

**SPECIFICATIONS FOR HEAT APPLIED 20
CIGARETTE TAX STAMPS AND APPLICATION SYSTEMS**

GENERAL INFORMATION: Bidders must comply with all the conditions in these specifications and instructions. Bidders response shall address each section of the specifications. No proposal will be considered which is not complete.

Bidders will be required to furnish evidence satisfactory to the Department of Finance (Division of Revenue) of their ability to successfully comply with all the provisions and conditions of these specifications and instructions and of the possession of the necessary facilities, equipment, machinery, tools and resources, pecuniary and otherwise, necessary to properly and efficiently carry out the terms of the contract.

TYPE AND APPLICATION: These stamps must be Fuson stamps or equal consisting of five impressions or layers, including safety tint lettering. The stamps must be produced by the gravure process and be suitable for positive application with heat to the receiving surface such as polypropylene.

Bidders must furnish with bid, canceled samples of stamps and list the states currently using the bidder's stamps.

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

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

All spoiled paper and stamps are to be strictly accounted for and kept in a secure area and destroyed in the presence of a duly authorized agent of the State.

The bidder shall furnish the name of the paper supplier and samples of paper to be used.

SIZE, DESIGN AND COLORS: Each stamp shall contain not less than two distinctive colors. Half-tones, Ben-Day effects, shades, tints, or tones of a color will not be acceptable or considered as separate and distinctive colors. The safety tint lettering shall not be considered as one of the stamp colors.

Stamps shall measure approximately 1/2" x 1/2". The colors and design of the stamps are to be approved by the Department of Finance (Division of Revenue) or appropriate agency.

SERIAL NUMBERING: After primary printing, a unique two line 10 digit alpha- numeric will be printed on each stamp, indicating the stamp roll number on the first line i.e. 12345 and the individual stamp number on the second line 00001 through 30,000. Stamp numbers would not be repeated for 10 years based on an annual volume of 100,000,000 stamps.

This roll number will also appear on the roll and mailer box.

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

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

PROTECTION: All stamps must contain at least five proven protective features to guard against illegal reproduction. Bidder shall submit a separate confidential detailed statement, explaining fully their system for the protection of the State against unlawful reproduction and the method by which such reproduction can be detected by inspectors of the State. This confidential statement will not be included with the bid, but will be of primary consideration in the determination of award.

PRODUCTION CONTROL: Bidder shall submit a separate confidential detailed statement, detailing the precautions which the manufacturer proposes to observe within its plant and organization to protect the State against unlawful reproduction of stamps. Bidder must designate the measures which will prevent loss of stamps during the process of manufacture as well as during storage and subsequent transfer to authorized State officials, agents or employees.

All work under this contract, must be performed wholly within the premises of the contractor. No part of this contract may be sublet or performed in any other establishment. No assignment of this contract in whole or in part may be made without the consent of the State. The successful bidder will establish to the satisfaction of the State that it possesses the necessary plant, equipment and facilities to properly and satisfactorily discharge the responsibility imposed by these specifications.

ACCOUNTING: A full and accurate account must be made to the State for all spoiled paper, stamps, etc. Stamp designs and cylinders will be used solely for this order and subsequent orders if any. At the completion of this order, or at the termination of this contract, or at any time if the State so desires, all such stamp designs and cylinders will be destroyed and disposed of as directed by the State.

A complete and accurate accounting of each and every stamp and all paper and any other material used in the production of these stamps must be given to authorized representatives of the State upon demand at any time. Inspection of the plant and all records and books of account will be allowed by the contractor at any time upon demand of authorized representatives of the State.

At all times the contractor will supervise closely the production of these stamps. Security measures should be employed to assure that all finished goods and production materials are properly accounted for. Every precaution shall be taken to make certain that these stamps are not counterfeited or produced anywhere for any other purpose than the use of the State.

STAMP APPLYING MACHINES: Contractor must warrant that, during the contract period, he will make available to authorized distributors by means of a lease or sale, machines designed to apply contractors' stamps. This includes ancillary equipment such as case cutters and case packers. The said machines and stamps will be designed and manufactured so as to assure proper adhesion and high speed application of stamps.

Machines and related equipment must meet with the approval of the Department of Finance (Division of Revenue) and be acceptable to the tobacco distributors and operate satisfactorily at a minimum rate of 60 cartons per minute for duration of 30 minutes. No bid will be considered unless the bidder is able to satisfactorily demonstrate his stamp applying machine to the Department of Finance (Division of Revenue) within five days of the bid opening.

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

Contractor must have sufficiently trained personnel to properly maintain, service and repair stamping machines. Servicemen must be available during normal working hours and respond to a wholesaler's service call typically within twenty-four hours Monday through Friday. Contractor must instruct the tobacco distributors' employees in the proper operation of the stamp applying machine for correct application of stamps during initial installation.

DELIVERY The initial shipment of stamps will be delivered within 42 days of receipt of purchase order and artwork approval. Subsequent shipments of stamps will be made within 30 days of notice. The contractor will deliver all work as directed by the Department of Finance (Division of Revenue). All shipments must be made by bonded carrier, insured and prepaid. The contractor will be responsible for safe and proper delivery.

PRICE: Bidder must submit net prices per thousand stamps, manufactured and packed according to specifications, F.O.B. destination. All shipments are to be made by bonded carrier, prepaid.

PAYMENT: Each shipment of stamps shall be invoiced separately. Payment terms are FOB Destination, net 30 days. No subsequent shipments will be made until these payment terms are met for the prior shipment.

TWO YEAR PROJECTED QUANTITY 170,000,000
MACHINE STAMPS 20's