

State of New York Executive Department
Office Of General Services
Procurement Services Group
Corning Tower Building - 38th Floor
Empire State Plaza
Albany, New York 12242
<http://www.ogs.ny.gov>

CONTRACT AWARD NOTIFICATION

Title	:	Group 50030 - KRAFT ENVELOPES (All State Agencies)
		Classification Code: 44
Award Number	:	22061-RS (Replaces Award 21409-RS)
Contract Period	:	November 1, 2010 to October 31, 2012
Bid Opening Date	:	August 12, 2010
Date of Issue	:	October 28, 2010 (Revised September 10, 2012)
Specification Reference	:	As Incorporated In The Invitation for Bids
Contractor Information	:	Appears on Page 2 of this Award

Address Inquiries To:

State Agencies & Vendors	
Name	: Harry T. Brown
Title	: Purchasing Officer I
Phone	: 518-474-7902
Fax	: 518-474-5052
E-mail	: harry.brown@ogs.ny.gov

**The Procurement Services Group values your input.
Complete and return "Contract Performance Report" at end of document.**

Description

This contract is for Brown Kraft Envelopes in several styles. "KB" is booklet style, open side; "KSS" is open end with a self seal flap; and "KOE" is an open end envelope with a standard moisture activated seal flap. A metal clasp is also available on any of the "KOE" sizes. This award is for recycled material that is elemental chlorine free.

PR #22061

<u>CONTRACT #</u>	<u>CONTRACTOR & ADDRESS</u>	<u>TELEPHONE #</u>	<u>FED.IDENT.#</u> <u>NYS VENDOR ID#</u>
PC65896	CENVEO Corporation 25 Linden Avenue Jersey City, NJ 07305 DISC: 1% - 15 Days	201/280-3340 Robert Gebhard Fax No.: 201/939-0552 E-mail: robert.gebhard@cenveo.com Website: www.cenveo.com	841250534 1100002929

Orders and Billing Questions should be directed to:

CENVEO Corporation	800/551-9455, Ext. 7233
PO Drawer C	814/832-7233
Route 866	Sharon Austin
871 Juniata River Road	Fax No.: 814/832-0189
Williamsburg, PA 16693	E-mail: Sharon.Austin@cenveo.com

Please Remit Invoice Payments to:

CENVEO
Attn: Comm Env Products
P.O. Box 802035
Chicago, IL 60680-2035

Electronic Access order is available. Contact Contractor for details.

Contractor will accept the New York State Procurement Card for orders not to exceed \$15,000.00.

Cash Discount, If Shown, Should be Given Special Attention.

INVOICES MUST BE SENT DIRECTLY TO THE ORDERING AGENCY FOR PAYMENT.

(See "Contract Payments" and "Electronic Payments" in this document.)

AGENCIES SHOULD NOTIFY THE PROCUREMENT SERVICES GROUP PROMPTLY IF THE CONTRACTOR FAILS TO MEET DELIVERY OR OTHER TERMS OF THIS CONTRACT. PRODUCTS OR SERVICES WHICH DO NOT COMPLY WITH THE SPECIFICATIONS OR ARE OTHERWISE UNSATISFACTORY TO THE AGENCY SHOULD ALSO BE REPORTED TO THE PROCUREMENT SERVICES GROUP.

SMALL, MINORITY AND WOMEN-OWNED BUSINESSES:

The letters SB listed under the Contract Number indicate the contractor is a NYS small business. Additionally, the letters MBE and WBE indicate the contractor is a Minority-owned Business Enterprise and/or Woman-owned Business Enterprise.

(continued)

RECYCLED, REMANUFACTURED AND ENERGY EFFICIENT PRODUCTS:

The Procurement Services Group supports and encourages the purchase of recycled, remanufactured, energy efficient and "energy star" products. If one of the following codes appears as a suffix in the Award Number or is noted under the individual Contract Number(s) in this Contract Award Notification, please look at the individual awarded items for more information on products meeting the suffix description.

RS,RP,RA	Recycled
RM	Remanufactured
SW	Solid Waste Impact
EE	Energy Efficient
E*	EPA Energy Star
ES	Environmentally Sensitive

NOTE TO AUTHORIZED USERS:

When placing purchase orders under the contract(s), the authorized user should be familiar with and follow the terms and conditions governing its use which usually appears at the end of this document. The authorized user is accountable and responsible for compliance with the requirements of public procurement processes. The authorized user must periodically sample the results of its procurements to determine its compliance. In sampling its procurements, an authorized user should test for reasonableness of results to ensure that such results can withstand public scrutiny.

The authorized user, when purchasing from OGS contracts, should hold the contractor accountable for contract compliance and meeting the contract terms, conditions, specifications, and other requirements. Also, in recognition of market fluctuations over time, authorized users are encouraged to seek improved pricing whenever possible.

Authorized users have the responsibility to document purchases, particularly when using OGS multiple award contracts for the same or similar product(s)/service(s), which should include:

- a statement of need and associated requirements,
- a summary of the contract alternatives considered for the purchase,
- the reason(s) supporting the resulting purchase (e.g., show the basis for the selection among multiple contracts at the time of purchase was the most practical and economical alternative and was in the best interests of the State).

PSG's DISPUTE RESOLUTION POLICY:

It is the policy of the Office of General Services' Procurement Services Group (PSG) to provide vendors with an opportunity to administratively resolve disputes, complaints or inquiries related to PSG bid solicitations or contract awards. PSG encourages vendors to seek resolution of disputes through consultation with PSG staff. All such matters will be accorded impartial and timely consideration. Interested parties may also file formal written disputes. A copy of PSG's Dispute Resolution Procedures for Vendors may be obtained by contacting the person shown on the front of this document or through the OGS website (www.ogs.ny.gov).

PRICE:

Prices include all customs duties and charges and are net, F.O.B. destination any point in New York State as designated by the ordering agency including all costs necessary or incidental to the proper execution of each order, including all transportation charges and delivery inside the doors of the office or storeroom of the ordering agency. All Bills of Lading must specify the exact inside delivery location.

(continued)

**ITEM 1 - "KB" BOOKLET STYLE,
 28 LB. LIGHT BROWN ENVELOPE KRAFT
 PRINTED**

<u>Size</u>	<u>Unit Order</u>	<u>Unit Price</u>
6" x 9" or 6-1/2" x 9-1/2"	10,000	\$47.86 M
	25,000	\$39.15 M
	50,000	\$30.46 M
	100,000	\$21.75 M
	250,000	\$13.06 M
9" x 12" or 9-1/2" x 12-1/2" or 9-1/2" x 12-5/8"	10,000	\$56.55 M
	25,000	\$52.21 M
	50,000	\$47.86 M
	100,000	\$43.50 M
	250,000	\$39.15 M
10" x 13"	10,000	\$73.97 M
	25,000	\$56.55 M
	50,000	\$47.86 M
	100,000	\$43.50 M

PRICE ADDITIONAL

Furnishing a plate-up to size 2"x 2"	\$ 2.04 Each
Setting Add'l lines of type	\$ 1.02 Line
Printing in Special PMS Inks	\$ 2.04 M
Printing Green Diamond Border	\$10.18M

GUARANTEED DELIVERY: {a/r/o or ok'd proof}:

Printed: 25 Working Days
 Gumming to be furnished on flap: Full Gummed

STOCK:

Brand: 28# Sunburst Brown Kraft Recycled
 Mill: Evergreen Packaging, Inc.
 This Grade is Acid Free
 Post Consumer Fiber: 20%
 This Product is Elemental Chlorine Free (ECF)
 Product certifications: Sustainable Forestry Initiative (SFI)

(continued)

ITEM 2 - "K" COMMERCIAL STYLE,
28 LB. LIGHT BROWN ENVELOPE KRAFT

NO AWARD

ITEM 3 - "KSS" LATEX SELF SEAL, OPEN END -
28 LB. LIGHT BROWN ENVELOPE KRAFT
 PRINTED

<u>Size</u>	<u>Unit Order</u>	<u>Unit Price</u>
6" x 9"		
6-1/2" x 9-1/2"	10,000	\$56.29 M
	25,000	\$51.60 M
	50,000	\$48.91 M
	100,000	\$39.09 M
7-1/2" x 10-1/2"	10,000	\$56.29 M
	25,000	\$52.62 M
	50,000	\$42.83 M
	100,000	\$39.09 M
9" x 12"	10,000	\$60.97 M
	25,000	\$56.29 M
	50,000	\$53.76 M
	100,000	\$48.91 M
10" x 13"	10,000	\$65.66 M
	25,000	\$60.97 M
	50,000	\$53.76 M
	100,000	\$48.91 M
10" x 15"	10,000	\$70.36 M
	25,000	\$65.66 M
	50,000	\$60.97 M
	100,000	\$48.91 M

PRICE ADDITIONAL

Furnishing a plate-up to size 2"x 2"	\$20.38 Each
Setting Add'l lines of type	\$ 1.02 Line
Printing in Special PMS Inks	\$ 2.04 M
Printing Green Diamond Border	\$10.18 M

ITEM 3 - "KSS" UNPRINTED (On next page)

(continued)

ITEM 3 - "KSS" (Cont'd)
ITEM "KSS" LATEX SELF SEAL, OPEN END
 UNPRINTED

<u>Size</u>	<u>Unit Order</u>	<u>Unit Price</u>
6-1/2" x 9-1/2"	10,000	\$37.52 M
	25,000	\$32.85 M
	50,000	\$29.34 M
	100,000	\$24.42 M
7-1/2" x 10-1/2"	10,000	\$47.11 M
	25,000	\$41.35 M
	50,000	\$39.09 M
	100,000	\$29.34 M
9" x 12"	10,000	\$51.60 M
	25,000	\$46.91 M
	50,000	\$43.98 M
	100,000	\$39.09 M
10" x 13"	10,000	\$56.29 M
	25,000	\$51.60 M
	50,000	\$48.90 M
	100,000	\$43.98 M
10" x 15"	10,000	\$70.36 M
	25,000	\$60.97 M
	50,000	\$58.65 M
	100,000	\$53.76 M

GUARANTEED DELIVERY: {a/r/o or ok'd proof}:

Printed: 25 Working Days

Unprinted: 25 Working Days

Gumming to be furnished on flap: Full Gummed

STOCK:

Brand: 28# Sunburst Brown Kraft Recycled

Mill: Evergreen Packaging, Inc.

This Grade is Acid Free

Post Consumer Fiber: 20%

This Product is Elemental Chlorine Free (ECF)

Product certifications: Sustainable Forestry Initiative (SFI)

(continued)

ITEM 4 - "KOE" KRAFT ENVELOPES-OPEN END
28 LB. LIGHT BROWN ENVELOPE KRAFT
PRINTED

<u>Size</u>	<u>Unit</u> <u>Order</u>	<u>Unit</u> <u>Price</u>
6" x 9"	7,500	\$42.71 M
	10,000	\$40.34 M
	25,000	\$37.97 M
	50,000	\$35.60 M
	100,000	\$33.23 M
6-1/2" x 9-1/2"	7,500	\$42.71 M
	10,000	\$37.97 M
	25,000	\$33.23 M
	50,000	\$30.85 M
	100,000	\$27.91 M
7" x 10"	7,500	\$47.45 M
	10,000	\$42.71 M
	25,000	\$37.97 M
	50,000	\$35.60 M
	100,000	\$33.23 M
7-1/2" x 10-1/2"	7,500	\$52.19 M
	10,000	\$47.45 M
	25,000	\$42.71 M
	50,000	\$40.34 M
	100,000	\$37.97 M
8" x 11" or 8-1/2" x 11-1/2"	7,500	\$56.95 M
	10,000	\$52.19 M
	25,000	\$49.82 M
	50,000	\$47.45M
	100,000	\$37.97 M
9" x 12"	7,500	\$56.95 M
	10,000	\$52.19 M
	25,000	\$47.45 M
	50,000	\$45.09M
	100,000	\$42.71 M
9-1/2" x 12-1/2"	7,500	\$61.69 M
	10,000	\$56.95 M
	25,000	\$54.55 M
	50,000	\$52.19 M
	100,000	\$49.82 M

(continued)

ITEM 4 - "KOE" OPEN END (Cont'd)
PRINTED

<u>Size</u>	<u>Unit</u> <u>Order</u>	<u>Unit</u> <u>Price</u>
10" x 12" or	7,500	\$66.42 M
10" x 13" or	10,000	\$61.69 M
10-1/2" x 13"	25,000	\$56.57 M
	50,000	\$52.19 M
	100,000	\$49.82 M
10" x 15"	7,500	\$68.81 M
	10,000	\$61.69 M
	25,000	\$56.95 M
	50,000	\$54.55 M
	100,000	\$52.19 M
12" x 15" or 12" x 15-1/2"	7,500	\$73.48 M
	10,000	\$66.42 M
	25,000	\$61.69 M
	50,000	\$59.31 M
	100,000	\$56.95 M

PRICE ADDITIONAL

Furnishing a plate-up to size 2"x 2"	\$20.38 Each
Setting Add'l lines of type	\$ 1.02 Line
Printing in Special PMS Inks	\$ 2.04 M
Printing Green Diamond Boarder	\$10.18 M

GUARANTEED DELIVERY: {a/r/o or ok'd proof}:
 Printed: 25 Working Days
 Gumming to be furnished on flap: Full Gummed

ITEM 4 - "KOE" UNPRINTED (On next page)

(continued)

ITEM 4 - "KOE" (Cont'd)
 ITEM "KOE" KRAFT ENVELOPES-OPEN END
28 LB. LIGHT BROWN ENVELOPE KRAFT
 UNPRINTED

<u>Size</u>	<u>Unit Order</u>	<u>Unit Price</u>
4-5/8" x 6-3/4"	7,500	\$37.14 M
	10,000	\$32.49 M
	25,000	\$27.87 M
	50,000	\$18.56 M
6" x 9"	7,500	\$32.49 M
	10,000	\$27.87 M
	25,000	\$25.53M
	50,000	\$18.57 M
6-1/2" x 9-1/2"	7,500	\$32.49 M
	10,000	\$27.87 M
	25,000	\$23.22 M
	50,000	\$18.57 M
7" x 10"	7,500	\$32.49 M
	10,000	\$30.20 M
	25,000	\$27.87 M
	50,000	\$23.22 M
7-1/2" x 10-1/2"	7,500	\$37.14 M
	10,000	\$32.49 M
	25,000	\$30.20 M
	50,000	\$27.87 M
	100,000	\$23.22 M
8" x 11" or 8-1/2" x 11-1/2"	7,500	\$41.77 M
	10,000	\$37.14 M
	25,000	\$32.49 M
	50,000	\$27.87 M
	100,000	\$23.22 M
9" x 12"	7,500	\$51.05 M
	10,000	\$46.42 M
	25,000	\$41.81 M
	50,000	\$37.14 M
	100,000	\$34.81 M

(continued)

ITEM 4 "KOE" OPEN END (Cont'd)
UNPRINTED

<u>Size</u>	<u>Unit Order</u>	<u>Unit Price</u>
9-1/2" x 12-1/2"	7,500	\$49.52 M
	10,000	\$45.03 M
	25,000	\$40.54 M
	50,000	\$36.02 M
	100,000	\$31.53 M
10" x 12" or 10" x 13" or 10-1/2" x 13"	7,500	\$54.03 M
	10,000	\$45.03 M
	25,000	\$40.54 M
	50,000	\$38.28 M
	100,000	\$36.02 M
10" x 15"	7,500	\$58.53 M
	10,000	\$54.03 M
	25,000	\$49.50 M
	50,000	\$45.03 M
	100,000	\$40.54 M
12" x 15" or 12" x 15-1/2"	7,500	\$63.02 M
	10,000	\$58.53 M
	25,000	\$54.03 M
	50,000	\$49.50 M
	100,000	\$40.55 M

GUARANTEED DELIVERY: {a/r/o or ok'd proof}:
Unprinted: 25 Working Days
Gumming to be furnished on flap: Full Gummed

STOCK:
Brand: 28# Sunburst Brown Kraft Recycled
Mill: Evergreen Packaging, Inc.
This Grade is Acid Free
Post Consumer Fiber: 20%
This Product is Elemental Chlorine Free (ECF)
Product certifications: Sustainable Forestry Initiative (SFI)

(continued)

ITEM 4 - "KOE" (Cont'd)
PRICE ADDITIONAL, PER M FOR METAL CLASP ON
ANY SIZE ENVELOPE - STYLE "KOE"

<u>UNIT</u> <u>ORDER</u>	<u>PRICE</u> <u>PER M</u>
7,500	\$6.19
10,000	\$6.19
25,000	\$6.19
50,000	\$6.19
100,000	\$6.19

REQUEST FOR CHANGE:

Any request by the agency or contractor regarding changes in any part of the contract must be made in writing to the Office of General Services, Procurement Services Group, prior to effectuation.

CONTRACT BILLINGS AND PAYMENTS:

a. Billings. Contractor and the dealers/distributors/resellers designated by the Contractor, if any, shall provide complete and accurate billing invoices to each Authorized User in order to receive payment. Billing invoices submitted to an Authorized User must contain all information required by the Contract and the State Comptroller or other appropriate fiscal officer. Submission of an invoice and payment thereof shall not preclude the Commissioner from requesting reimbursement or demanding a price adjustment in any case where the Product delivered is found to deviate from the terms and conditions of the Contract or where the billing was inaccurate.

Contractor shall provide, upon request of the Commissioner, any and all information necessary to verify the accuracy of the billings. Such information shall be provided in the format requested by the Commissioner and in a media commercially available from the Contractor. The Commissioner may direct the Contractor to provide the information to the State Comptroller or to any Authorized User of the Contract.

b. Payment of Contract purchases made by an Authorized User when the State Comptroller is responsible for issuing such payment. The Authorized User and Contractor agree that payments for invoices submitted by the Contractor shall only be rendered electronically unless payment by paper check is expressly authorized by the Commissioner, in the Commissioner's sole discretion, due to extenuating circumstances. Such electronic payments shall be made in accordance with ordinary State procedures and practices. The Contractor shall comply with the State Comptroller's procedures to authorize electronic payments. Authorization forms are available at the State Comptroller website at www.osc.state.ny.us, by e-mail at epunit@osc.state.ny.us, or by telephone at 518-486-1255. Contractor acknowledges that it will not receive payment on any invoices submitted under this Contract that are payable by the State Comptroller if it does not comply with the State Comptroller's electronic payment procedures, except where the Commissioner has expressly authorized payment by paper check as set forth above.

c. Payment of Contract purchases made by an Authorized User when the State Comptroller is not responsible for issuing such payment. The Authorized User and Contractor agree that payments for such Contract purchases shall be billed directly by Contractor on invoices/vouchers, together with complete and accurate supporting documentation as required by the Authorized User. Such payments shall be as mandated by the appropriate governing law from the receipt of a proper invoice. Such Authorized User and Contractor are strongly encouraged to establish electronic payments.

(continued)

NOTE TO CONTRACTOR:

This Contract Award Notification is not an order. Do not take any action under this contract except on the basis of purchase order(s) from the agency or agencies.

NOTE TO AGENCY:

Orders under this contract are to be submitted directly to the contractor.

PROCUREMENT LOBBYING TERMINATION:

OGS reserves the right to terminate this contract in the event it is found that the certification filed by the Offerer/bidder in accordance with New York State Finance Law §139-k was intentionally false or intentionally incomplete. Upon such finding, OGS may exercise its termination right by providing written notification to the Offerer/bidder in accordance with the written notification terms of this contract.

MERCURY-ADDED CONSUMER PRODUCTS:

Offerers are advised that effective January 1, 2005, Article 27, Title 21 of the Environmental Conservation Law bans the sale or distribution free of charge of fever thermometers containing mercury except by prescription written by a physician and bans the sale or distribution free of charge of elemental mercury other than for medical pre-encapsulated dental amalgam, research, or manufacturing purposes due to the hazardous waste concerns of mercury. The law further states that effective July 12, 2005, manufacturers are required to label mercury-added consumer products that are sold or offered for sale in New York State by a distributor or retailer. The label is intended to inform consumers of the presence of mercury in such products and of the proper disposal or recycling of mercury-added consumer products. Offerers are encouraged to contact the Department of Environmental Conservation, Bureau of Solid Waste, Reduction & Recycling at (518) 402-8705 or the Bureau of Hazardous Waste Regulation at 1-800-462-6553 for questions relating to the law. Offerers may also visit the Department's web site for additional information: <http://www.dec.ny.gov/chemical/8512.html>.

CONTRACTOR REQUIREMENTS AND PROCEDURES FOR EQUAL EMPLOYMENT AND BUSINESS PARTICIPATION OPPORTUNITIES FOR MINORITY GROUP MEMBERS AND NEW YORK STATE CERTIFIED MINORITY/WOMEN-OWNED BUSINESSES:

In accordance with Article 15-A of the New York State Executive Law (Participation by Minority Group Members and Women with Respect to State Contracts) and in conformance with the Regulations promulgated by the Minority and Women's Business Development Division of the New York State Department of Economic Development set forth at 5 NYCRR Parts 140-144, the Offerer/Contractor agrees to be bound by the following to promote equality of economic opportunities for minority group members and women, and the facilitation of minority and women-owned business enterprise participation on all covered OGS contracts.

a. **Equal Employment Opportunity Requirements**

By submission of a bid or proposal in response to this solicitation, the Offerer agrees with all of the terms and conditions of Appendix A including Clause 12 - Equal Employment Opportunities for Minorities and Women. The contractor is required to ensure that the provisions of Appendix A clause 12 – Equal Employment Opportunities for minorities and women, are included in every subcontract in such a manner that the requirements of these provisions will be binding upon each subcontractor as to work in connection with the State contract.

b. **Participation Opportunities for New York State Certified Minorities and Women-Owned Businesses**

Authorized Users are encouraged to make every good faith effort to promote and assist the participation of New York State Certified Minority and Women-owned Business Enterprises (M/WBE) as subcontractors and suppliers on this contract for the provision of services and materials. To locate New York State Certified M/WBEs, the directory of Certified Businesses can be viewed at: http://www.empire.state.ny.us/Small_and_Growing_Businesses/mwbe.asp

(continued)

DIESEL EMISSION REDUCTION ACT OF 2006 (NEW REQUIREMENT OF LAW):

On February 12, 2007 the Diesel Emissions Reduction Act took effect as law (the "Law"). Pursuant to new §19-0323 of the N.Y. Environmental Conservation Law ("NYECL") it is now a requirement that heavy duty diesel vehicles in excess of 8,500 pounds use the best available retrofit technology ("BART") and ultra low sulfur diesel fuel ("ULSD"). The requirement of the Law applies to all vehicles owned, operated by or on behalf of, or leased by State agencies and State or regional public authorities. They need to be operated exclusively on ULSD by February 12, 2007. It also requires that such vehicles owned, operated by or on behalf of, or leased by State agencies and State or regional public authorities with more than half of its governing body appointed by the Governor utilize BART.

As a contract vendor the Law may be applicable to vehicles used by contract vendors "on behalf of" State agencies and public authorities. Thirty-three percent (33%) of affected vehicles must have BART by December 31, 2008, sixty-six percent (66%) by December 31, 2009 and one-hundred percent (100%) by December 31, 2010. The Law provides a list of exempted vehicles. Regulations currently being drafted will provide further guidance as to the effects of the Law on contract vendors using heavy duty diesel vehicles on behalf of the State. The Law also permits waivers of ULSD and BART under limited circumstances at the discretion of the Commissioner of Environmental Conservation. The Law will also require reporting from State agencies and from contract vendors in affected contracts.

Therefore, the bidder hereby certifies and warrants that all heavy duty vehicles, as defined in NYECL §19-0323, to be used under this contract, will comply with the specifications and provisions of NYECL §19-0323, and

any regulations promulgated pursuant thereto, which requires the use of BART and ULSD, unless specifically waived by NYSDEC. Qualification and application for a waiver under this Law will be the responsibility of the bidder.

PRICE ADJUSTMENT:

The envelope prices set forth in this contract are now adjusted six months following the November 1, 2011 price adjustment period in accordance with the provisions of this clause. There shall be no price adjustments during the first six months of the contract.

The envelope prices shall now be adjusted on the basis of the Not Seasonally Adjusted "Producer Price Index (PPI)", **Series ID: PCU3222303222302**, Stationery Product Manufacturing (Envelopes), published monthly by the U.S. Department of Labor, Bureau of Statistics. The index is also available through the Internet at the Bureau of Labor Statistics website. Go to <http://data.bls.gov/pdq/querytool.jsp?survey=pc>, click on "Stationery Product Manufacturing", then click on "Envelopes".

For all envelope prices listed in this Invitation for Bids and resulting Contract Award Notification, a price change (either upward or downward) will be established by the State every six months following the first six months of the contract.

The adjustment shall be established by assigning the new PPI Series ID referenced above and establishing base and adjusted indices as follows: Following the November 1, 2011 price adjustment period, price adjustments shall now be effected beginning with the first month following the November 1, 2011 price adjustment period (May 2012). The contract base index shall be established utilizing the aforementioned PPI Series ID for the third month prior to the previous price adjustment start date (August 2011) and comparing it to the period three months prior to this effective adjustment date (February 2012). The adjusted index minus the base index is divided by the base index and multiplied by 100 to arrive at the percentage of increase or decrease. NOTE: This new adjusted index will then become the base index for the next price adjustment period. All calculations will be based upon data from the first-published version of the month's index.

The resulting percentage of increase or decrease shall be applied to the envelope prices to arrive at the new contract pricing. Each succeeding six months will follow this format. Price increases or decreases shall not exceed 5%.

Should the referenced Producer Price Index (PPI) become discontinued during the course of the contract, it will be replaced by an alternative PPI appropriate for Envelope Manufacturing as applicable, and adjustments will be calculated based on the same methodology as outlined above, but with data from the new replacement index.

The Office of General Services will notify all interested parties of effected price adjustments by way of a Revised Contract Award Notification.

(continued)

MINIMUM ORDER:

Minimum order contractor must accept shall be for the first quantity indicated under "UNIT ORDER" under each item. Orders shall be issued by any State agency for inside delivery to one destination only, and shall be forwarded by the agency, together with copy, directly to the contractor. On invoices less than \$200.00, freight charges **must be paid by the ordering agency**.

Items may be combined on one order to achieve the \$200.00 minimum. The contractor may hold all items on an order for shipment at one time (no split deliveries). If an agency requests a split delivery, the agency would then be responsible for the freight charges involved.

Any freight charges are to be listed separately on the invoice, and the freight bill must be attached. A separate invoice is not to be submitted for freight charges alone. On invoices over \$200.00, freight is included in the price per thousand envelopes. Contractor may, at their discretion, return any order which does not call for an even carton quantity. **NOTE: AGENCIES REQUIRING LESS THAN \$200.00 WORTH OF ENVELOPES ARE NOT MANDATED TO USE THIS CONTRACT. SUCH AGENCIES MAY MAKE AN OPEN MARKET PURCHASE FOLLOWING PROCUREMENT COUNCIL GUIDELINES FOR DISCRETIONARY PURCHASES.**

GOVERNOR'S EXECUTIVE ORDER NO 4:

On April 26, 2008, Governor David A. Paterson signed Executive Order No. 4 (EO 4), "Establishing A State Green Procurement And Agency Sustainability Program". Pursuant to EO 4, commencing no later than July 1, 2008, all copy paper, janitorial paper and other paper supplies purchased by each State agency or authority shall be composed of 100% post-consumer recycled content to the maximum extent practicable and all copy paper and janitorial paper shall be process chlorine free to the extent practicable, unless such products do not meet required form, function or utility, or the cost of the product is not competitive.

Furthermore, EO 4 requires that as of July 1, 2008, all State agency and authority publications shall be printed on 100% post-consumer recycled content paper. Where paper with 100% post-consumer recycled content is not available, or does not meet required form, function and utility, paper procurements shall use post-consumer recycled content to the extent practicable. Non-recycled content shall be derived from a sustainably-managed renewable resource to the extent practicable, unless the cost of the product is not competitive. It is the intent of the Office of general Services to apply these standards to envelopes for the purposes of this contract. EO 4 may be viewed at the following URL address:

http://www.ny.gov/governor/executive_orders/exeorders/eo_4.html

RECYCLED STATEMENT/SYMBOL:

When printing is provided on recycled stock, contractor must include a printed statement or symbol on the printed material which indicates that the document is printed on recycled stock.

The emblem or statement is to be positioned on the back of all recycled envelopes.

DELIVERY:

Delivery is expressed in number of working days required to make delivery after receipt of a purchase order.

Delivery shall be made in accordance with instructions on Purchase Order from each agency. If there is a discrepancy between the purchase order and what is listed on the contract, it is the contractor's obligation to seek clarification from the ordering agency and, if applicable, from the Office of General Services, Procurement Services Group.

All deliveries must be made inside the ordering agency's storeroom and all Bills of Lading must specify the exact inside destination. Contractor's driver or helper must unload delivery truck. If no elevator is available at the delivery site, delivery will be made only to a ground floor location. NYS agencies whose receiving facilities cannot accommodate entrance of an over the road trailer with a height of 13'-6" must specify on their purchase order: "Maximum trailer height for delivery to this location is _____(insert height in this space)."

(continued)

DELIVERY TIME (Expressed in number of working days after receipt of order or OK'd proofs):

	Quantities Up to <u>50,000</u>	Quantities <u>over 50,000</u>
<u>UNPRINTED ENVELOPES</u>	25	30
<u>PRINTED ENVELOPES</u>		
(Proofs)	10	10
(Finished Envelopes)	25	30
working days after OK'd proof		

All guaranteed delivery requirements must be strictly adhered to. Failure by contractor to make delivery per guaranteed delivery time may result in open market purchases with chargeback to contractor.

ESTIMATED QUANTITIES:

The quantities listed are estimated quantities for two years. See "Estimated/Specific Quantity Contracts" and "Participation in Centralized Contracts" in Appendix B, OGS General Specifications.

Contract shall be only for those quantities and items actually ordered during the contract period.

CONTRACT PERIOD AND RENEWALS:

It is the intention of the State to enter into a contract for a term of two (2) years as stated herein.

If mutually agreed between the Procurement Services Group and the contractor, the contract may be renewed under the same terms and conditions for additional period(s) not to exceed a total contract term of five (5) years if legislative changes to the New York State Printing and Public Documents Law are enacted that permit a longer term.

CANCELLATION FOR CONVENIENCE:

The State of New York retains the right to cancel this contract, in whole or in part without reason provided that the Contractor is given at least sixty (60) days notice of its intent to cancel. This provision should not be understood as waiving the State's right to terminate the contract for cause or stop work immediately for unsatisfactory work, but is supplementary to that provision. Any such cancellation shall have no effect on existing Agency agreements, which are subject to the same 60 day discretionary cancellation or cancellation for cause by the respective user Agencies.

SHORT TERM EXTENSION:

If the New York State Printing and Public Documents Law permits, in the event the replacement contract has not been issued, any contract let and awarded hereunder by the State, may be extended unilaterally by the State for an additional period of up to one month upon notice to the contractor with the same terms and conditions as the original contract including, but not limited to, quantities (prorated for such one month extension), prices, and delivery requirements. With the concurrence of the contractor, the extension may be for a period of up to three months in lieu of one month. However, this extension terminates should the replacement contract be issued in the interim.

RESERVATION:

The State reserves the right to negotiate lower pricing, or to advertise for bids, any unanticipated excessive purchase. An "unanticipated excessive purchase" is defined as an unexpected order for a contract product(s) totaling more than 2,000,000 of an item (one size & style).

(continued)

REPORT OF CONTRACT PURCHASES:

Contractor shall furnish a report containing both state agency and authorized non-state agency contract purchases by the fifteenth of the month following the end of each six month period. In addition to contractor direct sales, contractor shall submit sales information for all resellers, dealers, distributors or other authorized distribution channels, where such contract sales are provided by other than the contractor. Contractors shall verify if each alternate vendor is a NYS Certified Minority (MBE) or Women (WBE) Owned Businesses. Contractors shall verify such status through the Empire State Development Minority and Women Owned Businesses Database web site at: <http://205.232.252.35/>.

A separate report shall be provided in the following format for each authorized distribution channel. The sales report form is forwarded to each contractor at time of award for completion in accordance with the contract terms and conditions:

<u>Item/ SubItem Number</u>	<u>Product or Catalog Number</u>	<u>Product/ Service Description</u>	<u>Total Quantity Shipped to State Agencies</u>	<u>Total Quantity Shipped to Authorized Non-State Agencies</u>	<u>Total \$ Value</u>
					\$
				Grand Total	\$

The report is to be submitted electronically in Microsoft Excel 2003 or lower format to the Office of General Services, Procurement Services Group, Tower Bldg., Empire State Plaza, Albany, NY 12242, to the attention of the individual shown on the front page of the Contract Award Notification and shall reference the Group Number, the Award Number, Contract Number, sales period, and contractor's (or other authorized agent) name.

The outlined sales report is the minimum information required. Additional related sales information, such as monthly reports, and/or detailed user purchases may be required and must be supplied upon request.

PURCHASE ORDERS NOTE:

Purchase orders should specify the make and model number of the mechanical equipment (postage machine, inserter, etc.) upon which the envelopes will be processed. Orders lacking this information may be returned.

PRICE FOR INTERMEDIATE QUANTITY ORDERS:

On a quantity that is not specifically set forth in the contract but falls between quantities listed, the differences between the next lowest and next highest contract price shall be prorated.

Price for intermediate quantities between those shown on the contract are calculated as follows:

EXAMPLE:

If 25,000 envelopes @ \$14.00 M Cost \$350.00
 and 10,000 envelopes @ 17.50 M Cost 175.00
 15,000 is quantity difference and \$175.00 is dollar difference

Divide the dollar difference by the quantity difference ($\$175.00 \div 15$) and you get \$11.67 which is the price/M for quantities between 10M and 25M.

Thus - 15,000 envelopes would cost \$233.35 (10x\$17.50M+5X\$11.67M)
 and be invoiced at \$15.56 M*

20,000 envelopes would cost \$291.70 (10x\$17.50M+10X\$11.67M) and be invoiced at \$14.60 M*

(*This price would also apply on overruns, if any)

(continued)

PROOFS:

Proofs will not be required on orders under 25,000 envelopes unless there is an address change or the agency specifically requests proofs. Proofs must be submitted by first class mail.

CONSTRUCTION QUALITY GUARANTEE:

Contractor guarantees that all envelopes furnished will be first quality precision-made envelopes which are unconditionally guaranteed to operate trouble-free when processed through laser printers and/or when processed on mechanical equipment (including inserters).

Agency mechanical equipment may consist of, but is not limited to the following brands: Pitney Bowes, Bell and Howell (Phillipsburg), Friden, Hasler, Postalia.

Poorly constructed envelopes or envelopes which do not function properly on agency equipment will be rejected and will have to be replaced at the contractor's expense.

Quality workmanship must be exercised in the construction of all envelopes as follows:

1. Flap - depth of flap and angle of cutting-must be adequate to permit trouble-free use on mechanical equipment. Flaps should not be curled, but turned down and lie flat.
2. Gummed Flaps - Full gummed or split gummed flaps will be acceptable provided that the quantity and quality of glue is sufficient to readily effect a perfect and permanent adhesion. The adhesive used on the flaps shall not discolor the paper when sealed, shall be non-toxic and free from offensive odor. Gumming on flaps must be laser safe, to prevent flaps from sealing when processed thru HP LaserJet or other laser printers.
3. Seams - side seams and diagonal seams will be considered for the various types of envelopes as specified. All seams must be thoroughly and securely gummed and closed. Gum on seams must be able to withstand the high temperatures of laser printers without allowing seams to open. Side seam envelopes must have an extra gum application on the top side of the seams to prevent the back from peeling off as the envelope is being opened. All seams must effect a permanent adhesion without wrinkling or curling. If side seams are to be provided, they must be glued at the top to within 1/8". Phillipsburg die cut and/or Mackentyre corners on a side seam envelope will not be acceptable. Any side seam envelopes furnished must operate trouble-free on Pitney Bowes and other makes of mailers and inserters.
4. Throat - depth of throat must be sufficient so that envelopes can be processed trouble-free on mechanical equipment.
5. Clasps - Clasp envelopes must be adequately reinforced so that the metal clasps do not become detached.
6. Packing - All envelopes must be so manufactured and packed that no one envelope adheres to another due to excess glue, tight packing or insufficient machine drying time.

PACKING NOTE:

Pack 500 envelopes per box.

All corrugated shipping cartons must be labeled on one outside end to clearly indicate purchase order number, form number and quantity. Cartons and boxes remain the property of New York State. Cartons must be fully packed, with a minimum of air space, so that they can be stacked without the bottom cartons collapsing. Cartons to be clearly marked to indicate which side is "UP" so envelopes will not bend or warp from being kept in agencies storeroom. Shipments containing broken or collapsed cartons will be rejected. Cartons must contain uniform quantities so that shipment totals can be readily verified.

Any pallets furnished must be the disposable type, yet be sturdy enough to properly support the weight of the cartons placed upon them without breaking. Wood or plastic preferred for pallets.

Pallets become the property of New York State.

No additional charges for pallets will be allowed.

(continued)

AUTOMATED PROCESSING:

In order to expeditiously process envelopes on automated equipment, current U.S. Postal Regulations must be adhered to.

STYLES AND CONSTRUCTION:

Envelopes which are required for mailing purposes must meet current minimum mailing size requirements of the U.S. Postal Service and any size tolerance, which would render them to be un-mailable, will not be accepted. CONTRACTOR MUST BE ABLE TO FURNISH ALL SIZES LISTED WITHIN AN ITEM. NYS AGENCIES, AT THEIR OPTION, MAY ORDER ANY OF THE SIZES LISTED.

- | | | |
|-----------------------|---|---|
| <u>ITEM 1 - "KB"</u> | - | Booklet style envelopes |
| <u>Stock</u> | - | light brown envelope Kraft - Sub. 28 - <u>Recycled only</u> |
| <u>Flap</u> | - | seal flap depth shall be such that the entire gummed portion of flap adequately effects a permanent adhesion. |
| <u>Seams</u> | - | two side seams with seams folded inside |
| <u>Opening</u> | - | side |
| <u>NOTE:</u> | | Postage savers not acceptable. |
|
 | | |
| <u>ITEM 2 - "K"</u> | - | Commercial style envelopes |
| <u>Stock</u> | - | light brown envelope Kraft - sub. 28 - <u>Recycled only</u> |
| <u>Flap</u> | - | standard or executive style - gummed |
| <u>Seams</u> | - | diagonal or side seams - (contractor's option) |
| <u>Opening</u> | - | side |
|
 | | |
| <u>ITEM 3 - "KSS"</u> | - | Latex Self-Sealing - Open End |
| <u>Stock</u> | - | Light brown envelope Kraft - Sub. 28 - <u>Recycled only</u> |
| <u>Seams</u> | - | Center seams |
| <u>Opening</u> | - | End |
| <u>Construction</u> | - | in addition to gumming on flap, these envelopes must have another gummed strip running parallel to flap in an area below flap, applied in such a manner that envelope can be securely sealed by merely pressing together the two opposing surfaces which have been treated with a special adhesive that sticks only to itself. |
|
 | | |
| <u>ITEM 4 - "KOE"</u> | - | Open end envelopes |
| <u>Stock</u> | - | light brown envelope Kraft - Sub. 28 - <u>Recycled only</u> |
| <u>Flap</u> | - | gummed |
| <u>Seams</u> | - | center seams plus bottom seam |
| <u>Clasp</u> | - | with or without clasp - when clasp is required, envelopes must have round hole punched in center of flap area.
Holes must be reinforced by a well gummed patch which must remain affixed to flap.
Clasps to be metal and affixed near center seam of envelope in such a manner that they will not become detached during the course of normal handling. |
| <u>Opening</u> | - | open end |

(continued)

STANDARD REQUIREMENTS FOR PRINTED ENVELOPES

The price for printed envelopes is to include all composition and presswork as described in the following paragraphs. An additional price will be allowed for any special logo plates required.

OVERRUNS AND UNDERRUNS:

Orders up to 50,000 envelopes shall not exceed $\pm 10\%$.

Orders over 50,000 envelopes shall not exceed $\pm 5\%$.

The agency, at its option, may either accept or reject additional quantities beyond the allowable overrun.

If overruns beyond the allowable percentages are accepted, they will be at a negotiated reduction in price.

COMPOSITION:

Contractor to set all required type and, when required, submit proofs for agency approval. Contractor will not be required to match any special typeface exactly, but must furnish a reasonably close equivalent. Type sizes required may range from 6 point to 36 point. Bidders must have a minimum of 10 different type faces at their disposal and, if requested, must submit to OGS a list of faces they intend to furnish.

Agency to submit all copy with purchase order. All copy must be typewritten or legibly printed so that the contractor can readily read the information. If available, a previously printed envelope should be submitted, either "for style only" or for copy. It shall be the agency's responsibility to see that all copy conforms to current U.S. Postal Regulations because contractor will print envelopes per copy and approved proofs furnished.

Agencies should exercise care when submitting copy and/or samples and when checking proofs to make certain that all copy reads correctly and is correctly positioned.

ALL OF THE FOLLOWING COMPOSITION IS TO BE INCLUDED IN THE PRICES FOR PRINTED ENVELOPES:

FACE OF ENVELOPE -

1. Name of agency, address, zip code, form number. This information, not to exceed 8 lines, may require printing as a corner card or as a return address in center of envelope.
2. Postal permit information or indicia, some of which may require printing as a solid with reverse type.
3. New York State Seal or State University of New York Seal.
4. Facing Identification marks (FIM)
5. Four ruled lines - (for sender's name and return address)
6. Business Reply Mail (BRM) - to include all information necessary for a business reply envelope printed in a format which conforms to current U.S. Postal Regulations for BRM.

REVERSE AND/OR FLAP -

Maximum of eight lines of type, any size or width or style of type, plus Recycled Emblem or recycled statement.

COMPOSITION NOTE:

Rules (horizontal or vertical), in an area other than the return address area (upper left area of the envelope) are to be counted as a full line of type. The horizontal bars required for Business Reply Envelopes are not to be considered as rules. Any composition which does not fall into any of the foregoing items will be subject to an additional charge if the envelope ordered falls within the scope of this contract.

PRESSWORK INCLUDED IN THE PRICE OF PRINTED ENVELOPES:

Envelopes to be printed in one color only. All presswork to be first quality using either rubber plates or metal offset plates. Ink coverage must be uniform and adequate. There should be no hairlines, broken letters, misaligned letters, smudged characters or evidence of offsetting. No additional charge will be allowed for metal offset plates. Envelopes that have been poorly and/or improperly printed will be rejected and will have to be replaced at contractor's expense.

(continued)

INK:

Ink must be laser safe to permit processing thru laser printers such as, but not limited to HP LaserJet printers.

Printing price to include black ink, blue ink or any standard ink color which the envelope manufacturer normally uses in the course of their business. Matching special colors will not be required. Only one color printing permitted.

The sum or incidental concentration levels of lead, cadmium, mercury or hexavalent chromium in ink shall not exceed 100 parts per million (ppm) by weight. In accordance with Article 2, section 7-a of the New York State Printing and Public Documents law, unless it is determined that the cost of printing with vegetable-based ink is significantly greater than the cost of printing with petroleum-based ink, all lithographic inks used in the production of New York State printing requirements shall contain the following minimum percentages of vegetable oil: News Inks - 40%; Sheet Fed Inks - 20%; Forms Inks - 20%; Heat Set Inks - 10%.

PRICE ADDITIONAL WILL BE ALLOWED FOR THE FOLLOWING SPECIAL PRINTING REQUIREMENTS:

1. Making a rubber or metal plate to reproduce a NYS agency logo other than the NYS Seal or the State University of New York Seal. All negatives to become the property of NYS and must be returned to agency with completed job. Price per plate must include any size up to a maximum of 2" x 2". This price to cover line work only. Agency must furnish camera-ready artwork. Contractor is not to perform any artwork nor make any halftone plates. This price per plate is to be a flat charge and has no bearing on the quantity of envelopes ordered.

NOTE: No additional plate charge will be allowed for the Recycled Emblem.

2. Printing a green diamond design border plus the words "FIRST CLASS MAIL" on one side only for certain types of Kraft envelopes. No specific size or design or shade of green is required. Contractor to furnish the same design and color of ink they use in the normal course of their business. This per M price is to be an all inclusive price. No plate or design charges will be allowed.
3. Furnishing special PMS inks as requested on agency purchase order. Quote an additional price per thousand envelopes for printing in a PMS matched ink. Price is to include any PMS ink color.
4. Additional Composition (composition in excess of that described in the foregoing section "Composition to be included in Printing Price".) Quote a price per line for additional lines of composition. Contractor will be required to set these additional lines in any size, type and to any width desired. Price per line quoted is to be all inclusive and include all proofs necessary. These lines may be placed in any location on the envelopes.

This price per line is to be a flat charge and has no bearing on the quantity of envelopes ordered. These extra lines are to be straight reading matter or rules as lines by themselves. Both horizontal and vertical rules may be required.

(continued)

**State of New York
Office of General Services
PROCUREMENT SERVICES GROUP
Contract Performance Report**

Please take a moment to let us know how this contract award has measured up to your expectations. If reporting on more than one contractor or product, please make copies as needed. This office will use the information to improve our contract award, where appropriate. **Comments should include those of the product's end user.**

Contract No.: _____ **Contractor:** _____

Describe Product* Provided (Include Item No., if available): _____

***Note:** "Product" is defined as a deliverable under any Bid or Contract, which may include commodities (including printing), services and/or technology. The term "Product" includes Licensed Software.

	Excellent	Good	Acceptable	Unacceptable
• Product meets your needs				
• Product meets contract specifications				
• Pricing				

CONTRACTOR

	Excellent	Good	Acceptable	Unacceptable
• Timeliness of delivery				
• Completeness of order (fill rate)				
• Responsiveness to inquiries				
• Employee courtesy				
• Problem resolution				

Comments: _____

 _____ (over)

Agency: _____ Prepared by: _____

Address: _____ Title: _____

_____ Date: _____

_____ Phone: _____

_____ E-mail: _____

Please detach or photocopy this form & return by FAX to 518/474-2437 or mail to:

OGS PROCUREMENT SERVICES GROUP
 Customer Services, 37th Floor
 Corning 2nd Tower - Empire State Plaza
 Albany, New York 12242

* * * * *