



# STATE PROCUREMENT OFFICE

RELEASE DATE: August 18, 2022

## INVITATION FOR BIDS IFB No. 22006

### SEALED BIDS FOR PRINTING AND DELIVERING WINDOW ENVELOPES STATEWIDE

WILL BE RECEIVED UP TO 2:30 PM HST

August 31, 2022

OR AS RECEIVED THROUGH ADDENDA, IF APPLICABLE, THROUGH THE STATE OF HAWAII ELECTRONIC PROCUREMENT SYSTEM (HIePRO). DIRECT QUESTIONS RELATING TO THIS SOLICITATION TO CAREY ANN SASAKI AT (808) 586-0575 OR [careyann.r.sasaki@hawaii.gov](mailto:careyann.r.sasaki@hawaii.gov).

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Donna Tsuruda-Kashiwabara  
Procurement Officer

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**SECTION ONE:  
SCOPE OF WORK & SPECIFICATIONS**

**1.1 PROJECT OVERVIEW**

The State Procurement Office (SPO) consolidates requirements to procure the printing and delivering of Window Envelopes for various agencies Statewide.

**1.2 SCOPE OF WORK**

All printing and delivering of Window Envelopes, as ordered by the various agencies Statewide, shall be in accordance with this solicitation, including its attachments and any addenda.

A SPO price list contract will be issued as a result of any awards made for this Invitation for Bid (IFB).

**NOTE: Proofs are required for all envelopes requiring printing. Vendor shall submit proofs for approval to agency prior to final printing.**

**1.3 DESIGN SPECIFICATIONS OF WINDOW ENVELOPES**

General  
Description:

- |        |   |
|--------|---|
| Item A | Size 10, 4-1/8" x 9-1/2", 24 lb., security lined, white wove, single window, gummed top flap opening.<br><br>Single window is 1-1/8" x 4-1/2", positioned 1/2" from the bottom and 7/8" from the left edge of the envelope. |
| Item B | Size 10, 4-1/8" x 9-1/2", 24 lb., tan kraft, single window, gummed top flap opening.<br><br>Single window size is 1-1/8" x 4-5/8", positioned 1-1/8" from the bottom and 2-1/8" from the left edge.                         |
| Item C | Size 10, 4-1/8" x 9-1/2", 24 lb., security lined, white wove, single window, gummed top flap opening.<br><br>Single window is 1-1/8" x 4-5/8", positioned 1" from the bottom and 7/8" from the left edge.                   |
| Item D | Size 10, 4-1/8" x 9-1/2", 24 lb., tan kraft, single window, gummed top flap opening<br><br>Single window size is 1/4" x 2-1/4", positioned 3-1/8" from the bottom and 2-3/4" from the left edge.                            |

Item E Size 10, 4-1/8" x 9-1/2", 24 lb., security lined, white wove, single window, gummed top flap opening.

Single window size is 1-1/8" x 4-5/8", positioned 1" from the bottom and 1" from the left edge.

Item F size 10, 4-1/8" x 9-1/2", 24 lb., tan kraft, double window, gummed bottom flap opening.

Return address window is 2-1/2" x 1", positioned 2-1/2" from the bottom (5/8" from the top) and 3/4" from the left edge of the envelope.

Addressee window is 3-1/2" x 1", positioned 3/4" from the bottom and 2" from the left edge of the envelope.

Printing of endorsement, "RETURN SERVICE REQUESTED", in 1/8" capital letters, positioned 1/4" from the top of the addressee window, 3/4" from the left edge of envelope.

Printing of postage permit below in top right-hand corner of envelope (if necessary):

PRESORTED  
FIRST CLASS  
U.S. POSTAGE PAID  
HONOLULU, HI  
PERMIT NO. 9250

Item G Size 10, 4-1/8" x 9-1/2", 24 lb., security lined, white wove, double window, gummed top flap opening.

Return address window is 4" x 1", positioned 2-5/8" from the bottom and 1/2" from the left edge of the envelope.

Addressee window is 4-1/2" x 1-1/8", positioned 7/8" from the bottom and 1-3/4" from the left edge of the envelope.

Printing of endorsement, "RETURN SERVICE REQUESTED", in 1/8" capital letters, positioned 1/4" above addressee window, 1-1/8" from left edge of envelope.

Printing of postage permit below in top right-hand corner of envelope (if necessary):

PRESORTED  
FIRST CLASS  
U.S. POSTAGE PAID  
HONOLULU, HI  
PERMIT NO. 9250

Item H            Size 10, 4-1/8" x 9-1/2", 24 lb., security lined, white wove, single window, gummed top flap opening.

Single window size is 1-1/8" x 4-1/2", positioned 3/4" from the bottom and 3/4" from the left edge.

#### **1.4 CONSTRUCTION SPECIFICATIONS OF WINDOW ENVELOPES**

- Style:            Diagonal seam, open side style
- Ink:              Black ink
- Printing:        Printing of envelopes shall be in accordance with samples provided by the State Procurement Office (SPO) or using agency.
- Paper:           Paper shall be of recycled content as follows: minimum 10% post-consumer recovered material.
- Definitions:    "Recovered material" shall mean material that has been separated, diverted, or removed from the solid waste stream after a manufacturing process for the purpose of use, reuse, or recycling. This term does not include those materials that are generated and normally reused on-site for manufacturing processes (such as mill broke, in the case of paper products).
- "Post-consumer recovered material" means any product used by a consumer, including a business that purchases the material, that has served its intended end use, and that has been separated or diverted from the solid waste stream for the purpose of use, reuse, or recycling.
- "Solid waste stream" means discarded material moving from the point of discard to ultimate disposition.
- Certification:   Bidders shall submit with the bid, a Certificate from the manufacturer of the recycled paper (mill) certifying the recycled content. This Certificate shall be signed by a company official authorized to sign on behalf of the company.
- Glue:            Flaps and windows shall be glued securely and as near to their edges as possible without exposing glue inside the envelope. Window covering material must adhere completely and firmly around all edges of window with no un-gummed spots to impede insertion of material to be mailed There shall be no excess or exposed glue on the outside or inside of the envelope that could cause envelopes to stick together or make the interior walls of the envelope stick.

**Gumming & Self-places** – Flap shall be gummed or have self-adhesive applied in three (& self-places – left side, center, and right side, with gums omitted on those Adhesive): sections of the flap which overlap the seams.

Gumming must be of a quality that will seal envelopes easily and remain sealed.

Contractor must also consider high moisture and humidity conditions that are unique to Hawaii's environment.

**Window Covering Material:** All window covering material shall meet the specifications to allow use of United States Postal Service (USPS) optical scanners and be free of wrinkles, streaks, fogging, colors, and other conditions that can obscure the address or barcode during processing. All addresses and barcode information, as read through the window, must satisfy these minimum reflectance and contrast guidelines:

- A print contrast ratio (PCR) not more than 15% in the red and the green portions of the optical spectrum
- A print reflectance difference (PRD) equal to or more than 30% in the red and the green portions of the optical spectrum

**Packaging:** 500 envelopes per box. There shall be no nesting of envelopes.

**Other:** With the exception of the self-adhesive version, envelopes shall be suitable for insertion into machines currently in operation at the various departments of the State without the necessity of making any changes or adjustments to any of the machines to avoid jamming. In the event of any work stoppage due to incompatibility between envelopes and machines, the State shall have the right to request complete remanufacture of the envelopes at the expense of the Contractor, or to buy replacement envelopes from another supplier at emergency or premium cost, if necessary, and assess the entire cost to the Contractor.

The Procurement Officer shall have the sole right to determine the facts of and reasons for any and all work stoppages and to take any emergency action provided the cause of a stoppage to be incompatibility between envelopes and the machines. For this purpose, it is presumed that each insertion machine in use is properly adjusted and in proper working order. In the event of incompatibility, the burden of proof that the machine is at fault lies with the Contractor.

## **1.5 QUALITY OF PRODUCT**

All goods furnished under these specifications shall be new and of the best quality of its respective kind. It shall be free from defects which may render it unfit for use. Damaged or rejected items shall be immediately replaced with items of the quality required by these specifications. Printing shall be uniform in shade and shall have no inking irregularities.

Blank areas of the envelopes shall be clean and clear. This shall include the lower portion of the envelope where the USPS prints their barcode for scanning and routing purposes. Should the USPS contact an agency or their presort/ mailing contractor to report envelope defects, the Contractor shall replace all defective envelopes at no additional cost. No special arrangements or special permits between the Contractor and the USPS shall be accepted.

Unacceptable, damaged, or rejected items shall be immediately replaced with items of the quality required by these specifications.

Failure to replace any unacceptable item shall not relieve the Contractor from the responsibility imposed upon the Contractor by the contract.

No payment, whether partial or final, shall be construed to be an acceptance of unacceptable supplies.

The State may, at any time, by written order, stop delivery of products not conforming to these specifications. Such stop order shall not relieve the Contractor of their obligation to complete the contract within the contract time limits, nor shall it in any way terminate, cancel or abrogate the contract or any part thereof.

## **1.6 CONTRACT ADMINISTRATOR**

For the purpose of this contract, Carey Ann Sasaki at (808) 586-0575 and [careyann.r.sasaki@hawaii.gov](mailto:careyann.r.sasaki@hawaii.gov), or authorized representative, is designated as the Contract Administrator.

**SECTION TWO:**  
**BID SUBMITTAL & CONTENT**

**2.1 ELECTRONIC PROCUREMENT**

The State has established HlePRO [pronounced 'HI-PRO'] to electronically solicit and receive bids for procurements. Bidders interested in responding to this electronic solicitation must be registered on HlePRO in order to participate in this procurement. Registration information is available at the SPO website: <http://spo.hawaii.gov>, click on HlePRO, then click on the link to sign up and create an account.

Award resulting from this solicitation, if any, shall be conducted through HlePRO and subject to a mandatory .75% (.0075) transaction fee of the award, not to exceed \$5,000 for the award. This transaction fee shall be based on the initial award amount or estimated amount, and Vendor shall be responsible for payment of the fee to Hawaii Information Consortium, LLC dba NIC Hawaii (NIC), the vendor administering HlePRO. Refer to "Section 3.13, Payment to Hawaii Information Consortium, LLC dba NIC Hawaii (NIC)."

**2.2 BIDDER QUALIFICATIONS**

Location of Wholesale or Retail Business. Bidder shall maintain an island-based wholesale or retail business at the time of bidding and during the contract period with warehouse and inventory operations for supplying the items awarded. Award(s) shall not be made to any Bidder not meeting this qualification requirement. The island-based warehouse location, contact person, phone and facsimile numbers shall be provided on the appropriate Offer Form, page OF-2.

Failure to provide warehouse location and contact information may delay proper execution of the contract.

**2.3 BIDDER'S AUTHORITY TO SUBMIT A BID**

The State will not participate in determinations regarding a Bidder's authority to sell a product or service. If there is a question or doubt regarding a Bidder's right or ability to obtain and sell a product or service, the Bidder shall resolve that question prior to submitting a bid. If a Bidder offers a product that meets the specifications, is acceptable and the price submitted is the lowest priced offered, the contract will be awarded to that Bidder.

**2.4 CERTIFICATION OF INDEPENDENT COST DETERMINATION**

By submission of a bid in response to this Solicitation, Bidder certifies as follows:

1. The costs quoted have been arrived at independently, without consultation, communication, or agreement with any other bidder, as to any matter relating to such costs for the purpose of restricting competition.
2. Unless otherwise required by law, the cost quoted in response to this Solicitation has not been knowingly disclosed by the Bidder, directly or indirectly, to any other bidder or competitor prior to the award of the contract.



3. No other attempt has been made, or will be made, by the Bidder to indicate any other person or firm to submit, or not to submit, for the purpose of restricting competition.

## **2.5 REQUIRED REVIEW**

- 2.5.1 Before submitting a bid, each Bidder must thoroughly and carefully examine this solicitation, any attachment, addendum, and other relevant document, to ensure Bidder understands the requirements of the solicitation. Bidder must also become familiar with State, local, and federal laws, statutes, ordinances, rules, and regulations that may in any manner affect cost, progress, or performance of the work required.
- 2.5.2 Should the Bidder find defects and questionable or objectionable items in the solicitation, Bidder shall notify the SPO as soon as possible.

## **2.6 BID PREPARATION COSTS**

Any and all costs incurred by the Bidder in preparing or submitting a bid shall be the Bidder's sole responsibility whether or not any award results from this solicitation. The State shall not reimburse such costs.

## **2.7 BID GUARANTY**

A bid security deposit is NOT required for this IFB.

## **2.8 TAX LIABILITY**

- 2.8.1 Work to be performed under this solicitation is a business activity taxable under HRS chapter 237, and if applicable, taxable under Hawaii Revised Statutes (HRS)chapter 238. Contractor is advised that they are liable for the Hawaii General Excise Tax (GET) at the current 4.0% for sales made on Oahu, Hawaii, Maui, Kauai, Molokai, and Lanai or the applicable Use tax. If, however, a Bidder is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, Bidder shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.
- 2.8.2 County Surcharge. County surcharges on state general excise tax (GET) or Use tax may be visibly passed on but is not required. For more information on county surcharges and the max pass-on tax rate, please visit the Department of Taxation's website at <http://tax.hawaii.gov/geninfo/countysurcharge>.
- 2.8.3 Federal I.D. Number and Hawaii General Excise Tax License I.D. Bidder shall submit its current Federal I.D. No. and Hawaii General Excise Tax License I.D. number in the space provided on Offer Form, page OF-1, thereby attesting that the Bidder is doing business in the State and that Bidder will pay such taxes on all sales made to the State.

## **2.9 BID PREPARATION**

- 2.9.1 Offer Form, Page OF-1. Bidder is requested to submit its bid using Bidder's exact legal name as registered with the Department of Commerce and Consumer Affairs, if applicable, and to indicate the exact legal name in the appropriate space on Offer Form, page OF-1. Failure to do so may delay proper execution of the contract.

The authorized signature on the first page of the Offer Form shall be an original signature in ink, which shall be required before an award, if any, can be made, or the authorized signature on the Offer Form, OF-1 shall be an electronically signed signature with audit trail. The submission of the bid on HlePRO shall indicate Bidder's intent to be bound.

2.9.2 Bid Quotation OF-3. Unit bid price shall include labor, equipment, installation, transportation, storage, training, all applicable taxes, except the GET, and any other costs incurred to provide services specified including the transaction fee for processing this procurement electronically. Unit bid prices shall also be based on "delivery to destination" to each office listed on the Exhibit A: Agency Requirements and Delivery Schedule 2023-2025, and include the following pricing Inclusions and conditions:

1. Unit prices shall be firm for the term of the contract.
2. Include all applicable taxes, except the GET, currently 4.0% for all sales made on Oahu, Hawaii, Maui, Kauai, Molokai and Lanai. The GET and county surcharge may be added to the invoice as a separate line item and shall not exceed the current rate for that island.
3. Include all other costs, including but not limited to freight, transportation, warehousing, packaging, and delivery of the products to destination specified.
4. Submit prices in terms of the unit shown.

Bidders are advised that unit bid prices are all-inclusive, with the exception of the GET and county surcharge, and that no other charges will be honored, except as specified herein.

2.9.3 Hawaii Vendors. A vendor doing business in the State of Hawaii, as evidenced by its Hawaii General Excise Tax (GET) license number, is liable for the Hawaii GET, currently either 4%, and the applicable use tax, currently 1/2%, resulting from this solicitation.

2.9.4 Out-of-State Vendors Without a Hawaii GET License. Due to the scope of work under this solicitation, an out-of-state vendor not possessing a Hawaii GET license, but having "sufficient presence in Hawaii" as evidenced by a "yes" response to at least one of the questions in the attached Tax Equalization Certificate, is liable for the applicable GET and the applicable use tax. Out-of-state vendors not possessing a Hawaii GET license shall complete the attached Certificate.

However, if an out-of-state vendor, not possessing a Hawaii GET license has "sufficient presence in Hawaii" due solely to a "yes" answer to question number 4 on the Tax Equalization Certificate, drop-ships the goods required herein and subcontracts the entire service portion of the contract to be awarded, then the out-of-state vendor is not liable for the taxes. If the out-of-state vendor is subcontracting this portion of the work, the name of the subcontractor shall be furnished on the Certificate.

Failure to complete the Certificate and furnish name(s) of the subcontractor(s), if any, may result in the delay of the award or rejection of the bi

2.9.5 Tax-Exempt Vendors. If a Bidder is a person exempt by the HRS from paying the GET and use tax and therefore not liable for the taxes under this solicitation, Bidder

shall state its tax exempt status and cite the HRS chapter or section allowing the exemption

- 2.9.6 Examples. Envelope examples for agency requirements are scanned and attached as Exhibit B.

No additional compensation will be made by reason for any misunderstanding or error regarding the envelopes to be printed or the amount and kind of work involved. Submission of a bid shall be evidence that the Bidder understands the scope of the project and will comply with the specifications if awarded the contract.

- 2.9.7 Bidder's Samples. When requested by the State, the Bidder shall submit at Bidder's own expense, within five (5) working days from date of the State's request, detailed specifications and sample(s) of the item(s) bid, properly identified. Failure to do so shall be cause for rejection of the bid. Any sample submitted for testing purposes will become the property of the State and will not be returned to the Bidder. The State shall be the sole judge as to the suitability of the item, and its decision will be final.

- 2.9.8 Certificate of Recycled Content. As required by Section 1.4 Construction Specifications, page 3, Bidder shall offer a recycled product. Bidder shall list each recycled product offered on the attached SPO Form-008 (Rev. 7/1/02), *Certification of Recycled Content*, certifying the recycled content of the paper. This form may be signed by an official authorized to sign on behalf of the manufacturer and must be submitted with the bid.

## 2.10 QUANTITIES

Quantities listed herein on Exhibit A: Agency Requirements and Delivery Schedule 2023-2025 represent a minimum amount. The State reserves the right to purchase larger quantities at the prices quoted in this solicitation. Orders will be placed with the Contractor by the dates specified herein. The Hawaii Health Systems Corporation, the Judiciary, and the Executive Departments/Agencies will participate in this contract. Agencies of the Hawaii Health Systems Corporation, the Judiciary, and the Executive Departments/Agencies that are not listed on Exhibit A: Agency Requirements and Delivery Schedule 2023-2025 will also be allowed to place orders by the same deadlines. These agencies shall provide the Contractor with a sample or example of their envelope and specify the amount and delivery deadline(s).

## 2.11 ELECTRONIC SUBMISSION OF BID

The bid shall be submitted and received electronically through HlePRO. This electronically submitted bid shall be considered the original. Any original bids received outside of HlePRO, including faxed or e-mailed bids, shall not be accepted or considered for award. Any bid received after the due date and time shall be rejected.

HlePRO Special Instructions. Bidder shall review all special instructions located on HlePRO solicitation. Bidders are responsible for ensuring that all necessary files are included in their response upon submission on HlePRO by the due date and time.

Bidders are advised to not wait until the last minute to submit their bid on HlePRO. Bidders

should allow ample time to review their submittals on HlePRO, including all attachments, prior to the due date and time. Submission must be completed and submitted by the due date and time. If the submission is not completed and submitted by the due date and time, HlePRO will not accept the bid.

The submission of a bid shall constitute an incontrovertible representation by the Bidder of compliance with every requirement of the solicitation, and that the solicitation documents are sufficient in scope and detail to indicate and convey reasonable understanding of all terms and conditions of performance of the work and products to be provided.

## **2.12 FORMAT INSTRUCTIONS FOR SUBMITTING BID ON HlePRO**

2.12.1 Format. Bids shall be submitted as attachments on HlePRO.

2.12.2 Proprietary/Confidential information. Proprietary information shall be contained in a separate file that is clearly identified as proprietary/confidential information.

## **2.13 MODIFICATION PRIOR TO SUBMITTAL DEADLINE OR WITHDRAWAL OF BIDS**

2.13.1 The Bidder may modify or withdraw a bid before the due date and time.

2.13.2 Any change, addition, deletion of attachment(s) of a bid may be made prior to the deadline for submittal of bids on HlePRO.

**SECTION THREE:  
CONTRACT AWARD & TERMS**

**3.1 METHOD OF AWARD**

Award, if made, shall be to the responsive, responsible Bidder submitting the lowest evaluated Total Sum Bid Price. Bidder must bid on all items specified on the Offer Form, page OF-3 (Envelopes A – H), to be considered for award. Although Envelope D has 0 minimum quantity, Bidder shall submit a price for it, in the event that an agency orders Envelope D by the order deadline.

**3.2 RESPONSIBILITY OF BIDDERS**

Bidders are advised that in order to be awarded a contract under this solicitation, Bidders will be required to be compliant with all laws governing entities doing business in the State including the following chapters and pursuant to HRS §103D-310(c):

1. Chapter 237, General Excise Tax Law;
2. Chapter 383, Hawaii Employment Security Law;
3. Chapter 386, Worker's Compensation Law;
4. Chapter 392, Temporary Disability Insurance;
5. Chapter 393, Prepaid Health Care Act; and
6. §103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

**3.2.1 Vendor Compliance - Hawaii Compliance Express (HCE)**

3.2.1.1 Vendors may choose to use the HCE, which is an electronic system that allows vendors/contractors/service providers doing business with the State to quickly and easily demonstrate compliance with applicable laws. It is an online system that replaces the necessity of obtaining paper compliance certificates from the Department of Taxation, Federal Internal Revenue Service, Department of Labor and Industrial Relations, and Department of Commerce and Consumer Affairs.

3.2.1.2 Timely Registration on HCE. Vendors/contractors/service providers intending to use HCE to demonstrate compliance are advised to register with HCE as soon as possible at <https://vendors.ehawaii.gov>. The annual registration fee is \$12.00 and the 'Certificate of Vendor Compliance' is accepted for the execution of the contract and final payment. If a vendor/contractor/service provider is not compliant on HCE at the time of the award, a Bidder will not receive the award.

3.2.1.3 Verification of Compliance on HCE. Prior to awarding this contract, the SPO shall verify compliance of the Contractor(s).

**3.2.2 Vendor Compliance - Paper Documents.** Vendors not utilizing HCE to demonstrate compliance shall provide the paper certificates to the SPO as instructed below. All

certificates must be valid on the date it is received by the SPO. All applications for applicable clearances are the responsibility of the Bidder.

- 3.2.2.1 HRS chapter 237 tax clearance requirement for award. Pursuant to Section 103D-328, HRS, the lowest responsive Bidder shall be required to submit a tax clearance certificate issued by the Hawaii State Department of Taxation (DOTAX) and the Internal Revenue Service (IRS). The certificate shall have an original green certified copy stamp and shall be valid for six (6) months from the most recent approval stamp date on the certificate.

The Tax Clearance Application, Form A-6, and its completion and filing instructions, are available on the DOTAX website: <http://tax.hawaii.gov/forms/>.

- 3.2.2.2 HRS chapters 383 (Unemployment Insurance), 386 (Workers' Compensation), 392 (Temporary Disability Insurance), and 393 (Prepaid Health Care) requirements for award. Pursuant to section 103D-310(c), HRS, the lowest responsive Bidder shall be required to submit a certificate of compliance issued by the Hawaii State Department of Labor and Industrial Relations (DLIR). The certificate is valid for six (6) months from the date of issue. A photocopy of the certificate is acceptable to the SPO.

The DLIR Form LIR#27 Application for Certificate of Compliance with Section 3-122-112, HAR, and its filing instructions are available on the DLIR website: <http://labor.hawaii.gov/forms/>.

- 3.2.2.3 Compliance with Section 103D-310(c), HRS, for an entity doing business in the State. The lowest responsive Bidder shall be required to submit a *Certificate of Good Standing (COGS)* issued by the State of Hawaii Department of Commerce and Consumer Affairs (DCCA) - Business Registration Division (BREG). The Certificate is valid for six (6) months from date of issue. A photocopy of the certificate is acceptable to the SPO.

To obtain the Certificate, the Bidder must be registered with the BREG. A sole proprietorship is not required to register with the BREG and is therefore not required to submit the Certificate.

More information regarding online business registration and the COGS is available at <http://cca.hawaii.gov/breg/>.

- 3.2.2.4 Timely Registration. The above certificates should be applied for and submitted to the SPO as soon as possible. If a valid certificate is not submitted at the time of the contract award, a Bidder otherwise responsive and responsible may not receive the award.

- 3.2.2.5 Verification of Compliance. Upon receipt of compliance documents (A-6, LIR#27, COGS), the SPO reserves the right to verify compliance with the respective departments. The Contractor shall maintain compliance throughout the term of the contract.

### **3.3 PROTEST PROCEDURES**

Pursuant to HRS §103D-701 and HAR §3-126-3, an actual or prospective bidder who is aggrieved in connection with the solicitation or award of a contract may submit a protest. Any protest shall be submitted in writing to the Procurement Officer at:

Procurement Officer  
State Procurement Office  
1151 Punchbowl Street, Room 416  
Honolulu, HI 96813

A protest shall be submitted in writing within five (5) working days after the aggrieved person knows or should have known of the facts giving rise thereto; provided that a protest based upon the content of the solicitation shall be submitted in writing prior to the date set for receipt of bids. Further provided that a protest of an award or proposed award shall be submitted within five (5) working days after the posting of award or if requested, within five (5) working days after the Procurement Officer's debriefing was completed.

The notice of award, if any, resulting from this solicitation shall be posted on the State of Hawaii eProcurement System (HlePRO), which is available at the SPO website: <http://spo.hawaii.gov/>. Click HlePRO (eProcurement System). Click Search on HlePRO, then click on the Awards tab.

### **3.4 APPROVALS**

Any agreement arising out of this bid may be subject to the approval of the Department of the Attorney General, and to all further approvals, including the approval of the Govern as required by statute, regulation, rule, order, or other directive.

### **3.5 CONTRACT EXECUTION**

The successful Bidder receiving the award shall enter into a formal written contract to be signed by the Contractor and returned within five (5) days.

No performance or payment bond is required for this contract.

No work is to be undertaken by the Contractor prior to the commencement date specified on the Notice to Proceed. The State of Hawaii is not liable for any work, contract, costs, expenses, loss of profits, or any damages whatsoever incurred by the Contractor prior to the official commencement date.

### **3.6 NOTICE TO PROCEED**

Work will commence on the official commencement date specified on the Notice to Proceed.

### **3.7 STATE'S COMMITMENT**

In return for prices submitted the following purchasing jurisdictions will purchase all of their

requirements for items listed herein from the awarded contractor(s):

- A. Executive Departments/Agencies (excludes Department of Education, Office of Hawaiian Affairs, and University of Hawaii)
- B. Hawaii Health Systems Corporation
- C. Judiciary

When the purchase of a product listed herein is not appropriate to an agency's purpose, The purchasing jurisdiction may grant an exception to this commitment.

### **3.8 USE OF PRICE LIST CONTRACT BY NONPROFIT ORGANIZATIONS**

Pursuant to HRS §103D-804, nonprofit organizations with current purchase of service contract(s) (HRS Chapter 103F) have been invited to participate in SPO price list contracts.

A listing of nonprofit organizations ("nonprofits") is available at the SPO website, <http://spo.hawaii.gov>. Click on "For Vendors" > "Non-Profits" > "Cooperative Purchasing Program."

If interested, these nonprofits will contact the price list contract vendor to obtain concurrence on their participation. A price list contract vendor may choose to deny participation by a nonprofit. Provided, however, if a nonprofit and price list contract vendor mutually agree to this arrangement, it is understood that the nonprofit will retain its right to purchase from other than a price list contract vendor.

### **3.9 TERM OF CONTRACT**

The term of the contract shall be for the period commencing on the date stated on the Notice to Proceed and ending on December 31, 2023.

Unless terminated, the contract may be extended without re-bidding, upon mutual agreement in writing between the State and the Contractor, prior to the expiration date, for not more than two (2) additional sixteen (16) month periods, or parts thereof. Provided, however, the contract price for the extended period shall remain the same or lower than the initial contract price, subject to any price increase allowed by the contract.

### **3.10 ORDERING**

The State will place all orders for calendar year 2023 with the Contractor on or before October 14, 2022 and will use either pCard or purchase order when placing its order(s). The awarded contractor will be provided agency contact information needed to follow-up and confirm orders. The Contractor shall honor all orders received by this deadline date and deliver according to the contract terms and within the required delivery time. If the contract is extended further, the order deadline dates for the following years shall be October 13, 2023 and October 15, 2024.

### **3.11 DELIVERY**

Deliveries by the Contractor shall be made in accordance with Exhibit A: Agency Requirements and Delivery Schedule 2023-2025, or as specified on the order. Agencies shall be informed that the Contractor will be given 60 days to process their order. In the event an agency listed in this IFB fails to submit its order, the Contractor shall automatically



process the order in accordance with the Delivery Schedule. Any products damaged, defective, or spoiled will not be accepted by the ordering agencies and the Contractor shall be responsible for replacing them.

Prior to shipment, the Contractor shall contact the appropriate agency to coordinate the delivery arrangements. Agency contact information will be provided to the awarded contractor.

Contractor will be required to deliver all items by the delivery schedule set forth in this contract or by the delivery schedule specified on the order. Should the Contractor fail or delay in the competition of delivery in accordance with the terms of the contract and the State finds it necessary to buy said envelopes from another supplier at emergency or premium cost, the State shall have the right to assess the entire cost thereof to the Contractor.

### **3.12 PROOFS**

Proofs must be approved by each individual department before final run-off. Contractor shall contact the departmental coordinator to arrange for proof approvals. Agency contact information will be provided to the awarded contractor.

### **3.13 PAYMENT TO HAWAII INFORMATION CONSORTIUM, LLC dba NIC Hawaii (NIC)**

HlePRO is administered by Hawaii Information Consortium, LLC dba NIC Hawaii (NIC). NIC shall invoice the awarded vendor directly for payment of transaction fees. Payment must be made to HIC within thirty (30) days from receipt of invoice. NIC is an intended third-party beneficiary of transaction fees, which are used to fund the operation, maintenance, and future enhancements of the HlePRO system.

The amount of the transaction fees shall be .75% (.0075) of the award or estimated award as stated in the notice of award, not to exceed \$5,000 for any single award to a vendor.

Termination/Rescission of an Award. If an agreement is terminated or rescinded through no fault of the vendor at the beginning of the contract or within 60 days of notice of award, and no amount paid on the contract, the vendor will become eligible to receive a credit for administrative fees paid for that award to the vendor's account with NIC. To receive the credit, the vendor must make a request to NIC for a credit.

### **3.14 INVOICING AND PAYMENT**

3.14.1 The State's purchasing card (pCard) shall be used for all orders totaling less than \$2,500. This requirement is for all agencies of the Executive branch departments with the exception of the Hawaii Health Systems Corporation. Agencies may continue to issue purchase orders for their transactions with contract vendors who do not accept the pCard or that vendor assesses a fee for credit card usage.

3.14.2 Hawaii GET. Contractor(s) shall forward invoices, original and three (3) copies, directly to the ordering agency for those agencies issuing purchase orders. For all orders placed against this contract, Contractor(s) may assess the ordering agency the Hawaii GET as a separate line item.

HRS §103-10, provides that the State shall have thirty (30) calendar days after receipt of invoice or satisfactory delivery of goods to make payment. For this reason, the State will reject any bid submitted with a condition requiring payment within a shorter period. Further, the State will reject any bid submitted with a condition requiring interest payments greater than that allowed by HRS §103-10, as amended.

The State will not recognize any requirement established by the Contractor and communicated to the State after award of the contract, which requires payment within a shorter period or interest payment not in conformance with statute.

Only goods that have been satisfactorily delivered to and accepted by the State shall be paid for in accordance with the statute.

The State has the right to make payment upon receipt of goods.

### **3.15 SALES REPORT**

A summary sales report shall be submitted to the SPO indicating the total quantity purchased by the State for each item awarded. Item numbers and item descriptions shall be listed in order as it appears on the IFB. The sales report is due no later than sixty (60) days after the order deadline October 14, 2022, or as requested by contract administrator and shall be emailed to the contract administrator as listed in Section 1.6 Contract Administrator or mailed to the following address:

State Procurement Office  
1151 Punchbowl Street, Room 416  
Honolulu, HI 96813  
Attn: Contract Administrator

### **3.16 PRICE ADJUSTMENT**

There shall be no price adjustment of envelopes for the calendar year 2023 during the twelve (12) months of the contract. The contract may be extended without re-bidding, upon mutual agreement in writing between the State and the Contractor, prior to the expiration date, for up to two (2) additional twelve (12) month periods. The Contractor, at least sixty (60) days prior to the expiration of the contract, may request an increase in the contract price for the contract extension period when there is a substantial increase in the cost of materials or freight. The Contractor may submit a price increase adjustment request for any twelve (12) month contract extension period. Such requests must be in writing to the Procurement Officer and shall meet the following conditions:

1. Request for a price increase shall be limited to the costs imposed upon the Contractor by the manufacturer or supplier of the materials. (No allowances will be given for the Contractor's increased labor or operating expenses.)
2. Request for a price increase due to higher transportation costs shall be limited to the cost imposed upon the Contractor by the freight forwarder.
3. The Contractor shall submit at the time of written request, documentation or verification that the increase is the result of a manufacturer or supplier increase in

cost of materials or transportation. Documentation to substantiate a price increase shall include actual invoices evidencing that the Contractor has incurred increased manufacturing and/or distribution prices for a sustained period of time.

### **3.17 SUBCONTRACTING**

The Contractor shall not delegate any duties listed in this IFB to any subcontractor unless the Contract Administrator has given written approval. The State reserves the right to approve all subcontractors and shall require the primary contractor to replace any subcontractors found to be unacceptable. The primary contractor will be the sole point of contact with regard to contractual matters, including payment of any and all charges resulting from the contract, and shall be responsible for all services whether or not the primary contractor performs them.

Bidder shall provide on the appropriate Offer Form, page OF-2, the names and addresses of each person or firm to be engaged by the Bidder as subcontractor, if any, and shall indicate the scope of the work to be performed by the subcontractor. No subcontract or assignment shall, under any circumstances, relieve the Contractor of its obligation and liability under the contract with the State, and all persons engaged in performing the work covered by the contract shall be considered employees of the Contractor. If the entire job will be done by the Bidder, Bidder must indicate so. Failure to comply with this request may result in the rejection of the bid.

### **3.18 GUARANTEE**

Submission of the bid will constitute a guarantee that the envelopes, with the exception of the self-adhesive versions, can be machine-inserted without difficulty. If the envelopes are found unsatisfactory, they will be replaced by the Bidder without additional cost to the State within thirty (30) days after notification. If the number of unsatisfactory envelopes delivered during the contract period is deemed to be excessive, the State reserves the right to suspend the Contractor from future participation in bidding pursuant to subchapter 2, HAR chapter 3-126.

### **3.19 RE-EXECUTION OF WORK**

The Contractor shall re-execute any work that fails to conform to the requirements of the contract and shall immediately remedy any defects due to faulty workmanship by the Contractor. Should the Contractor fail to comply, the State reserves the right to engage the services of another company to perform the services and to deduct such costs from monies due to the Contractor.

### **3.20 LIQUIDATED DAMAGES**

Refer to Section 9 of the AG General Conditions, Form AG-008, as revised. Liquidated damage is fixed at the sum of TWENTY-FIVE DOLLARS (\$25.00) per each and every calendar day per location per violation the Contractor fails to perform in whole or in part any of his obligations specified herein. Liquidated damage, if assessed, may be deducted any payments due or to become due to the Contractor.

### **3.21 VENDOR AND PRODUCT EVALUATION**

The Vendor and Product Evaluation Form, SPO-012, is made available to user agencies for the purpose of addressing their concerns on the price list resulting from this solicitation.

Product Evaluation. Upon receipt by the SPO, the Contractor shall be sent a copy of the complaint(s) regarding product quality. The Contractor shall follow up the complaint(s) with the manufacturer and respond to the SPO as to what remedies have or will be taken to correct the problem. If the product quality is not corrected and the complaint(s) persist, steps will be taken to delete the product from the price list.

Vendor Evaluation. In the event of a complaint regarding a Contractor's service (i.e., delivery delays, numerous backorders, failure to correct defective product deliveries, etc.), the Contractor shall be sent a copy of the complaint(s). The Contractor shall meet with or contact the agency that issued the complaint at the agency's place of business to resolve the problem. This shall take place within one (1) week of notification. The Contractor shall contact and inform the SPO Contract Administrator as to the corrective measure(s) taken to resolve the complaint.

Should the Contractor consistently receive complaints for poor service or refuse to resolve the complaints, the Procurement Officer reserves the right to terminate the contract and/or initiate the debarment process pursuant to Chapter 3-126, HAR, Legal and Contractual Remedies.

The resolution of complaints pursuant to the product and vendor evaluation notifications process shall be done at no additional charge to the State.

## **SECTION FOUR: SPECIAL PROVISIONS**

### **4.1 MISTAKES IN BID**

- 4.1.1 When the Procurement Officer knows or has reason to conclude before the award that a mistake has been made, the Procurement Officer should request the Bidder to confirm the bid. If the Bidder alleges mistake, the bid may be corrected or withdrawn pursuant to this section.

Technical irregularities are minor informalities that have no effect on price, quantity, quality, delivery, or contractual conditions. These irregularities/informalities can be waived or corrected without prejudice to other Bidders.

- 4.1.2 Correction or withdrawal of a bid after the time and date set for the bid opening because of an inadvertent, nonjudgmental mistake in the bid requires careful consideration to protect the integrity of the competitive bidding system, and to ensure fairness. If the mistake is attributable to an error in judgment, the bid may not be corrected. Bid correction or withdrawal by reason of a nonjudgmental mistake is permissible but only to the extent that it is not contrary to the interest of the governmental agency or fair treatment of other Bidders.

- 4.1.3 When, after the bid opening but before the award, the Procurement Officer knows or has reason to conclude that a mistake has been made, including obvious, apparent errors on the face of the bid or a bid unreasonably lower than the other bids is submitted, such Officer should request the Bidder to confirm the bid. If the Bidder alleges a mistake, the bid may be corrected or withdrawn by the Bidder if the conditions under subsections "4.1.4" and "4.1.5" of this section are met and if the mistake is a minor informality which is a matter of form rather than substance evident from the bid document, or an insignificant mistake that can be waived by the Procurement Officer or corrected by the Bidder without prejudice to other Bidders depending on which is in the best interest of the governmental jurisdiction soliciting the bid; that is, the effect on price, quantity, quality, delivery, or contractual conditions is negligible. Examples include the failure of a Bidder to acknowledge receipt of an amendment to the IFB (if such acknowledgement is required by the IFB) but only if it is clear from the bid that the Bidder received the amendment and intended to be bound by its terms, or the amendment involved had a negligible effect on price, quantity, quality, or delivery.

- 4.1.4 If the mistake and the intended correct bid are clearly evident on the face of the bid document, the bid shall be corrected to the intended correct bid and may not be withdrawn. Examples of such mistakes include: typographical errors, errors in extending unit prices, transposition errors, and arithmetical errors. In the event of a discrepancy between unit bid prices and extensions, the unit price shall govern. In the case of an error in addition, the sum of the total amount bid for each item added shall govern.

- 4.1.5 A Bidder may be permitted to withdraw a low bid if a mistake is clearly evident

on the face of the bid document but the intended correct bid is not similarly evident; or the Bidder submits proof of evidentiary value which clearly and convincingly demonstrated that a mistake was made.

- 4.1.6 A Bidder may not correct a mistake in a bid discovered after the award of the contract except where the Chief Procurement Officer or the Head of the Purchasing Agency makes a written determination that it would be unreasonable not to allow the mistake to be corrected.
- 4.1.7 When a bid is corrected or withdrawn, or a correction or withdrawal is denied, under "4.1.3." or "4.1.4.," the Chief Procurement Officer or the Head of a Purchasing Agency shall prepare a written determination showing that the relief was granted or denied in accordance with HAR §3-122-31, subchapter 5 except that the Procurement Officer shall prepare the determination required under subsection(C).

## **4.2 PREFERENCES FOR EVALUATION PURPOSES**

### PRINTING PREFERENCE

HAR chapter 3-124, subchapter 2 provides that:

All bids or proposals submitted for a printing, binding, or stationery contract in which all work will be performed in-state, including all preparatory work, presswork, bindery work, and any other production-related work shall receive a fifteen percent (15%) preference for purposes of bid or proposal evaluation.

Where bids or proposals are for work performed in-state and out-of-state, then for the purpose of selecting the lowest bid or evaluating proposals submitted, only the amount bid or proposal for work performed out-of-state shall be increased by fifteen percent (15%). The lowest total offer, taking the preference into consideration, shall be awarded the contract unless the solicitation provides for additional award criteria. The contract amount awarded, however, shall be the amount of the price offered, exclusive of the preference.

## **4.3 INSURANCE**

- 4.3.1 Prior to the contract start date, the Contractor shall procure at its sole expense and maintain insurance coverage acceptable to the State in full force and effect throughout the term of the Contract. The Bidder shall provide proof of insurance for the following minimum insurance coverage(s) and limit(s). The type of insurance coverage is listed as follows:

- 1. Commercial General Liability Insurance

Commercial general liability insurance coverage against claims for bodily injury and property damage arising out of all operations, activities or contractual liability by the Contractor, its employees and subcontractors during the term of the Contract. This insurance shall include the following coverage and limits specified or required by any applicable law: bodily injury and property damage coverage with a minimum of \$1,000,000 per

occurrence, personal and advertising injury of \$1,000,000 per occurrence, with an aggregated limit of \$2,000,000. The commercial general liability policy shall be written on an occurrence-basis and the policy shall provide legal defense costs and expenses in addition to the limits of liability as stated above. The Contractor shall be responsible for payment of any deductible applicable to this policy.

2. Automobile Liability Insurance

Automobile liability insurance covering owned, non-owned, leased, and hired vehicles with a minimum of \$1,000,000 for bodily injury for each person, \$1,000,000 for bodily injury for each accident, and \$1,000,000 for property damage for each accident.

3. Appropriate levels per occurrence for workers' compensation and any other insurance.

A Waiver of Subrogation shall apply to the General Liability, Automobile Liability, and Worker's Compensation insurance policies and shall be in favor of the State of Hawaii.

4.3.2 The Contractor shall deposit with the SPO, on or before the effective date of the Contract, certificate(s) of insurance necessary to satisfy the SPO that the provisions of the Contract have been complied with, and to keep such insurance in effect and provide the certificate(s) of insurance to the SPO during the entire term of the Contract. Upon request by the SPO, the Contractor shall furnish a copy of the policy or policies.

4.3.3 The Contractor will immediately provide written notice to the SPO and contracting department or agency should any of the insurance policies evidenced on its Certificate of Insurance form be cancelled, limited in scope, or not renewed upon expiration.

4.3.4 The certificate of insurance shall contain the following clauses:

1. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
2. "It is agreed that any insurance maintained by the State of Hawaii will apply in excess of, and not contribute with, insurance provided by this policy."

4.3.5 Failure of the Contractor to provide and keep in force such insurance shall constitute a material default under the Contract, entitling the State to exercise any or all of the remedies provided in the Contract (including without limitation, terminating the Contract). The procuring of any required policy or policies of insurance shall not be construed to limit the Contractor's liability hereunder, or to fulfill the indemnification provisions of the Contract. Notwithstanding said policy or policies of insurance, the Contractor shall be responsible for the full and total amount of any damage, injury, or loss caused by the Contractor's negligence or neglect in the provision of services under the Contract.