

MODIFICATION

**State of Maine****Master Agreement****Effective Date:** 08/04/16**Expiration Date:** 07/31/19**Master Agreement Description:** Annual Agreement for Maine Heat Fusion Cigarette Tax Stamps**Buyer Information**

Debbie Jacques

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**Issuer Information**

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**Requestor Information**

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**Authorized Departments**

18F FINANCIAL SERVICES

**Vendor Information****Vendor Line #:** 1**Vendor ID**

VS0000020188

**Vendor Name**

Multi-Color Corporation

**Alias/DBA****Vendor Address Information**

PO BOX 642495

PITTSBURGH, PA 15264

US

**Vendor Contact Information**

Bruce Ense

513-607-8739 ext.

bruce.ense@mcclabel.com

## Commodity Information

**Vendor Line #:** 1

**Vendor Name:** Multi-Color Corporation

**Commodity Line #:** 1

**Commodity Code:** 25520

**Commodity Description:** Maine Heat Fusion Cigarette Tax Stamps

**Commodity Specifications:**

**Commodity Extended Description:** To Establish an Annual Master Agreement for the Maine Heat Fusion Cigarette Tax Stamps. Contract Period: August 4, 2016 through July 31, 2019 (2nd Renewal). All detailed specifications, instructions, terms and conditions are attached and made a part of this MA.

<b>Quantity</b> 0.00000	<b>UOM</b>	<b>Unit Price</b> \$0.00
<b>Delivery Days</b> 30	<b>Free on Board</b> FOB Dest, Freight Prepaid	
<b>Contract Amount</b> \$0.00	<b>Service Start Date</b>	<b>Service End Date</b>
<b>Catalog Name</b> MCC Stamp 2016	<b>Discount</b> 0.0000 %	
	<b>Discount Start Date</b> 08/04/16	<b>Discount End Date</b> 07/31/19

### **Commodity Terms and Conditions**

**Vendor Line #:** 1

**Commodity Line #:** 1

**T&C #:** 165

**T&C Name:** Payment Terms

**T&C Details:** Net 30

**STATE OF MAINE  
DEPARTMENT OF ADMINISTRATIVE AND FINANCIAL SERVICES  
DIVISION OF PURCHASES**

**DETAILED SPECIFICATIONS**

**MA 18P 16080400000000000016**

**Annual Agreement for Maine Heat Fusion Cigarette Tax Stamps  
for Maine Revenue Services**

**CONTRACT PERIOD:** August 4, 2016 through July 31, 2017  
August 1, 2017 through July 31, 2018 (1<sup>st</sup> Renewal)  
August 1, 2018 through July 31, 2019 (2<sup>nd</sup> Renewal)

**CONTRACT RENEWALS:** Following the initial term of the contract, the Division may opt to renew the contract for two (2) renewal periods of one year each, subject to continued availability of funding and satisfactory delivery/performance.

<b>Period</b>	<b>Start Date</b>	<b>End Date</b>
Initial Period of Performance	8/4/2016	7/31/2017
Renewal Period #1	8/1/2017	7/31/2018
Renewal Period #2	8/1/2018	7/31/2019

**QUANTITIES:** This contract will be for 20 pack and 25 pack Stamps. The value of this annual contract (based on the average spend per year for the last 3 years) is approx. \$61,660 per year. Annual Usage for the past 3 years has been as follows:  
193.5M (3,870,000 stamps)                      20 Pack Stamps                      7 orders (approx. 30M/order)  
245 ea (6,125 stamps)                              25 Pack Stamps                      1 order

**DELIVERY:** Stamps are to be made up after approval of artwork and stored under proper environmental conditions until ordered by Maine Revenue Services. All deliveries are to be made within six weeks after notification from Maine Revenue Services. A penalty of \$200.00 per working day will be deducted from the total cost of the stamps for deliveries not made timely.

Deliveries which do not conform to the specifications or are not in good condition upon receipt shall be replaced promptly by the contractor.

**TYPE AND APPLICATION:** All stamps furnished under these specifications must be genuine layer-built decal stamps of approval quality, consisting of not less than five impressions including safety tint lettering, and must be produced by the lithograph and/or intaglio process.

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The stamps shall be for machine application which will be fused to a receiving surface with heat and must adhere satisfactorily to cellophane, paper, foil, metal, glass and all surfaces for which these are intended.

PRICE: The price will be as quoted on the solicitation, manufactured and packaged according to specifications, F.O.B. destination.

SIZE, DESIGN AND COLORS: Each stamp is to be of the same design, shape and color as the proofs already approved. The stamps shall contain colors as shown on the proofs.

Each stamp will have the new Variable Imaging (VI) security feature which is the State's initials in the middle of the stamp in hologram.

Each stamp will have the new Tagant security feature which emits a green luminescence when exposed to an invisible laser energy beam.

PAPER: Stamps shall be made on unique, safety tinted, mill controlled color paper furnished by the contractor. The name of the manufacturer of paper stock is to be furnished with the contract. Paper to be same as sample in all ways.

The base paper must contain identifiable protective features which will at once permit analysis to establish its authenticity. The base paper must contain fibers which under ordinary daylight are not distinguishable from the remainder of the fibers in the base paper but shall become brightly florescent when exposed to the rays of ultra-violet light. This florescent shall be a permanent effect whenever tests are made and shall not be fugitive. If any other than this type of paper is used, Maine Revenue Services reserves the right to decide whether or not such paper will meet its requirements.

All paper must be processed with a special safety tint reading with copy to be specified by the State of Maine, Maine Revenue Services, and must be so arranged and printed that it cannot be photographed on the colored paper.

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

All spoiled sheets and seconds to be strictly accounted for and kept under lock and key and destroyed in the presence of a duly authorized agent of the State of Maine, Maine Revenue Services or affidavit rendered to that effect by the contractor.

LAYOUT AND PACKING: Stamps are to be furnished in rolls containing 30,000 stamps, serially numbered for packs of twenty cigarettes. Each roll shall measure 7/16x7/16, 15 across and 2,000 down and shall carry the same serial number. The number must center on the stamp and be sharp and easy to read. Each roll is to be packed in a cardboard box, the box to be securely sealed and labeled showing quantity, denomination and roll number. Twenty five boxes are to be packed in corrugated containers, each carton to be securely sealed and labeled showing

## Master Agreement – Detailed Specifications

quantity, denomination and serial numbers or rolls contained therein. Packaging to be at no extra cost to Maine Revenue Services.

Stamps are to be furnished in rolls containing 5,000 stamps, serially numbered for packs of twenty-five cigarettes. Each roll shall be packaged in a one by ten across configuration and shall carry the same serial number. The number must center on the stamp and be sharp and easy to read. Each roll is to be packed in a cardboard box, the box to be securely sealed and labeled showing quantity, denomination and roll number. Packaging to be at no extra cost to Maine Revenue Services.

PROTECTION: All stamps and paper must contain proven protective features to guarantee against illegal reproduction. Contractor shall submit a separate confidential detailed statement to the State of Maine, Maine Revenue Services explaining fully his system for the protection of the State against unlawful reproduction and his method by which such reproduction can be detected by inspectors of the State. The Confidential statement shall not be made a part of the contract, but must be submitted to the State Tax Assessor, Maine Revenue Services following the signing of the contract.

PRODUCTION CONTROL: The contract must be accompanied by a full explanation of the precautions which the manufacturer proposes to observe within his plant and organization to protect the State of Maine against unlawful production of the stamps.

Contractor must designate the means by which he proposes to guard against the loss of stamps both during the process of manufacture as well as during storage. A secure depository approved by the State shall be installed or designated by the manufacturer for the drawings, stamps, etc., when used, or in the case of stamps, while awaiting shipment.

All work under this contract including all coatings on paper for such stamps 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. Contractor shall, if required, furnish evidence satisfactory to the State that they possess the facilities, tools, machinery, equipment and resources necessary to efficiently and promptly carry out the terms of the contract.

ACCOUNTING: Full and accurate account must be made to the State for all spoiled paper, stamps, etc. Plates, designs, patterns, films, negatives, cylinders, and the like will be used solely for this order and subsequent orders, if any. Any such plates, designs, films, etc., when not in use for the manufacture of these stamps must be locked in a safe or vaults. At the completion of this order or at the termination of this contract, if the State so desires, all such plates, designs, films, etc. will be sent to the State of Maine, Maine Revenue Services for destroying.

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

## Master Agreement – Detailed Specifications

At all times the contractor will supervise closely the production of these stamps and will not permit employees or any others to enter or leave the building or that part of the building where stamps are being produced until first assured that all materials used in their production are properly accounted for. Every precaution will be taken to make certain that these stamps are not counterfeited or produced anywhere for any other purpose than the use of the State of Maine. All shipments must be made by bonded carrier, insured and prepaid, and contractor will be responsible for safe and proper delivery.

**PAYMENT:** Each shipment of stamps shall be invoiced separately. Payment of invoice will be made according to customary State Procedure. Payment for stamps will be made for each individual delivery as ordered and received by Maine Revenue Services. Upon termination of the Contract the vendor is to verify with Maine Revenue Services the quantity of stamps yet to be delivered. The State reserves the right to delay taking physical possession of these remaining stamps for up to 180 days following expiration.

**BOND:** Contractor may be required to furnish a performance bond in an amount acceptable to the State, guaranteeing the State as to the faithful performance of the contract, and against loss of stamps through or from any act of omission or commission by a surety company licensed to do business in the State of Maine and shall be subject to approval of the State Tax Assessor or his designated agent.

**INSPECTION:** The contractor must maintain a rigid inspection for the elimination of imperfect sheets of stamps and for other violations of these specifications. The State Tax Assessor reserves the right to reject any stamps which, upon receipt inspection, do not conform with the specifications or which are not readily transferable to cellophane, or not sufficiently adhesive or satisfactory in any other respect.

The manufacturer is to pay the return transportation of the rejected stamps and to replace all such stamps at no expense to the State. The contractor shall give to the State Tax Assessor or his authorized agent free access to his plant at all times during the period of manufacture and/or storage and shall afford to such agent every facility for inspection of the work in process.

**OVER-RUN OR UNDER-RUN:** The over-run or under-run shall not exceed 10%. All part sheets of stamps and/or any damaged or imperfect stamps will be destroyed in the presence of the fully authorized agent of the State Tax Assessor. The State Tax Assessor reserves the right to authorize the manufacturer to destroy these damaged or imperfect stamps and to evidence such destruction by affidavit.

**INSURANCE:** Each shipment must be insured at its full manufacturer value.

