

**MOBILE COUNTY COMMISSION**

205 Government Street  
Mobile, Alabama 36644-1801  
P.O. BOX 1443  
Mobile, Alabama 36633

BID INVITATION

NO. 38-06

APRIL 28, 2006

In accordance with General Act No. 217, Special Session 1967, notice is hereby given that the Mobile County Commission, Mobile, Alabama, will receive Bids on the following items:

TWENTY-FIVE MILLION FIVE HUNDRED THOUSAND (25,500,000) MOBILE COUNTY CIGARETTE TAX STAMPS PUSON TYPE ONLY BLACK LETTING ON RED BACKGROUND COUNTY ONLY AS PER ATTACHED SPECIFICATIONS;

Any questions or comments concerning the bid requirements must be brought to the attention of the Purchasing Agent, Susan Holland, (251) 574-8613, 205 Government St., 8<sup>th</sup> floor south, Mobile Alabama 36644, prior to or at the bid opening or will be forever waived.

All bidders shall furnish a five (5%) percent bid bond on any contract exceeding \$10,000.00; provided, that bonding is available for services, equipment or materials.

All foreign bidders (out of the State of Alabama), shall furnish a Certificate of Authority to do business in the State of Alabama.

This inquiry is to establish a price and a source of supply for the purchase of the above listed items by Mobile County and the incorporated areas therein. Purchases by political subdivisions are optional with those agencies.

THE MOBILE COUNTY COMMISSION DOES NOT DISCRIMINATE ON THE BASIS OF AGE, SEX, HANDICAPPED DISABILITIES OR ETHNIC ORIGIN.

F.O.B. Mobile DATE OF DELIVERY \_\_\_\_\_ TERMS \_\_\_\_\_

You are invited to submit a bid on the above specifications. The restrictions contained herein are for the purpose of fixing a quality level, and any deviation therefrom must, in detail establish that it meets the quality requirements.

BIDS WILL BE RECEIVED UNTIL 10:00 A.M. May 17, 2006  
ALL BID MUST BE SEALED, THE WORD "BID," THE BIDS NUMBER AND THE NAME OF THE ITEM MARKED ON THE OUTSIDE OF THE ENVELOPE. BIDS WILL BE RECEIVED BY THE RECEPTIONIST IN THE OFFICE OF THE COUNTY COMMISSION ADMINISTRATOR ON THE EIGHTH FLOOR OF THE MOBILE COUNTY GOVERNMENT PLAZA. FAILURE TO OBSERVE THE ABOVE INSTRUCTIONS WILL CONSTITUTE GROUNDS FOR REJECTION OF YOUR BID. THE COMMISSION RESERVES THE RIGHT TO REJECT ANY OR ALL BIDS.

MOBILE COUNTY COMMISSION

  
JOHN PAFENBACH, COUNTY ADMINISTRATOR

\_\_\_\_\_  
We propose to meet the above specifications for the sum

of \$ \_\_\_\_\_.

Delivery can be made in \_\_\_\_\_ days from receipt of order.

RESPECTFULLY

BY \_\_\_\_\_

**MOBILE COUNTY COMMISSION** \_\_\_\_\_ **BID FORM** \_\_\_\_\_

Date: \_\_\_\_\_

BID #38-06

*TWENTY-FIVE MILLION FIVE HUNDRED THOUSAND (25,500,000) MOBILE COUNTY  
CIGARETTE TAX STAMPS FUSON TYPE ONLY BLACK LETTERING ON RED  
BACKGROUND COUNTY ONLY:*

Company \_\_\_\_\_

Company Representative \_\_\_\_\_  
(Print)

Company Representative \_\_\_\_\_  
(Signature)

Address \_\_\_\_\_

Phone number ( ) \_\_\_\_\_ Fax number ( ) \_\_\_\_\_

Federal ID Number \_\_\_\_\_

**SPECIFICATIONS FOR CIGARETTE AND TOBACCO REVENUE  
FOR  
THE COUNTY COMMISSION OF MOBILE, ALABAMA**

Stamps required for this bid:

**25,500,000 - Twenty Five Million, Five Hundred Thousand**

**Cigarette Stamps for Machine Application Fuson Type Only**

**Cigarette Stamps for Hand Application Decalcomania Stamps Only**

**GENERAL SPECIFICATIONS**

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

Two types of cigarette stamps will be required. One type will be for hand application with water, and the second type shall be FUSON stamps or equal and be suitable for machine application with heat to the receiving surface. Both types of stamps must adhere satisfactorily to cellophane and paper. Contractor shall furnish illustrated direction sheets showing method of affixing hand applied stamps and shall offer much help as may be necessary to acquaint users in proper method of hand application. Contractor shall train the tobacco distributors' employees to properly operate stamp applying machines for correct application of stamps. Bidder must submit bid on both types of stamps and furnish with his bid canceled samples of both type of stamps specified herein and list States now using their stamps for machine application and also list the States now using their machines for applying said stamps.

2. **PRICE:** Bidders must submit net prices per thousand stamps, manufactured and packed according to specification, F.O.B. destination. All shipments are to be made by prepaid Railway Express.
3. **SIZE, DESIGN AND COLORS:** Each stamp is to be of irregular shape and outlined and shall contain not less than three colors. The safety tint lettering shall not be considered as one of the stamp colors. Stamps for machine application shall measure approximately 1/2" x 1/2", and stamps for hand application shall measure approximately 1/2" x 5/8". Colors and design of stamps are to be approved by the County Commission. Successful bidder must submit suggested designs and colors, without charge.

Several denominations may be required. Each denomination shall be of different colors.

4. **PAPER:** Stamps shall be made of unique, safety tinted, mill controlled, colored paper, furnished by the contractor. The name of the manufacturer of the paper stock is to be furnished with the bid and all sheets furnished by the paper manufacturer to the successful bidder for hand applied stamps are to be serially and consecutively numbered by the paper manufacturer, and an accurate count rendered by affidavit to the County Commission, by the successful bidder, of all paper used on the contract. Contractor must render an accurate accounting of all paper used in the production of machine applied stamps, including spoilage and verify such accounting record by affidavit to the County Commission.

The base paper for both types of stamps 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 fluorescent when exposed to the rays of ultra-violet light. This fluorescence shall be a permanent effect whenever tests are made and shall not be a fugitive. If bidder offers any other than this type of paper, the County Commission 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 County Commission, and must be so arranged and printed that it cannot be photographed on the colored paper.

The safety tint for hand applied stamps must be so printed as to appear on the back of the stamp and also on the paper between the stamps. The safety tint shall disappear when the paper is immersed in water, but shall appear on the reverse side of the stamp after application. The safety tint lettering for machine applied stamps must be so printed as to appear on the face of the stamp and also on the paper between the stamps. The safety tint lettering shall transfer with the machine applied stamps and the lettering 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 are to be strictly accounted for and kept under lock and key and destroyed in the presence of a duly authorized agent of the County Commission and affidavit rendered to the effect by the contractor.

Bidder must furnish with bid, samples of paper which he proposes to furnish for both hand and machine applied stamps.

5. **LAYOUT AND PACKING:** Stamps for hand application shall be furnished in sheets of 100, 5 stamps wide and 20 stamps long, and each sheet shall be perforated between each block of 10 stamps. Each sheet of stamps is to be serially and consecutively numbered.

Each 10 sheets are to be wire stitched at the left side or top to form a pad. Ten pads are to be packed and sealed in a box with quantity of stamps and first and last consecutive serial numbers clearly indicated on the outside of package.

Twenty-five boxes are to be packed in a suitable corrugated container, with quantity of stamps and first and last consecutive serial number clearly marked on outside. Stamps for mechanical application are to be furnished in rolls containing 30,000 stamps. Each roll is to bear ascending numbers at regularly specified intervals on one side of the roll and descending numbers at regularly specified intervals on the other side of the roll for accounting purposes.

Each roll is to be packed in a fiberboard 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 shown quantity, denomination and serial number of rolls contained therein.

6. **PROTECTION:** All stamps and paper must contain proven protective features to guarantee against illegal reproduction. Bidder shall submit a separate confidential detailed statement to the Administrator of the County Commission, explaining fully his system for the protection of the County against unlawful reproduction and his methods by which such reproduction can be detected by inspectors of the County. The confidential memorandum shall not be made a part of the bid, but must be submitted to the Administrator of the County Commission, on or before the date of the bid opening.
7. **PRODUCTION CONTROL:** This bid must be accompanied by a full explanation of the precautions which the manufacturer proposes to observe within his plant and organization to protect the County against unlawful production of the stamps.

Bidder 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 County shall be installed or designated by the manufacturer for the storage of photographs, films, stones, zinc, plates, cylinders, drawings, stamps, etc., when not in use, or in the case of stamps, while awaiting shipment.

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

8. **ACCOUNTING:** Full and accurate account must be made to the County 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, patterns, films, etc., when not in use for the manufacture of these stamps must be locked in a safe or vault. At the completion of this order, or at the termination of this contract, or at any time the County so desires, all such plates, designs, films, etc., will be destroyed and disposed of as directed by the County.

Complete and accurate accounting of each and every stamp and all special paper used for those stamps, and any other material in their production, must be given to authorized representatives of the County 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 County.

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 County.

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

9. **STAMP APPLYING MACHINES:** Contractor must warrant that during, such period as the County shall utilize contractor's stamps, he will make available to authorized distributors by means of a lease at a normal rental fee, machines designated to apply contractor's stamps, including related equipment such as carton openers, glues and closers, and that said machine and stamps will be designed and manufactured so as to assure proper adhesion and high speed application of stamps. Bidder must list equipment he will lease.

Machines and related equipment must meet with the approval of the County Commission and be acceptable to the tobacco distributors, and operate satisfactorily at a high rate of speed, comparable to other accepted means of mechanical stamping. A minimum of 10 machines, designs to apply contractor's stamps shall be available for immediate delivery and installation. No bid will be considered unless the bidder is able to satisfactorily demonstrate his stamp applying machine to the County Commission at the time of the bid opening or immediately thereafter.

Contractor must guarantee to furnish and install a sufficient number of stamp applying machines, including related equipment such as power carton openers, carbon closers, and glues, throughout the County, when and where needed as determined by the County Commission.

Contractor must maintain service headquarters in Alabama and a sufficient number of experienced service men in the State to keep applying machines in good operating condition. High speed automatic carton feed and prepack conveyers must be available for attachment to all stamp applying machines if required by license tobacco distributors.

Machines must be so constructed that they mark the stamps as they are applied to the packages of cigarette, in a manner that identifies the stamps with the particular machine that applied them. The method of marking the stamps must meet with the approval of the County Commission.

Machines must be so constructed that two machines will operate in tandem and will apply two different stamps in sequence and in such manner that there will be no overlapping of stamps.

Contractor must guarantee that the stamps for machine application will apply in a satisfactory manner and at a high rate of speed within the machines now in use throughout the County.

During such period as the County shall utilize the contractor's stamps for machine application, contractor shall agree to service and maintain machines now in operation, and also any additional machines contractor may lease to distributors, without charge to the distributors (other than rental fee for use of contractor's machines) and 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 County.

In the event the contractor shall sell a machine to an authorized distributor, contractor agrees, during such period as the County shall utilize contractor's stamps, to make available to such machine purchaser, at a reasonable charge, service for the repair and maintenance of the machine in order to keep the machine in proper operating condition.

Successful bidder must guarantee that the tax stamps and the stamp applying machines, including related equipment, that bidder proposes to furnish and their sale and use will not infringe any United States patent. Bidder must guarantee to defend, protect and hold harmless the County, and all persons, firm or concerns using or applying the tax stamps and using the stamp applying machines on its behalf, against all legal actions and from all damages, claims, demands, expenses and attorney's fees, for actual or alleged infringement of any United States patent by reason of the purchase and use of the tax stamps and use of the stamp applying machines.

10. **DELIVERY:** Delivery of stamps in such quantities as may be specified by the County Commission must be made within 60 days after date of award. Subsequent shipments must be made within three (3) days after contractor receives instructions from the County.
11. **PAYMENT:** Each shipment of stamps shall be invoiced separately. Payment of invoice will be made by customary following.

Any stamps being held by the contractor at the end of two years from date of contract may be invoiced to the County and payment of invoice will be made by the 10<sup>th</sup> of the month following.

12. **AWARD:** Before an award is made, the County Commission reserves the right to summon the bidder to appear before it, demonstrate and prove to its satisfaction the acceptability of his stamp to the County. The County Commission also reserves the right to summon the bidder to demonstrate and prove the effectiveness of any and all protective features required.

The County reserves the right to waive technicalities and reject any and all bids. Any proposal offered is subject to the option of the County as to whether it is to the best interest of the County. The price of the stamps will be given consideration, but the primary consideration in choosing a stamp will be the maximum protection offered to the County against illegal reproduction or counterfeiting and for general adaptability to the purpose required. The efficiency of the stamp applying equipment and the proposed service that must be furnished by the contractor will also be a major factor in making the award.

13. The letter accompanying this proposal will consist of numbered paragraphs. Each such number must correspond to a paragraph number of these specifications. Each paragraph of the letter must refer solely to the same subject of same numbered paragraphs of these specifications.
14. The County reserves the right to renew this contract annually, or to place orders for additional stamps at the contract price, provided that each such order shall be for not less than the quantities specified herein.