



STATE OF HAWAII
DEPARTMENT OF TAXATION

HONOLULU, HAWAII

OCTOBER 17, 2022

REQUEST FOR QUOTES (RFQ)
NO. DOTAX-RFQ-FY23-01

SHREDDING SERVICES
FOR THE DEPARTMENT OF TAXATION

WITH THE OPTION OF EXTENDING FOR NOT MORE THAN TWO (2)
ADDITIONAL TWELVE MONTH (12) PERIODS UPON MUTUAL AGREEMENT

Offers shall be received via the Hawaii State eProcurement System (HIePRO) no later than the date and time stated on HIePRO and must be submitted in strict accordance with the instructions therein.

Questions relating to this bid solicitation may be directed to Ms. Wendy Yoshioka-Moore, phone 808-587-1512.

The Department of Taxation reserves the right to reject any or all bids and to waive any defects when such rejection will be in the best interest of the public.

INSTRUCTIONS TO OFFERORS

1. All offers shall be made on the Offer Form furnished by the Department of Taxation (DOTAX) and shall be signed by the offeror with the offeror's business address and telephone number. The offeror is requested to submit its offer using the offeror's exact legal name as registered with the Department of Commerce and Consumer Affairs, State of Hawaii. NO SUBSTITUTIONS OF MATERIALS OR ITEMS NOT EXPRESSLY PROVIDED FOR IN THE INSTRUCTIONS TO OFFERORS, SCOPE OF SERVICES, SPECIAL PROVISIONS AND GENERAL CONDITIONS WILL BE CONSIDERED OR ACCEPTED.
2. Any offer that contains any erasures or alterations not properly initialed or that contains other irregularities may be rejected as not in the best interest of the public. Any offer which constitutes a conditional offer or a counter proposal will be rejected outright.
3. The offer price shall include all applicable taxes and any other costs incurred per this RFQ.

Work to be performed under this solicitation is a business activity taxable under Chapter 237, Hawaii Revised Statutes (HRS), and vendors are advised that they are liable for the General Excise Tax (GET) and all other applicable taxes. If, however, the offeror is a person exempt by the HRS from paying the GET and therefore not liable for the taxes on this solicitation, the offeror shall state its tax exempt status and cite the HRS chapter or section allowing the exemption.

4. In case of error in extension of offer price, unit price shall govern.
5. Costs for developing the proposal are solely the responsibility of the offeror, whether or not any award results from this solicitation. The State of Hawaii shall not reimburse such costs.
6. All proposals become the property of the State of Hawaii.
7. The offeror is advised that in order to be awarded a contract under this solicitation, the offeror 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):
 - a. Chapter 237, General Excise Tax Law;
 - b. Chapter 383, Hawaii Employment Security Law;
 - c. Chapter 386, Worker's Compensation Law;
 - d. Chapter 392, Temporary Disability Insurance;
 - e. Chapter 393, Prepaid Health Care Act; and
 - f. §103D-310(c), Certificate of Good Standing (COGS) for entities doing business in the State.

The State will verify compliance on Hawaii Compliance Express (HCE).

Hawaii Compliance Express. The HCE 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.

Vendors/contractors/service providers should register with (HCE) prior to submitting an offer at <https://vendors.ehawaii.gov>. The annual registration fee is \$12.00 and the 'Certificate of Vendor Compliance' is accepted for the execution of contract and final payment.

Timely Registration on HCE. Vendors/contractors/service providers are advised to register on HCE as soon as possible. If a vendor/contractor/service provider is not compliant on HCE at the time of award, an offeror will not receive the award.

SPECIAL PROVISIONS

CONTRACTOR:

The term "Contractor" means an individual, partnership, firm, corporation, joint venture or other legal entity undertaking the execution of work under the terms of the contract with DOTAX, and acting directly or through his, their or its agents, employees or sub-contractors.

OFFER PREPARATION:

Any offer terms and conditions contradictory to those included herein shall be rejected without further consideration.

LEGAL NAME:

Offeror is requested to submit its offer under its exact legal name as registered at the Department of Commerce and Consumer Affairs. Failure to do so may delay proper execution of the Contract.

HAWAII GENERAL EXCISE TAX LICENSE:

In accordance with section 103-53.5, HRS, offeror shall submit its current Hawaii General Excise Tax I.D. number in the space provided on the offer form.

OFFER QUOTATION:

All offers shall be submitted on the form provided and shall be in accordance with the terms and conditions stated herein.

Offer price(s) quoted shall be in accordance with the Scope of Services, Special Provisions and General Conditions. Offer price(s) shall be inclusive of all federal, state, local taxes and any other costs incurred per this RFQ. Offers subject to any price increase other than as provided by these special provisions shall not be considered. Offeror's failure to meet this requirement shall result in the rejection of the offer.

If any of the requested information is not furnished in the blank spaces provided on the Offer Form pages, DOTAX will not be able to evaluate the offer item(s).

SUBCONTRACTING:

No portion of the work shall be subcontracted without the prior written approval of DOTAX.

CONTRACT AWARD:

DOTAX reserves the right to award multiple contracts based on geographic location. Considering the criteria, award(s) shall be made to the lowest responsive, responsible offeror.

FINAL PAYMENT REQUIREMENTS:

Except for any contract of less than \$2,500 or any contract entered into pursuant to section 103D-307, HRS,

1. A tax clearance certificate from the Department of Taxation and the Internal Revenue Service, current within two months of issuance date; and a certification from the Contractor affirming that the Contractor has remained in compliance with all laws as required by section 3-122-112, HAR.

or

2. A current Certificate of Vendor Compliance obtained through Hawaii Compliance Express showing the statuses for Hawaii Department of Taxation, Internal Revenue Service, Hawaii Department of Commerce & Consumer Affairs and Hawaii Department of Labor & Industrial Relations as either compliant and/or exempt. See the General Conditions, Item 17.

CONTRACT EXECUTION:

The successful offeror shall be required to enter into a formal written contract.

DOTAX will issue a notice to proceed, which may be in the form of the Contract specifying the commencement date. Any work performed by the successful offeror prior to receipt of a notice to proceed on a fully executed copy of the Contract shall be at the successful offeror's own risk and expense. DOTAX is not and shall not be liable for any work, contract costs, expenses, loss of profits or damages whatsoever incurred by the successful offeror prior to the Contract commencement date.

PERFORMANCE BOND:

No performance bond is required for this contract.

INVOICING AND PAYMENT:

The Contractor shall submit an original invoice to DOTAX. Section 103-10, HRS, provides that DOTAX shall have thirty (30) calendar days after receipt of invoice or satisfactory completion of contract to make payment. For this reason, DOTAX will reject any bid submitted with a condition requiring payment within a shorter period. Further, DOTAX will reject any bid submitted with a condition requiring interest payments greater than that allowed by section 103-10, HRS.

DELIVERY EXTENSION:

If the Contractor fails to deliver within the time allowed, liquidated damages as specified in these Special Provisions shall apply. However, the Contractor shall not be held responsible for delay due to reasons beyond its control, provided it notifies the Administrative Services Officer (ASO) of such delay and the reasons for such delay, as soon as practicable, and requests an extension prior to the delivery deadline. Requests for extensions shall not be considered without documentation substantiating that the causes for delay were, in fact, beyond the control of the Contractor. The Department shall be the sole judge of

whether such delay is truly beyond the control of the Contractor and whether the extension will be granted.

TERMINATION FOR CAUSE:

If the Contractor:

1. Fails to begin the work or services under the Contract within or by the time specified.
2. Fails to perform the work with sufficient workmen, equipment, or materials to ensure prompt completion of the work.
3. Performs the work or services negligently or neglects or refuses to remove materials or to perform anew, such work or services that may be rejected as unacceptable within DOTAX's sole discretion.
4. Discontinues the prosecution of the work or services without completion of the work.
5. Otherwise breaches any term of the Contract.
6. Allows any final judgment to stand against it unsatisfied for a period of ten (10) days.
7. Makes an assignment for the benefit of creditors.
8. For any other cause whatsoever, fails to carry out the work or services in an acceptable manner, DOTAX will give notice to the Contractor of such delay, neglect, or default. If the Contractor within a period of ten (10) days after the date of such notice, shall not proceed in accordance therewith, then DOTAX will have full power and authority, without violating the Contract, to take the prosecution of the work or services out of the hands of the Contractor, and to use such methods as deemed necessary to complete the Contract in an acceptable manner.

All costs and charges incurred by DOTAX, together with the cost of completing the work or services under the Contract, will be offset from any monies due or that would or might have become due to the Contractor had the Contractor completed the work under the contract. If such expense exceeds the sum which would have been payable under the Contract, the Contractor shall be liable and shall pay to DOTAX the amount of such excess within ten (10) days after demand therefore.

9. See also the General Conditions, Item 14.

CONFIDENTIALITY OF INFORMATION:

The Contractor and its subcontractors, employees, and agents shall be responsible for the security and confidentiality of any and all DOTAX documents and information. The Contractor and its subcontractors, employees, and agents fully understand it is unlawful to make known information provided by DOTAX, including, but not limited to, information imparted by any tax return or record to be seen or examined by any unauthorized person or to make copies of tax information under either the Internal Revenue Code of 1986, as amended (26 U.S.C.), or Hawaii law. Any breach of this provision shall be cause for termination of this Contract and shall subject the Contractor, its employees, agents, and subcontractors to prosecution as provided by federal and state law. See Attachment for IRS Publication 1075.

Any confidential information received from DOTAX will not be electronically transmitted via e-mail or facsimile (fax) between DOTAX and the Contractor and any outside specialists or other entities engaged by either party. The Contractor and its subcontractors, employees, and agents shall return all DOTAX documents and information, if any, to DOTAX before final payment is made.

TIMELY RESPONSE TO ALL CONTACTS BY DOTAX:

If vendor is contacted and is not immediately available, call back to DOTAX should occur by the end of the same business day or early the following business day.

LIQUIDATED DAMAGES:

Refer to Item 9 of the General Conditions. Liquidated damages shall be assessed in the amount of ONE HUNDRED AND NO/100 DOLLARS (\$100.00) for each and every calendar day the Contractor fails to perform in whole or in part any of its obligations specified herein.

CONFLICTS AND VARIATIONS:

In the event of any conflict or variation between the provisions of the document entitled Special Provisions and the General Conditions, the provisions of the document entitled Special Provisions shall control.

FIDELITY BOND INSURANCE:

A fidelity bond may be required. If required, the policy shall include coverage against employee dishonesty, forgery or alteration of documents. Coverage limit shall be \$50,000 minimum.

LIABILITY INSURANCE:

The contractor shall maintain in full force and effect during the life of this contract, liability and property damage insurance to protect the contractor and its subcontractors, if any, from claims for damages for personal injury, accidental death and property damage which may arise from operations under this contract, whether such operations be by himself or by a subcontractor or anyone directly or indirectly employed by either of them. If any subcontractor is involved in the performance of the contract, the insurance policy or policies shall name the subcontractor as additional insured.

As an alternative to the contractor providing insurance to cover operations performed by a subcontractor and naming the subcontractor as additional insured, contractor may require subcontractor to provide its own insurance which meets the requirements herein. It is understood that a subcontractor's insurance

policy or policies are in addition to the contractor's own policy or policies.

The following minimum insurance coverage(s) and limit(s) shall be provided by the contractor, including its subcontractor(s) where appropriate.

| <u>Coverage</u> | <u>Limits</u> |
|---|--|
| Commercial General Liability (occurrence form) | \$2,000,000 combined single limit per occurrence for bodily injury and property damage |
| Basic Motor Vehicle Insurance and Liability Policies | BI: \$1,000,000 per occurrence PD: \$1,000,000 per occurrence |

Each insurance policy required by this contract, including a subcontractor's policy, shall reference No. RFQ-23-TAX-01 and contain the following clauses:

1. "This insurance shall not be canceled, limited in scope of coverage or non-renewed until after 30 days written notice has been given to the State of Hawaii, Department of Taxation, Administrative Service Office, P. O. Box 259, Honolulu, Hawaii 96809."
2. "The Contractor will immediately provide written notice to the 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."
3. "The State of Hawaii is added as an additional insured as respects to operations performed for the State of Hawaii."
4. "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."

The minimum insurance required shall be in full compliance with the Hawaii Insurance Code throughout the entire term of the contract, including supplemental agreements.

Upon Contractor's execution of the contract, the Contractor agrees to deposit with the State of Hawaii insurance policies necessary to satisfy the State that the insurance provisions of this contract have been complied with and to keep such insurance in effect and the policies therefore on deposit with the State during the entire term of this contract, including those of its subcontractor(s), where appropriate. The policies shall name the State as an additional insured.

Failure of the Contractor to provide and keep in force such insurance shall be regarded as material default under this contract, entitling the State to exercise any or all of the remedies provided in this contract for a default of the Contractor.

The procuring of such required insurance shall not be construed to limit Contractor's liability hereunder nor to fulfill the indemnification provisions and requirements of this contract. Notwithstanding said policy or policies of insurance, Contractor shall be obliged for the full and total amount of any damage, injury, or loss caused by negligence or neglect connected with this contract.

CAMPAIGN CONTRIBUTIONS BY STATE AND COUNTY CONTRACTORS:

It has been determined that funds for this contract have been appropriated by a legislative body.

Therefore, Offeror, if awarded a contract in response to this solicitation, agrees to comply with Section 11-205.5, HRS, which states that campaign contributions are prohibited from a state and county government contractor during the term of the contract if the contractor is paid with funds appropriated by a legislative body.

SCOPE OF SERVICES

DOTAX is seeking shredding services for the tax offices on Oahu, Hawaii (Hilo), Maui, and Kauai for one year with an option to extend the shredding services for not more than two (2) additional twelve (12) month periods. The additional twelve (12) month periods will be at the Contract price without the necessity of bidding. DOTAX and the Contractor must mutually agree in writing to any additional twelve (12) month periods.

All services provided by the Contractor shall be in accordance with this RFQ, including its attachments and any addenda.

Contractor shall provide same day, on site shredding services and locking security collection consoles (consoles) for the Department of Taxation. The type of security collection console to be used shall be subject to the sole approval of DOTAX. Contractor shall provide same day, on site shredding services of boxes for the Department of Taxation. See Box Description attachment.

The Contractor shall provide all the necessary equipment, vehicles, personnel, and supervision to satisfactorily perform the shredding services specified herein for the Department of Taxation. All shredding and/or destruction must be done on the same day of service and done on site.

Shredding must destroy paper using cross cut shredders that produce particles that are 1 mm x 5 mm (0.04 in. x 0.2 in) in size or small or pulverize/disintegrate paper materials using disintegrator devices equipped with a 2.4 mm (3/32 in.) security screen.

DESCRIPTION OF WORK

Island of Oahu (Honolulu) -41 consoles and up to 150 boxes per visit – Once every 3 weeks, preferably Tuesdays between 8:00 a.m. and 12:00 p.m. Pickup allotment of 150 boxes per visit may vary. Please allow allotment to be utilized as needed, up to 2,550 boxes per annum.

Island of Hawaii (Hilo) -3 consoles and up to 5 boxes per visit – Once every 8 weeks, preferably Wednesdays by 4:00 p.m.

Island of Maui (Kahului) -4 consoles per visit – Once every 4 weeks, preferably Wednesdays by 4:00 p.m.

Island of Kauai (Lihue) -3 consoles and up to 5 boxes per visit – Once every 8 weeks. Preferably Tuesdays between 9:00 a.m. and 12:00 p.m.

Should a State of Hawaii holiday fall on a scheduled pick-up day, pick-up shall be scheduled for the next State workday or the service shall be rescheduled, in writing, on a mutually agreed date and time between the Contractor and the State. Anticipated contract execution date is November 7, 2022. First scheduled visit must occur within two weeks of contract execution and recur according to the schedule above.

Contact information regarding this solicitation is as follows:

Contact: Wendy Yoshioka-Moore at 808-587-1512

Closing date for acceptance of offers: October 28, 2022.

OFFER FORM

**REQUEST FOR QUOTES NO. DOTAX-RFQ-FY23-01
SHREDDING SERVICES FOR THE STATE OF HAWAII DEPARTMENT OF TAXATION**

Offeror: _____

_____2022

Mr. Isaac Choy
Director of Taxation
830 Punchbowl Street
Honolulu, Hawaii 96813

Dear Director Choy:

The following offer is made to provide the goods and services indicated in the following offer to the Department of Taxation, State of Hawaii, at the location required in the Scope of Services, all according to the true intent and meaning of the specifications hereinafter contained.

The undersigned states that he/she/it has carefully read and understands the terms and conditions specified in the Instructions to Offerors, the Scope of Services and Special Provisions attached hereto, and in the General Conditions, by reference made a part hereof and available upon request, for this contract, and that the Administrative Services Officer reserves the right to reject any or all offers and to waive any defects when in his/her opinion such rejection or waiver will be in the best interest of the Department of Taxation.

The undersigned further understands and agrees that by submitting this offer, 1) he/she/it is declaring his/her/its offer is not in violation of Chapter 84, Hawaii Revised Statutes, concerning prohibited state contracts, and 2) he/she/it is certifying that the price(s) submitted was (were) independently arrived at without collusion.

The undersigned hereby proposes SHREDDING SERVICES FOR THE STATE OF HAWAII DEPARTMENT OF TAXATION in strict compliance with the Instructions to Offerors, Scope of Services, Special Provisions, and General Conditions, for the one year Total Offer Price (inclusive of all federal, state and local taxes and any other costs incurred) of:

Dollars

(\$ _____)

A breakdown of the Total Offer Price is as follows. Please attach any additional documents as needed. Quantity of material and schedule is in the Scope of Services above.

| Location | Annual Cost |
|------------------------|-------------|
| Oahu (Honolulu) | |
| Hawaii (Hilo) | |
| Maui (Kahului) | |
| Kauai (Lihue) | |

The undersigned represents: (Check one only)

- A Hawaii Business incorporated or organized under the State of Hawaii; OR
- A Compliant Non-Hawaii business not incorporated or organized under the laws of the State of Hawaii, but registered at the State of Hawaii, Department of Commerce and Consumer Affairs, Business Registration Division to do business in the State of Hawaii and has a separate branch or division in the State that is capable of fully performing under the contract.

State of incorporation _____

Offeror is:

- Sole Proprietor Partnership Corporation Joint Venture
- Other _____

If Offeror is a "dba" or a "division" of a corporation, please furnish the exact legal name of the corporation under which the contract, if awarded, will be executed:

Federal I.D. No. _____

Hawaii General Excise Tax License I.D. No. _____

Payment address (other than street address below): _____

City, State, Zip Code

Business address (Hawaii street address): _____

City, State, Zip

Respectfully Submitted,

(x) _____
Authorized Original Signature

Date: _____

Name and Title (Please Type or Print)

Telephone No.: _____

Email Address: _____

VENDOR AGREEMENT – FTI Contracting Language

- A. 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) The Contractor and the Contractor's employees with access to or who use Federal Tax Information (FTI) must meet the background check requirements defined in IRS Publication 1075.
 - 3) 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.
 - 4) All returns and return information will be accounted for upon receipt and properly stored before, during, and after processing. In addition, all related output will be given the same level of protection as required for the source material.
 - 5) No work involving Federal tax information furnished under this Contract will be subcontracted without prior written approval of the IRS.
 - 6) The Contractor will maintain a list of employees authorized access. Such list will be provided to the agency and, upon request, to the IRS reviewing office.
 - 7) The agency will have the right to void this Contract if the Contractor fails to provide the safeguards described above.
 - 8) 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 and access to Federal tax information.
- B. 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 each 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 §§ 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 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 (United States for Federal Employees) 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. The penalties are prescribed by IRC §§ 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 thereunder, 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 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. 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 §§ 7431, 7213, and 7213A. (IRS Publication 1075 Exhibit 4, Sanctions for Unauthorized Disclosure, and Exhibit 6, Civil Damages for Unauthorized Disclosure - included on pages 4-7 of this document). The training provided before the initial certification and annually thereafter must also cover the incident response policy and procedures for reporting unauthorized disclosures and data breaches. For both the initial certification and the annual certification, the Contractor should sign, either with ink or electronic signature, a confidentiality statement certifying its understanding of the security requirements.

C. INSPECTION - The IRS and the Agency shall have the right to send its officers and employees into offices and plants of the Contractor for inspection of the facilities and operations provided or the performance of any work with FTI under this Contract for compliance with requirements defined in IRS Publication 1075. The IRS' right of inspection shall include the use of manual and/or automated scanning tools to perform compliance and vulnerability assessments of information technology (IT) assets that access, store, process or transmit FTI. On the basis of such inspection, specific measures may be required in cases where the Contractor is found to be noncompliant with Contract safeguards.

Offeror: _____
Company Name

Signature: _____

Print Name: _____

Title: _____

Date _____